



  
**Sun  
Peaks**  
MOUNTAIN RESORT MUNICIPALITY

2021  
**ANNUAL REPORT**

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# MESSAGE FROM THE MAYOR

The past year was one of transition for our Municipality. With former CAO Rob Bremner's late January departure, we were immediately busy recruiting. We quickly found that while there was considerable interest to lead our Municipality, this task would take more time than we had originally anticipated.

By early August, we were pleased to welcome Shane Bourke and family to Sun Peaks. Shane has steadily assumed full responsibility as our new CAO and we are pleased to report that Council is extremely pleased with his performance. We would be remiss if we didn't acknowledge the good work of our Corporate Officer Nicky Jonsson as she performed the Interim CAO duties during the 6 month period without a permanent CAO. All of our senior staff performed well during this time and we thank them for their commitment.

Covid was still a factor for Sun Peaks in 2021. The international bus tour business, conference and meetings business and international travel to B.C. was seriously reduced by the lack of confidence in international travel and the many travel restrictions still in place. Fortunately, there was strong regional demand to travel and British Columbians/Albertans were plentiful during the early Spring weekends of late May and early June, the village streets were busy with many smiling and happy visitors. All was well or at least we thought so!!

Unfortunately, the 'heat dome' struck in late June. Temperatures in Sun Peaks rose to 40 degrees C, an unheard of temperature for our sub-alpine environment where 30 degrees C is a very hot day. The Embleton Fire struck in early July and seriously threatened Whitecroft and naturally Sun Peaks. One of the worst possible fire threats for us would be a fire that sweeps up the slopes east of Whitecroft and into Sun Peaks.

We were very, very smoky for most of July and our Emergency Operations Centre was set up in preparation of a possible evacuation of Sun Peaks. Our access road from Heffley Creek was restricted to local traffic/employees so our tourism businesses were once again shuttered. Special thanks to all our Fire Department and volunteers who jumped into action at Whitecroft and stood by guarding the vacated homes in case of a fire threat from the Embleton Fire. As most people know, the flames did get down to the Louis Creek Road but the fire was well managed by the crews and at no time was Sun Peaks in real danger.

With all of the fires in our region, the Province advised Lower Mainland residents not to travel to the Interior. This wasn't too helpful for our August tourism activities but by late August and September our businesses were busy again as we witnessed good regional visitor interest.

Sadly we were not finished with mother nature's worst behaviour and the floods that hit the Abbotsford region

also destroyed many of the bridges and river crossings along the Coquihalla Highway. None of us would have anticipated how much damage could be done by one weather event, with a loss of the Coquihalla Highway for months, we knew immediately that our Christmas season would be hit hard by the lack of access from the Lower Mainland.



This all sounds very depressing, however once again the resilience of our community shone brightly, businesses and employees adjusted quickly and we were once again ready for ski season. There was some good news in all this doom and gloom. In November, we received confirmation that we were successful in our Sun Peaks Plaza grant application, \$898,000 to relocate the existing tennis courts to the east and establish a multi purpose community Secwepemc theme park in the area by the Sun Peaks Centre. We were also successful in obtaining a \$700,000 grant for a covered stage area to be constructed on the north end of the ice skating rink. This work will be completed this fall.

On the infrastructure programs, we were not so lucky with our grant applications and we were left to complete the alpine potable water reservoir 100% at our costs. This \$6.9M improvement will be ready to collect potable water this spring during the freshet. Unfortunately this will mean higher water costs in the future.

With so many new projects on the go, we can assure you that we are always trying to review all of our decisions and priorities to make sure that we are doing the right things and doing it within our financial means. I don't know how many property taxpayers realize that our contributions to School, Hospital and Regional District coffers are significant. Suffice to say that only about 40% of your taxes stays here in Sun Peaks.

Hopefully, the fact that we are the fastest growing Municipality in the Province is a confirmation that most people believe that we are going in the right direction. In the most recent census numbers, our resident population grew 128% from 2016 to 2021. Today we have over 1,500 year-round residents

On behalf of all council members, we thank you for your support. We also thank the many volunteers who make Sun Peaks a special place to live.

A handwritten signature in black ink that reads "Al Raine". The signature is written in a cursive style.

Mayor 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

I am pleased to share the Municipality's progress with the community. From the moment our family arrived in Sun Peaks in early August, we have been welcomed at every turn. Thank you for that.

The list of challenges that municipal staff and the entire community have dealt with over the past two years is long. COVID, floods, fires, bitter cold, staffing shortages, and road closures have impacted every facet of the work we do. Municipal staff have done a great job working through these challenges and have my thanks and appreciation for what they accomplished in 2021.



Highlights from 2021 include Utilities work to increase water reservoir capacity, the Health Centre's support in managing COVID, the Fire Department's response to nearby wildfires, Public Works efforts to deal with unusual freeze thaw conditions on our roads and trails, increased operations of the Sun Peaks Centre and Skating Rink, and administration taking on land planning from the regional district and implementation of new budgeting and financial reporting processes.

As a new municipality, who has experienced 128% growth in permanent residents over the past 5 years, we are still in a development phase. From an organization planning perspective, the growth of the permanent resident community is impacting the demand for services, what services we provide and how we deliver them. The end of 2021 saw a focus on filling vacant positions, planning for a significant 2022 capital construction season and initiating work that will support longer term planning.

Key to supporting this work, is the refresh to our Official Community Plan (OCP), an engineering study to support a water and wastewater Masterplan and development of an Affordable Non-Market Housing Strategy. Completion of this work in 2022 will provide Council and Administration with the information we need to establish longer term goals.

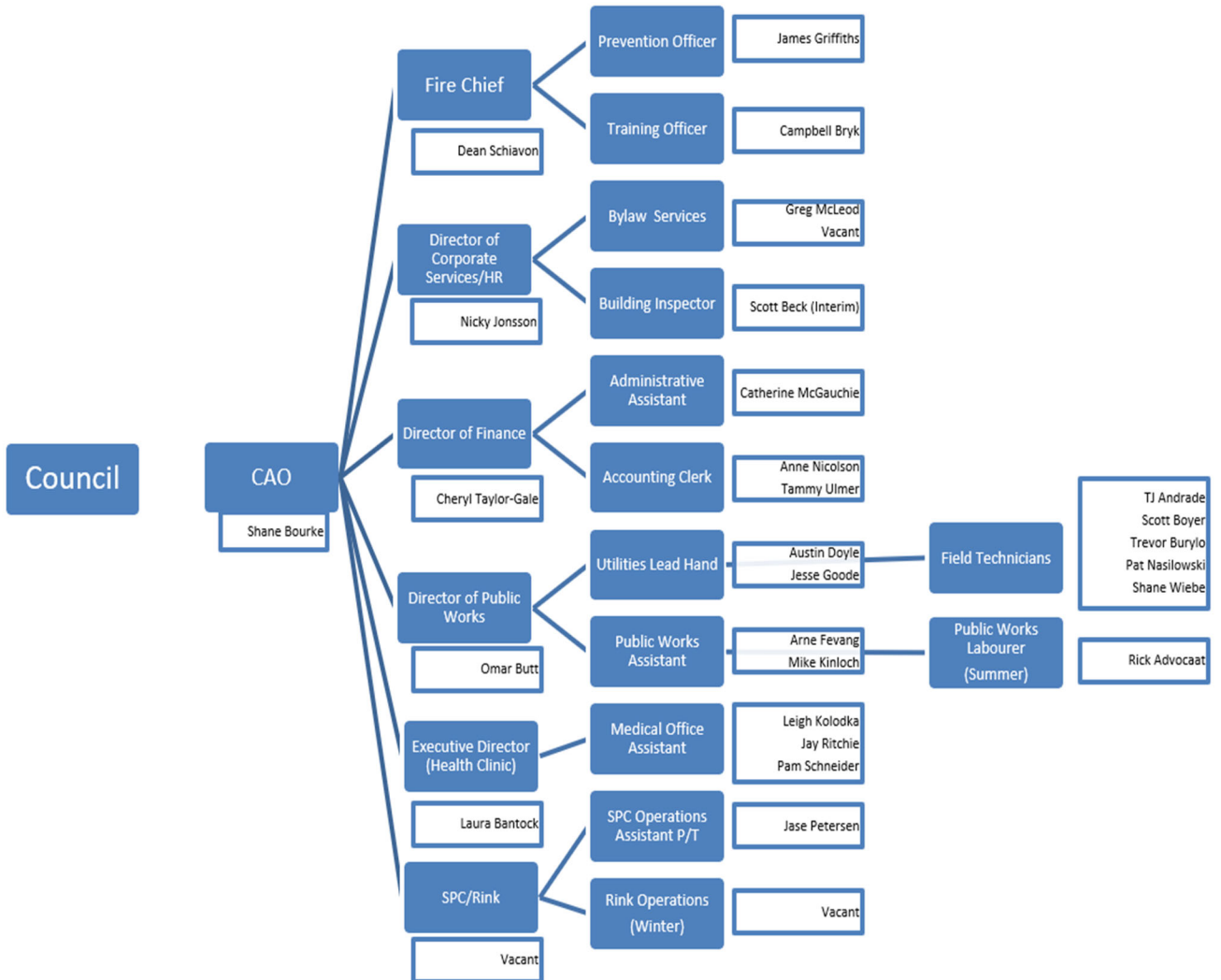
I am incredibly proud of the work we have accomplished, and I hope as residents of Sun Peaks, you are too.

Respectfully,

Handwritten signature of Shane Bourke.

Shane Bourke  
Chief Administrative Officer

# MUNICIPAL STAFF





# OFFICIAL COMMUNITY PLAN

## Objective:

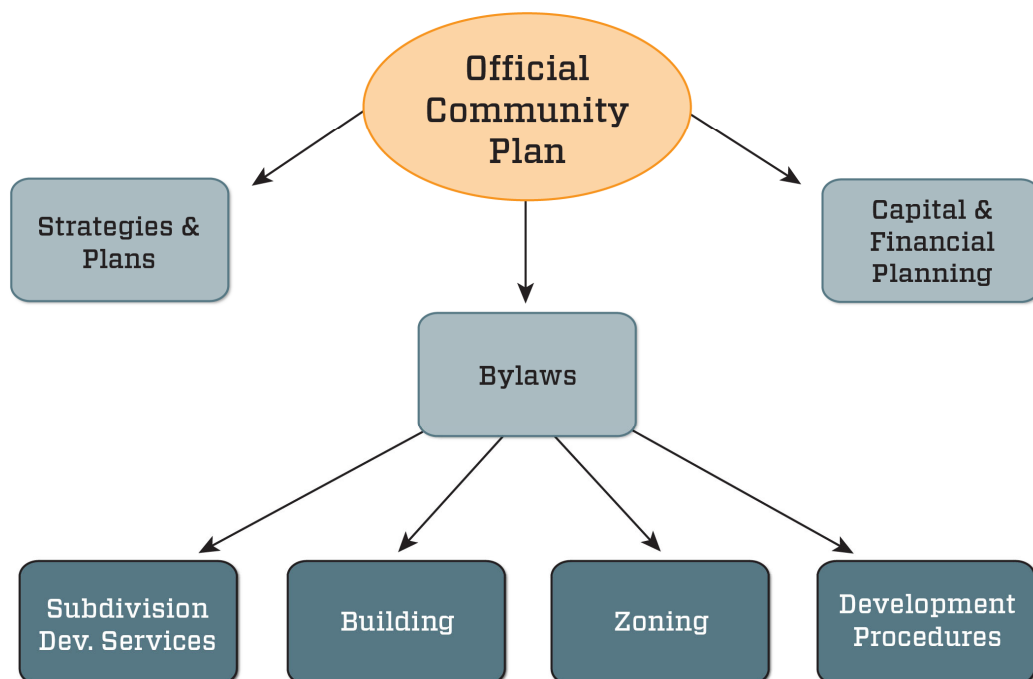
Develop an OCP that reflects the community objectives for the development of Sun Peaks while working within the framework of the Master Development Agreement between Sun Peaks Resort LLP and the Province.

## 2021 Goals and Actions:

1. Develop a Board of Variance - **Complete.**
2. Review and update the Official Community Plan - **Incomplete. Covid delayed work on this project.**

## 2022 Goals:

1. Review and update the Official Community Plan



# CORPORATE SERVICES & ADMINISTRATION

## Objective:

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

## 2021 Goals and Actions:

1. Adopt Sign Bylaw - **Incomplete. The bylaw has been drafted and is under staff review.**
2. Adopt Zoning Bylaw - **Moved to 2022 after completion of the OCP.**
3. Adopt Building bylaw - **Incomplete. The bylaw has been drafted and is under staff review.**



## 2022 Goals and Actions:

1. Adopt Sign Bylaw.
2. Adopt Zoning Bylaw.
3. Adopt Building Bylaw.
4. Develop the daycare site and operational plan.
5. Develop a housing strategy.

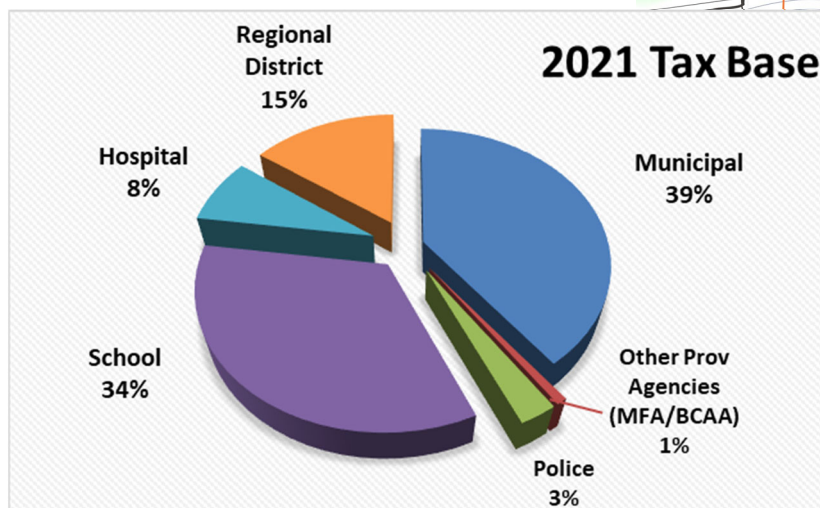
# FINANCIAL SERVICES

## 2021 Goals and Actions:

1. Receive a clean audit opinion - **Complete**
2. Implement a purchase order & online module - **Ongoing. The module has been installed and some training has been conducted.**
3. Update the purchasing policy - **Incomplete. Moved to 2022.**
4. Review the benefit of adding other Vadim modules to enhance and streamline processes - **Ongoing. All financial positions have become digital.**

## 2022 Goals:

1. Receive a clean audit opinion.
2. Complete implementation and training of the 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.

## 2021 Goals and Actions:

1. Conduct a volunteer membership recruitment - **Completed. 5 recruits have completed the Exterior Firefighter program.**
2. Provide an Interior Firefighter training bootcamp to expedite volunteers to the Full Service Firefighter Program - **Complete. 6 members finished the Interior Firefighter program with 5 completing the Full Service program.**
3. Re-align and convert the fire hall fluorescent lighting to LED to reduce electricity costs and provide better work lighting - **Complete**
4. Develop a strategic plan to help guide the fire department for the next 5 to 10 years - **In progress**

## 2022 Goals:

1. Conduct a volunteer membership recruitment.
2. Increase awareness and participation of the community in the FireSmart program.
3. Develop a new Evacuation Route Plan for Sun Peaks.



# BYLAW ENFORCEMENT

## Objective:

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

## 2021 Goals and Actions:

1. Continue to monitor, with communication with the fire department, unpermitted campfires or campfires larger than what is permitted - **Ongoing. Most issues were related to unpermitted campfires.**
2. Monitor of unsightly properties - **Ongoing. Two unsightly properties were addressed.**
3. Increase the communication and educating with short term nightly rental on-mountain contacts and homeowners resulting in the reduction of noise complaints - **Ongoing. There were few issues with single-family dwellings.**

## 2022 Goals:

1. Fill second bylaw officer position.
2. Complete Burfield Drive suite compliance initiative.
3. Continue communication and education with short-term nightly rental on-mountain contacts and homeowners resulting in the reduction of noise complaints, particularly in multi-family complexes.



# 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.

## 2021 Goals and Actions:

1. Finish the Surface Reservoir without any unforeseen costs and get the Platter WTP and coagulation system running optimally - **Incomplete. The coagulation system is complete with other minor works left to be completed as well as instrumentation/communication. A grant application has been submitted for the surface water supply line project.**
2. Finish the compost system expansion - **Complete. The compost system has been expanded six containers from four with the ability to move to eight total in the future.**
3. Partner with TNRD to start a pilot project to convert food waste into Compost while maintaining our Class A compost classification - **Ongoing. A few tests of composting food waste were completed with good success. Utilities was short staff for much of 2021 and were not able to focus on the pilot program.**
4. Operate a reclaimed water snowmaking Pilot in the Winter of 2021-2022 - **Ongoing. Approval from the Ministry of Environment was not received in time to do a full-scale pilot. However, snow was made directly into the Rapid Infiltration Trench under the current wastewater registration. This man-made snow was sampled and shown that the snow-making process removes bacteria from the wastewater effluent. It is hoped to proceed with more snow making in a controlled environment at the Wastewater Treatment Plant for the 2022-2023 winter season.**



## 2022 Goals:

1. Focus on staff training to enable them to work efficiently and effectively to provide water/wastewater and gas services to our customers.
2. Operate a reclaimed water snowmaking pilot at the Wastewater Treatment Plant for the Winter of 2022-2023 that will help provide data for the long-term goal of water reuse on the mountain.
3. Continue with the composting of food waste pilot project and be able to provide a secure bin for residents to drop off their food waste.
4. Review the completed Water/Wastewater Master Plans with our engineering consultants and make plans for the future infrastructure as well as a funding model.

# 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 and Actions:

1. Clean ditches and maintain stormwater flows to mitigate any potential issues and keep water off the roads/trails - **Ongoing. The worst sections were cleaned in 2021 with the program being ongoing to ensure runoff into the stormwater system is maintained and controlled.**
2. Purchase additional attachments for the Toolcat to help our versatility (mower/high flow snowblower/blade/sander) - **Complete. A snowblower, blade and sander were purchased to help maintain the municipal trails, roads and properties.**
3. Order a new heavy duty public works truck to handle our workload and staff - **Complete. A 2022 F250 was purchased that will help staff continue to provide the best service possible.**
4. Install permanent asphalt speed humps to reduce traffic speed all year round - **Complete. Permanent asphalt speed bumps have been installed on Fairways, Burfield and at the Orient/Morrissey bend on Valley Drive. Temporary speed bumps are still being used on Mountain View and Sundance Drives.**

## 2021 Goals:

1. Complete \$175,000 of road repairs and spray patching on the worst sections of asphalt in Sun Peaks to elongate the life and avoid any road failures.
2. Develop a plan for a new Public Works maintenance shop that will serve the needs of the Public Works department for the foreseeable future.
3. Make better use of the skating rink facility in the spring/summer/fall for locals and tourists. Set up a Temporary Skate Park, Mini Golf, Basketball etc.
4. Assist with all of the summer grant projects to ensure they stay on schedule and under budget. (Daycare, Plaza, Health Centre Expansion).



# 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.

## 2021 Goals and Actions:

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 - **Incomplete. Pictographs and cabinetry has been installed.**
2. Assist Little Shuswap and Adams Lake Bands by supporting their Socio-economic Assessment Studies and Sun Peaks studies currently underway - **Ongoing. The Province has provided support funding for socio-economic assessment studies. SPMRM continues to meet with Little Shuswap Lake Band on a regular basis and is working on a Cultural/Historical Display for the Sun Peaks Centre. SPMRM has also met with members of the Adams Lake Band and planned meetings with other Bands were postponed due to Covid.**
3. Improve relationships with Adams Lake Indian Band and explore Sun Peaks opportunities - **Ongoing. Met with the new Chief.**
4. Meet with Simpcw First Nation at annual North Thompson/TNRD gathering - **Cancelled due to Covid.**
5. Support TNRD reconciliations efforts with Secwepemc Tribal Council and Tk'emlúps te Secwepemc - **Ongoing. SPMRM has supported efforts of the TNRD to continue to improve communications between the Secwepemc Tribal Bands.**

## 2022 Goals:

1. Continue to work with Little Shuswap Lake Band on economic development opportunities.
2. Complete the Sun Peaks Plaza and Sun Peaks Centre Cultural and Historical design theme.
3. Improve relations with Adams Lake Band and explore Sun Peaks opportunities.



# 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.

## 2021 Goals and Actions:

1. Complete finishings on the Sun Peaks Centre - **Complete**.

## 2022 Goals:

1. Complete 2022-2025 Resort Development Strategy Update.



# SUN PEAKS COMMUNITY HEALTH CENTRE

## Objective:

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

## 2021 Goals and Actions:

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

## 2022 Goals:

1. Maintain collection site with Interior Health Authority (IHA) partnership at Sun Peaks, three times per week.
2. Engage with IHA and regional partners to collaborate on Primary Care Network development.
3. Submit Sun Peaks Service Plan with Thompson Region.
4. Recruit new physician
5. Building extension to include ambulance bay and community education/meeting room.



# 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.

## 2021 Goals and Actions:

1. Complete building construction deficiencies - **Complete. Ongoing discussions with the architect on ice buildup.**
2. Construct a stage at the rink - **Incomplete. Designs were completed with construction expected to be completed in 2022.**
3. Install curtain walls around the rink. - **Incomplete. Supply chain issues caused delays.**



## 2022 Goals:

1. Complete rink stage project.
2. Substantially complete Sun Peaks Plaza project including the playground.
3. Install curtain walls around the rink.
4. Install score clock.
5. Complete pool cost and rehabilitation study.
6. Replace tennis courts with a new 3-court facility.
7. Install EV chargers.

# SUSTAINABILITY PLAN

**Objective:**

Track and measure the goals set in the Sustainability Plan.

**2021 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.**



**2022 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.





Indicators of success	How we measure	Baseline 2014	Target	2021 Results
<b>Goal 1: SUN PEAKS OFFERS AN EXCEPTIONAL QUALITY OF LIFE FOR RESIDENTS</b>				
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 most 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 weekends of the winter
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 9 is offered through School District 73, and grades 10 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	SD73 Grade 1-9: 143, SPES Grade 10-12: 21
Fire protection and well trained volunteers	Number of volunteers and staff	Volunteers=25; Staff=3; recruits=5	increase	Volunteers=20; 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	Decreased to 169 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.)
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 Sun Peaks Market	Number of vendors and applications	There are a core of 30 farmers market vendors that pay annual fees to participate.	increase	19 full-time vendors, 16 casual vendors, 8 community groups
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 254
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	2021 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	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
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, Sun Peaks Historical Society, Sun Peaks Fibre Arts, Sun Peaks Helps
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, yoga, fly fishing, mountain carts, backcountry tours, avalanche training, mini golf. The pool is currently closed. Cat trax, tube park, shopping shuttle, mountain carts, seways and bungee trampoline are not longer available
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

Indicators of success	How we measure	Baseline 2014	Target	2021 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 499 (mainly due to Short Term Nightly Rental)
Number of non-tourism related businesses	Number of non-tourism related businesses in a year	10 Tourism Sun Peaks members	increase	378 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	COVID-19 Impacted
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	27,438 ft2 (Sun Peaks Centre, Sun Peaks Grand, Cahilty Lodge, Hearthstone Lodge)
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 to 60,384 from 62,972 due to road closures 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%	Increased to 25,056 from 21,352 however still below seasonal norms due to travel restrictions
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	Increased to \$135,424 based on the average of Class 6 - Commercial properties.
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 \$581,043
<b>Goal 4: SUN PEAKS PROTECTS NATURAL ECOSYSTEMS AND MINIMIZES ITS FOOTPRINT ON THE BUILT ENVIRONMENT</b>				
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
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"> <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	<ul style="list-style-type: none"> <li>45,143 GJ for residential,</li> <li>9,502 GJ for small commercial,</li> <li>39,911 GJ for large commercial</li> </ul>
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 = 491.21 tonnes</li> <li>Mixed Recycling = 60.50 tonnes</li> <li>Cardboard = 3.09 tonnes</li> </ul>

# 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.

**Permissive exemptions have been approved for the Municipal office located at units 106 and 107 3270 Village Way.**





Consolidated Financial Statements of

**SUN PEAKS MOUNTAIN  
RESORT MUNICIPALITY**

And Independent Auditors' Report thereon

Year ended December 31, 2021

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Consolidated Financial Statements

Year ended December 31, 2021

## Financial Statements

Management's Responsibility for the Consolidated Financial Statements

Independent Auditors' Report

Consolidated Statement of Financial Position 1

Consolidated Statement of Operations 2

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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.

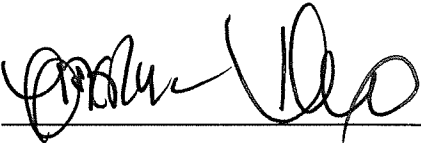
Mayor and Council meet with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

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.



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Chief Administrative Officer



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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, 2021
- 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, 2021, 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*

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Chartered Professional Accountants

Kamloops, Canada

April 7, 2022

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

## Consolidated Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
<b>Financial assets:</b>		
Cash and short-term investments (note 3)	\$ 4,684,392	\$ 6,587,534
Accounts receivable (note 4)	1,723,148	2,371,273
	6,407,540	8,958,807
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	1,632,189	3,512,128
Deferred revenue (note 5)	2,463,488	1,229,652
Term debt (note 6)	11,831,148	12,496,273
	15,926,825	17,238,053
Net debt	(9,519,285)	(8,279,246)
<b>Non-financial assets:</b>		
Tangible capital assets (note 7)	57,097,775	55,895,816
Prepaid expenses	140,318	82,208
	57,238,093	55,978,024
Commitments and contingencies (note 12)		
<b>Accumulated surplus (note 8)</b>	<b>\$ 47,718,808</b>	<b>\$ 47,698,778</b>

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, 2021, with comparative information for 2020

	Budget (note 13)	2021	2020
<b>Revenue:</b>			
Taxation (note 9)	\$ 2,322,700	\$ 2,328,026	\$ 2,216,277
Interest and penalties on property taxes	41,000	87,669	46,728
Government transfers (note 10)	1,417,900	1,685,196	1,804,986
Fees, donations and other income	919,930	1,061,824	767,791
Utility revenue (note 11)	2,082,450	2,354,469	2,067,249
<b>Total revenue</b>	<b>6,783,980</b>	<b>7,517,184</b>	<b>6,903,031</b>
<b>Expenses:</b>			
Administration	1,150,870	1,026,575	1,089,706
Fire protection	1,110,650	867,224	806,710
Health Centre	1,198,470	1,018,181	788,747
Public works	894,620	817,478	837,719
Sun Peaks Centre	699,550	746,799	502,617
Utilities	3,062,580	3,020,897	3,112,426
<b>Total expenses</b>	<b>8,116,740</b>	<b>7,497,154</b>	<b>7,137,925</b>
Annual surplus (deficiency)	(1,332,760)	20,030	(234,894)
Accumulated surplus, beginning of year	47,698,778	47,698,778	47,933,672
<b>Accumulated surplus, end of year</b>	<b>\$ 46,366,018</b>	<b>\$ 47,718,808</b>	<b>\$ 47,698,778</b>

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, 2021, with comparative information for 2020

	Budget (note 13)	2021	2020
Annual surplus (deficiency)	\$ (1,332,760)	\$ 20,030	\$ (234,894)
Acquisition of tangible capital assets	(5,120,150)	(3,308,138)	(7,889,799)
Disposal of tangible capital assets	-	6,163	250,870
Amortization of tangible capital assets	2,077,700	2,100,016	1,964,443
	(3,042,450)	(1,201,959)	(5,674,486)
Acquisition of prepaid expenses	-	(140,318)	(82,208)
Use of prepaid expenses	-	82,208	73,903
	-	(58,110)	(8,305)
Change in net debt	(4,375,210)	(1,240,039)	(5,917,685)
Net debt, beginning of year	(8,279,246)	(8,279,246)	(2,361,561)
Net debt, end of year	\$ (12,654,456)	\$ (9,519,285)	\$ (8,279,246)

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, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
<b>Operating activities:</b>		
Annual surplus (deficiency)	\$ 20,030	\$ (234,894)
Items not involving cash:		
Amortization of tangible capital assets	2,100,016	1,964,443
(Gain) loss on disposal of tangible capital assets	6,163	(250,870)
Change in non-cash operating assets and liabilities:		
Accounts receivable	648,125	969,804
Accounts payable and accrued liabilities	(1,879,939)	1,436,777
Deferred revenue	1,233,836	460,009
Prepaid expenses	(58,110)	(8,305)
	<u>2,070,121</u>	<u>4,838,704</u>
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(3,308,138)	(7,889,799)
	<u>(3,308,138)</u>	<u>(7,889,799)</u>
<b>Financing activities:</b>		
Repayments on term debt	(665,125)	(315,451)
Proceeds on term debt acquired	-	8,060,000
	<u>(665,125)</u>	<u>7,744,549</u>
Increase (decrease) in cash	(1,903,142)	4,693,454
Cash, beginning of year	6,587,534	1,894,080
Cash, end of year	<u>\$ 4,684,392</u>	<u>\$ 6,587,534</u>
Supplemental cash flow information:		
Cash paid for interest	\$ 186,466	\$ 116,863
Cash received for interest	48,594	16,070

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, 2021

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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. 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:

### (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.

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

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## 2. Significant accounting policies (continued):

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

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.

### (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.

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

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## 2. Significant accounting policies (continued):

(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	15-70 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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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 Consolidated Financial Statements (continued)

Year ended December 31, 2021

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## 2. 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.

(i) 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.

## 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:

	2021	2020
Cash	\$ 4,556,150	\$ 6,461,437
Municipal Finance Authority debt reserve fund	128,242	126,097
	<u>\$ 4,684,392</u>	<u>\$ 6,587,534</u>

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

## 4. Accounts receivable:

	2021	2020
Grants receivable	\$ 456,548	\$ 925,000
Utility billings	851,369	772,230
GST recoverable	132,691	326,965
Other	114,603	123,132
Property taxes	97,092	103,650
Operational Fuel Treatment Project	55,398	86,384
Motor fuel tax receivable	15,447	33,912
	<b>\$ 1,723,148</b>	<b>\$ 2,371,273</b>

## 5. Deferred revenue:

Deferred revenue is comprised of funds from the following sources:

Source:	Deferred balance 2020	Contributions received	Revenues recognized	Deferred balance 2021
Community Works Fund Gas Tax	\$ 284,376	\$ 168,202	\$ (126,268)	\$ 326,310
Donations: Health Centre equipment	275,984	-	(30,472)	245,512
Resort Municipality Initiative	-	351,277	(351,277)	-
Development cost charges	361,338	955,172	(298,187)	1,018,323
Taxes and permits paid in advance	220,574	280,961	(220,574)	280,961
Donations: Sun Peaks Helps	43,858	1,395	(6,695)	38,558
Tourism Dependent Community Fund- Arts and Culture Presentation Stage	-	700,000	(214,262)	485,738
2018 BC Winter Games Society	15,000	-	-	15,000
Community RCME Program	5,949	5,477	(10,340)	1,086
Ministry of Health Grant	22,573	-	(22,573)	-
Tennis Court project donation	-	50,000	-	50,000
Miscellaneous donation	-	2,000	-	2,000
	<b>\$ 1,229,652</b>	<b>\$ 2,514,484</b>	<b>\$ (1,280,648)</b>	<b>\$ 2,463,488</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 Consolidated Financial Statements (continued)

Year ended December 31, 2021

## 6. Term debt:

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

	2021	2020
Municipal Finance Authority, water upgrade loan (#152), payment terms as described below	\$ 6,225,757	\$ 6,500,000
Municipal Finance Authority, Sun Peaks Centre loan (#149), payment terms as described below	1,848,904	1,925,568
Municipal Finance Authority, sewer upgrade loan (#152), payment terms as described below	1,494,182	1,560,000
Municipal Finance Authority, surface water treatment loan (#149), payment terms as described below	1,312,722	1,367,154
Municipal Finance Authority, sewage treatment plant ("STP") expansion loan (#145), payment terms as described below	486,733	508,449
Municipal Finance Authority, compost facility loan (#145), payment terms as described below	353,988	369,781
Province of BC, firehall extension loan, repayable in blended annual repayments of \$13,077, including interest at 4.35% per annum, due July 2027	67,779	77,485
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, 2021), due May 2024	41,083	58,704
Sun Peaks Resort LLP, rapid infiltration trench loan and water well loan, repaid in the year	-	67,460
Province of BC, fire truck loan, repaid in the year	-	61,672
	<b>\$ 11,831,148</b>	<b>\$ 12,496,273</b>

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

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## 6. Term debt (continued):

Municipal Finance Authority ("MFA") sewer upgrade loan (#152) 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 2025.

Municipal Finance Authority ("MFA") water upgrade loan (#152) 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 2025.

Municipal Finance Authority ("MFA") Sun Peaks Centre loan (#149) 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 (#149) 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 (#145) 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 (#145) 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 \$192,748 (2020 - \$134,902).

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

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## 6. Term debt (continued):

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

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2022	\$	530,614
2023		531,222
2024		519,057
2025		513,843
2026		514,343
Thereafter		9,222,069
		<hr/>
	\$	11,831,148

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# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

## 7. Tangible capital assets:

a) Continuity schedule

2021	Land	Facilities	Vehicles	General and office equipment	Water and Waste infrastructure	Roads and site improvements	Total 2021
<b>Cost:</b>							
Balance, beginning of year	\$ 6,386,624	\$ 14,733,306	\$ 1,029,146	\$ 876,478	\$ 35,257,325	\$ 4,913,035	\$ 63,195,914
Additions	-	357,400	62,841	97,600	2,738,880	51,417	3,308,138
Disposals	-	-	-	(6,848)	-	-	(6,848)
Balance, end of year	6,386,624	15,090,706	1,091,987	967,230	37,996,205	4,964,452	66,497,204
<b>Accumulated amortization:</b>							
Balance, beginning of year	-	1,187,338	388,887	622,204	3,320,750	1,780,919	7,300,098
Amortization expense	-	516,881	74,282	93,336	1,202,569	212,948	2,100,016
Disposals	-	-	-	(685)	-	-	(685)
Balance, end of year	-	1,704,219	463,169	714,855	4,523,319	1,993,867	9,399,429
Net book value, end of year	\$ 6,386,624	\$ 13,386,487	\$ 628,818	\$ 252,375	\$ 33,472,886	\$ 2,970,585	\$ 57,097,775

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

## 7. Tangible capital assets (continued):

2020	Land	Facilities	Vehicles	General and office equipment	Water and Waste Infrastructure	Roads and site improvements	Total 2020
<b>Cost:</b>							
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
<b>Accumulated amortization:</b>							
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	388,887	622,204	3,320,750	1,780,919	7,300,098
Net book value, end of year	\$ 6,386,624	\$ 13,545,968	\$ 640,259	\$ 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, 2021

## 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, 2021, assets under construction of \$7,754,288 (2020 - \$4,680,229) have not been amortized.

## 8. Accumulated surplus:

The Municipality segregates its accumulated surplus into the following categories:

	2021	2020
<b>Accumulated Surplus:</b>		
Invested in tangible capital assets	\$ 45,266,627	\$ 43,399,543
Unrestricted surplus	1,998,295	3,933,027
	<u>47,264,922</u>	<u>47,332,570</u>
<b>Reserves set aside by Council for specific purposes:</b>		
Roads	160,540	199,193
Fire apparatus	143,663	68,105
Snow removal	149,683	98,910
	<u>453,886</u>	<u>366,208</u>
<b>Total accumulated surplus</b>	<u>\$ 47,718,808</u>	<u>\$ 47,698,778</u>

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

## 9. Taxation:

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

	2021	2020
Municipal and school property taxes levied	\$ 5,683,125	\$ 5,294,070
Payments-in-lieu of property and business taxes	66,600	66,546
	<u>5,749,725</u>	<u>5,360,616</u>
Less transfers to other governments:		
Thompson-Nicola Regional District	847,374	846,619
Thompson Regional Hospital District	445,579	431,213
Province of B.C. - School taxes	1,925,937	1,669,104
Province of B.C. - Police taxes	157,568	154,115
B.C. Assessment Authority	45,025	43,087
Municipal Finance Authority	216	201
	<u>3,421,699</u>	<u>3,144,339</u>
Net taxes available for municipal purposes	<u>\$ 2,328,026</u>	<u>\$ 2,216,277</u>

## 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:

	2021	2020
Tourism Dependent Community Fund	\$ 214,262	\$ -
Covid-19 Safe Restart	-	387,000
Emergency Operations Centre & Training Program	-	25,000
Federal gas tax fund - Sun Peaks Centre	126,268	524,522
Ministry of Health	369,461	72,427
Operational Fuel Treatment Fund	57,599	86,384
Other miscellaneous grants	37,305	42,923
Resort Municipality Initiative	351,277	420,408
Small Communities	264,000	246,322
BC Wildfire	175,239	-
Emergency Management BC	45,498	-
FCABC Road Rescue	14,287	-
Infrastructure - water	30,000	-
Total government transfers	<u>\$ 1,685,196</u>	<u>\$ 1,804,986</u>

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

## 11. Utility revenue:

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

	2021	2020
Water utilities	\$ 1,359,593	\$ 1,041,043
Sewer utilities	994,876	1,026,206
Gas utilities	1,818,476	1,796,936
	4,172,945	3,864,185
Less:		
Operating expenses and Resort Gas Ltd. profit	1,807,725	\$ 1,787,533
Municipality service fee, included in fees, donations and other income	10,751	9,403
	1,818,476	1,796,936
	\$ 2,354,469	\$ 2,067,249

## 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

2022	\$ 74,612
2023	24,995
2024	13,390
2025	10,167
	\$ 123,164

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

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## 12. Commitments and contingencies (continued):

### (b) Pension liability

The Municipality and its employees contribute to the Municipal Pension Plan (a jointly trusteed 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, 2021, the plan has about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for 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 \$159,978 (2020 - \$156,042) for employer contributions to the plan in fiscal 2021.

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

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

### (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, 2021

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## 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.

Budget figures shown represent the Annual Budget By-law adopted by Council on May 10, 2021. 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.

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.

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	Budget amount
Deficit - statement of operations	\$ (1,332,760)
Adjust for budgeted cash items, not included in statement of operations:	
Debt repayments less DCC for Debt payments & projects	(314,930)
Transfers to and from reserves	2,950,500
Acquisition of tangible capital assets	(5,120,150)
Proceeds on debt issue and capital grants	1,739,640
Adjust for budgeted non-cash items, included in statement of operations:	
Amortization	2,077,700
<b>Financial plan balance</b>	<b>\$ -</b>

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# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

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## 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, 2021

## 14. Segmented information (continued):

2021	Administration	Fire protection	Public works	Administration, Fire protection, and Public works Subtotal	Utilities	Health Centre	Sun Peaks Centre	Total
<b>Revenue:</b>								
Taxation	\$ 2,328,026	\$ -	\$ -	\$ 2,328,026	\$ -	\$ -	\$ -	\$ 2,328,026
Interest and penalties on property taxes	87,321	-	-	87,321	-	-	348	87,669
Government transfers	618,890	287,169	11,329	917,388	51,640	392,533	323,635	1,685,196
Services and other	287,159	30,683	30,419	348,261	-	583,004	130,559	1,061,824
Sun Peaks utilities	-	-	-	-	2,354,469	-	-	2,354,469
<b>Total revenue</b>	<b>3,321,396</b>	<b>317,852</b>	<b>41,748</b>	<b>3,680,996</b>	<b>2,406,109</b>	<b>975,537</b>	<b>454,542</b>	<b>7,517,184</b>
<b>Expenses:</b>								
Amortization	35,331	103,126	252,380	390,837	1,214,901	82,528	411,750	2,100,016
Interest	9,288	3,159	472	12,919	135,029	-	44,800	192,748
Operating expenses	326,168	441,077	322,565	1,089,810	1,016,114	678,958	191,702	2,976,584
Salaries and wages	655,788	319,862	242,061	1,217,711	654,853	256,695	98,547	2,227,806
<b>Total expenses</b>	<b>1,026,575</b>	<b>867,224</b>	<b>817,478</b>	<b>2,711,277</b>	<b>3,020,897</b>	<b>1,018,181</b>	<b>746,799</b>	<b>7,497,154</b>
<b>Annual surplus (deficit)</b>	<b>\$ 2,294,821</b>	<b>\$ (549,372)</b>	<b>\$ (775,730)</b>	<b>\$ 969,719</b>	<b>\$ (614,788)</b>	<b>\$ (42,644)</b>	<b>\$ (292,257)</b>	<b>\$ 20,030</b>

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

## 14. Segmented information (continued):

2020	Administration	Fire protection	Public works	Administration, Fire Protection and Public works Subtotal	Utilities	Health Centre	Sun Peaks Centre	Total
<b>Revenue:</b>								
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
<b>Total revenue</b>	<b>3,083,882</b>	<b>148,829</b>	<b>60,885</b>	<b>3,293,596</b>	<b>2,067,249</b>	<b>551,216</b>	<b>990,970</b>	<b>6,903,031</b>
<b>Expenses:</b>								
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
<b>Total expenses</b>	<b>1,089,706</b>	<b>806,710</b>	<b>837,719</b>	<b>2,734,135</b>	<b>3,112,426</b>	<b>788,747</b>	<b>502,617</b>	<b>7,137,925</b>
<b>Annual surplus (deficit)</b>	<b>\$ 1,994,176</b>	<b>\$ (657,881)</b>	<b>\$ (776,834)</b>	<b>\$ 559,461</b>	<b>\$ (1,045,177)</b>	<b>\$ (237,531)</b>	<b>\$ 488,353</b>	<b>\$ (234,894)</b>

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

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## **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. Covid-19 pandemic:**

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 7, 2022, the Municipality continues to meet its contractual obligations within normal payment terms.

# SUN PEAKS MOUNTAIN RESORT MUNICIPALITY

Schedule 1

COVID-19 Safe Restart Grant

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Balance, beginning of the year	\$ 318,035	\$ -
Provincial COVID-19 Safe Restart Grant	-	387,000
Recreation, Parks & Cultural	-	(68,965)
	\$ 318,035	\$ 318,035



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