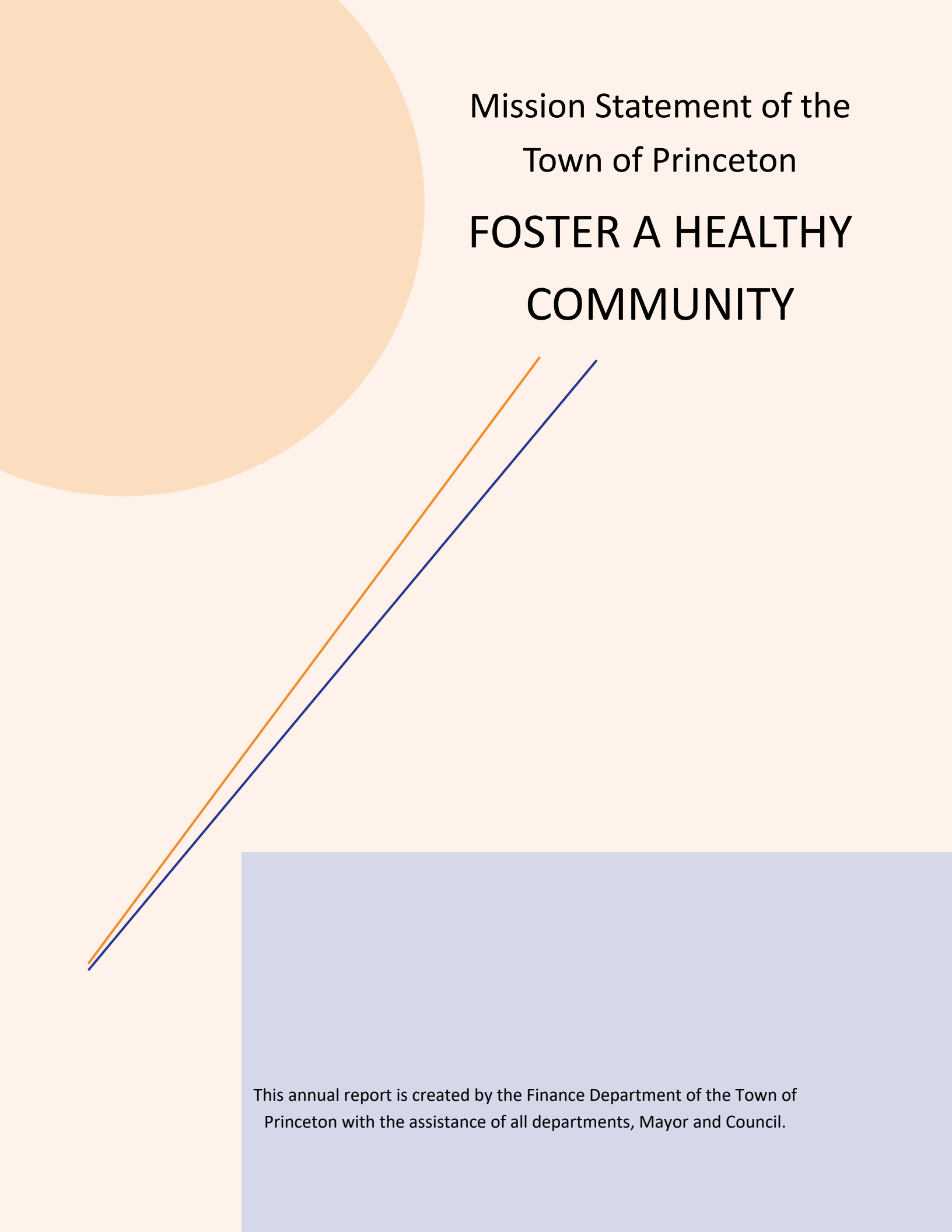


2023

Annual Report





Mission Statement of the Town of Princeton

FOSTER A HEALTHY COMMUNITY

This annual report is created by the Finance Department of the Town of Princeton with the assistance of all departments, Mayor and Council.

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Annual Report

This annual report is published in accordance with Section 98 of the Community Charter. Before June 30 of each year, a council must:

- prepare an annual report,
- make the report available for public inspection, and
- have the report available for public inspection at a council meeting or other public meeting.

By law, the annual report must include:

- the audited annual financial statements referred to in section 167 (4) for the previous year,
- for each tax exemption provided by a council under Division 7 [Permissive Tax Exemptions] of Part 7 [Municipal Revenue], the amount of property taxes that would have been imposed on the property in the previous year if it were not exempt for that year,
- a report respecting municipal services and operations for the previous year,
- a progress report respecting the previous year in relation to the objectives and measures established for that year under paragraph (f),
- any declarations of disqualification made under section 111 [application to court for declaration of disqualification] in the previous year, including identification of the council member or former council member involved and the nature of the disqualification,
- a statement of municipal objectives, and the measures that will be used to determine progress respecting those objectives, for the current and next year, and
- any other information the council considers advisable.

Council and staff are committed to open and transparent government. This report will carry valuable statistics regarding assessment values, taxation collection, financial expenditures by category and by department, strategic planning objectives and methodology, construction data, and other relevant operational and financial data. Please contact Town Hall for any further information. Thank you.





Who We Are: Messaging and Reporting

This annual report is created by the Finance Department of the Town of Princeton with the assistance of all departments, Mayor and Council.



Meet Council and Staff

Organizational Chart

Message from the Mayor and Chief Administrative Officer

Departmental Reports

Status of 2023-2027 Capital Plan



Meet Council and Staff



Spencer Coyne

Mayor



Barb Gould

Councillor



Tyler Willis

Councillor

The Town of Princeton is governed by a mayor and four councillors as per Section 118 (1)(c) of the Community Charter. The Mayor and members of Council serve on various committees which manage both internal and external functions of the Town. Council is also formed into a Committee of the Whole when necessary and assemble in regular meetings either once or twice a month, with special meetings of council being scheduled as necessary.

The schedule of elections for the Town is set under Section 52 of the Local Government Act. The last election was held in 2022 and the next election is scheduled for October 17, 2026.



George Elliott

Councillor



Randy McLean

Councillor

Senior Staff

Chief Administrative Officer

Corporate Officer

Lyle Thomas

Director of Corporate Services

Deputy Corporate Officer, Deputy CAO

Carrie Kassa

Director of Economic Development

Tourism

Gary Schatz

Director of Finance

IT, Administration

James Graham

Manager of Protective Services

Bylaw Enforcement, Animal Control, Emergency Operations

Ed Atkinson

Fire Chief

Princeton Volunteer Fire Department

Rob Banks

Superintendent of Public Works

Cemetery Operations

Jim Daley

Recreation, Program and Events Coordinator

Cultural Programming and Events

Nadine Koronko

Manager of Building Services

Building Permits

Alan Palmgren

Recreation Facilities Supervisor

Arena and Parks Administration

Peter Rubingh

Infrastructure Technologist

Water and Sewer Operations

Jared Thomas

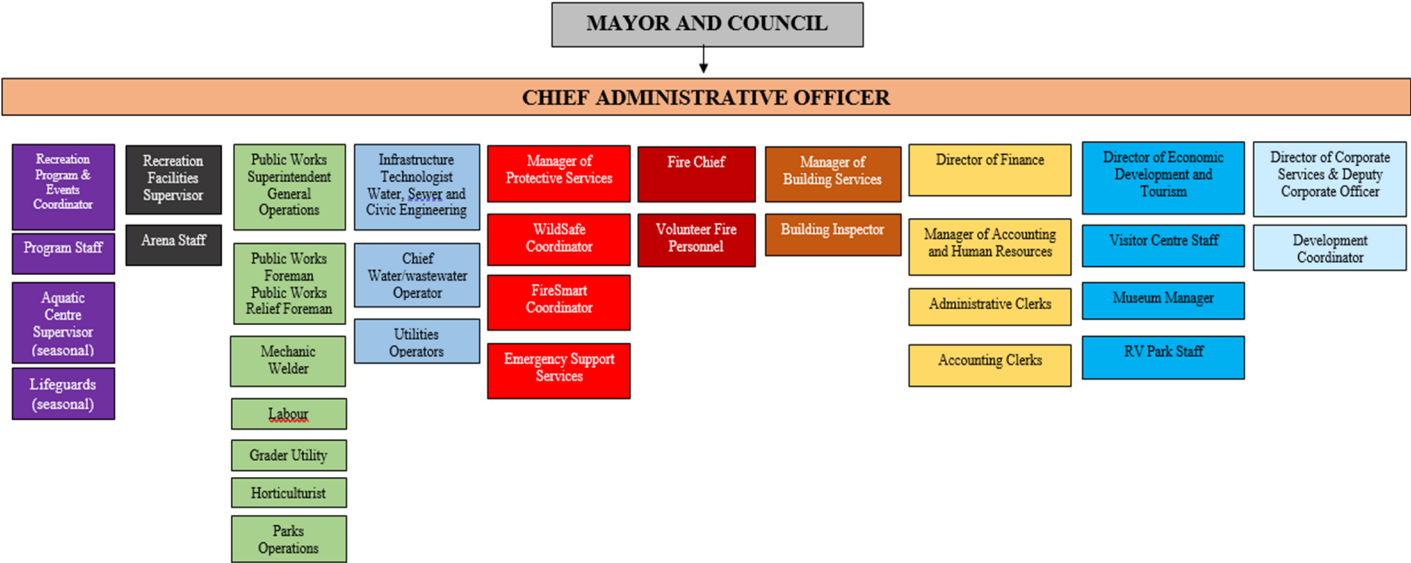
Accounting & Human Resources Manager

Jeanie Williams

The Mayor and Council of the Town of Princeton is solely responsible for the governance of the municipality. The function of staff is to implement the governance as set by Council. The Chief Administrative Officer (CAO), with suggestions by all staff makes recommendations to Council on a broad range of policy and administrative issues. The office of the CAO directs the operations of the municipality and is responsible for implementing policies as set by Council.



Organizational Chart



Council Portfolios and Appointments

Arts, Cultural & Heritage Portfolio	<p>Community Arts Museum</p> <p>Appointments: Princeton & District Museum and Archives Mayor Coyne, Councillor Elliott Princeton Arts Council Councillor Elliott; Alt Mayor Coyne</p>	<p>Mayor Coyne Councillor Elliott</p>
Cemetery Portfolio	<p>Princeton Cemetery</p>	<p>Mayor Coyne Councillor McLean</p>
Health Care & Mental Health Portfolio	<p>Doctors Facilities Social Support Overdose Crisis Homelessness</p> <p>Appointments: Princeton Health Care Steering Committee Mayor Coyne, Councillor Elliott SOS Rural Healthcare Community Coalition Mayor Coyne IHA Infrastructure Committee Mayor Coyne, CAO Thomas CHC for Princeton Committee Councillor Elliott Primary Care Network Planning Mayor Coyne, Councillor Elliott Community Interagency Meeting Group Councillor Elliott, Alt Mayor Coyne Princeton Community Health Table Mayor Coyne, Councillor Elliott</p>	<p>Mayor Coyne Councillor Elliott</p>
Infrastructure Portfolio	<p>Roads Water Sewer Sidewalks</p>	<p>Mayor Coyne Councillor McLean</p>

Intergovernmental Relations Portfolio	RDOS Upper Similkameen Indian Band Vermilion Forks Metis Society RCMP Provincial Government Federal Government Appointments: RDOS Board Mayor Coyne, Alt Councillor Gould Southern Interior Local Government Association Mayor Coyne, Alt Councillor Gould	Mayor Coyne Councillor Gould CAO Thomas
Recreation Portfolio	Recreation Advisory Curling Rink Arena Ball Diamonds Swimming Pool Tennis Courts Princeton Posse Princeton Pickleball	Committee of the Whole
Personnel & Safety Portfolio	Southern Interior Municipal Employer Association	Mayor Coyne HR Manager Williams
Transportation Portfolio	Regional BC Transit In Town BC Transit Greyhound Replacement Hwy 3 Mayors and Chairs Coalition Appointments: Hwy 3 Coalition Mayor Coyne, Alt Councillor McLean	Mayor Coyne Councillor McLean
Urban Wildlife Portfolio	Deer Count Deer Management Bear Aware Liaison with Conservation Service Liaison with Provincial Biologists Wildsafe Program Appointments: Urban Wildlife and Deer Select Committee Chair Councillor Gould, V Chair Councillor Willis	Councillor Gould Councillor Willis
Waste Management & Recycling Portfolio	Landfill Recycling Program Curbside Collection	Committee of the Whole
Youth Portfolio	School Liaison Youth Social Issues Youth Programs Childcare	Mayor Coyne Councillor Gould

Message from the Mayor

On behalf of Princeton Town Council, it is my pleasure to present the 2023 Annual Report. This report shows the many initiatives, projects, and capital improvements the Town of Princeton is undertaking.

Princeton has not seen the amount of work that is currently being undertaken since the early 1970s. Our Council has committed to continuing projects and objectives that were priorities prior to the flood and completing post-flood recovery objectives.

I want to thank the Town staff for their dedication and perseverance to make Princeton a better place.

Spencer Coyne
Mayor



Message from the Chief Administrative Officer

As the Chief Administrative Officer for the Town of Princeton, my main role is to provide coordination and implementation of Council's strategic and corporate initiatives and to be a team leader and support for the municipal administration, public works, and recreation teams.

As our Town evolves and changes, Council and staff remain dedicated to long range planning and being pro-active rather than re-active.

Council is focused on strategic financial planning that includes multi-year projections that enhance housing solutions, quality of life amenities, services, businesses, community beautification and marketing. As we are still recovering from the 2021 atmospheric river event, this remains a high priority focus.

As a result, our community is growing. Council and staff are committed to "Fostering a Healthy Community". A community that we all can be proud of.

You will see in the coming months, major plans and works to infrastructure that supports this vision.

I am honoured to work with a progressive and community minded Mayor and Council along with a very dedicated and talented staff.

Lyle Thomas
Chief Administrative Officer



Overview of Municipal Services

With respect to the Town of Princeton Financial Plan, the following departments are used to categorize expenditures for ease of management and reporting purposes:

Capital program is for all new projects or replacement of capital assets, including major repairs of all infrastructure in Town. Includes substantial repairs to roads, parks, buildings, water lines, sewer lines, equipment and vehicles.

General Government Services supports all departments in the town. They provide a wide array of services and programs to the public on a daily basis. Examples include wages for mayor, council, directors and administration, legal services, computer repair, office supplies and rental, GIS system in conjunction with the RDOS, insurance, bank fees, election related expenses.

Grants in Aid support non-profit organizations that provide services to the community.

Protective Services include the Princeton Volunteer Fire Department, Animal Control and By-Law Services.

Emergency Program include support for both immediate emergency needs during disaster (fire, flood, earthquake) and social needs for those who are affected by disaster and operation of the Wildsafe BC and Firesafe BC Programs.

Transit Services include Princeton's participation in BC Transit's South Okanagan-Similkameen transit system.

Economic Development include promotional marketing, tourism development and both commercial and industrial development

Visitor Information Centre include the visitors information centre, funded in conjunction with Destination BC.

Public Works include all infrastructure repair beneath a replacement or substantial refurbishment, repair of Town buildings, operation of the Town's public works yard, parks maintenance, landscaping of town boulevards and grounds, snow and ice clearing, storm drain maintenance and repair, and dangerous tree removal

Airport include operation of the Princeton Airport terminal, and the supply of Aviation Fuel

Parks include maintenance of parks, playgrounds and sports fields.

Waste Management include contracting of garbage and recycling pickup and landfill operations.

Cemetery Services include repairs, maintenance and operation of the Princeton Cemetery.

Recreation and Leisure Services include staffing, utilities and repairs to the Town's leisure facilities (arena, pool and Riverside Centre). Also organizes and executes recreation programming.

Water System include permitting, operation and repair of the town's water distribution system

Sewer System include permitting, operation and repair of the town's sewer system and sewage treatment facilities.



Departmental Reporting

Staff of the Town of Princeton is managed by the Chief Administrative Officer, or CAO. The CAO is responsible for the general management of the Town and is supported by directors, who manage a specific department within the Town governance model and various managers and front-line personnel, who deliver services to Town residents.

The departments used to classify Town government operations are:

Corporate Services: responsible for town meetings, planning, development, subdivisions, council operations, building services, bylaw services, animal control, BC Transit, protective services, emergency services, including emergency social services, and fire and rescue services.

Financial Services: responsible for financial services, human resources, information technology and telecommunications, internal and external reporting, auditing and budgeting processes.

Infrastructure and Parks: responsible for public works, cemetery services, park maintenance, airport maintenance, building maintenance, transportation infrastructure, water and sewer system, sidewalks, landfill and recycling operations, garbage and recycling residential pickup.

Economic Development: responsible for encouraging business and employment opportunities, tourism strategy, Princeton Visitors Centre, Princeton Municipal Campground, Princeton and District Museum, downtown revitalization efforts.

Parks & Recreation: operation of the Princeton & District Arena, Centennial Pool, Riverside Centre (before May 2022), recreation programming, parks use and vision.



Parks & Recreation Department

Lyle Thomas

Acting Director of Leisure Services

The Town of Princeton Recreation Department is a vital part of our community's quality of life. Recreation ensures that everyone has opportunities for personal growth through leisure-time activities and socialization.

Princeton is very fortunate to have a wide array of opportunities for different ages, interests, and skill levels. We are surrounded by nature and beautiful open spaces.

Recreation and quality of life is a high priority for Council. This year, Council has engaged the services of a consultant to help us guide our path forward through developing a Recreation and Parks Master Plan. This plan, when completed, will set strategic goals and priorities, that we can work towards as a community with a focus on growth.

The Recreation Department staff are a dedicated and dynamic group of people committed to service. They work hard to provide well maintained facilities and quality programming.

Council is committed and continues to make improvements to our existing amenities and are always on the lookout for funding opportunities to enhance our community's quality of life.



Economic Development Department

Gary Schatz

Director of Economic Development

Economic development is focused on expansion and attraction. The Princeton Industrial Park is almost at full capacity, with only four plots remaining. Due to the competitive industrial land rates, there is still a lot of interest in industrial property. The economic outlook for 2024 is positive. New developments and permits are underway to address the ongoing housing issue, which should help solve the staffing shortages that small towns often face. Princeton is fortunate to have three major employers - Weyerhaeuser, Copper Mountain Mine, and BC Green Pharmaceuticals - as anchors for the community's economy.

The Town of Princeton has received the Economic Development Marketing Innovation Award for its #ReDiscover Princeton marketing campaign. The BCEDA Marketing Innovation Award recognizes achievement in marketing initiatives that support economic development.

Tourism

Tourism is a significant driver of the economy in Princeton, employing over 300 people in tourism or tourism-related industries. The tourism department markets Princeton as the Bronze Sculpture Capital of Canada, a visitor must-see destination. In 2023, Princeton welcomed a record number of tourists through the Princeton Visitor Information Centre.

Princeton Tourism is continuously innovating and has recently added a new Virtual Experience that offers a simulated kayak tour down the Similkameen River. Additionally, there is a Fly-Over Princeton experience, which offers breathtaking aerial views of the town.

In 2024, the Princeton Welcomes the World Campaign will be launched. The campaign aims to welcome tourists of all nationalities to our community for both business and pleasure. The town and our business community should expect to see the benefits of this campaign moving forward.

Civil Works Department

Jared Thomas

Infrastructure Technologist

2023 was a challenging year. The Town has continued to work very hard to rebuild infrastructure that was directly affected by the 2021 Flood event.

The Well #1 & #2 replacement project is now nearing completion. The construction contract was awarded to Bree Construction on May 17, 2023. All permits and approvals are in place, the facility has been constructed, and all underground infrastructure has been installed. The next steps are the installation of mechanical and electrical components inside the facility, then on to tie-ins and commissioning. We are now very close to having the boil water notice rescinded. The estimated timeline for commissioning is August – September 2024.

2023 had been a challenge for the residents affected by the current boil water notice. To help ease the burden of the boil water notice, the Town installed and commissioned a temporary outdoor potable water filling station in January of 2022. The winter months proved to be quite the challenge dealing with freezing conditions. In January of 2023 the Town installed the temporary filling station indoors, this was well received by the residents of Princeton.

In an effort to make well #4 less susceptible to flooding, the Town applied for funding for the sum of \$6,458,000.00 to relocate the Well #4 facility and infrastructure to a location up out of the flood plain. In December of 2023 the Investing in Canada Infrastructure Program ARDM confirmed that the Town was approved for the funding. Town staff are now working on full design and approvals from Interior Health. There is potential to see this project start sometime in 2025.

Well #2 was still showing adverse effects from the 2021 flood event. In June of 2023 we started to see consistent positive total coliform results. In response to these results the Town implemented one more round of well disinfection to well #2. As a result, we did not see any more positive results for October, November, or December of 2023.

Currently there is one watermain that runs from the Upper Reservoir near the intersection of Hwy 5A and Airport Road through the industrial park and down to East Princeton. Due to the elevation of the reservoir and the vast distance, the far end of the industrial park currently has a low fire flow conditions. In August/September of 2022 the Town leased land to BC Housing for the use of constructing temporary housing for the people that were displaced from the 2021 flood event. In order for this development to be constructed it was determined that looping the existing watermain would be needed to increase fire flow/protection. Installation of the watermain loop started in 2023.

The new Billiter Warren Booster Station was completed and commissioned in November of 2023. The purpose of this facility is to pump water from the Wells 1 & 2 zones up to the West reservoir in the event that Well #4 was ever down due to failure or repairs or there was a need for fire protection. The station is not yet capable of automatic operation as it is closed due to the current separation of the 2 water systems due to the current boil water notice. The station is fully operational and ready to use in the event of an emergency. This project was initiated due to the fact that the old station was at end of life and was constructed in an underground chamber, the new building and infrastructure is now above ground.

on July 25, 2023, a stage 3 water restriction was implemented for the Town. This restriction was put in place due to well #2 receiving consistent positive total coliform results thought to be remnant from the 2021 flood event. In response to these results the Town implemented one more round of well disinfection to well #2. During this process well #2 was shut down, and with heavy water consumption of the summer months the restriction was needed in an effort to keep reservoirs full. After the disinfection process the restriction was left in place for the rest of the summer months due to drought conditions.



Building Services Department

Alan Palmgren

Chief Building Official

Building permit applications:

73 permit applications were received in 2023.

36 flood recovery permits were completed and finalized in 2023.

5 flood recovery permits were renewed in 2023.

Projects of note:

2023-23, 231 Bridge, Town Hall Annex.

2023-55, 199 Harold, Old Public Work site, Demo.

2023-56, 43 Harold, Community Services Building, Demo.

2023-60, 245 HWY 3, Centex Service Station.

2023-62, 221 HWY 3, Municipal Wells 5&6.

2023-66, 335 Laurie Currie Way Public Works Building .

2023-73, 72 Fenchurch, Plumbing and Mechanical Upgrade, BC Housing.

141/151 Stan Thompson Way, Seniors Temporary Housing Project received a time limited conditional occupancy May 1, 2023. A list of deficiencies was provided to the Black Diamond Group to complete.

In discussion with SD 58 for the Riverside Daycare, Tenant Improvements project.

Town Hall Annex:

The building permit 2023-23 for the tenant improvements was issued May 25, 2023. We relocated to the annex the 3rd week in October, as scheduled. The contractor is finishing off several items included in the contract.

We have discovered a problem with the heating system. The system itself is beyond its service life and the heat pump unit has failed. Adjustments have been made to provide emergency heat for the short term.

Building Services Department

Alan Palmgren

Chief Building Official

Building Department:

Education: Kris and I attended the BOABC education conference in May 2023. This provides us with continuing professional development credits audited by the BOABC annually to maintain our certification. Other education opportunities we attend online are: Lunch and Learn midday education courses. Attending the BOABC South Central Interior Zone online meetings 4 times a year.

Kris and I attended the 2024 BC Building Code update in person November 2023. Building Code updates are a must attend to maintain certification.

Modernization: Exploring the purchase of a digital plan review table to move towards a paperless review process. The technology allows plan reviews, comments, and markups. Storage of plans electronically for instant access to gather info and provide info to the Assessment Authority, BC housing Homeowner Protection Office, and building information requests by homeowners and real estate agents looking for property information at purchase or sale. The ability for digital communications and virtual meetings to provide real time changes and for one or many stakeholders.

Exploring the purchase of a digital large format scanner / plotter to provide digital archiving of documents and plans, and the flexibility to generate a hard copy when required.

Exploring the purchase of a new building department vehicle more suited to the building officials type of work to replace the pick-up we currently use.

We have identified shortfalls with the building bylaw document. Our goal is to review and provide updates to increase efficiencies and have a more effective and user-friendly document.

Succession Plan: Due to the difficulty with recruiting and retaining building officials, the building department has adopted a succession plan by entering an agreement with the BOABC the Town of Princeton, the Chief Building Official and the Building Official in Training. Distance education modules are obtained from the BOABC completed by the BOIT in preparation of writing the exams to achieve qualification and certification of each level. The role of the Chief Building Official is to provide training and mentoring during this process. The anticipated outcome is a smooth transition when the Chief Building Official retires.



Recreation Facilities Department

Peter Rubingh Facilities Supervisor

Probably the biggest accomplishment was at the arena.

The old roof and insulation was replaced

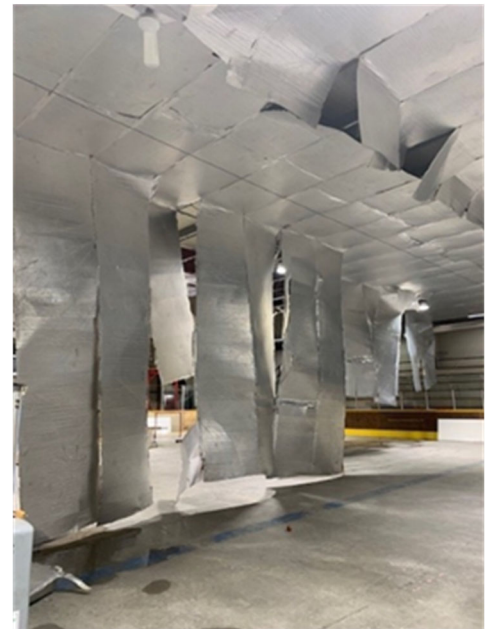
The ceiling was taken down (as well as 460 pucks)

The boards were stripped down (rotten)

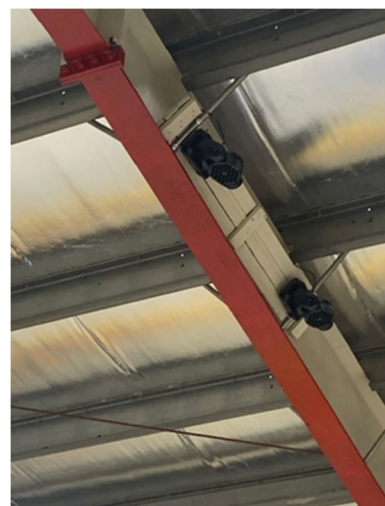
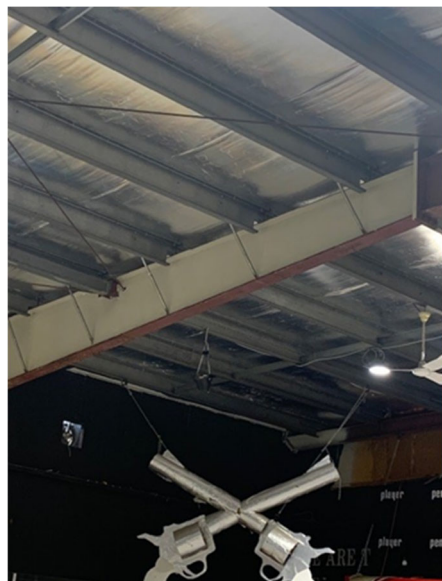
And replaced with treated plywood and new puck board

All steel beams painted

Laser lights and smoke machine installed



Recreation Facilities Department



Status of Capital Plan 2023

Campground Capital Improvements

Department: Economic Development

Object:

To install new washroom facilities

Update 2023: Construction started, building to be complete in 2024. Replacement water system to be budgeted for completion in 2024.

Bridge Street Park

Department: Economic Development

Object:

To create a new public park space on Bridge Street

Update 2023: Construction nearing completion, bandshell to be complete in 2024, planning for road surface to be completed in 2024, park contents acquired awaiting construction for deployment

Caboose Refurbishment

Department: Parks

Object:

To renovate and repair the historic train caboose on the Kettle Valley Railroad Trail

Update 2023: Project carry-forward.

Memorial Park Concession Roof

Department: Parks

Object:

To replace the roof over the concession area at the ball diamonds in Memorial Park.

Update 2023: Project complete

Princeton & District Arena Improvement Project

Department: Recreation & Leisure Services

Object:

To replace the roof at the Princeton & District Arena

To install solar panels on the roof of the Princeton & District Arena that will generate electricity to power the building

To acquire a new ice resurfacing machine and ice edging machine using electrical power

To acquire and install new dehumidification machinery replacing the non-functioning unit

Update 2023: Roof complete, ice edger acquired, ice resurfer ordered, expected delivery in 2024, solar panel installation expected completion in 2024.

Pickleball Court

Department: Parks

Object:

To fund a portion of the construction of a pickleball facility in partnership with the Regional District of Okanagan-Similkameen and the Princeton Pickleball Association

Update 2023: In planning stages, expected completion 2024.

Status of Capital Plan 2023

New Vehicles / Public Works Equipment

Department: Public Works

Object:

To purchase the currently leased skidsteer style piece of equipment for the Public Works department

To purchase a new plow truck

To purchase a new front-end loader

Update 2023: Acquired new snow tractor & blade, 2008 Ford F-450 truck and new trailer for Parks Department for storage

Slope Stability Study

Department: Public Works

Object:

To make repairs to the slope above Vernon Avenue to prevent slope instability

Update 2023: Project complete

Airport Lighting

Department: Airport

Object:

To install lighting on the runway of the Princeton Airport, allowing night operations.

Update 2023: Project is underway, expected completion in 2024.

Airport Fuel System

Department: Airport

Object:

To replace the fuel distribution system at the Princeton Aerodrome.

Update 2023: Project in planning stages, expected completion in 2024.

Second Bench Hillside Trail

Department: Parks

Object:

To rebuild the pathway connecting Fenchurch Ave between the second and third bench residential areas.

Update 2023: Safety mitigation performed, Project deferred to 2024.

Pressure Releasing Valves

Department: Water

Object:

To replace obsolete and defective valves within the Town's water system

Update 2023: Project complete.



Status of Capital Plan 2023

Confined Space Study

Department: Water

Object:

To investigate current procedures regarding confined spaces in Town water booster stations for safety purposes of Public Works staff

Update 2023: Project complete, implementation to follow.

Fire Hydrant Replacement

Department: Public Works

Object:

To replace obsolete fire hydrants within Town limits.

Update 2023: Project ongoing into 2024.

Generator – Ponderosa Lift Station

Department: Sewer

Object:

To supply and install an emergency generator for sewerage at the Ponderosa Lift Station, preventing possible backflow issues on the third bench residential area

Update 2023: Project complete.

Well 4 Security Upgrades

Department: Water

Object:

To supply and install security measures within Well 4 of the Water System discouraging theft and vandalism

Update 2023: Project cancelled, replaced with Well 4 replacement project.

Storm System Study

Department: Public Works

Object:

To investigate and find deficiencies in the storm water system in the Downtown area, plan for major repairs in future capital budgets and make minor repairs

Update 2023: Project complete.

Sanitary Sewer I&I

Department: Public Works

Object:

To investigate infiltration of storm water from leaks and non-compliant residential storm water hookups in the sanitary sewer system

Update 2023: Project ongoing.

Status of Capital Plan 2023

Shoring Cage

Department: Public Works

Object:

To purchase a shoring cage for excavation work by Public Works

Update 2023: Acquired

Valve Exerciser

Department: Water

Object:

To purchase a piece of equipment to perform routine maintenance of the water system.

Update 2023: Acquired

Industrial Park Expansion

Department: General Government

Object:

To install services at the Princeton Industrial Park, allowing sales of 5 more folios.

Update 2023: Project deferred to 2024, pending sales of existing lots.

Rocklin Ave & Highway 3 Improvements

Department: Public Works

Object:

To make safety improvements to the intersection of Rocklin Avenue and Highway 3.

Update 2023: Project deferred to 2024

Pump House Air Conditioning System

Department: Water

Object:

To prevent overheating of the Town well water pumps during excessive heat events.

Update 2023: Project cancelled



Status of Capital Plan 2023

Culbertson Lift Station

Department: Water

Object:

To supply and install a new design, including building and mechanical parts for the machinery at the Culbertson Lift Station.

Update 2023: Project in planning stages, preparing for tender in 2024.

Smoke Machine

Department: Sewer

Object:

To supply a machine to detect leaks within the Town's sewerage system.

Update 2023: Acquired

Hauled Liquid Waste Pit

Department: Sewer

Object:

To complete the construction of a fourth liquid waste pit.

Update 2023: Project deferred until requested by the Regional District.

Manhole Replacement

Department: Sewer

Object:

To replace sewer access covers throughout the Town.

Update 2023: Project ongoing.

Video Inspection

Department: Water

Object:

To supply a closed-circuit television inspection equipment system for inspection of the Town's water system.

Update 2023: Project complete.

Landfill Scale Software

Department: Waste Management

Object:

To supply and install software replacing obsolete scale software at the Princeton Landfill.

Update 2023: Project deferred to 2024.

Well Monitoring

Department: Water

Object:

To supply and install sensors to monitor groundwater pollution at the Princeton Landfill as a requirement of the Provincial Government and/or the Interior Health Authority

Update 2023: Project complete.

Status of Capital Plan 2023

Park Refurbishment/Upgrades

Department: Parks

Object:

To upgrade various capital items in parks (playgrounds, fencing) as determined by the infrastructure and Public Works departments.

Update 2023: Project ongoing, upgrades ongoing to Memorial Park.

Paving Program

Department: Public Works

Object:

To reconstruct various sidewalks within Town boundaries according to a schedule as proposed by the Infrastructure and Public Works departments.

Update 2023: Project complete, new priorities to be announced in 2024.

Memorial Park

Department: Recreation & Leisure Services

Object:

To study the layout and create a plan for Memorial Park.

Update 2023: Study instigated with consultant, to be completed in 2024.

Vehicle Replacements - Flood

Department: Public Works

Object:

To replace vehicles damaged in the November 14, 2021 Tulameen River flooding event.

Update 2023: Awaiting delivery of some vehicles in 2024.

Building Repair and Replacement

Department: Public Works

Object:

To replace or repair the Public Works Yard and the Community Services Building that were damaged during the November 14, 2021 Tulameen River flooding event

Update 2023: Public Works Building construction ongoing, to be completed in 2024

Status of Capital Plan 2023

Fenchurch Lift Station Repairs

Department: Sewer

Object:

To repair electrical components and perform an upgrade to bring the site in question to current electrical standards at the Fenchurch Lift Station. This station was damaged during the November 14, 2021 Tulameen River flooding event.

Update 2023: Project complete.

Well System Disinfection and Repair

Department: Water

Object:

To disinfect Wells 1 & 2 after infiltration of the Similkameen River during the November 14, 2021 Tulameen River flooding event.

Update 2023: Project complete.

Diking System Repair

Department: Public Works

Object:

To complete repairs of the diking system damaged during the November 14, 2021 Tulameen River flooding event.

Update 2023: Awaiting funding from senior levels of government.

Directional Drilling

Department: Water

Object:

To complete repairs to the water distribution pipes that were destroyed during the November 14, 2021 Tulameen River flooding event.

Update 2023: Project tendered and started.

SCADA Replacement

Department: Water

Object:

To replace the SCADA device that was destroyed at the Public Works Yard during the November 14, 2021 Tulameen River flooding event.

Update 2023: Project complete.

Road, Water and Sewer Replacement

Department: Public Works

Object:

To replace all water, sewer and pavement along streets affected by the November 14, 2021 Tulameen River flooding event.

Update 2023: Project complete.

Status of Capital Plan 2023

Sewer Forcemain Lining

Maximum Amount of Expenditure: \$673,000

Department: Sewer

Object:

To line the sewerage forcemain from the Fenchurch lift station to the sewage lagoons. These lines were partially damaged during the November 14, 2021 Tulameen River flooding event.

Update 2023: Awaiting design and construction capacity

Sewer Trunk Main Replacement

Maximum Amount of Expenditure: \$1,118,000

Department: Sewer

Object:

To replace the main trunk sewerage line from the Tulameen River crossing through the downtown area (via a route to be determined by the Public Works Department) to the Fenchurch Sewer Lift Station.

Update 2023: Awaiting design and construction capacity

Well Construction

Department: Water

Object:

To design and build a new well, provide for disinfection of the water drawn from the well and connect the well to the current water system.

Update 2023: Project deferred for rebuild of Wells 1& 2 and 4

Booster Station Construction at Warren and Billiter

Department: Water

Object:

To design and build a new booster station to replace the deficient underground facility at Warren and Billiter.

Update 2023: Project substantially complete.

Infrastructure Master Plan

Department: Public Works

Object:

To conduct a study and create a master plan that will provide medium and long-term (up to 25 years) maintenance and replacement needs for the Town's water and sewer systems.

Update 2023: Awaiting capacity from staff.



Status of Capital Plan 2023

Angela Avenue Sewer Lift Station

Department: Sewer

Object:

To design and construct a new sewer lift station as the current design for the main trunk line replacement through the downtown core requires this facility.

Update 2023: Awaiting design and construction capacity.

Decommissioning of Wells 1 & 2 and Replacement Facilities

Department: Water

Object:

To decommission the two wells located in Memorial Park as the infiltration risk to these facilities exceeds Health Authority guidelines. Also includes funding for the design and supply of two new wells at alternate locations within the Town, disinfection facilities for the water drawn and connection to the Town's water supply.

Update 2023: Well 1 & 2 replacement construction ongoing, scheduled to be completed in 2024.

Fire Department Equipment

Department: Emergency Services

Object:

To replace the current exhaust system in the vehicle bays of the Princeton Volunteer Fire Department building.

Update 2023: Project Complete

Fire Hall Roof Replacement

Department: Emergency Services

Object:

To replace the roof of the Princeton Volunteer Fire Department building.

Update 2023: Project complete

Official Community Plan

Department: General Government (Corporate Department)

Object:

To update the Town's Official Community Plan

Update 2023: Project complete

Downtown Revitalization

Department: Economic Development

Object:

To enhance the tourism appeal of the Town by adding to the inventory of bronze statues within the downtown core

Update 2023: Project ongoing, additional funding provided for in 2024.

By The Numbers: Financial Reports and Statistics



Audited and Consolidated Financial Statements 2023

Statistical Analysis and Discussion



Financial Officer's Report

James Graham

Director of Finance

I am pleased to present the audited financial statements for the Town of Princeton for the financial year ending December 31, 2023, in accordance with both Sections 98 and 167 of the *Community Charter*. Included with this report is a full slate of audited financial statements, notes to the financial statements and a brief commentary of the financial state of the municipality, including strengths and potential challenges.

Preparation of the financial statements is a statutory obligation of the financial officer, management and the council of the Town of Princeton. The consolidated financial statements attached have been prepared in accordance with Generally Accepted Accounting Principles as directed by the Public Sector Accounting Board of the Canadian Association of Chartered Public Accountants and verified by the opinion of the Town's auditing partner, KPMG. The auditor's opinion state that the statements reflect, in all material respects, the financial position of the Town in fiscal year 2023 and to December 31, 2023 as necessary. The Town's auditor is independent of both management and Council and reports their findings independently of staff.

The Town's financial position is strong but achieving that strength is not without financial and operational challenges. With inflation at highs not seen in decades affecting residents, it makes the function of producing a budget for council's approval a difficult task. I believe the budget presented to council reflects council's desire to continue with making Princeton the very best it can be budgeting for necessary works in our water distribution, sewer infrastructure and municipal beautification efforts.

Even with the financial challenges of the day, the financial position of the municipality has never been stronger. Our overall reserves have increased by \$3.2 million over the end of 2022 and have improved every year since 2018. Interest on reserve accounts alone account for more than \$1 million of addition to reserve accounts in the current fiscal year. Stable and strong reserves ensure consistency in tax increases and allow future capital projects to proceed without an unnecessary burden for future generations.

The Province of British Columbia has provided funding for many areas that they find necessary and proper to partner with us in improving Princeton. We have received funding for FireSmart programs, improvements to our airport, improving our downtown core through street lighting, necessary infrastructure upgrades, public safety investments and action on climate change. The funding provided adds up to more than our entire property tax base and is immeasurable to improving quality of life in Princeton.

The value of our building permits and development cost charges continues to increase. Measured and steady growth is financially healthy in any community as it reduces the burden on current ratepayers for existing services. Council continues to encourage business development and investment in our community which can only benefit all of us.

There are operational risks to guard against as well. The size of government in general is increasing which makes providing the exceptional value in property taxes and service fees more challenging as we add labour and subcontractor costs to our annual expenses. Downloading of responsibilities from senior levels of government in areas such as housing, health care and protection of the environment are a concern as well as increased reporting burdens continue to challenge all municipal finance departments across the province. I truly believe that we take the challenges that we face of increasing the size of our operation seriously so as not to be more of a burden to ratepayers in this municipality. The senior staff do a great job staying within their budgets and building reserves for the future so as to temper necessary increases in the tax rate moving forward.

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of Town of Princeton (the "Town") 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 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 Town'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 Town. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.





KPMG LLP
3205-32 Street, 4th Floor
Vernon BC V1T 5M7
Canada
Tel 250 503 5300
Fax 250 545 6440

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of Town of Princeton

Opinion

We have audited the consolidated financial statements of Town of Princeton (the "Town"), which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net financial assets 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 Town as at December 31, 2023, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

We are independent of the Town 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



Emphasis of Matter - Comparative Information

We draw attention to Note 15 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2022 has been restated.

Note 15 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter - Comparative Information

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022.

In our opinion, such adjustments are appropriate and have been properly applied.

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 Town'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 Town or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 Town'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 Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town 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 with the group, the Town, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants

Vernon, Canada

May 14, 2024

Consolidated Statement of Financial Position

As at December 31, 2023 with comparative information for 2022.

	2023	2022 (restated, see note 15)
Financial Assets		
Cash and Cash Equivalents (Note 3)	18,894,217	20,613,354
Accounts receivable (Note 4)	9,965,789	4,901,770
Inventory for sale	35,275	33,672
Land held for resale	1,775,697	1,772,393
Long-term investments (note 5)	34,426	299,321
	30,685,404	27,620,510
Financial Liabilities		
Accounts payable and accrued liabilities	1,807,854	1,630,700
Deferred revenue (note 7)	10,674,928	10,077,686
Term debt (note 16)	7,125,820	7,317,307
Asset retirement obligations (note 15)	1,932,179	1,840,696
	21,540,781	20,866,389
Net financial assets	9,144,623	6,754,121
Non-financial assets		
Inventory of supplies	156,075	140,675
Prepaid expenses and deposits	139,785	128,468
Tangible capital assets (note 9)	33,230,973	25,507,628
	33,526,833	25,776,771
Contingent liabilities and commitments (note 11)		
Related party transactions (note 18)		
Flood costs (note 17)		
Accumulated surplus (note 9)	42,671,456	32,530,892

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

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2023 with comparative information for 2022.

Revenue	Budget	2023	2022 (restated, see note 15)
Taxation revenue (note 10)	4,353,000	6,438,378	3,593,478
User fees—sewer and water	1,260,000	1,185,757	1,127,928
Grants—provincial and federal	29,317,000	8,363,181	6,810,740
Sale of services and rentals	766,000	1,112,523	1,111,429
Licenses and permits	121,000	118,501	98,885
Penalties & interest on taxes	40,000	105,156	77,115
Return on investments	2,966,000	1,038,250	381,068
Sundry	1,234,000	92,515	160,480
Regional district grants	717,000	648,448	648,469
Land sales	1,048,000	65,000	850,000
Proceeds from borrowing	5,508,000	0	0
	47,330,000	19,167,709	14,859,592
Expenses			
Economic development	691,000	792,005	724,083
Environmental health services	876,000	762,565	778,382
General government	1,311,000	2,096,548	1,726,538
Grants to other organizations	45,000	115,651	710,009
Protective services	414,000	487,441	2,420,340
Public health and welfare services	79,000	93,210	64,303
Recreation services	1,619,000	1,565,481	1,243,647
Sewer utility	745,000	772,546	449,758
Transportation services	2,113,000	3,558,375	2,671,574
Water utility	752,000	841,168	690,379
	8,645,000	11,084,990	11,479,013
Surplus before the undernoted	38,685,000	8,082,719	3,380,579
Other income (expenses)			
Proceeds on insurance claims	0	2,055,842	323,873
Other income (note 5)	0	2,003	266,818
	0	2,057,845	590,691
Annual Surplus	38,685,000	10,140,564	3,971,270
Accumulated surplus, beginning of fiscal year	32,530,892	32,530,892	28,599,622
Accumulated surplus, end of fiscal year	71,215,892	42,671,456	32,572,812

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



Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2023 with comparative information for 2022.

	Budget (note 14)	2023	2022 (restated, see note 15)
Annual surplus	38,685,000	10,140,564	3,971,270
Acquisition of tangible capital assets	(38,936,000)	(8,907,910)	(4,736,349)
Amortization of tangible capital assets	0	1,184,565	1,356,397
	(38,936,000)	(7,723,345)	(3,379,952)
Acquisition of prepaid expenses and inventory of supplies	0	(270,859)	(269,144)
Use of prepaid expenses and inventory of supplies	0	244,142	89,958
	0	(26,717)	(179,186)
Change in net financial assets	(251,000)	2,390,502	412,132
Net financial assets, beginning of fiscal year	6,754,121	6,754,121	6,341,989
Net financial assets, end of fiscal year	6,503,121	9,144,623	6,754,121

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

Consolidated Statement of Cash Flows

Year ended December 31, 2023 with comparative information for 2022.

	2023	2022 (restated, see note 15)
Cash provided by (used in)		
Operating transactions		
Annual surplus	10,140,564	3,971,270
Items not involving cash		
Amortization of tangible capital assets	1,184,565	1,356,397
Write-down of tangible capital assets	91,483	87,151
Income from equity investments	(2,003)	(266,818)
Change in non-cash operating assets and liabilities		
Accounts receivable	(5,064,019)	(2,171,661)
Inventory held for resale	(1,603)	7,607
Land held for resale	16,696	(152,816)
Prepaid expenses and deposits	(11,317)	(44,092)
Inventory of supplies	(15,400)	(135,094)
Accounts payable and accrued liabilities	179,060	172,458
Deferred revenue	597,242	9,607,120
	7,115,268	12,431,522
Capital transactions		
Acquisition of tangible capital assets	(8,907,910)	(4,736,349)
	(8,907,910)	(4,736,349)
Investing activities		
Repayments from Vermilion Forks Community Forest Corporation	264,992	792,751
	264,992	792,751
Financing activities		
Proceeds from issuance of term debt	0	7,320,770
Principal payment on term debt	(191,487)	(3,463)
	(191,487)	7,317,307
Increase (Decrease) in cash and cash equivalents for the fiscal year	(1,719,137)	15,805,231
Cash and cash equivalents, beginning of fiscal year	20,613,354	4,808,123
Cash and cash equivalents, end of fiscal year	18,894,217	20,613,354

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



Notes to Consolidated Financial Statements

Year ended December 31, 2023

Town of Princeton (the "Town") is incorporated and operates under the provisions of the *Local Government Act* and the *Community Charter* of British Columbia.

The Town provides municipal services to residents of the incorporated area. These include protective services, transportation services, environmental health services, public health and welfare services, economic development services, recreational and cultural services, and general government services.

1. Significant accounting policies:

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

(a) Basis of consolidation:

(i) Consolidated entities:

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 Town and which are owned or controlled by the Town except for the Town's government

business enterprises which are accounted for on the modified equity basis of accounting. The reporting entity is comprised of all the funds of the Town, segregated into general, water, sewer and capital works funds.

Interdepartmental and interfund transactions and balances between these funds have been eliminated during consolidation.

(ii) Investment in Government Business Enterprises:

The Town's 100% investment in 673244 B.C. Ltd. and 33.3% investment in Vermilion Forks Community Forest Corporation are accounted for on a modified equity basis, consistent with Canadian generally accounting principles as recommended by PSAB for investments in Government Business Enterprises. Under the modified equity basis, 673244 B.C. Ltd. and Vermilion Forks Community Forest Corporation's accounting policies are not adjusted to conform with those of the Town and inter-organizational transactions and balances are not eliminated. The Town recognizes its equity interest in the annual income or loss in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends that the Town may receive from these investments will be reflected as reductions in the investment asset account.

Notes to Consolidated Financial Statements

1. Significant accounting policies (continued):

(a) Basis of consolidation (continued):

(iii) Accounting for other government organizations and School Board transactions:

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the other government organizations and the schools board are not reflected in these consolidated financial statements. Funds collected by the Town on behalf of these other entities and transmitted to them are summarized in note 10.

(iv) Trust funds:

Trust funds and their related operations administered by the Town are not included in these consolidated financial statements.

(b) Basis of accounting:

The Town follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. 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.

(c) Revenue recognition:

Property taxes, parcel taxes, frontage taxes, special assessments and grants in lieu of taxes are recognized as revenue in the year in which they are assessable. Water and sewer user rates, connection fees, sale of services, interest and penalties are recognized as revenue in the year the related service is provided. Contributed tangible capital assets are recognized as revenue in the year the contribution occurs. Government transfers received or receivable are recognized in the financial statements as revenue in the period 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 unless the transfer contains stipulations that create a liability in which case the transfers are recognized as revenue in the period that the liability is extinguished. Land sales are recognized when title transfers and all of the rights and responsibilities of ownership have transferred, the price to the buyer is determinable and collectability is reasonably assured.

Notes to Consolidated Financial Statements

1. Significant accounting policies (continued):

(a) Basis of consolidation (continued):

(d) Land held for resale:

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing.

(e) 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. The Town collects development cost charges ("DCC's") in accordance with Council approved bylaws to finance growth-related projects. DCC's are recognized as revenue as Council approved expenditures are incurred.

(f) Investment income:

Investment income is reported as revenue 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.

(g) Term debt:

Term debt is recorded net of accumulated principal repayments and actuarial adjustments to debt. Debt interest charges are charged against current revenue in the fiscal year in which they are accrued.

(h) Cash equivalents:

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition. Cash equivalents also include investments in the Municipal Finance Authority of British Columbia ("MFA") Money Market Funds which are recorded at cost plus earnings reinvested in the funds.

(i) Inventory for resale:

Inventory for resale is recorded at the lower of cost and net realizable value. Cost is generally determined on a first-in, first-out basis.

Notes to Consolidated Financial Statements

1. Significant accounting policies (continued):

(j) Statutory reserves:

The statutory reserves include funded reserves to be used to fund specified expenditures, as authorized by Council. Statutory reserves are set up by bylaw under the authority of the Community Charter. Each year Council evaluates the statutory reserve funds, reallocating balances between reserves, from accumulated surplus, and from reserve accounts.

(k) 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 cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life—years
Land improvements	15 to 25
Buildings	15 to 50
Roads and sidewalks	10 to 50
Machinery and equipment	5 to 50
Water infrastructure	10 to 100
Sewer infrastructure	10 to 100
Engineered structures	15 to 50

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

(ii) Contributions of tangible capital assets:

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

Notes to Consolidated Financial Statements

1. Significant accounting policies (continued):

(iii) Natural resources:

Natural resources that have not been purchased are not recognized as assets in the 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 Town does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(vi) Inventories of supplies:

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

(l) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions 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 period. Significant estimates include assumptions used in estimating the solid waste landfill closure and post closure liability.

Actual results could differ from these estimates.

(m) Taxes collected on behalf of other agencies:

The Town collects taxes on behalf of the Regional District of Okanagan Similkameen ("RDOS"), the Okanagan Similkameen Regional Hospital District, British Columbia Assessment Authority, Okanagan Regional Library, Municipal Finance Authority, and School and Police taxes on behalf of the Province. The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of RDOS and School Board are not reflected in these financial statements.

Notes to Consolidated Financial Statements

1. Significant accounting policies (continued):

(o) Trust funds:

Funds held in trust, by the Town and their related operations, are not included in these financial statements. The Town has cash of \$174,983 (2022 - \$166,373) which is held in a separate bank account but is not reflected in these financial statements as it relates to a trust for the cemetery.

(o) Asset retirement obligations:

As of January 1, 2022, the Town of Princeton has adopted a new accounting standard PS 3280 Asset Retirement Obligations. This standard is recognized when, as at the financial reporting date, all of the following criteria are met:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and,
- a reasonable estimate of the amount can be made.

Measurement of asset retirement obligations are based on the best estimates of future cash flows adjusted for projected inflation that will be required to settle the liability incurred. The estimate of the asset retirement obligations includes costs directly attributable to the asset retirement activities. The estimated costs have been recorded as a liability and capitalized into

the carrying amount of tangible capital assets, which is being amortized in accordance with the amortization accounting policy outlined in Note 1(k).

The carrying value of the liability is reviewed at each financial reporting date with changes to the timing or amount of the original estimate of cash flows recorded as an adjustment to the liability and related tangible capital asset. Changes in the liability due to the passage of time are recorded as an accretion expense and are incorporated into the Statement of Operations for the fiscal year in question. Potential changes that could trigger a review could be a revision to the length of time a capital asset continues to be viable in the opinion of management, a material change in the estimated cost of remediation, or a material change in the discounting rate used to value the future cost of remediation.

If the related tangible capital asset is no longer of productive use or unrecognized, any unamortized asset retirement obligation is immediately expensed.

Notes to Consolidated Financial Statements

1. Significant accounting policies (continued):

(p) PS 3450 Financial Instruments

On January 1, 2023, the Town adopted Canadian public sector accounting standard PS 3450 Financial Instruments. The adoption of this standard did not have any impact on the amounts presented in these financial statements.

Financial instruments include cash and cash equivalents, investments, accounts receivable, and accounts payable.

Financial instruments are recorded at fair value on initial recognition. Equity instruments and derivatives that are quoted in an active market are subsequently recorded at fair value as at the reporting date. All other financial instruments are subsequently recorded at cost or amortized cost unless management elects to carry the instruments at fair value.

Unrealized changes in fair value are recognized on the consolidated statement of remeasurement gains and losses. They are recorded in the consolidated statement of operations and accumulated surplus when they are realized. There are no unrealized changes in fair value as at December 31, 2023 and December 31, 2022. As a result, the Town does not have a consolidated statement of remeasurement gains and losses. Transaction costs incurred on the acquisition of financial instruments subsequently measured at fair value are expensed as incurred. All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the consolidated statement of operations and accumulated surplus.

2. Adoption of new accounting standards:

In addition to the adoption of PS 3280 Asset Retirement Obligations and PS 3540 Financial Instruments as described in note 1(o) and note 1(p), on January 1, 2023 the Town adopted standard PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments. The adoption of these standards did not have any impact on the amounts presented in these financial statements.

Notes to Consolidated Financial Statements

3. Cash and cash equivalents:

	2023	2022
Cash on deposit	15,507,145	17,387,985
Money market funds	3,314,157	3,154,652
Municipal Finance Authority debt reserve fund	72,915	70,717
	18,894,217	20,613,354

4. Accounts receivable:

	2023	2022
Taxes	563,326	541,530
Grants and other	9,402,463	4,360,240
	9,965,789	4,901,770



Notes to Consolidated Financial Statements

5. Long-term investments:

Long-term investments includes investment in 673244 B.C. Ltd., a wholly-owned subsidiary of the Town and investment in Vermilion Forks Community Forest Corporation, a 33.3% owned investment of the Town. The Town accounts for these investments using the modified equity method.

The balance sheet, income statement and equity of 673244 B.C. Ltd. is summarized as follows:

	2023	2022
Total assets	713,098	713,098
Total liabilities	841	841
Total equity	712,257	712,257
Less: Advances to Town of Princeton	713,098	713,098
Adjusted equity	(841)	(841)

The balance sheet, income statement and equity of Vermilion Forks Community Forest Corporation are summarized as follows:

	2023	2022
Total assets	131,408	943,034
Total liabilities	25,366	42,548
Total equity	106,042	900,486
Town's 1/3 interest	35,347	300,162
Total revenues	219,435	1,152,532
Total expenses	213,425	352,079
Net income	6,010	800,453
Town's 1/3 interest	2,003	266,818

6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are wages payable of \$226,216 (2022—\$132,585).

Included in accounts payable and accrued liabilities are government remittances payable of \$54,052 (2022 - \$54,116), which includes amounts payable for payroll related benefits.

Notes to Consolidated Financial Statements

7. Deferred Revenue:

The deferred revenues, reported on the consolidated statement of financial position, consist of the following:

The balance sheet, income statement and equity of Vermilion Forks Community Forest Corporation

	2023	2022
Taxes	127,849	27,966
Flood grants	8,890,389	9,636,826
Utility billings	13,584	10,922
Development cost charges	191,555	58,783
Unspent capital grants	1,451,551	343,189
Total deferred revenue	10,674,928	10,077,686

8. Tangible capital assets:

(a) Assets under construction:

Assets under construction having a cost of \$6,039,999 (2022 - \$2,422,069) 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.

(b) Contributed tangible capital assets:

Contributed assets of \$nil (2022 - \$nil) were recognized during the year.

(c) Tangible capital assets recognized at nominal values:

Where an estimate of fair value could not be made, the tangible capital asset has been recognized at a nominal value.

(d) Works of art and historical treasures:

The Town manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at Town sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.



Notes to Consolidated Financial Statements

8. Tangible capital assets (continued):

At December 31, 2023

	Land and Land Improvements	Buildings	Equipment	Roads and	Water infra-	Sewer infra-	Engineered	Total
Cost								
Balance, beginning of fiscal year	3,983,845	6,988,564	5,341,858	11,375,193	8,180,931	4,459,924	5,267,160	45,597,475
Additions	90,000	1,758,685	1,190,094	243,632	2,402,257	891,517	2,331,725	8,907,910
Balance, end of fiscal year	4,073,845	8,747,249	6,531,952	11,618,825	10,583,188	5,351,441	7,598,885	54,505,385
Accumulated amortization								
Balance, beginning of fiscal year	0	2,238,977	2,532,563	8,560,578	3,042,147	1,490,575	2,215,007	20,089,847
Amortization in fiscal year 2023	0	329,654	318,110	111,416	120,334	135,468	169,583	1,184,565
Balance, end of fiscal year	0	2,568,631	2,850,673	8,671,994	3,172,481	1,626,043	2,384,590	21,274,412
Net book value, end of year	4,073,845	6,178,618	3,681,279	2,946,831	7,410,707	3,725,398	5,214,295	33,230,973

At December 31, 2022

	Land and Land Improvements	Buildings	Equipment	Roads and	Water infra-	Sewer infra-	Engineered	Total
Cost								
Balance, beginning of fiscal year	3,888,915	6,847,138	4,086,063	11,107,897	6,717,776	3,614,532	4,598,805	40,861,126
Additions	94,930	141,426	1,255,795	267,296	1,463,155	845,392	668,355	4,736,349
Balance, end of fiscal year	3,983,845	6,988,564	5,341,858	11,375,193	8,180,931	4,459,924	5,267,160	45,597,475
Accumulated amortization								
Balance, beginning of fiscal year	0	1,974,084	2,275,099	8,138,167	2,938,284	1,362,420	2,045,396	18,733,450
Amortization in fiscal year 2022	0	264,983	257,464	422,411	113,863	128,155	169,611	1,356,397
Balance, end of fiscal year	0	2,238,977	2,532,563	8,560,578	3,052,147	1,490,575	2,215,007	20,089,847
Net book value, end of year	3,983,845	4,749,587	2,809,295	2,814,615	5,128,784	2,969,349	3,052,153	25,507,628

Notes to Consolidated Financial Statements

9. Accumulated Surplus

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2023	2022
Operating fund		
Unrestricted surplus	(4,825,983)	(5,342,793)
Equity in tangible capital assets	30,793,991	23,421,347
Total surplus	25,968,008	18,078,554
Reserves set aside by council		
Capital works and machinery	409,471	389,115
Fire department capital—RDOS	36,513	0
Firehall equipment	881,253	472,141
Future amenity	3,974,886	4,175,151
Industrial park	143,337	136,211
Infrastructure	132,554	109,823
Parkland reserve	78,795	74,878
Landfill closure	243,262	231,168
Land sales	244,319	875,072
PXA grounds	21,563	20,491
Arena	0	1,229
Road paving	96,260	106,574
Sewer system improvements	881,757	757,966
Water system improvements	1,328,551	1,116,458
Water and sewer project	6,088,292	5,986,061
Growing communities fund	2,012,000	0
Climate action reserve	130,635	0
Total reserve funds	16,703,448	14,452,338
Total accumulated surplus	42,671,456	32,530,892

Notes to Consolidated Financial Statements

10. Taxation and grants in lieu:

General fund taxation revenues comprises the following amounts raised less transfers:

	2023	2022
General municipal purposes	6,418,813	3,580,964
Collections for other governments		
Okanagan Regional Library	137,917	132,188
Province of British Columbia—School tax	1,332,568	1,207,338
Province of British Columbia—Police tax	116,865	196,288
Regional District of Okanagan-Similkameen	171,462	108,291
Okanagan Similkameen Regional Hospital District	236,983	167,005
British Columbia Assessment Authority	53,303	50,171
Municipal Finance Authority	200	174
Grants in lieu of taxes		
Province of British Columbia	8,139	6,304
Government of Canada	11,426	6,210
	8,487,673	5,454,933
Transfers to other governments		
Province of British Columbia—School tax	1,569,551	1,403,626
Regional District of Okanagan-Similkameen	116,865	108,291
Okanagan Similkameen Regional Hospital District	171,462	167,005
British Columbia Assessment Authority	53,303	50,171
Municipal Finance Authority	200	174
Okanagan Regional Library	137,914	132,188
	2,049,295	1,861,455
	6,438,378	3,593,478

11. Contingent liabilities and commitments:

Under the Local Government Act, all monies borrowed by a Regional District shall be upon its credit at large and shall, in the event of any default, constitute an indebtedness of the member municipalities for which they are jointly and severally liable. Therefore, the Town is responsible for its share of any operating deficits or capital debt related to functions in which it participates. From time to time the Town is named as a defendant in various lawsuits. The Town has recorded an accrual for those that are likely to be successful or have been settled subsequent to year end. It is not expected that the outcome of any other claims will have a material effect on the financial position of the Town. The majority of claims are covered by insurance. Any obligations related to these claims will be recorded in the period which it becomes likely and determinable.

In 2015, the Town signed an agreement with RDOS to operate and maintain Princeton Exhibition Association Grounds, Outdoor Swimming Pool, Arena and Community Centre for a three year period elapsing in December 2017. The Town will also be responsible for administering and offering recreation programs to the citizens of the Town and RDOS. During this term, RDOS will contribute 43% of the total operating and capital budget for the Facilities. The agreement with RDOS has been extended for 3 years to December 31, 2025.

Notes to Consolidated Financial Statements

12. Pension liability:

The Town and its employees contribute to the Municipal Pension Plan ("the plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of the 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, 2023, the plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 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 actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The Town paid \$212,620 (2022 - \$203,079) for employer contributions to the plan in fiscal 2023.

The next valuation will be as at December 31, 2024.

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 the individual employers participating in the plan.

Notes to Consolidated Financial Statements

13. Budget:

The Financial Plan (Budget) bylaw adopted by Council on May 3, 2023 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget figures anticipated using surpluses and reserves accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the Financial Plan adopted by Council on May 3, 2023 with adjustments as follows:

Annual Surplus—Statement of Operations	38,685,000
Adjust for budgeted cash items not included in statement of operations	
Acquisition of tangible capital assets	(38,936,000)
Transfer from reserves	251,000
Proceeds on debt issue	0
Total adjustments	(38,685,000)
Financial plan balance	0

14. Segmented information:

Segmented information has been identified based upon lines of service provided by the Town. Town services are provided by departments and their activities are reported by functional area in the body of the financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) General government:

The General Government operations provide the functions of Building Services and Maintenance, Corporate Administration, Finance, Human Resources, Legislative Services and any other functions categorized as non-departmental.

(b) Protective services:

Protective Services is comprised of fire protection, emergency services, building inspection services, animal control and bylaw enforcement services.

Notes to Consolidated Financial Statements

14. Segmented information (continued):

(c) Transportation services:

Transportation Services is responsible for roads, snow removal, airport operations & fleet services within the Town boundaries.

(d) Environmental health:

The Environmental Health Department consists of landfill maintenance, garbage collection and processing, water and sewage treatment.

(e) Recreational and cultural services:

Recreational and cultural services is responsible for parks, arena and playgrounds, the municipal campsite, the outdoor swimming pool, recreation programming, and cultural buildings and programs.

(f) Public health and welfare:

The Public Health and Welfare department is responsible for cemetery operations.

(g) Economic development:

The Economic Development department is responsible for community marketing, community development and civic celebration.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the presentation of segmented financial information. The accounting policies used in these statements are consistent with those followed in the preparation of the financial statements.



Notes to Consolidated Financial Statements

14. Segmented information (continued):

Values at December 31, 2023:

	Protective Services	Transportation Services	Environmental Health	Public Health & Welfare	Economic Development	Recreation & Cultural Services	General Government Services	Total
Revenue								
Taxation	283,116	2,066,774	1,447,362	54,138	460,012	909,262	1,217,714	6,438,378
Grants	2,740,055	879,928	2,799,248	1,170	21,013	1,752,076	818,139	9,011,629
Sales of services and	40,479	31,182	1,528,214	17,037	58,104	350,830	1,691,856	3,717,702
Total revenue	3,063,650	2,977,884	2,774,824	72,345	539,129	3,012,168	3,727,709	19,167,709
Expenses								
Operating	254,081	1,935,961	1,980,313	33,371	515,645	749,345	286,460	5,755,176
Grants to individuals	0	0	0	0	7,276	60,000	22,204	89,480
Salaries, wages and benefits	156,687	694,387	255,745	59,839	240,123	648,199	1,691,133	3,746,113
Amortization	76,673	928,027	255,872	0	28,961	107,937	96,751	1,494,221
Total expenses	487,441	3,558,375	2,491,930	93,210	792,005	1,565,481	2,096,548	11,084,990
Annual surplus	2,576,209	(580,491)	3,282,894	(20,865)	(252,876)	1,446,687	1,631,161	8,082,719

Notes to Consolidated Financial Statements

14. Segmented information (continued):

Values at December 31, 2022:

	Protective Services	Transportation Services	Environmental Health	Public Health & Welfare	Economic Development	Recreation & Cultural Services	General Government Services	Total
Revenue								
Taxation	955,346	808,015	564,759	20,717	233,286	429,959	581,396	3,593,478
Grants	2,798,308	1,000,296	1,832,369	1,170	820,190	300,442	706,435	7,459,210
Sales of services	28,589	156,525	1,478,583	10,795	40,186	451,976	1,640,250	3,806,904
Total revenue	3,782,243	1,964,836	3,875,711	32,682	1,093,662	1,182,377	2,928,081	14,859,592
Expenses								
Operating	2,017,510	1,140,423	1,317,952	24,585	508,438	823,066	837,586	6,669,560
Grants to individuals and organizations	0	0	0	0	5,100	15,000	137,550	157,650
Debt interest charges	0	1,260	78,297	0	0	0	0	79,577
Salaries, wages and benefits	864,137	756,507	276,488	39,718	181,289	452,171	737,628	3,307,938
Amortization	83,602	773,384	241,805	0	29,256	44,456	91,805	1,264,308
Total expenses	2,965,249	2,671,574	1,914,542	64,303	724,084	1,334,693	1,804,569	11,479,013
Annual surplus	816,994	(706,738)	1,961,169	31,621	369,579	(152,316)	1,123,512	3,380,579



Notes to Consolidated Financial Statements

15. Asset retirement obligations:

As of January 1, 2022, the Town of Princeton has adopted a new accounting standard PS 3280 Asset Retirement Obligations as required by the Public Sector Accounting Board.

The Town of Princeton has incurred asset retirement obligations for 23 buildings that fit this definition as well as the Princeton & District Landfill. For financial statements issued before this year, closure costs for the Princeton & District Landfill were measured under accounting standard PS 3270 Solid Waste Landfill Closure and Post-Closure Liability, which has been withdrawn in conjunction with the introduction of accounting standard PS 3280 Asset Retirement Obligations. Future obligations will be recorded using the new standard.

As of December 31, 2023, the undiscounted estimated cash flows required to settle the obligations are approximately \$7.5 million and is estimated that the majority will be paid during fiscal years 2024 to 2117. The estimated cash flows were discounted using the credit-adjusted risk-free rate of 4.97% per annum and inflated using an assumed long-term inflation rate of 2%.

The standard was adopted using the modified retroactive approach, which results in the restatement of the comparative information as at and for the year ended December 31, 2022.

The impact of the prior period adjustment on the December 31, 2022 comparative amounts is detailed below:

	As previously stated	Adjustment	As restated
Consolidated Statement of Financial Position—2022:			
Solid waste landfill closure and post-closure	(902,299)	902,299	0
Asset retirement obligation liabilities	0	(1,840,696)	(1,840,696)
Tangible capital assets	24,611,151	896,477	25,507,628
Accumulated surplus	(32,572,812)	41,920	(32,530,892)
Unrestricted deficit	5,459,592	(116,799)	5,342,793
Equity in tangible capital assets	(23,580,066)	158,719	(23,421,347)
Consolidated statement of Operations and Accumulated Surplus—2022:			
Recreation and cultural services	1,243,484	163	1,243,647
Sewer utility	434,299	15,459	449,758
Solid waste closure costs	(146,155)	146,155	0
Transportation services	2,507,957	163,617	2,671,574
Annual surplus	(4,296,664)	325,394	(3,971,270)

Notes to Consolidated Financial Statements

16. Term debt:

The balance of term debt reported on the statement of financial position is made up of the following:

	2023	2022
Municipal Finance Authority ("MFA") sewer system improvement loan (#158) is repayable in semi-annual instalments, the first instalment being interest only of 4.09% per annum, and the second semi annual instalment in the amount of \$222,364, including interest. The debt is amortized over 30 years, due September 2052 with the	5,475,860	5,584,030
Municipal Finance Authority ("MFA") water system improvement loan (#158) is repayable in semi-annual instalments, the first instalment being interest only of 4.09% per annum, and the second semi annual instalment in the amount of \$222,364, including interest. The debt is amortized over 30 years, due September 2052 with the	1,388,541	1,415,970
Municipal Finance Authority, demand equipment financing loan, repayable in blended monthly repayments of \$835, including annual interest at the Municipal Finance	36,797	44,040
Municipal Finance Authority, demand equipment financing loan, repayable in blended monthly repayments of \$5,096, including annual interest at the Municipal Finance	224,622	273,267
	7,125,820	7,317,307

Total interest on term debt reported in the statement of operations amounted to \$301,579 (2022—\$79,557).

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

	2023	2022
2023	0	192,128
2024	198,352	199,652
2025	206,638	207,673
2026	215,236	215,990
2027	232,740	229,021
2028	161,049	161,049
Thereafter	6,111,805	6,111,804
	7,125,820	7,317,307



Notes to Consolidated Financial Statements

17. Flood costs:

In November of 2021, the Town experienced a flood event that caused significant damage to the Town's infrastructure and resulted in an emergency response. As a result of the flood, costs incurred are capitalized to tangible capital assets or expensed as repairs and maintenance in accordance with the Town's capitalization policy. Eligible costs are expected to be funded by insurance proceeds with the remaining costs incurred eligible for reimbursement through the provincial government's Emergency, Management BC program. During fiscal 2023 the Town incurred flood related expenses of \$2,661,332 (2022 - \$4,882,050) related to emergency operations. Other income includes an amount \$1,490,220 (2022 - \$323,873) relating to insurance proceeds received during the year to cover the repair and replacement cost of damages caused by flood. Grant revenue includes \$2,661,332 (2022 - \$4,441,832) in revenue from the Province of BC related to flood expense recoveries. Deferred revenue contains \$8,075,634 (2022 - \$9,636,826) of flood grants received from the Province of BC for future repairs and replacements and accounts receivable contains \$1,850,483 (2022 - \$388,839) in insurance proceeds receivable and \$4,104,104 (2022 - \$3,511,164) related to grant revenue.

18. Related party transactions:

During the year the Town received \$23,729 (2022 - \$24,000) for administrative services provided to Vermilion Forks Community Forest Corporation ("VFCFC"), a 33% owned subsidiary. Included in accounts receivable at year end is \$25,729 (2022 - \$30,765) receivable from VFCFC.

Consolidated Schedule 1—Growing Communities Fund (unaudited)

Year ended December 31, 2023

The Province of British Columbia distributed conditional Growing Communities Fund grants to communities at the end of March 2023 to help local governments build community infrastructure and amenities to meet the demands of population growth. The Growing Communities Fund provided a one-time total of \$1 billion in grants to all 161 municipalities and 27 regional districts in British Columbia.

The Town of Princeton received \$1,936,000 of Growing Communities Fund funding in March 2023.

	2023
Balance, beginning of year	1,936,000
Interest accrued	85,041
Eligible costs	
New fire hall, planning	(9,041)
Balance, end of year	2,012,000



Statistics

Estimated Population of the Town of Princeton, 2019—2023

Source: Population Estimates, BC Data Catalogue, Government of British Columbia

2019	3,000	2.2 %
2020	3,247	7.7 %
2021	3,308	2.4 %
2022	3,237	(1.6 %)
2023	3,333	1.9 %

Discussion

The census of population of Canada is taken in 2021 and again in 2026. As of the 2021 census data, the Town had a population of 2,894.



Statistics

Expenses by Municipal Segment, 2019-2023

(all amounts are in thousands of dollars)

Source: Town of Princeton Financial Statements Fiscal Year Ends 2019 through 2023

	Protective Services	Transportation Services	Environmental Health	Public Health	Economic Development	Recreation	General Government	Totals
2019	287.7 (-28.2%)	2,036.5 (22.6%)	2,010.6 (30.6%)	25.3 (-40.3%)	456.7 (224.8%)	1,383.0 (22.6%)	1,329.4 (11.2%)	7,529.1 (23.3%)
2020	328.1 (+14.0%)	2,085.8 (2.4%)	1,978.2 (-1.6%)	71.2 (181.4%)	476.6 (4.4%)	1,318.8 (-4.6%)	1,171.3 (-11.9%)	7,430.0 (-1.3%)
2021	2,111.1 (+543.4%)	2,588.2 (24.1%)	2,088.1 (5.6%)	37.1 (-47.9%)	521.3 (9.4%)	1,342.4 (1.8%)	1,212.2 (3.5%)	9,900.5 (33.3%)
2022	2,965.2 (40.5%)	2,507.9 (-3.1%)	1,752.9 (-16.1%)	64.3 (73.3%)	724.1 (38.9%)	1,334.5 (-0.6%)	1,804.6 (48.9%)	11,153.6 (12.7%)
2023	487.4 (-83.6%)	3,558.3 (41.9%)	2,491.9 (42.2%)	93.2 (44.9%)	792.0 (9.4%)	1,565.5 (17.3%)	2,096.5 (16.2%)	11,084.9 (-0.6%)

Discussion

Overall, the amount of expenditures of the municipality have been increasing in the last 5 years. While an increase was to be expected during the 2021-2022 period due to flood related overtime costs, staffing funded by the Province through their Emergency Management Programs, and flood relief grants offered through the South Okanagan Foundation, operational expenditures have remained high. Some of the extra costs reflect a change in accounting standards to record an actuarial expense in dealing with buildings that contain hazardous materials when demolished. Some amounts reflect operational programs such as FireSmart programs or the adoption of the new Official Community Plan with new zoning and housing requirements as funded by the Provincial Government. Some extra costs reflect increases in staffing to the Princeton Visitors Centre, the Princeton Pool and the Princeton Arena. Extra maintenance costs reflect cost increases due to inflation, specifically in Public Works and utilities. Larger variability requires caution when maintaining the budget process so as not to sacrifice service to the community in order to meet fiscal needs.



Statistics

Expenditures by Object, 2019-2023

(all amounts are in thousands of dollars)

	Operating	Grants	Salaries	Amortization	Totals
2019	4,334.2 (28.6%)	75.3 (13.2%)	1,998.5 (20.0%)	1,121.1 (11.4%)	7,529.1 (23.3%)
2020	3,621.0 (-16.5%)	44.8 (-40.5%)	2,589.4 (29.6%)	1,174.8 (4.8%)	7,430.0 (-1.3%)
2021	6,140.9 (69.6%)	223.7 (399.3%)	2,353.0 (-9.1%)	1,182.9 (0.7%)	9,900.5 (33.3%)
2022	6,344.2 (4.6%)	157.7 (-29.5%)	3,307.9 (40.6%)	1,264.3 (6.9%)	11,153.6 (12.7%)
2023	5,755.1 (-10.4%)	89.5 (-43.2%)	3,746.1 (13.2%)	1,494.2 (18.2%)	11,084.9 (-0.6%)

Discussion

Overall, the amount of expenditures of the municipality have been increasing in the last 5 years. While an increase was to be expected during the 2021-2022 period due to flood related overtime costs, staffing funded by the Province through their Emergency Management Programs, and flood relief grants offered through the South Okanagan Foundation, operational expenditures have remained high. Some of the extra costs reflect a change in accounting standards to record an actuarial expense in dealing with buildings that contain hazardous materials when demolished. Some amounts reflect operational programs such as FireSmart programs or the adoption of the new Official Community Plan with new zoning and housing requirements as funded by the Provincial Government. Some extra costs reflect increases in staffing to the Princeton Visitors Centre, the Princeton Pool and the Princeton Arena. Extra maintenance costs reflect cost increases due to inflation, specifically in Public Works and utilities. Larger variability requires caution when maintaining the budget process so as not to sacrifice service to the community in order to meet fiscal needs.

Statistics

Revenues by Source, 2019-2023

(all amounts are in thousands of dollars)

	Taxation	Grants	Sales of Services or Other Sources	Total
2019	2,851.5 (10.1%)	2,256.5 (100.0%)	2,493.4 (-6.3%)	7,601.5 (19.1%)
2020	3,053.3 (7.1%)	2,547.8 (12.9%)	2,189.1 (-12.2%)	7,790.2 (2.5%)
2021	3,306.3 (8.3%)	3,415.8 (34.1%)	2,938.8 (34.2%)	9,690.9 (24.4%)
2022	3,593.5 (8.7%)	7,459.2 (118.4%)	3,806.9 (29.5%)	14,859.6 (53.3%)
2023	6,438.4 (79.2%)	9,225.4 (23.7%)	3,681.0 (-3.3%)	19,344.9 (30.2%)

Discussion

Typically the Town's revenues (and, by association, expenses) vary upon the grants that are available for infrastructure projects in a given fiscal year. Taxation as a revenue source have remained proportionally between 35-42% over the past 5 years. Expectations are that, as demand for services increases and the Town grows, the actual amounts of revenues will increase for the foreseeable future.

Taxation is a consistent form of revenue due to new development and lower rates of taxation in comparison to other municipalities of its size in BC.

Grant funding fluctuates from year to year depending on grant offerings from the Provincial Government. 2021 through 2023 were strong years for grants due to the flooding event. With the number of projects we already have funding for while we wait for construction capacity, we expect 2024 to also be another very strong year for grant revenue. Although transferring areas of traditional responsibility from the Province onto municipalities seems to be popular, the grant availability from the Province to pay for extra costs also seems to be stable at the moment.

Sales of services also fluctuates to a certain extent. There has been efforts made to better match service rates to actual costs of delivery of services. Service revenue has fallen by 4.8% year over year from 2019 to 2020, largely due to decreased demand during the COVID-19 pandemic. Sales of services has dramatically increased in 2022 due to increased revenues from the campground, landfill and increases to interest rates as part of "other services" in this category.

The taxation revenue for 2023 reflects a one-time correction to Utility Tax from BC Hydro to reflect a missing operating grant assessable from 2014-2023. This grant will continue to be applied to the 2024 and future taxation years.



Statistics

Annual Surplus, 2019-2023

(all amounts are in thousands of dollars)

	Totals
2019	72.3 (-73.4%)
2020	487.1 (573.7%)
2021	514.1 (5.5%)
2022	4,296.7 (735.8%)
2023	8,082.7 (88.1%)

Discussion

The Town’s annual surplus increased again to a very strong level in 2023. Adjusted for additions in capital assets, the surplus remains quite small. Continued vigilance on operational expenses combined with steady increases in sustainable revenues will continue to increase the annual surplus to healthy levels in the future.



Statistics

Assessed Values for Municipal Purposes, 2019-2023

(all amounts are in thousands of dollars),

Source: BC Assessment Authority

Year	Residential	Utilities	Major Industry	Light Industry	Business	Non-Profit/ Recreational	Total
2019	315,989.0	4,835.4	60,788.3	4,029.2	93,310.3	3,550.1	482,502.4
2020	386,676.5	5,080.9	54,009.1	8,389.0	94,168.5	3,668.2	551,992.3
2021	512,437.4	5,411.1	53,806.7	9,639.0	106,903.9	4,246.7	692,444.8
2022	595,388.5	5,799.3	54,621.3	11,018.1	126,548.3	4,222.5	797,598.0
2023	591,943.5	6,141.8	51,621.8	12,286.7	138,931.5	4,370.7	805,296.0

Discussion

Property assessments are completed through the BC Assessment Authority. The Town of Princeton is located in the Thompson-Okanagan region.

Assessed values have steadily increased in Princeton over the past 5 years. The proportions have steadily increased in favour of residential properties since 2017. This is to be expected as the value of most of the major industry is included in the value of the mine property and it depreciates every year as the minerals are extracted.

In 2021, Princeton lead residential assessment increases in the BC Interior region.

Surprisingly, the total land base continued to increase in 2024 over 2023. Decreases in Residential property values were eclipsed by the increase in valuations for commercial properties. The finance department expects slow downs in valuation increases due to elevated interest rates currently in effect.



Statistics

Property Tax Collections, 2019-2023

(all amounts are in thousands of dollars),

Source: Town of Princeton Finance Department

Year	Amount Outstanding as at December 31	Total Taxes Levied	Percentage Collected
2019	211.3	4,557.5	95.4
2020	411.8	4,551.9	91.0
2021	800.6	5,129.2	84.4
2022	541.5	5,454.9	90.1
2023	559.8	6,369.9	91.2

Discussion

The finance department does not anticipate cash flow challenges due to this rate of non-payment.

Property Tax collections rates fell below 90% in 2021. There were several large commercial enterprises with unpaid property taxes at the end of 2021 that caused the collection rate to dip below 90%.



Statistics

Legal Debt Limits and Servicing Costs, 2019-2023

Source: Province of British Columbia Schedule 601.1, Ministry of Municipal Affairs

Year	Legal Debt	Debt Servicing Cost
2019	868,366	0
2020	988,525	0
2021	1,197,865	4,340
2022	7,317,307	83,020
2023	N/A	N/A

Discussion

The 2023 figure will not be available from BC Stats until the Local Government Financial information is uploaded.

Through an alternate approval process, the electors of the Town of Princeton approved a \$7 million loan authorization for improvement of the Town's water and sewer system. The interest rate for the loan was set at 4.09%, with the first loan payment being made in March of 2023. The amortization of the loan is 30 years, to be repaid in September 2052. The interest rate of the loan will be reset after 10 years when the financing bonds expire in September 2032.

Through resolutions of the Town of Princeton Council, funds have been borrowed through the Municipal Finance Authority's Equipment Finance Program for the purchase of two pieces of capital equipment. The interest rate for the loan is variable and, as at December 31, 2022 is 4.77%. The loans become due in 2027.



Statistics

Accumulated Surplus & Acquisition of Tangible Assets, 2019-2023

(all amounts are in thousands of dollars),

Source: Town of Princeton Finance Department

Year	Net Financial Assets	Tangible Capital Assets	Other Non-Financial Assets	Total
2019	5,660.3	21,333.4	281.3	27,274.9
2020	5,845.3	21,656.9	259.9	27,762.1
2021	7,047.0	21,139.1	90.0	28,276.1
2022	7,692.5	24,611.2	269.1	32,572.8
2023	9,144.6	33,231.0	295.9	42,671.5

Year	Acquisition/ Contributed TCA's	Amortization	Proceeds on Sale of Assets	Write Down of Assets	Addition (Reduction) in Tangible Capital Assets
2019	1,308.1	1,121.1	0.5	0.0	186.4
2020	1,499.6	1,174.8	1.3	0.0	323.5
2021	890.9	1,182.9	0.0	225.7	(517.8)
2022	4,736.3	1,264.3	0.0	0.0	3,472.0
2023	8,907.9	1,184.6	0.0	0.0	3,380.0

Discussion

Other non-financial assets include inventory, prepaid expenses and deposits.

Several capital acquisitions and projects were started in 2022, using both flood repair funds from the Province of BC and loaned funds through the Town of Princeton to replace vehicles destroyed in the flooding event, and upgrade water and sewer infrastructure to modern levels.

The Town continues to add accumulated surplus by adding and updating new capital assets in excess of its amortization charge every year. It is the Town's intention to continue to spend on capital assets on water, sewer and road infrastructure so as to maintain infrastructure at reasonable levels of wear and tear.

Statistics

New Construction Values, 2019-2023

(all amounts are in thousands of dollars),

Source: British Columbia Assessment Authority, Value of Non-Market Change due to Inventory

Year	Residential	Utilities	Major Industry	Light Industry	Business	Non-Profit/ Recreational	Total
2019	1,562.5	0.2	1,845.0	64.8	75.7	0.0	3,550.2
2020	1,033.3	0.0	311.0	0.0	(88.4)	0.0	1,228.1
2021	3,183.8	0.0	869.4	518.6	1,152.0	0.0	5,718.5
2022	3,998.6	0.0	3,236.0	132.0	(0.4)	0.0	7,292.1
2023	2,480.1	0.0	2,597.0	0.0	772.6	0.0	5,803.1

Statistics

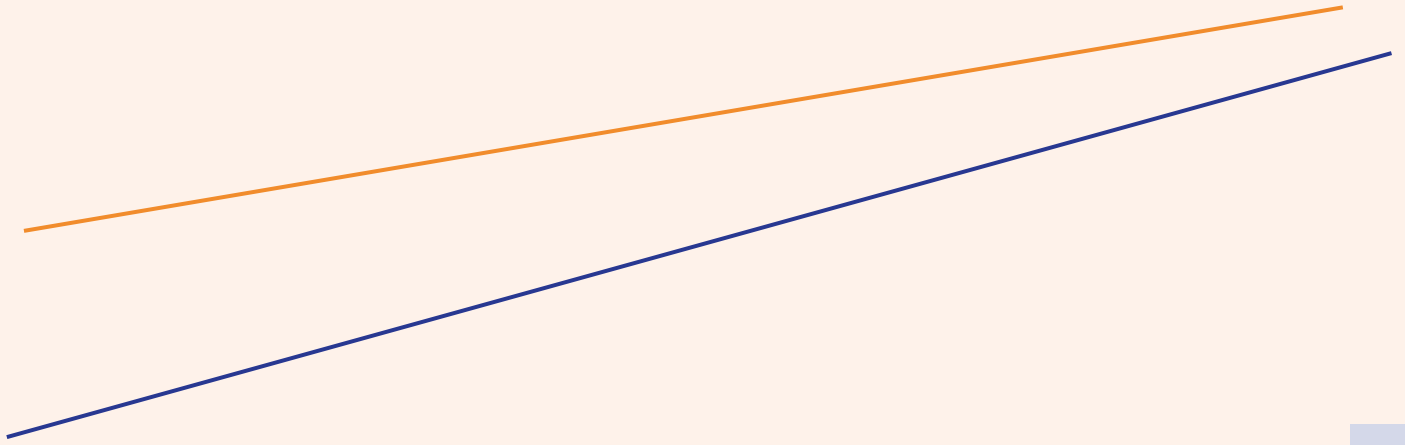
Top 10 Corporate Taxpayers, 2023

Source: Town of Princeton Finance Department

	2023 Ranking	2022 Ranking
Weyerhaeuser Co. Ltd.	1	1
Similco Mines Ltd. / Copper Mountain Mine (BC) Ltd.	2	2
BC Green Pharmaceuticals Inc.	3	3
FortisBC Inc.	4	4
Pinnacle Renewable Energy Inc. (Operating as Princeton Standard Pellet Corp. in 2022)	5	5
495234 BC Ltd.	6	6
530447 BC Ltd.	7	7
Northland Properties Corp.	8	8
Parkland Fuel Corp.	9	10
Tikenicol Enterprises Ltd.	10	9



The Requirements: Statutory Reporting



List of Declarations of Disqualification

List of Permissive Tax Exemptions

Development Cost Charges Report

List of Disqualifications

Section 98(2)(e) of the Community Charter requires the annual report to provide any declarations of disqualification made under Section 111 [application to court for declaration of disqualification] in the previous year, including identification of the council member or former council member involved and the nature of the disqualification.

There are no Council members, past or present, that are subject to be listed under this section.



Permissive Tax Exemptions

Section 98(2)(b) of the Community Charter requires the annual report to provide, for each tax exemption provided by Council, the amount of property taxes that would have been imposed on each property in the previous year if it were not exempt for that year.

Folio	Legal Description	Owner	Amount
00346.000	Lots 1 & 2, Plan 55, Block 10, District Lot 706 Yale Div of Yale Land District		\$ 36,098.27
00541.000	Lot 4, Plan 55, Block 25, District Lot 706 Yale Div of Yale Land District PID 012-762-245	Princeton Hospital Auxiliary Society	\$ 5,715.21
00428.000	Lot 2, Plan 55 Block 15 District Lot 706 Yale Div. of Yale Land District PID 003-448-860, 003-448-886 and 003-448-894	George Pearkes (Pacific No 56) Branch of Royal Canadian Legion	\$ 21,770.77
00955.001	Lot AA, Plan B6202, District Lot 706, Land District 59, PID 013-716-255	Town of Princeton - Princeton Curling Club and Parking	\$ 36,140.29
00964.257	Lot 1, Plan 19896, District Lot 932, Land District 25, PID 007-934-254	Town of Princeton -PXA Grounds	\$ 26,811.05
00972.025	Lot 2-3, Plan 4960, District Lot 1297, Land District 54, PID 010-392-114 and 010- 392-149	Town of Princeton -Princeton & District Multi-Purpose Arena	\$ 66,565.37
00980.090	Lot 1, Plan 13878, District Lot 2137, Land District 25,	Town of Princeton - PXA Grounds	\$ 44,545.01
01100.000	Lot 1, Plan M714, Land District 54, PID 014-297-116	Town of Princeton - Memorial Park Grounds	\$ 22,805.55
00982.200	Lot 1, Plan 11297, District Lot 1091 3030 Similkameen Div of Yale Land District, Leased Por-	Town of Princeton - Princeton Golf Club	\$ 20,839.50
00982.201	00982.201		\$ 50.84
00964.010	Plan DD3050, District Lot 277, Yale Div of Yale Land District, Except Plan H88, Also See FOLIO 717-00689.900 PERMIT NO. 338090 For public recreation Trail purposes, PID 015-015-645	Crown Provincial BC Assets and Land Corporation/Trails Society of British Columbia	\$ 72.87
00964.290	Plan A141, District Lot 932, Kamloops Div of Yale Land District, Portion SEE PCL 1, ALSO SEE FOLIO 717-00820.010 PERMIT NO. 338090 FOR PUBLIC RECREATION TRAIL PURPOSES, PID 012-938-980	Crown Provincial BC Assets and Land Corporation/Trails Society of British Columbia	\$ 85.62
00971.150	Plan A144, District Lot 1297, Similkameen Div of Yale Land District, Portion SEE PCL C, PERMIT NO. 338090 FOR PUBLIC RECREATION TRAIL PURPOSES, PID 012-939-366	Crown Provincial BC Assets and Land Corporation/Trails Society of British Columbia	\$ 51.01
00979.100	Plan A144, District Lot 1824, Similkameen Div of Yale Land District, Portion SEE PCL A-B, PERMIT NO. 338090 FOR PUBLIC RECREATION TRAIL PURPOSES, PID 012-939-099	Crown Provincial BC Assets and Land Corporation/Trails Society of British Columbia	\$ 275.07
00429.000	Lot 4, Block 15, Plan 55, District Lot 706, Land Dis-	Town of Princeton - Old Fire hall	\$ 6,685.95
00448.000	Lot 11-12, Block 16, Plan 55, District Lot 706, Land	Town of Princeton - Similkameen Masonic Association	\$ 3,834.55

Permissive Tax Exemptions

Section 98(2)(b) of the Community Charter requires the annual report to provide, for each tax exemption provided by Council, the amount of property taxes that would have been imposed on each property in the previous year if it were not exempt for that year.

Folio	Legal Description	Owner	Amount
00291.000	Lot A, Plan 21394, District Lot 706, Land District 59,	Roman Catholic Bishop of Nelson & St Peters Parish.	4,971.25
00396.000	Lot 3-4, Block 13, Plan 55, District Lot 706, Yale Div	Foursquare Gospel Church of Canada	5,421.20
00398.050	Lot 5,Block 13,Plan 55,District Lot 706,Yale Div of Yale Land District, Except Plan H831, Licence to occupy TFA Lands for overflow parking purposes, PID 012-746-177	Foursquare Gospel Church of Canada	1,025.58
00398.060	Lot 6,Block 13,Plan 55,District Lot 706,Yale Div of Yale Land District, Except Plan H831, , Licence to occupy TFA Lands for overflow parking purposes, PID 012-748-617	Foursquare Gospel Church of Canada	\$ 289.64
00398.180	Lot 18,Block 13, Plan 55, District Lot 706,Yale Div of Yale Land District, Except Plan H831 20839 , Licence to occupy TFA Lands for overflow parking purposes, PID 012-751-022	Foursquare Gospel Church of Canada	\$ 136.62
00444.000	Lot 6, Block 16, Plan 55, District Lot 706, Land Dis-	Pentecostal Assemblies of Canada	\$ 2,462.86
00454.000	Lot 22-24, Block 16, Plan 96, District Lot 706, Land District 59, PID 012-771-902, 012-771-911 and 012-	St. Paul's Presbyterian Church.	\$ 5,324.65
00853.555	Lot 72, Plan 20867, District Lot 361, Land District 59,	Jehovah's Witness Hall.	\$ 8,678.29
00967.000	Plan B3253, District Lot 1297, Land District 54, PID	Baptist Church of Princeton	\$ 7,115.32
00853.105	Lot 1, Plan 15643, District Lot 361, Yale Div of Yale Land District, Except Plan E14579 40581, PID 008-	Interior Health Authority	\$ 92,115.71
00853.110	Lot PT 1, Plan E14579, District Lot 361, Yale Division	Princeton Long Term Care Society	\$ 8,263.54
00253.000	Lot 5, Block 4, Plan 37, District Lot 706, Land District	Town of Princeton -Senior Citizens Branch #30 Parking	\$ 3,677.06
00259.000	Lot 9, Block 4, Plan 51, District Lot 706, Land District	Town of Princeton - Senior Citizens Branch #30 Parking	\$ 3,677.06
00262.050	Lot 2, Plan 33115, District Lot 706, Land District 59,	Town of Princeton - Senior Citizens Branch #30 Parking	\$ 15,506.71
00972.050	Lot PT 4, Plan 4960, District Lot 1297, Land District	Town of Princeton - Little Folks Nursery School	\$ 1,828.35
00972.505	Lot B District Lot 1787 Land District 59,		\$ 13,279.46
00127.000	Lot 1, Plan1302, Block 11, District Lot 1823, Land	Princeton and District Community Services; Victoria House 262	\$ 2,746.12
00358.010	Lot :A, Plan KAP84129, , District Lot : 706, Land Dis-	Princeton and District Community Services 88 Fenchurch	\$ 724.15
00124.001	Plan: 29314, Block: 10, Lot : A, District Lot: 1823,	Princeton and District Community Services Mary Anne House 252	\$ 1,774.94
00973.050	Lot A, Plan KAP72285, District Lot 10S 1822 Similkameen Div of Yale Land District, PID 025-533-	Vermilion Forks Metis Association	\$ 19,877.16



Development Cost Charges

Section 569 of the Local Government Act requires the annual report to provide amounts that were received, expended or waived as Development Cost Charges through the year

Development Cost Charges for Water Supply

Schedule A of Bylaw No. 1015, 2022

Balance of DCC Reserve Fund, December 31, 2022	19,815.68
Amount of DCC's Received 2023	23,308.88
Interest Accrued in 2023 from DCC Account	1,910.21
Expenditures from DCC Reserve Funds in 2023	0.00
Balance of DCC Reserve Fund, December 31, 2023	45,034.77
Waivers or Reductions of DCC's by Bylaw in 2023	0.00



Development Cost Charges for Sanitary Sewer

Schedule B of Bylaw No. 1015, 2022

Balance of DCC Reserve Fund, December 31, 2022	28,990.54
Amount of DCC's Received 2023	82,740.44
Interest Accrued in 2023 from DCC Account	4,617.52
Expenditures from DCC Reserve Funds in 2023	0.00
Balance of DCC Reserve Fund, December 31, 2023	87,357.96
Waivers or Reductions of DCC's by Bylaw in 2023	0.00

Development Cost Charges

Section 569 of the Local Government Act requires the annual report to provide amounts that were received, expended or waived as Development Cost Charges through the year

Development Cost Charges for Municipal Roads

Schedule C of Bylaw No. 1015, 2022

Balance of DCC Reserve Fund, December 31, 2022	8,463.74
Amount of DCC's Received 2023	16,862.08
Interest Accrued in 2023 from DCC Account	1,310.00
Expenditures from DCC Reserve Funds in 2023	0.00
Balance of DCC Reserve Fund, December 31, 2023	26,635.82
Waivers or Reductions of DCC's by Bylaw in 2023	0.00

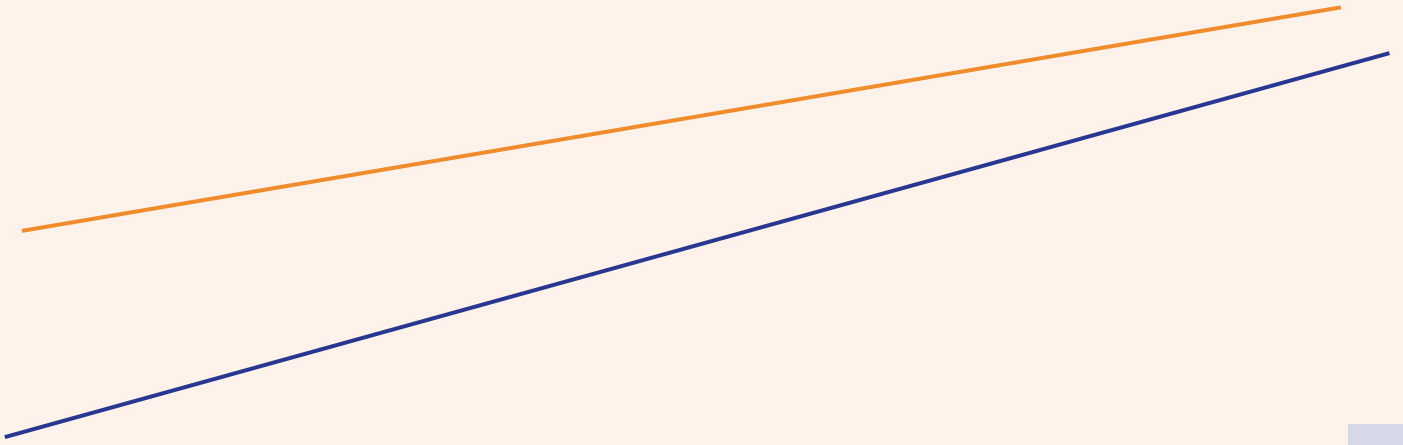
Development Cost Charges for Parks

Schedule D of Bylaw No. 1015, 2022

Balance of DCC Reserve Fund, December 31, 2022	1,512.67
Amount of DCC's Received 2023	1,906.00
Interest Accrued in 2023 from DCC Account	117.71
Expenditures from DCC Reserve Funds in 2023	0.00
Balance of DCC Reserve Fund, December 31, 2023	3,536.38
Waivers or Reductions of DCC's by Bylaw in 2023	0.00



Where We're Going: the 2024-2028 Financial Plan



2024-2028 Five Year Financial Plan

Highlights

The financial plan 2024-2028 is based on financial plans passed in previous years. Every year, there are certain changes that cause expenses or revenues to increase or decrease beyond a immaterial amount. Highlights of the budget are summarized below:

Inflationary increases of 6% have been factored into the budget where applicable. Additional spending is determined by Council priorities or by contracts either terminating or increasing as per their terms.

The operating budget of \$9,646,000 reflects a \$1,001,000 increase in expenses over the budgeted amount for last year: Overall, the operational budget is proposed to increase by approximately 6% per year, and the approved 2023 operational budget represents an increase of 11.2%. This represents a substantial increase to budgetary expenditures from year to year, but only reflects an increase of 1.0% over the actual amounts expended last year once amortization is removed.

- Extra staff proposed for the visitors centre to support 7 day per week operations, arena support to ensure no cancellations of ice events due to lack of staff, public works to supplement past long term disability returns, and administration to support new Provincial requirements and growth.
- Loan repayments to facilitate up to \$7 million in infrastructure spending on water and sewer systems as approved by the electorate by AAP in 2021.



2024-2028 Five Year Financial Plan—Capital

The capital plan for the 2024 budget is for \$39,653,000. This represents a 9.5% decrease over the capital plan for 2023. The decrease represents progress on the larger capital plan in 2023 and continues the ambitious level of improvements started upon after the flooding event in 2021. Major capital projects (more than \$100,000) planned for 2024 include:

- \$150,000 in renovations to buildings to support Town services
- \$150,000 to rebuild the washrooms at the Municipal Campground
- \$200,000 for a park on Bridge Street with an amphitheater for performing arts, picnic tables and shaded areas
- \$600,000 for replacement of aged public works equipment
- \$1,080,000 for the completion of runway lighting at the Princeton Municipal Aerodrome
- \$215,000 for the replacement of the airplane refueling systems at the Princeton Municipal Aerodrome
- \$100,000 to install permanent irrigation at the Princeton Cemetery.
- \$200,000 to replace the damaged SCADA system for the Town's water distribution system.
- \$685,000 to expand, rebuild and perform safety improvements to the Culbertson Lift Station
- \$210,000 for improvement to parks
- \$290,000 to perform paving, up to \$2.24 million is allocated with the difference to pave formally flooded portions of the downtown core subject to EMCR grants being received.
- \$25,000 to install pickleball courts at Memorial Park, excess funding also provided by the RDOS and donated funds and labour within the pickleball community
- \$50,000 for a new roof for the Princeton Visitors Centre
- \$3,925,000 for a new Public Works Yard in the Princeton Industrial Park
- \$1,300,000 for replacement of lift stations and sewer lines leading to the sewage lagoons
- \$2,200,000 for replacement of aging and insufficient sewerage lines along the main trunk line downtown.
- \$100,000 for a comprehensive, long-term plan for infrastructure needs within Town boundaries.
- \$1,000,000 to install a sewer booster station at Angela Avenue to have sufficient pumping capacity for the new sewer lines in the area
- \$4,570,000 for the decommissioning of malfunctioning wells in the area due to the November 2021 Tulameen River flooding event and replacement of the same wells with disinfection systems brought up to current guidelines.
- \$162,000 for various Provincial housing requirements to Town policies and bylaws, including changes to the zoning bylaw and an age friendly planning study.
- \$250,000 in urgent repairs to the Brown Bridge
- \$11,630,000 for a potential recreation facility
- \$120,000 for updates to the Town zoning bylaw outside of the housing requirement update to confirm to the Town's new Official Community Plan.

2024-2028 Five Year Financial Plan—Capital (continued)

- \$2,151,000 in repair funding to repair the exposed sewer crossing near the Riverside Centre damaged in the 2021 Tulameen River Flooding Event.
- \$800,000 to install and begin residential water metering
- \$1,100,000 to begin work on dying improvements, subject to federal funding.
- \$1,100,000 for work done to install a new water main loop at the Princeton Industrial Park for facilitation of new temporary housing.
- \$400,000 in sidewalk replacements downtown
- \$171,000 for a new ice resurfacing machine at the Princeton & District Arena
- \$100,000 for a new trail from second to third benches to replace the aged and dangerous trail present.
- \$100,000 to mitigate water infiltration into the Town's sewer system
- \$350,000 to install a water treatment facility at the Princeton Municipal Campground to mitigate a current boil water advisory
- \$275,000 to repair failing concrete supporting the cenotaph at Veterans Square
- \$200,000 to repair the Princeton & District Museum building, specifically water ingress
- \$110,000 for water irrigation at parks
- \$400,000 to repair a failing retaining wall underneath Tulameen Ave

Fees and Charges

Fees and Charges have increased by 5% on most services provided by the Town. This was done to keep up with inflationary pressures. Fees and Charges represent the cost to the town of the specific service provided.



2024-2028 Five Year Financial Plan

Reserves

Operating reserves mitigate risk and enable an appropriate response to adverse events, while utility and asset reserves enable the Town to maintain asset service levels at the lowest lifecycle cost.

Reserve use must be in accordance with guidelines set by the Community Charter and is restricted to the purpose for which the reserves are intended. All appropriations from reserves are included in the Financial Plan Bylaw.

Strategic Planning Process

In generating a financial plan for the Town of Princeton, there are certain steps and procedures followed by council and staff.

Priorities were set by council during their strategic planning process held in September. The strategic planning process uses a standard corporate planning model, beginning with a review of the Town's vision and mission statements and applying those statements to fundamental governance goals for both medium-term (2—5 years, inclusive of the financial plan) and long-term goals (5+ years not inclusive of the current financial plan, but vitally important for reserve and infrastructure planning). Strategic planning also incorporates specific corporate strategies and tactics for the short-term (1 year or less) to assist staff in realizing the goals as set by council. The capital budgeting process takes place after the strategic planning is complete to set capital and operational expenses to achieve the goals, mission and vision for the Town. The capital plan is largely developed out of the strategic planning sessions. A number of projects are proposed and debated by Council. Council fixes the capital plan into individual projects with the assistance of staff. The budget is then finalized and formalized into the Financial Plan Bylaw. This bylaw is a requirement of the Province. Revenue is budgeted annually and is measured conservatively to ensure more than enough revenues are received by the Town. Tax revenue is determined after all user fees, sales of service and other funding sources are considered. A balanced budget is required by law. Ongoing net operating expenditures and asset renewal will be funded through taxation and user fees and stabilized using reserves only if necessary. Remaining surplus not used in this year's budget may be carried forward to next year or may be used to supplement reserves at the discretion of council. Reserves are used for the purpose for which they are established and collected.

2024-2028 Five Year Financial Plan

Strategic Planning Review

The strategic planning sessions utilized a standard business planning model:

- A review of the Town's mission and vision statements took place.
- The Town's Mission statement was identified as eternal. The Town's vision is long-term and should always have connection with the eternal mission statement.
- Major objectives (both long-term and medium-term goals) flowed from the mission and vision statements. We used these objectives as a path to achieve the vision.
- Goals were set to achieve the major business objectives. These were designed to be roughly 1—5 years in length and, with the completion of the goals, would achieve the major objectives.
- Strategies and tactics were developed to achieve the short term goals. These strategies and tactics were primarily less than one year in duration, unless a specific capital project was allocated to the goal, then the priority may be repeated for several years.
- Core values were also identified that would allow us to identify the most important virtues and values necessary to both execute the strategies and tactics and achieve the goals, vision and mission of the Town.
- The strategic planning was designed to be comprehensive and provide achievable, but aggressive goals for all Town departments in the coming years.

Mission Statement: **Foster a Health Community**

Vision Statement

Five to ten years from now Princeton is celebrating its rich history, community spirit, and outdoor recreation opportunities. New development has inspired and energized the community, creating a unique and memorable experience for residents and visitors alike. This includes promoting and supporting sustainable development and further enhancing Princeton's strong regard for heritage and its community, including the individual identity of each neighbourhood in Princeton. Natural resource opportunities contribute to a flourishing economy. The Town Centre is vibrant and attractive. Community activities and businesses are focused in the heart of the Town Centre. People can explore various shops and boutiques and dine at a fine restaurant. New development provides a variety of housing choices. The Town has experienced new growth and energy, yet still retains its appeal and character as a small town. The Town is thriving as a service centre for the region, providing commercial and industrial business opportunities, recreation and tourism amenities, and stable health care services. These facilities support Princeton as a central meeting place for visitors and advance the economy. Princeton is recognized as a destination for cultural, artistic and recreational pursuits and is a community of choice to live and visit within the BC Interior.



2024-2028 Five Year Financial Plan, Consolidated

(all amounts are in thousands of dollars)

REVENUES	2023	2024	2025	2026	2027	2028
Municipal Taxation	3,780	4,450	4,818	5,222	5,665	6,151
Grants-in-Lieu	2,198	454	467	480	494	508
Parcel Tax	38	37	37	37	37	37
Federal and Provincial Grants	8,577	19,545	27,498	714	729	729
Regional District Contributions	648	1,695	1,922	590	590	590
Sale of Services	1,818	4,734	2,209	2,275	2,330	2,342
Licenses, Permits and Fees	119	125	128	132	136	136
Penalties and Interest on Taxes	105	40	40	40	40	40
Return on Investments	2,388	5,073	3,325	2,350	1,150	1,150
Sundry	1,620	2,446	956	970	983	983
Proceeds from Borrowing	0	4,750	2,079	0	0	0
Total	21,291	43,349	43,479	12,810	12,154	12,666
EXPENSES	2023	2024	2025	2026	2027	2028
Capital Expenses	0	39,653	37,305	1,725	225	225
General Government Services	1,710	1,354	1,367	1,442	1,447	1,455
Discretionary Grants	22	150	105	105	105	105
Protective Services	234	277	286	296	308	319
Emergency Program	274	430	181	182	182	182
Transit Services	156	135	139	143	148	152
Economic Development	377	512	487	494	503	511
Visitor Information Centre	420	387	399	411	422	432
Campground	194	240	248	255	263	271
Public Works	2,511	2,046	2,102	2,159	2,218	2,245
Airport	74	188	193	199	205	210
Parks	110	150	157	165	174	182
Waste Management	765	826	851	876	903	929
Cemetery Services	93	82	84	86	88	88
Recreation / Leisure Services	1,386	1,228	1,246	1,278	1,313	1,332
Water	712	878	795	816	839	850
Sewer	622	763	775	786	801	802
Flood Mitigation	248	0	0	0	0	0
Total Expenses	9,908	49,299	46,720	11,418	10,144	10,290
Net Revenue/Expenditure	11,383	(5,950)	(3,241)	1,392	2,010	2,376

2024-2028 Five Year Financial Plan, Consolidated

(all amounts are in thousands of dollars)

Net Revenue/Expenditure	11,383	(5,950)	(3,241)	1,392	2,010	2,376
PLANNED RESERVE TRANSFERS	2023	2024	2025	2026	2027	2028
Future Amenity Reserve	566	(3,709)	111	126	142	158
Capital Asset Reserve	20	16	16	16	16	16
Infrastructure Reserve	23	30	31	31	32	32
Land Sales Reserve	21	(1,000)	0	0	0	0
Water Reserve	191	(1,000)	14	41	42	31
Sewer Reserve	124	(33)	13	16	0	0
Development Cost Charge Reserve	0	322	500	500	500	500
Fire Department Capital Reserve	446	400	(1,000)	400	400	400
Growing Communities Fund Reserve	2,003	0	(1,989)	0	0	0
Consolidated Cash Reserves	769	(976)	(937)	262	878	1,239
PXA Reserve	1	0	0	0	0	0
Parkland Reserve	4	0	0	0	0	0
Arena Reserve	0	0	0	0	0	0
Industrial Park Reserve	7	0	0	0	0	0
Landfill Closure Reserve	12	0	0	0	0	0
Paving Reserve	(10)	0	0	0	0	0
Water/Sewer Project Reserve	310	0	0	0	0	0
Climate Action Reserve	131	0	0	0	0	0
Net Change in Reserves	11,383	(5,950)	(3,241)	1,392	2,010	2,376
Difference	0	0	0	0	0	0

For further detail regarding the current financial plan, please consult the Town of Princeton Financial Plan Bylaw 2024-2028 No. 1045, 2023 on the Town of Princeton webpage at <http://www.princeton.ca>



2024-2028 Five Year Financial Plan

Timeline of Important Dates

Date	Description of Activity	Time & Location	Comments
October 23, 2023	Strategic Planning Session	Rockridge Canyon, 9am-4pm	Completed
November 6, 2023	Special Meeting of Council, Budget Deliberations	Council Chambers, 9am	Completed
November 6, 2023	Special Meeting of Council, Budget Deliberations	Council Chambers, 9am	Completed
November 6, 2023	First and Second Readings, Financial Plan Bylaw	Council Chambers, 9am	Completed
February 29 & March 7, 2024	Public Notice	Through the Similkameen Spotlight	Completed
March 14, 2024	Public Information Open House, Financial Plan	Library Meeting Room, 5pm-7pm	Completed
March 16, 2024	Public Information Open House, Financial Plan	Library Meeting Room, 2pm-4pm	Completed
April 3, 2024	Third Reading as Amended, Financial Plan Bylaw	Council Chambers, 3pm	Completed
April 3, 2024	Third Reading as Amended, Tax Rates Bylaw	Council Chambers, 3pm	Completed
April 17, 2024	Financial Plan Bylaw Adoption	Council Chambers, 3pm	Completed
April 17, 2024	Tax Rates Bylaw Adoption	Council Chambers, 3pm	Completed

Tax Rates Comparisons

The tax increase on a average house in Princeton for the 2023 taxation year is \$303.31. This is a large increase over previous years. The effects of inflation on the municipal budget are substantial. Most of the expenses the municipality undertakes are of a construction-related theme (plowing roads, maintaining water and sewer infrastructure, parks maintenance and other manual labour duties). These costs often exceed the CPI, making a cost buffer necessary to avoid overruns. A 3% additional amount has been traditionally chosen to represent such overruns. The finance department does a variance review of costs annually to ensure that operational costs do not outstrip the municipality's ability to pay for services to residents to ensure that all services residents require are available as needed.

It should also be noted that Princeton residents enjoy the lowest tax burden of comparatively sized communities in the South Okanagan—Similkameen region and in the Province as a whole. According to the 2021 Local Government Statistics published by the province, Princeton ranks 154th out of 161 municipalities in tax burden for residential property.

Municipality	Type	Regional District	Avg House Value	School Tax	Municipal Total	Regional District Requisition	Hospital District Requisition	BCAA MFA and Other	Residential Parcel Taxes	Residential User Fees	Total Property Tax and Charges	Comparison (Princeton—100)
Princeton	T	Okanagan—Similkameen	379,319	602	1,066	45	66	170	0	621	2,570	100.0
Keremeos	V	Okanagan—Similkameen	466,543	699	1,109	647	81	128	122	375	3,161	123.0
Merritt	C	Thompson-Nicola	473,178	752	1,729	281	143	50	360	678	3,993	155.4
Osoyoos	T	Okanagan—Similkameen	720,535	1,079	1,151	236	126	241	171	1,020	4,024	156.6
Oliver	T	Okanagan—Similkameen	622,922	933	953	598	108	157	295	1,164	4,208	163.7
Hope	D	Fraser Valley	704,047	957	1,848	434	61	24	80	881	4,285	166.7

(Source: Government of BC Local Government Infrastructure and Finance Branch, Schedule 704, 2023 stats)





