



Sun Peaks Mountain
Resort Municipality

2020

ANNUAL REPORT



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MESSAGE FROM THE MAYOR



It is difficult to report on our 2020 activities without some reflection on a major change in the municipal administration. Rob Bremner, our Chief Administrative Officer since 2011,

submitted his resignation in late 2020. Rob was offered a wonderful opportunity to join the City of Port Coquitlam as their CAO. Congratulations Rob, and thank you for your 9+ years of commitment to Sun Peaks, our community misses you and your family.

No report would be complete without some mention of Covid 19. In late March, Sun Peaks virtually closed its doors for 3 months. The borders quickly closed and travel restriction were put in place by the Provincial Medical Health Officer. Summer 2020 opened with Covid restrictions everywhere, reduced capacity for all businesses and a modest level of business thanks to the regional Kamloops markets. In March, we realized that there were already some Covid cases in Sun Peaks but thanks to a mostly young and healthy population and a well informed and alert community, the impacts of the virus for the most part were not too harsh. Winter started in mid-November with good ski conditions and we were open for skiing, unfortunately travel restrictions negatively impacted hotel occupancies and most tourism services.

On the Municipal financial front, it was a tough year. We approved a 2020 budget with no increases in departmental spending except for a modest amount to reflect new development. We saw a significant reduction in utility revenues as many property owners could not travel to Sun Peaks and visitor numbers were reduced to less than half the numbers of previous years. Thanks to Omar Butt, who manages the utilities, we were also able to trim the expense side to avoid serious financial losses on the utility operations.

For our staff, there were major disruptions as the Municipal offices were closed and many staff began working remotely. Everyone adjusted including our residents and for the most part, all the municipal services continued as usual. Many thanks for the efforts made by our employees.

On the utility side, as reported last year, we also had to make a major financial commitment to a new alpine water reservoir up near Sun Peaks Resort LLP's existing snowmaking reservoir. Our groundwater wells are being stressed and with licensing limitations on the surface water supply during the summer months, our only option to increase the potable water supply was to build a reservoir that could catch the Spring melt and then store that water for use at a later date. Surface water rights for the water passing through Sun Peaks are completely granted, therefore we cannot use the Sun Peaks creeks for our potable water system. The new reservoir was 70% complete by year end and we will finish the construction work in the 2021 summer.

The Sun Peaks Centre was to be completed by June 2020 however with provincial Covid limitations this facility remained virtually closed. The good news was that ice skating opened on time in December however there were limited maximum skater numbers in accordance with provincial guidelines, so this facility was really only partially opened with its new roof. Our swimming pool operations were also closed due to Covid restrictions. Hopefully 2021 will see many of these restrictions lifted.

As Mayor, I don't need to report that 2020 was not a good year for our community. Sadly we are still impacted in 2021 but 2022 is looking brighter with each vaccination. As a community, we have proven our resiliency. If we can get through a pandemic, we have the ability to face all of the future challenges.

Stay safe, remain vigilant and hopefully we will soon be able to see everyone's full smile.

Respectfully submitted,

Al Raine

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 CAO

It is my pleasure to present the 2020 Annual Report for the Sun Peaks Mountain Resort Municipality on behalf of our former Chief Administrative Officer, Rob Bremner. Rob took on a new challenge in January of 2021, after providing strong leadership for our community for more than nine years. On behalf of all staff, I thank him for his dedication and patience and wish him every success.

This report highlights major accomplishments and initiatives over the past year along with key financial information for the Municipality. 2020 was a year unlike any other. Our community was forced to contend with the Covid-19 global pandemic and associated economic recession, all the while maintaining a high level of municipal services.

No organization, public or private, has been unaffected by Covid-19, but Sun Peaks was hit harder than many communities due our reliance on tourism. With border restrictions in place, many resort businesses were required to close or shift their operating model for the majority of the year. The shift to remote working and online meetings, particularly those of Council, has been an adjustment for many. In a municipal setting however, many of the services we provide, including bylaw enforcement, fire protection, street maintenance, and utility services cannot be performed remotely. Consequently, a major focus for much of the past year has been ensuring the safety of our employees in the workplace while still being able to meet the needs of our community and deliver the same high-quality services to which they are accustomed.

As one of very few communities operating a health clinic, Sun Peaks has been much more involved in pandemic response than most other communities. The Sun Peaks Community Health Centre provided virtual health-related services to our community throughout the pandemic. Through significant effort on behalf of Clinic staff, were able to secure both testing and vaccination facilities within our small community.

The impact of COVID-19 on our local economy has been significant, sharply reducing utility billings and other important sources of revenue. Even more critically, the pandemic has threatened the existence of many businesses, including some businesses that had only newly opened their doors before the pandemic struck. In 2020 the Municipality supported residents and local business through a variety of efforts, including a 0% tax increase, adopting a bylaw to extend the property tax penalty date, and supporting conversion of sidewalks and streets to support outdoor dining in accordance with health orders.

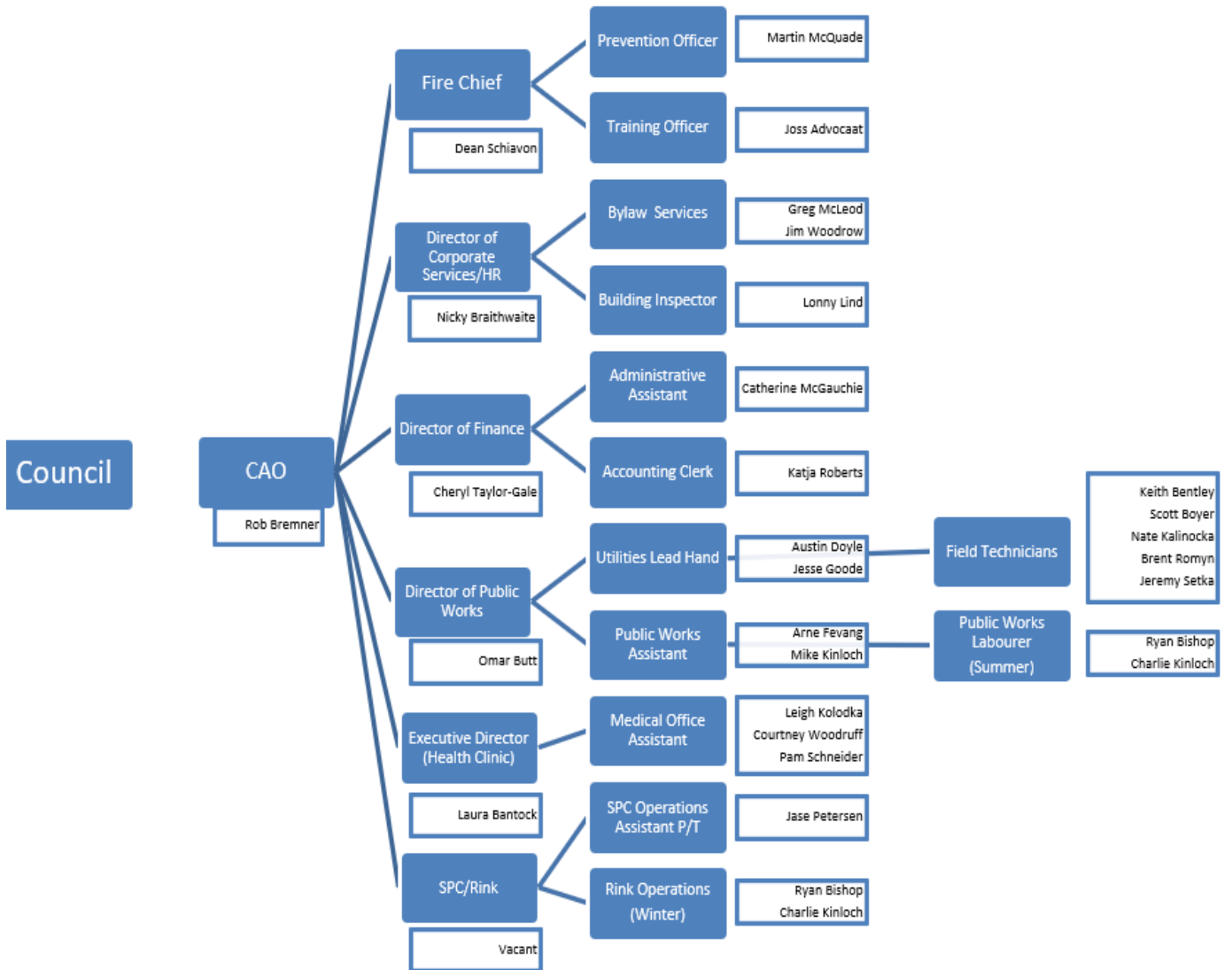
Even if it felt as such, Covid-19 was not the only noteworthy event of 2020. As you'll see in reviewing this report, your municipal government was busy throughout the year continuing our mission of delivering exemplary municipal services responsive to the entire community and consistent with our history, culture and unique character.

Respectfully,

Nicky Braithwaite
Acting CAO/Director of Corporate Services



MUNICIPAL STAFF



STRATEGY AND GOALS



OFFICIAL COMMUNITY PLAN

Objective:

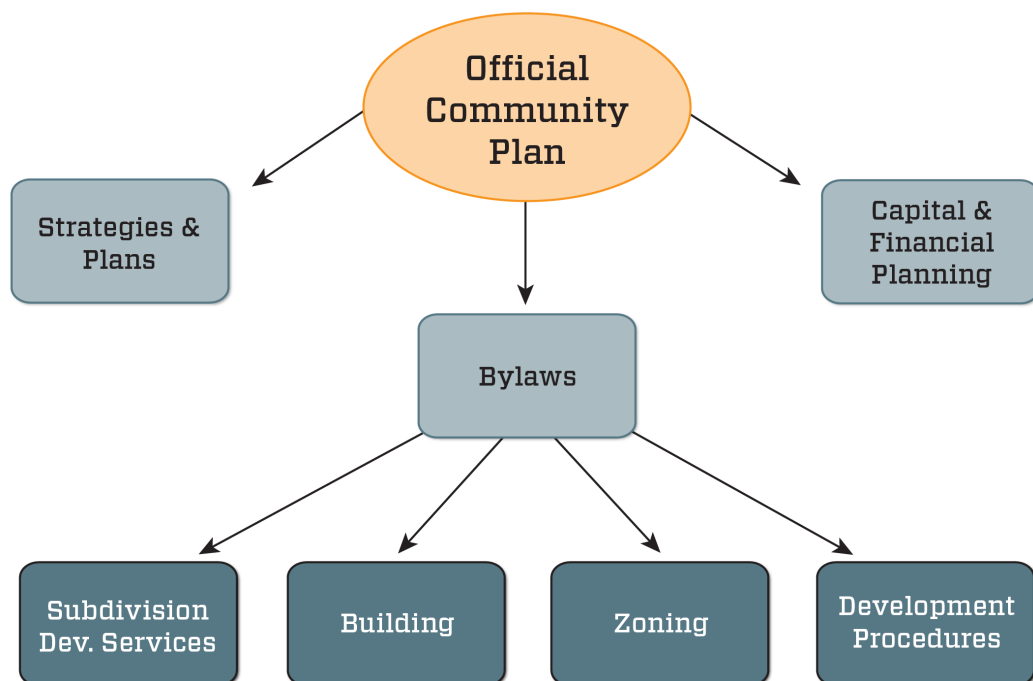
Develop an OCP that reflects the community objectives for the development of Sun Peaks while working within the framework of the Master Development Agreement between Sun Peaks Resort LLP and the Province.

2020 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.**

2021 Goals:

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



SUSTAINABILITY PLAN

Objective:

Track and measure the goals set in the Sustainability Plan.

2020 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;

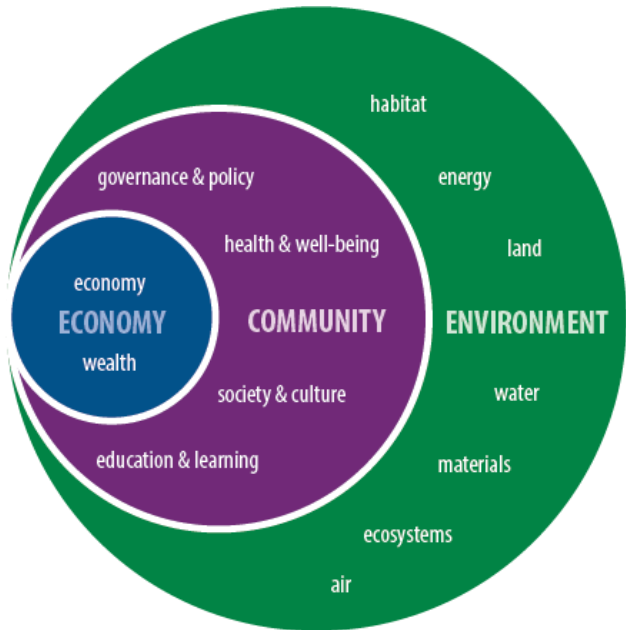
Goal 3: Sun Peaks will have a thriving and diversified year round economy with a broad range of opportunities for meaningful employment and sufficient employee housing; and

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 wherever possible.**

2021 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.



CORPORATE SERVICES

Objective:

To add Municipal services which are deemed necessary in an affordable, efficient manner.

2020 Goals and Actions:

1. Adopt Sign Bylaw - **Incomplete. The bylaw has been drafted and is under staff review.**
2. Adopt an Employee Housing/Affordable Housing Cost Charges Bylaw - **Incomplete. Delayed due to the archeological assessment work.**
3. Adopt Zoning Bylaw - **Moved to 2021**
4. Adopt Building bylaw - **Incomplete. The bylaw has been drafted and is under staff review.**

2021 Goals and Actions:

1. Adopt Sign Bylaw
2. Adopt Zoning Bylaw
3. Adopt Building bylaw



Virtual Public Hearings

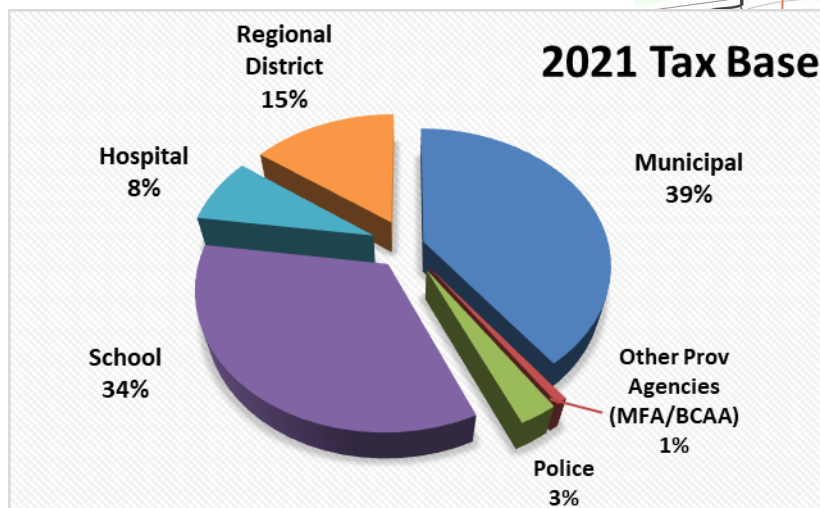
FINANCIAL SERVICES

2020 Goals and Actions:

1. Receive a clean audit opinion - **Complete**
2. Complete the utility module implementation and create an efficient utility billing process - **In progress. The implementation is complete and working on an efficient process.**
3. Review the purchasing policy and implement a purchase order system - **Incomplete, moved to 2021**
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 - **Ongoing**

2021 Goals:

1. Receive a clean audit opinion.
2. Implement a purchase order & online module.
3. Update the purchasing policy.
4. Review the benefit of adding other Vadim modules to enhance and streamline processes.



FIRE DEPARTMENT

Objective:

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

2020 Goals and Actions:

1. Renovate shower room in Fire Hall - **Completed**
2. Paint the exterior and interior of the Office Portable - **Incomplete. Exterior was painted.**
3. Conduct a “Work Experience Program” that provides substantial benefit to the fire hall improvements planned for 2020 - **Completed. WEP was able to complete the exterior office painting and other improvements such as FireSmartering around the fire hall property.**
4. Conduct a volunteer membership recruitment - **Completed. 4 new recruits received their pagers in September.**

2021 Goals:

1. Conduct a volunteer membership recruitment.
2. Provide an Interior Firefighter training bootcamp to expedite volunteers to the Full Service Firefighter Program.
3. Re-align and convert the fire hall fluorescent lighting to LED to reduce electricity costs and provide better work lighting.
4. Develop a strategic plan to help guide the fire department for the next 5 to 10 years.



BYLAW ENFORCEMENT

Objective:

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

2020 Goals and Actions:

1. Continue to monitor the number of unlicensed Short Term Nightly Rentals through patrols, and cross-referencing with various rental sites - **Ongoing. Reviews of rental sites are conducted on a regular basis and notification sent to owners when necessary.**
2. Reduce the number of illegal long-term suites on Burfield Drive by patrols, construction awareness and communications with building inspector - **Ongoing. Five applications were submitted for rezoning to permit the legal suite.**
3. Maintain communications with RCMP Rural Detachment - **Ongoing. Staff are in regular communication with the RCMP.**

2021 Goals:

1. Continue to monitor, with communication with the fire department, unpermitted campfires or campfires larger than what is permitted.
2. Monitor of unsightly properties.
3. Increase the communication and educating with short term nightly rental on-mountain contacts and homeowners resulting in the reduction of noise complaints.



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.

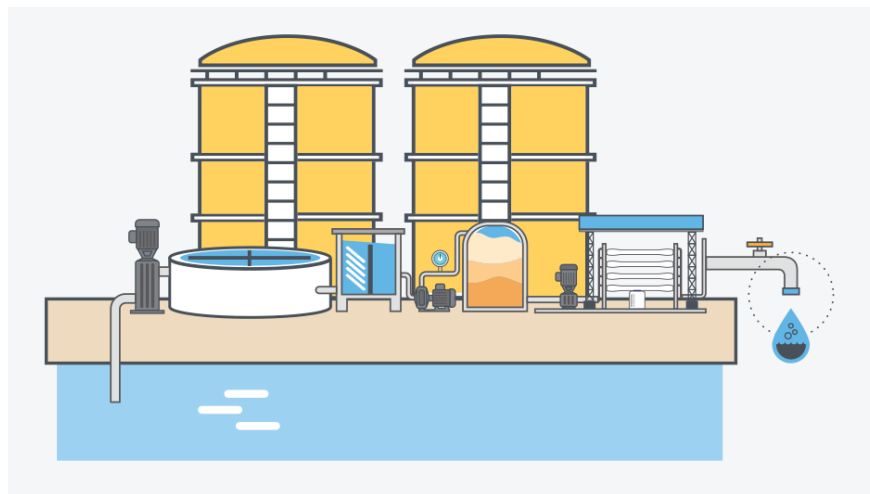
In addition, to focus on water conservation, maintaining and investing in the water distribution and wastewater collection systems and the various water and wastewater treatment facilities in a fiscally responsible manner.

2020 Goals and Actions:

1. Create more usable space at the Wastewater Treatment Plant site to allow for expansion of the Composting facilities - **Continuing into 2021. We have freed up space inside the Compost facility and created more flat usable space for finished compost. Additional flat open space has been created for a snowmaking pilot project.**
2. Construction of a new surface water reservoir on Tod Mountain for the budgeted amount in the required timeframe - **In Progress: This project is continuing in 2021 and we are hopeful it will be completed by September within budget.**
3. Convert meter reading data entry to electronic to improve efficiency - **Completed: Meter reads are tracked using a tablet to input data directly into the spreadsheet. We are also looking at options for radio reads.**
4. Train Utilities staff to be more diverse allowing for more projects to be done 'in house' - **Ongoing. Staff continue to develop skills and education, giving our team the ability to do more work in-house and re-allocate our budget in ways that are beneficial to operations.**

2021 Goals:

1. Finish the Surface Reservoir without any unforeseen costs and get the Platter WTP and coagulation system running optimally
2. Finish the compost system expansion
3. Partner with TNRD to start a pilot project to convert food waste into Compost while maintaining our Class A compost classification
4. Operate a reclaimed water snowmaking Pilot in the Winter of 2021-2022



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.

2020 Goals:

1. Install speed bumps as a trial in a few locations to reduce speeding - **Completed. The speed bump trial was very successful with positive feedback and requests for additional locations. In 2021, permanent asphalt speed bumps will be installed in the same locations as trialed in 2020, and temporary speed bumps will be trialed in new locations.**
2. Wrap up the trail around the Sun Peaks Centre - **Completed. The gravel trail now continues around the Sun Peaks Centre.**
3. Construct a new Sand Shed - **Completed. A new sand shed was completed under budget before the winter season.**

2021 Goals:

1. Clean ditches and maintain stormwater flows to mitigate any potential issues and keep water off the roads/trails.
2. Purchase additional attachments for the toolcat to help our versatility (mower/high flow snowblower/blade/sander).
3. Order a new heavy duty public works truck to handle our workload and staff.
4. Install permanent asphalt speed humps to reduce traffic speed all year round.



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.

2020 Goals and Actions:

1. Continue to work with Little Shuswap Lake Band on economic development opportunities - **Ongoing. A good relationship has been established and continues.**
2. Complete a protocol agreement with Little Shuswap Lake Band - **Complete**

2021 Goals:

1. Continue to work with Little Shuswap Lake Band on economic development opportunities, storage/light industrial opportunity, complete Sun Peaks Centre Cultural and Historical Interior Design Theme.
2. Assist Little Shuswap and Adams Lake Bands by supporting their Socio-economic Assessment Studies and Sun Peaks studies currently underway.
3. Improve relationships with Adams Lake Indian Band and explore Sun Peaks opportunities.
4. Meet with Simpcw First Nation at annual North Thompson/TNRD gathering.
5. Support TNRD reconciliations efforts with Secwepemc Tribal Council and T'Kemplups te Secwepemc.



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.

2020 Goals and Actions:

1. Complete construction of the Sun Peaks Centre - **Ongoing.**

2021 Goals:

1. Complete finishings on the Sun Peaks Centre.



SUN PEAKS COMMUNITY HEALTH CENTRE

Objective:

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

2020 Goals and Actions:

1. Fine tune virtual care - **Ongoing**. Due to the global pandemic and the continued waves of infection, we fine tuned virtual care and processes associated with this style of health care engagement. We enabled patients to send photographs and had these attached within the patient chart to further assist in diagnostic procedures. We engaged in educational initiatives for all our medical staff in order to help them navigate the virtual platform. We introduced an electronic consent within the Electronic Medical Record for virtual visits. We introduced the HealthMySelf portal so that patients could have access to booking appointments electronically 24/7.
2. Develop infection control policies and procedures to safely increase “in-patient” encounters - **Ongoing**. We have continued to follow WorkSafeBC guidelines and our capacity for seeing in-clinic patients balancing this with staffing capacity for cleaning and appropriate space for encounters, supporting those who can work at home and by keeping numbers of individuals low within the clinic. We have continued to provide education to staff and support for infection control work such as cleaning and supporting separated work spaces.
3. Increase capacity by adding a part time physician to our medical team - **Complete**. We have added one part time physician to increase capacity to a total of 2 FTE's.
4. Increase physician panel size due to increased capacity - **Complete**. We have increased our panel size accordingly for 2 FTE's and continue to on-board previously orphaned patients.

2021 Goals:

1. Work with Interior Health Authority (IHA) to establish a testing site at Sun Peaks, three times per week.
2. Work with IHA to establish a community specific approach to community vaccinations.
3. Engage in weekly Covid clinical working group in health service area to secure above for the community of Sun Peaks.
4. Provide community communications regarding 1. and 2. With access for community support and to provide one source for up-to-date accurate information.



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.

2020 Goals and Actions:

1. Lease gym facility - **Complete.** The space has been leased to Sun Peaks Alpine Fitness.
2. Hire facility manager - **Complete.** A part-time manager has been hired.
3. Collaborate with SPR/TSP on management - **Ongoing.** A management Memo of Understanding has been signed with Tourism Sun Peaks to manage the conference space.

2021 Goals:

1. Complete building construction deficiencies.
2. Construct a stage at the rink.
3. Install curtain walls around the rink.



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. A new permissive exemption will be approved for the Municipal office located at units 106 and 107 3270 Village Way.



| Indicators of success | How we measure | Baseline 2014 | Target | 2020 Results |
|---|--|---|--|---|
| Goal 1: SUN PEAKS OFFERS AN EXCEPTIONAL QUALITY OF LIFE FOR RESIDENTS | | | | |
| 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, |
| 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 for virtual appointments 6.5 hours/day 5 days/week and 4 hours/day on Saturdays 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 Neighbourhood 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.) |
| 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: 450 |
| 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 |

| Indicators of success | How we measure | Baseline 2014 | Target | 2020 Results |
|--|---|---|--|---|
| Goal 2: SUN PEAKS IS A VIBRANT AND ATTRACTIVE RESORT COMMUNITY | | | | |
| 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 | COVID-19 Impacted |
| 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: · Adaptive Sports, · Art Zone, · Bluebird Day Fund, · Sun Peaks Alpine Club, · Sun Peaks Education Society, · Health Association, · Skate Park Foundation, · Speed Skiing Club, · Volunteer Fire Department The community groups are: · Yoga, and · Men's and ladies night golf. | 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, |
| Number of volunteers in community-level organizations | Number of unique volunteers or number of volunteer hours in a year | 40 businesses volunteering and 400 volunteers | increase | SPRTA: 120 |
| Number of indoor/outdoor recreation facilities | Number of facilities that offer guests activity options | 9 winter facilities: · Cat Trax groomer rides, · Dog sled tours, · Horse drawn sleigh rides, · Ice skating, · Snowmobile tours, · Tube park, · Snow shoeing, · Kamloops shopping shuttle, · Sports and aquatic centre. 13 summer recreation facilities: · Golf course, · Bike park, · Hiking trails, · Bungee trampoline, · Canoe rentals, · Cross country mountain biking, · Kayak rentals, · Geocaching, · Segway tours, · Sports and aquatic centre, · Stand-up paddle boarding, · Two Tennis/pickle ball courts, · Sun Peaks stables | increase by one new facility per year | New since 2014: Wine tours shuttle, fat-tire 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 | COVID-19 Impacted |
| 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 | COVID-19 Impacted |
| 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 |

| | | | | |
|--|---|--|--|---|
| Goal 3: SUN PEAKS HAS A THRIVING AND DIVERSIFIED ECONOMY | | | | |
| 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 616 (mainly due to Short Term Nightly Rental and completion of Peaks West) |
| Number of skier visits | Total number of skier visits | 340,000 in 2014 | increase | COVID-19 Impacted |
| 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 22% to 62,972 due to the lifts closing March 20, 2020 and travel restrictions |
| 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% | Decrease 51% to 21,352 due to travel restrictions |
| Goal 4: SUN PEAKS PROTECTS NATURAL ECOSYSTEMS AND MINIMIZES ITS FOOTPRINT ON THE BUILT ENVIRONMENT | | | | |
| 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: http://www.sunpeaksresort.com/corporate/environment/eco-initiatives | 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 CO2/litre 1 GJ = 39 litres | 4,690 tonnes of CO2 for propane usage in 2014. In 2011, it was estimated that Sun Peaks emitted an additional 2,624 tonnes of CO2 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 decreased due to COVID-19 travel restrictions |
| Energy consumption | Propane usage by GJ for each development type | <ul style="list-style-type: none"> • 34,830 GJ for residential, • 7158 GJ for small commercial, • 36,090 GJ for large commercial | Decrease propane consumption by 0.5% per year until 2020. Decrease 2.5% per year between 2020 and 2032 | <ul style="list-style-type: none"> • 44,053 GJ for residential, • 10,363 GJ for small commercial, • 36,634 GJ for large commercial (Covid-19 impacted) |
| 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"> • Garbage to landfill= 491.5 tonnes • Blue Bag Recycling= 76.2 tonnes • Cardboard = 83.1 tonnes | Divert at least 70% of waste from the landfill | <ul style="list-style-type: none"> • Household garbage to landfill = 537.72 tonnes • Mixed Recycling = 65.16 tonnes • Cardboard = 22.97 tonnes |

Consolidated Financial Statements of

**SUN PEAKS MOUNTAIN
RESORT MUNICIPALITY**

And Independent Auditors' Report thereon

Year ended December 31, 2020

SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Consolidated Financial Statements

Year ended December 31, 2020

Financial Statements

Management's Responsibility for the Consolidated Financial Statements

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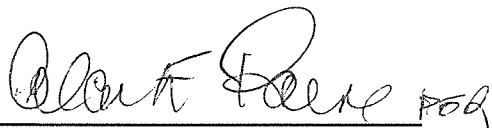
MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated 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 consolidated financial statements. The preparation of consolidated 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.

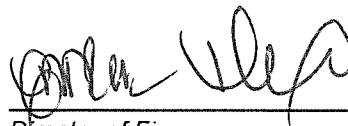
The Municipality's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on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

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

The consolidated 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 consolidated financial statements.



Interim 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 consolidated financial statements of Sun Peaks Mountain Resort Municipality (the "Municipality"), which comprise:

- the consolidated statement of financial position as at December 31, 2020
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies 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, 2020, 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.
- Obtain sufficient, appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity, to express an opinion on the consolidated financial statements. We will remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants

Kamloops, Canada

April 27, 2021

SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Consolidated Statement of Financial Position

December 31, 2020, with comparative information for 2019

| | 2020 | 2019 |
|--|----------------------|----------------------|
| Financial assets: | | |
| Cash and short-term investments (note 3) | \$ 6,587,534 | \$ 1,894,080 |
| Accounts receivable (note 4) | 2,371,273 | 3,341,077 |
| | <u>8,958,807</u> | <u>5,235,157</u> |
| Liabilities: | | |
| Accounts payable and accrued liabilities | 3,512,128 | 2,075,351 |
| Deferred revenue (note 5) | 1,229,652 | 769,643 |
| Term debt (note 6) | 12,496,273 | 4,751,724 |
| | <u>17,238,053</u> | <u>7,596,718</u> |
| Net debt | (8,279,246) | (2,361,561) |
| Non-financial assets: | | |
| Tangible capital assets (note 7) | 55,895,816 | 50,221,330 |
| Prepaid expenses | 82,208 | 73,903 |
| | <u>55,978,024</u> | <u>50,295,233</u> |
| Commitments and contingencies (note 12) | | |
| Accumulated surplus (note 8) | <u>\$ 47,698,778</u> | <u>\$ 47,933,672</u> |

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

SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Consolidated Statement of Operations

Year ended December 31, 2020, with comparative information for 2019

| | Budget (note 13) | 2020 | 2019 |
|--|----------------------|----------------------|----------------------|
| Revenue: | | | |
| Taxation (note 9) | \$ 2,183,900 | \$ 2,216,277 | \$ 2,108,391 |
| Interest and penalties on property taxes | 30,000 | 46,728 | 59,167 |
| Government transfers (note 10) | 1,090,800 | 1,804,986 | 6,689,602 |
| Fees, donations and other income | 1,027,850 | 767,791 | 832,277 |
| Utility revenue (note 11) | 2,715,200 | 2,067,249 | 2,108,268 |
| Total revenue | 7,047,750 | 6,903,031 | 11,797,705 |
| Expenses: | | | |
| Administration | 996,677 | 1,089,706 | 1,090,745 |
| Fire protection | 1,196,700 | 806,710 | 802,953 |
| Health Centre | 793,200 | 788,747 | 729,765 |
| Public works | 800,250 | 837,719 | 697,917 |
| Sun Peaks Centre | 583,448 | 502,617 | 257,639 |
| Utilities | 3,055,198 | 3,112,426 | 2,864,891 |
| Total expenses | 7,425,473 | 7,137,925 | 6,443,910 |
| Annual surplus (deficiency) | (377,723) | (234,894) | 5,353,795 |
| Accumulated surplus, beginning of year | 47,933,672 | 47,933,672 | 42,579,877 |
| Accumulated surplus, end of year | \$ 47,555,949 | \$ 47,698,778 | \$ 47,933,672 |

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

SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Consolidated Statement of Changes in Net Debt

Year ended December 31, 2020, with comparative information for 2019

| | Budget (note 13) | 2020 | 2019 |
|---|---------------------|----------------|----------------|
| Annual surplus (deficiency) | \$ (377,723) | \$ (234,894) | \$ 5,353,795 |
| Acquisition of tangible capital assets | (10,475,511) | (7,889,799) | (7,881,145) |
| Disposal of tangible capital assets | - | 250,870 | 6,500 |
| Amortization of tangible capital assets | 1,978,500 | 1,964,443 | 1,803,671 |
| | (8,497,011) | (5,674,486) | (6,070,974) |
| Acquisition of prepaid expenses | - | (82,208) | (73,903) |
| Use of prepaid expenses | - | 73,903 | 58,484 |
| | - | (8,305) | (15,419) |
| Change in net debt | (8,874,734) | (5,917,685) | (732,598) |
| Net debt, beginning of year | (2,361,561) | (2,361,561) | (1,628,963) |
| Net debt, end of year | \$ (11,236,295) | \$ (8,279,246) | \$ (2,361,561) |

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

SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Consolidated Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

| | 2020 | 2019 |
|--|--------------|--------------|
| Cash provided by (used in): | | |
| Operating activities: | | |
| Annual surplus (deficiency) | \$ (234,894) | \$ 5,353,795 |
| Items not involving cash: | | |
| Amortization of tangible capital assets | 1,964,443 | 1,803,671 |
| (Gain) loss on disposal of tangible capital assets | 250,870 | (6,500) |
| Change in non-cash operating assets and liabilities: | | |
| Accounts receivable | 969,804 | (1,722,302) |
| Accounts payable and accrued liabilities | 1,436,777 | 803,966 |
| Deferred revenue | 460,009 | 52 |
| Prepaid expenses | (8,305) | (15,418) |
| | 4,838,704 | 6,230,264 |
| Capital activities: | | |
| Acquisition of tangible capital assets | (7,889,799) | (7,881,145) |
| | (7,889,799) | (7,881,145) |
| Financing activities: | | |
| Repayments on term debt | (315,451) | (167,183) |
| Proceeds on term debt acquired | 8,060,000 | 3,505,000 |
| Repayments on obligations under capital lease | - | (15,013) |
| | 7,744,549 | 3,322,804 |
| Increase in cash | 4,693,454 | 1,671,923 |
| Cash, beginning of year | 1,894,080 | 222,157 |
| Cash, end of year | \$ 6,587,534 | \$ 1,894,080 |
| Supplemental cash flow information: | | |
| Cash paid for interest | \$ 9,003 | \$ 9,415 |
| Cash received for interest | 16,070 | 27,434 |

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

SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements

Year ended December 31, 2020

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.

On March 11, 2020, 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 operations are not known at this time; however they could be material.

The Municipality continues to manage liquidity risk by forecasting and assessing cash requirements on an ongoing basis. As at April 21, 2021, the Municipality continues to meet its contractual obligations within normal payment terms.

1. Basis of consolidation:

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Municipality and which are owned or controlled by the Municipality.

The consolidated entity includes the Sun Peaks Housing Authority Ltd., which is a 100% owned subsidiary with limited activity in the year.

Interdepartmental and inter-organizational transactions and balances between these entities have been eliminated.

2. 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:

SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

2. Significant accounting policies (continued):

(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.

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.

SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

2. Significant accounting policies (continued):

(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.

(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 |

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.

SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

2. Significant accounting policies (continued):

(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.

(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.

(i) Budget:

Budget figures shown represent the Annual Budget By-law adopted by Council on May 5, 2020. 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.

SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

3. 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:

| | 2020 | 2019 |
|--|---------------------|---------------------|
| Cash | \$ 6,461,437 | \$ 1,849,875 |
| Municipal Finance Authority debt reserve fund | 126,097 | 44,205 |
| | <u>\$ 6,587,534</u> | <u>\$ 1,894,080</u> |

4. Accounts receivable:

| | 2020 | 2019 |
|------------------------------------|---------------------|---------------------|
| Grants receivable | \$ 925,000 | \$ 2,043,885 |
| Utility billings | 772,230 | 854,196 |
| GST recoverable | 326,965 | 187,162 |
| Other | 123,132 | 118,240 |
| Property taxes | 103,650 | 110,724 |
| Operational Fuel Treatment Project | 86,384 | 123,158 |
| Motor fuel tax receivable | 33,912 | 14,436 |
| | <u>\$ 2,371,273</u> | <u>\$ 3,451,801</u> |

SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

5. Deferred revenue:

Deferred revenue is comprised of funds from the following sources:

| Source: | Deferred balance 2019 | Contributions received | Revenues recognized | Deferred balance 2020 |
|---------------------------------------|-----------------------------|---------------------------|------------------------|-----------------------------|
| Community Works Fund Gas Tax \$ | 168,832 | \$ 115,544 | \$ - | \$ 284,376 |
| Donations: Health Centre equipment | 289,397 | 10,000 | (23,413) | 275,984 |
| Resort Municipality Initiative | - | 420,408 | (420,408) | - |
| Development cost charges | 202,741 | 158,597 | - | 361,338 |
| Taxes and permits paid in advance | 91,431 | 220,574 | (91,431) | 220,574 |
| Donations: Sun Peaks Helps | - | 45,252 | (1,394) | 43,858 |
| Barriere First Responders | 1,000 | - | (1,000) | - |
| 2018 BC Winter Games Society | 15,000 | - | - | 15,000 |
| Community RCME Program | 1,242 | 5,949 | (1,242) | 5,949 |
| Ministry of Health Grant | - | 95,000 | (72,427) | 22,573 |
| | \$ 769,643 | \$ 1,071,324 | \$ (611,315) | \$ 1,229,652 |

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 Consolidated Financial Statements (continued)

Year ended December 31, 2020

6. Term debt:

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

| | 2020 | 2019 |
|---|----------------------|---------------------|
| Municipal Finance Authority, water upgrade loan, payment terms as described below | \$ 6,500,000 | \$ - |
| Municipal Finance Authority, Sun Peaks Centre loan, payment terms as described below | 1,925,568 | 2,000,000 |
| Municipal Finance Authority, sewer upgrade loan, payment terms as described below | 1,560,000 | - |
| Municipal Finance Authority, surface water treatment loan, payment terms as described below | 1,367,154 | 1,420,000 |
| Municipal Finance Authority, sewage treatment plant ("STP") expansion loan, payment terms as described below | 508,449 | 529,531 |
| Municipal Finance Authority, compost facility loan, payment terms as described below | 369,781 | 385,114 |
| Province of BC, firehall extension loan, repayable in blended annual repayments of \$13,077, including interest at 4.35% per annum, due July 2027 | 77,485 | 86,788 |
| Sun Peaks Resort LLP, rapid infiltration trench loan and water well loan, repayable in annual instalments of \$67,460, non-interest bearing, due 2021 | 67,460 | 133,960 |
| Province of BC, fire truck loan, repayable in blended annual repayments of \$64,416, including interest at 4.45% per annum, due July 2021 | 61,672 | 120,716 |
| 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, 2020), due May 2024 | 58,704 | 75,615 |
| | \$ 12,496,273 | \$ 4,751,724 |

SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

6. Term debt (continued):

Municipal Finance Authority ("MFA") sewer upgrade loan is repayable in semi-annual instalments, the first in the amount of \$72,916, including interest of 0.91% per annum, and the second semi-annual instalment being interest only. The debt is amortized over 20 years, due October 2040 with the interest rate being reset in October 2023.

Municipal Finance Authority ("MFA") water upgrade loan is repayable in semi-annual instalments, the first in the amount of \$303,818 including interest of 0.91% per annum, and the second semi-annual instalment being interest only. The debt is for a term of 20 years, due October 2040 with the interest rate being reset in October 2023.

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 with the interest rate being reset in October 2024.

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 with the interest rate being reset in October 2024.

Municipal Finance Authority ("MFA") STP expansion loan is repayable in semi-annual instalments, the first in the amount of \$29,131, 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 with the interest rate being reset in April 2023 .

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 with the interest rate being reset in April 2023.

Total interest on term debt reported in the statement of operations amounted to \$134,902 (2019 - \$60,611).

SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

6. Term debt (continued):

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

| | | |
|------------|----|------------|
| 2021 | \$ | 659,164 |
| 2022 | | 530,617 |
| 2023 | | 531,220 |
| 2024 | | 519,045 |
| 2025 | | 513,843 |
| Thereafter | | 9,742,384 |
| | | <hr/> |
| | \$ | 12,496,273 |

SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

7. Tangible capital assets:

a) Continuity schedule

| 2020 | Land | Facilities | Vehicles | General and office equipment | Water and Waste Water infrastructure | Roads and site improvements | Total 2020 |
|----------------------------------|--------------|---------------|--------------|---------------------------------|--|--------------------------------|---------------|
| Cost: | | | | | | | |
| Balance, beginning of year | \$ 6,386,624 | \$ 11,820,853 | \$ 1,075,549 | \$ 834,572 | \$ 30,582,512 | \$ 4,887,567 | \$ 55,587,677 |
| Additions | - | 2,912,453 | - | 41,906 | 4,909,972 | 25,468 | 7,889,799 |
| Disposals | - | - | (46,403) | - | (235,159) | - | (281,562) |
| Balance, end of year | 6,386,624 | 14,733,306 | 1,029,146 | 876,478 | 35,257,325 | 4,913,035 | 63,195,914 |
| Accumulated amortization: | | | | | | | |
| Balance, beginning of year | - | 825,015 | 345,730 | 517,020 | 2,108,382 | 1,570,200 | 5,366,347 |
| Amortization expense | - | 362,323 | 73,849 | 105,184 | 1,212,368 | 210,719 | 1,964,443 |
| Disposals | - | - | (30,692) | - | - | - | (30,692) |
| Balance, end of year | - | 1,187,338 | 419,579 | 622,204 | 3,320,750 | 1,780,919 | 7,300,098 |
| Net book value, end of year | \$ 6,386,624 | \$ 13,545,968 | \$ 388,887 | \$ 254,274 | \$ 31,936,575 | \$ 3,132,116 | \$ 55,895,816 |

SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

7. Tangible capital assets (continued):

| 2019 | Land | Facilities | Vehicles | General and office equipment | Water and Waste Water Infrastructure | Roads and site improvements | Total 2019 |
|----------------------------------|--------------|---------------|------------|---------------------------------|--|--------------------------------|---------------|
| Cost: | | | | | | | |
| Balance, beginning of year | \$ 6,386,624 | \$ 5,007,252 | \$ 969,774 | \$ 737,676 | \$ 29,788,120 | \$ 4,828,556 | \$ 47,718,002 |
| Additions | - | 6,318,601 | 117,245 | 96,896 | 794,392 | 59,011 | 7,881,145 |
| Disposals | - | - | (11,470) | - | - | - | (11,470) |
| Balance, end of year | 6,386,624 | 11,820,853 | 1,075,549 | 834,572 | 30,582,512 | 4,887,567 | 55,587,677 |
| Accumulated amortization: | | | | | | | |
| Balance, beginning of year | \$ - | \$ 611,300 | \$ 267,029 | \$ 417,828 | \$ 908,256 | \$ 1,363,234 | \$ 3,567,647 |
| Amortization expense | - | 213,715 | 83,671 | 99,192 | 1,200,126 | 206,966 | 1,803,670 |
| Disposals | - | - | (4,970) | - | - | - | (4,970) |
| Balance, end of year | - | 825,015 | 345,730 | 517,020 | 2,108,382 | 1,570,200 | 5,366,347 |
| Net book value, end of year | \$ 6,386,624 | \$ 10,995,838 | \$ 729,819 | \$ 317,552 | \$ 28,474,129 | \$ 3,317,368 | \$ 50,221,330 |

SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

7. 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, 2020, assets under construction of \$4,680,229 (2019 - \$7,361,483) have not been amortized.

8. Accumulated surplus:

The Municipality segregates its accumulated surplus into the following categories:

| | 2020 | 2019 |
|---|-----------------------------|-----------------------------|
| Accumulated Surplus: | | |
| Invested in tangible capital assets | \$ 43,399,543 | \$ 45,469,606 |
| Unrestricted surplus | 3,933,027 | 2,079,998 |
| | <u>47,332,570</u> | <u>47,549,604</u> |
| Reserves set aside by Council for specific purposes: | | |
| Roads | 199,193 | 243,583 |
| Fire apparatus | 68,105 | 42,554 |
| Snow removal | 98,910 | 97,931 |
| | <u>366,208</u> | <u>384,068</u> |
| Total accumulated surplus | <u>\$ 47,698,778</u> | <u>\$ 47,933,672</u> |

SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

9. Taxation:

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

| | 2020 | 2019 |
|---|--------------|--------------|
| Municipal and school property taxes levied | \$ 5,294,070 | \$ 5,022,905 |
| Payments-in-lieu of property and business taxes | 66,546 | 56,139 |
| | 5,360,616 | 5,079,044 |
| Less transfers to other governments: | | |
| Thompson-Nicola Regional District | 846,619 | 794,313 |
| Thompson Regional Hospital District | 431,213 | 394,233 |
| Province of B.C. - School taxes | 1,669,104 | 1,616,240 |
| Province of B.C. - Police taxes | 154,115 | 130,897 |
| B.C. Assessment Authority | 43,087 | 34,795 |
| Municipal Finance Authority | 201 | 175 |
| | 3,144,339 | 2,970,653 |
| Net taxes available for municipal purposes | \$ 2,216,277 | \$ 2,108,391 |

10. 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:

| | 2020 | 2019 |
|--|--------------|--------------|
| Community Water Works Fund | \$ - | \$ 89,417 |
| Covid-19 Safe Restart | 387,000 | - |
| Emergency Operations Centre & Training Program | 25,000 | - |
| Federal gas tax fund - Sun Peaks Centre | 524,522 | 5,676,709 |
| Ministry of Health | 72,427 | - |
| Operational Fuel Treatment Fund | 86,384 | 82,324 |
| Other miscellaneous grants | 42,923 | 12,023 |
| Resort Municipality Initiative | 420,408 | 585,747 |
| Small Communities | 246,322 | 243,382 |
| Total government transfers | \$ 1,804,986 | \$ 6,689,602 |

SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

11. Utility revenue:

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

| | 2020 | 2019 |
|--|--------------|--------------|
| Water utilities | \$ 1,041,043 | \$ 1,032,018 |
| Sewer utilities | 1,026,206 | 1,076,250 |
| Gas utilities | 1,796,936 | 2,086,308 |
| | 3,864,185 | 4,194,576 |
| Less: | | |
| Operating expenses and Resort Gas Ltd. profit | 1,787,533 | \$ 2,077,287 |
| Municipality service fee, included in fees, donations and other income | 9,403 | 9,021 |
| | 1,796,936 | 2,086,308 |
| | \$ 2,067,249 | \$ 2,108,268 |

12. 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

| | |
|------|------------|
| 2021 | \$ 72,373 |
| 2022 | 26,563 |
| 2023 | 10,571 |
| 2024 | 5,702 |
| | \$ 115,209 |

SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

12. 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, 2020, the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for 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 \$156,042 (2019 - \$138,777) for employer contributions to the plan in fiscal 2020.

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

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

(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 Consolidated Financial Statements (continued)

Year ended December 31, 2020

12. 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.

13. 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 | \$ (377,723) |
| Adjust for budgeted cash items, not included in statement of operations: | |
| Debt repayments | (313,832) |
| Transfers to and from reserves | (268,607) |
| Acquisition of tangible capital assets | (10,475,511) |
| Proceeds on debt issue and capital grants | 9,457,173 |
| Adjust for budgeted non-cash items, included in statement of operations: | |
| Amortization | 1,978,500 |
| Financial plan balance | \$ - |

SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

14. 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 and Conference Centre.

(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 2.

SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

14. Segmented information (continued):

| 2020 | Administration | Fire protection | Public works | Administration, Fire protection, and Public works Subtotal | Utilities | Health Centre | Sun Peaks Centre | Total |
|---|---------------------|---------------------|---------------------|---|-----------------------|---------------------|---------------------|---------------------|
| Revenue: | | | | | | | | |
| Taxation | \$ 2,216,277 | \$ - | \$ - | \$ 2,216,277 | \$ - | \$ - | \$ - | \$ 2,216,277 |
| Interest and penalties on property taxes | 46,728 | - | - | 46,728 | - | - | - | 46,728 |
| Government transfers | 637,347 | 115,232 | (16,905) | 735,674 | - | 107,478 | 961,834 | 1,804,986 |
| Services and other | 183,530 | 33,597 | 77,790 | 294,917 | - | 443,738 | 29,136 | 767,791 |
| Sun Peaks utilities | - | - | - | - | 2,067,249 | - | - | 2,067,249 |
| Total revenue | 3,083,882 | 148,829 | 60,885 | 3,293,596 | 2,067,249 | 551,216 | 990,970 | 6,903,031 |
| Expenses: | | | | | | | | |
| Amortization | 30,838 | 95,067 | 257,549 | 383,454 | 1,222,368 | 89,618 | 269,003 | 1,964,443 |
| Interest | - | 9,003 | 1,183 | 10,186 | 79,888 | - | 44,828 | 134,902 |
| Operating expenses | 283,689 | 387,601 | 386,079 | 1,057,369 | 1,126,105 | 507,075 | 155,647 | 2,846,196 |
| Salaries and wages | 775,179 | 315,039 | 192,908 | 1,283,126 | 684,065 | 192,054 | 33,139 | 2,192,384 |
| Total expenses | 1,089,706 | 806,710 | 837,719 | 2,734,135 | 3,112,426 | 788,747 | 502,617 | 7,137,925 |
| Annual surplus (deficit) | \$ 1,994,176 | \$ (657,881) | \$ (776,834) | \$ 559,461 | \$ (1,045,177) | \$ (237,531) | \$ 488,353 | \$ (234,894) |

SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2020

14. Segmented information (continued):

| 2019 | Administration | Fire protection | Public works | Administration, Fire Protection and Public works Subtotal | Utilities | Health Centre | Sun Peaks Centre | Total |
|--|---------------------|---------------------|---------------------|---|---------------------|---------------------|---------------------|---------------------|
| Revenue: | | | | | | | | |
| 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 |
| Expenses: | | | | | | | | |
| 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 Consolidated Financial Statements (continued)

Year ended December 31, 2020

15. Related to party transactions:

The Municipality provides accounting and management services to the Sun Peaks Health Association ("SPHA"). These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

16. Comparative figures:

Certain 2020 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Schedule 1 - unaudited
COVID-19 Safe Restart Grant

Year ended December 31, 2020, with comparative information for 2019

| | 2020 | 2019 |
|--|------------|------|
| Provincial COVID-19 Safe Restart Grant | \$ 387,000 | \$ - |
| Recreation, Parks & Cultural | (68,965) | - |
| | \$ 318,035 | \$ - |



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