

TOWN of CRESTON 2018 : Annual : Report



Photo: Daniel Seguin



Photo: Daniel Seguin

250.428.2214
info@creston.ca
www.creston.ca



TOWN of CRESTON

Town of Creston
Box 1339, 238 10th Avenue North
Creston, British Columbia
VOB 1G0

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Photo: Town of Creston

Residents, Councillors and staff celebrate our Official Community Plan winning the Planning Institute of BC's Silver Award for Excellence in Policy Planning.

I. INTRODUCTIONS



Town of Creston Mayor, Ron Toyota

MESSAGE FROM THE MAYOR



Dear Residents and Business Owners,

On behalf of Town Council, it is my pleasure to introduce the 2018 Annual Report. The Annual Report is an opportunity for us to look back at the past year's successes, reflect upon our challenges, and serves as a check in point for where we are at in developing solutions to those challenges. This Report is a testament to the hard work and professional service delivery provided by the staff and Council of the Town of Creston throughout the previous year.

The year 2018 began with a renewed commitment by Council to increase our public communication and build upon the robust and innovative public engagement process that was undertaken for our recent Official Community Plan. The Community Fire Hall Advisory Select Committee (ASC) was established by Council in January 2018, comprising of dedicated community volunteers (including elected officials). This group read through hundreds of pages of background information and attended hours of meetings, ultimately resulting in providing valuable community perspective and recommendations to Council on long-term solutions for our Fire Hall. The most significant of those recommendations was to hold another vote for community authorization to borrow money to fund Fire Hall construction in conjunction with the October 2018 municipal election. Our residents voted "Yes" to borrowing a maximum of \$4.5 million with Town Council committing to contribute \$1.0 million from Town reserve funds. We are so excited to be moving forward with this important project and can't wait to share progress with you in next year's Report!

The Town continued to lobby the Ministry of Transportation & Infrastructure to achieve Phase II of the Highway 3 realignment onto Cook Street. This project will see our community reclaim its downtown as a place that prioritizes the pedestrian while accommodating vehicles, rather than functioning primarily as a thoroughfare for highway traffic.

The Creston Valley Health Working Group continues to realize success through the dedicated commitment of our Healthcare Professional Recruiter.

- Dr. Darryn Storrer began a three year return of service full time practice, at Family Practice Associates.
- Active recruitment for permanent & locum family physicians is ongoing, with another permanent physician scheduled to arrive in April 2019.

Did you know that five permanent, full time physicians have settled in Creston in the last four years? Our complement of physicians continues to grow with our recruitment success! As the Creston Valley Hospital is a full service facility with a 24x7 Emergency Department, this means that practicing physicians don't just work in a clinic – they are also required to work shifts in the ER & care for their inpatients as well. Additionally, our family physicians with enhanced skills also provide obstetrical, surgical, anaesthetic, and mental health services. Given the shortage of physicians in so many of our neighbouring communities and the quality of physicians that we have here in Creston, I consider us to be extremely fortunate!

2018 was also a year where we saw several key infrastructure projects (made possible in large part to grant funding) complete or near completion:

- We received 2/3 grant funding under the New Build Canada Fund – Small Communities Fund, supported by the Government of Canada and the Province of British Columbia for the upgrading of the Schikurski Pump Station. This \$1.25 million project includes upgrades to the existing facility to increase pumping capacity to meet Creston's 20-year growth demand, updating the electronic control system and SCADA (Supervisory Control and Data Acquisition), as well as including provisions for backup generation in case of an extended power outage. This project began construction in 2018 and will be completed in 2019.
- The Arrow Creek Water Main Replacement and Systems Improvement project was completed in the summer of 2018. The upgrades project began in 2007, and has included much needed improvements to infrastructure - including the replacement of 11 km of transmission line, construction of two enclosed reservoirs, transmission line metering installation, treatment plant membrane filter replacement, and the installation of three pressure reducing stations. The project was primarily funded by a \$4.16 million Clean Water and Wastewater Fund grant and a \$2.92 million New Build Canada grant. Additional funding for the project came from Community Works Fund grants totaling \$712,000. The RDCK and the Town of Creston are grateful to the Government of Canada and the Province of British Columbia for each providing grant funding in support of the Arrow Main Line and Erickson Reservoir Projects.
- I was appointed by the RDCK to serve as the appointed member to the Municipal Finance Authority of British Columbia (MFA-BC) in 2010 and elected to the 10 member Board of Trustees in 2015. I continued to serve this organization in 2018. The MFA's main responsibility is to provide infrastructure financing to local government in the province of British Columbia. The MFA is an independent provincial organization that does not rely on taxpayer funding, has a triple "A" global financial rating, and has a financial balance sheet of over \$8 billion. We will be celebrating our 50th anniversary in 2020. The experience of being a Trustee has allowed me to gain valuable local government knowledge and exposure.

Unfortunately, this past year was yet again, record-breaking in our province for wildfires. Our Creston Fire Rescue participated in several deployments around the province during the wildfire season. These deployments included a staffed fire engine with trained firefighters to provide structural protection to homes and communities threatened by wildfire. Further, a number of members worked on deployments with Canyon-Lister Fire Department with their sprinkler protection unit. The use of Municipal Fire Departments throughout the province for wildfire events provides improved protection to surrounding communities.

Building on this collaborative approach, I want to emphasize to the reader that this Annual Report also serves as a valuable communication tool between local government and the citizenry we serve. This Report showcases a snapshot of the achievements of 2018 and provides the financial position of the Town. Keep reading to see how your local government is working for you!



Town of Creston CAO, Michael Moore

MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER



In my opinion, the Town of Creston continues to be one of the best communities in the Kootenays. Our picturesque parks and trails, beautiful downtown and proximity to numerous outdoor activities are only some of the highlights that our community and valley have to offer. Our residents and businesses have stepped up to play a pivotal role in our successes and will continue to drive the future of our wonderful community.

It was an honour in June of 2018 to be asked to assume the role as the Interim Chief Administrative Officer, and an even greater honour to have been asked to assume the position permanently in March 2019. As a resident and employee of the Town of Creston for the past 12 years, I am continually amazed to see the incredible energy and commitment made by so many within the community to make Creston a better place to be. I have seen how our volunteer non-profit groups, individual citizens, elected officials, employees of the municipality, and businesses in our valley have all been a part of the driving force to many of our community successes in the past decade. In my new role as the Chief Administrative Officer, it is a privilege to hold a position that will assist in fostering these great relationships as we move forward.

Our Town Council has developed many strategic priorities for the community to maintain and improve critical community infrastructure and increase sustainability over their four-year term. These goals include increasing reserves for future infrastructure replacement projects, replacing the fire station, improving community planning and completing community enhancement projects. After the municipal election in October 2018, two new Councillors joined our re-elected Mayor and four incumbent Councillors. They all continue to provide strong support towards developing new strategic priorities for 2019 and beyond.

The commitment of our hardworking staff to provide positive results to Council's strategic direction while also providing effective and efficient services continues to be a pillar of our organization. Our management continually strives to find new and effective ways to improve services and complete projects. Our front-line staff in administration, public works, public safety, parks, and wastewater treatment are committed to the provision of high quality service to our residents. Our fire department staff, our paid on-call firefighters and the work experience firefighters continue to serve our community with passion and dedication. Our RCMP staff provide quality service

to protect our beautiful valley and work closely with the municipality to meet community expectations. It is a pleasure to work with so many individuals that have the common goal of making Creston the best it can be.

The outstanding relationships between local government and our non-profit groups cannot be over-stated. Each organization has a desire to have a positive impact on where we live and our community in general. Whether it is building and enhancing outdoor spaces and trails, the provision of community activities, improved housing opportunities or showcasing our valley, these community groups provide invaluable service to all residents. Author, activist and lecturer Helen Keller once stated, "Alone, we can do so little; together we can do so much". With these words in mind, the Town's excellent relationship with our community groups remain one of our highest priorities as we strive to make Creston even better.

The Town of Creston was recognized in 2018 by winning the Silver Award for Excellence in Policy Planning for our Official Community Plan that was adopted in 2017. This plan is a vision compiled by many community members that sees a more inclusive, social and diverse Town of Creston. It provides opportunities to grow without significant expansion of infrastructure and services while capitalizing on increased economies of scale. There are implementation strategies that encourage diversity of housing options and business, while maintaining the small community harmony that our residents enjoy. Being recognized by the Planning Institute of British Columbia reinforces that our community vision within the Official Community Plan can not only be successful, but can also improve sustainability and resiliency that all communities aspire to.

Some of the important successful projects of 2018 included the community engagement process to obtain voter permission to borrow for a new fire station, improved walking trails between Payne Street and 16th Avenue North, and the achievement of interim measures at the existing fire station to protect our firefighters. These projects enhance the operational work of maintaining and improving critical infrastructure that continues to be a priority throughout our municipality.

Finally, although this report covers the 2018 operational year, I would like to direct people to our improved reporting of our municipal budgets. Located on our website is a beautifully designed and informative document that explains our municipal budgeting process and what our 2019 municipal budget encompasses. This document seeks to explain the goals, projects and services that are provided by the municipality to our citizens. We encourage residents and business owners to review this document which is available on our website:

<http://www.creston.ca/2291/budget>.

We welcome and appreciate your feedback on the Town of Creston's 2018 Annual Report.

Please contact us via email (info@creston.ca) or write to us:

Town of Creston, PO Box 1339, Creston, BC, V0B 1G0.

For up to date information about Town of Creston services, programs and events, please visit our website www.creston.ca. Follow us on social media through Facebook, Instagram and Twitter.

Sincerely,

Michael Moore
Chief Administrative Officer
Town of Creston



Town of Creston DFCS, Steffan Klassen

MESSAGE FROM THE DIRECTOR OF FINANCE & CORPORATE SERVICES



On behalf of the Finance Department, it is my pleasure to present the 2018 Annual Report for the Town of Creston. The Finance section of the report includes the Audit Report from Carr & Associates Chartered Professional Accountant and the Consolidated Financial Statements for the year ended December 31, 2018.

The purpose of the Annual Report is to provide the readers with a clear understanding of the financial position and financial activities of the Town. The report is divided into three sections:

- Introductory Section: Provides an overview of the Town, including the organizational structure, and the nature and scope of the services provided.
- Operational Activities: Provides a summary of the past year's activities and accomplishments
- Finance Section: Presents the 2018 Audited Consolidated Financial Statements, notes, supplementary schedules and the Auditor's Report.

The Town maintains a system of internal controls for the purpose of financial statement reliability and protection of the Town assets. The system includes budget preparation, safekeeping of Town funds, receiving monies paid to the municipality, investing in authorized investments, expending funds as authorized by Council, and ensuring accurate and full accounting of all financial transactions.

The preparation and presentation of the financial statements and related information in the Annual Report is the responsibility of the Finance Department. Staff provides support to the external auditors during the year end audit by preparing the working papers and ensuring accurate and full accounting of all financial transactions.

The Consolidated Financial Statements for the year ended December 31, 2018 included in this report were prepared by Town staff in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Professional Accountants of Canada. The consolidated financial statements have been audited by Carr & Associates Chartered Professional Accountant.

2018 OPERATING RESULTS

The financial results for 2018 year were slightly lower when compared to the 2018 budget. The consolidated annual surplus was \$816,028, \$36,009 less than budget. The main reason for the difference was the lower government transfers of grants offset by higher investment income.

The Town had a variety of revenue sources including taxation and grants in lieu of \$5.16 million, \$2.27 million in fees, charges and miscellaneous revenue, \$2.72 million of utility fees and charges, and \$1.33 million in government transfers. Total revenues were \$384,000 lower than budgeted mostly due to timing of government grant payments for capital. Offsetting the lower grant revenue, investment income was \$354,000 higher than budgeted.

Consolidated operating expenditures were under budget by \$348,000. The full amount of the difference does not reflect true savings as there were projects budgeted for in 2018 that will not be complete until 2019. Savings become part of the surplus used to fund operating and capital projects in future years. The budget is a very good tool to keep control of municipal expenditures, it is however a forecast and therefore due to a number of outside and internal factors variances are experienced. When an overage is expected, savings in other areas are sought in order to meet the overall budget target.

The annual surplus was \$816,000. The surplus is the net result of all of the Town's financial activities for the year, so there are many items which affect it. The consolidated financial statement is summary of all these transactions and it is used to show the changes to its readers.

CAPITAL SPENDING AND RESERVES

The Town has an estimated \$140 million worth (replacement value) of assets which eventually need to be upgraded or replaced as they age. Council and staff are constantly faced with the challenges of maintaining and replacing our critical infrastructure in an economically sustainable manner and seek to do so by keeping taxation and borrowing to a minimum.

A total of \$2.013 million was spent on capital asset additions in 2018, which is about 26% higher than the past two years. The largest categories were \$584,000 for road and sidewalk projects, \$411,000 for equipment purchases which included a new street sweeper for \$275,000.

LONG-TERM DEBT

The long-term debt issued and outstanding at December 31, 2018, was \$4.75 million, which is \$510,000 less than 2017. The decrease was due to principal repayments made during the year. Only 20% of the long-term debt is paid for by tax dollars or user fees. FortisBC pays for the prepaid capital lease loans, the Province pays for over 50% of the RCMP building loan, and through sewer charges the Columbia Brewery pays for a substantial share of the Waste Water Treatment Plant upgrade loan.

In summary, the Town is in a good financial position and we strive to be innovative and creative in terms of service delivery that reflects Council priorities and community expectations. The Town continues to be accountable in spending, sensitive to public needs, and aims to preserve the current level of service and community infrastructure while dealing with the challenges of the economic realities we are faced with.

Steffan Klassen, CA
Director of Finance and Corporate Services
Town of Creston





COUNCIL 2018

From left to right: Corporal Gerry Sliworsky, Councillor Jim Elford, Councillor Adam Casemore, Councillor Karen Unruh, Councillor Kevin Boehmer, Councillor Joanna Wilson, Mayor Ron Toyota, Councillor Jen Comer, Corporal Darren Kakunō. Photo: Warren Bruns

II. COUNCIL PROFILE



COUNCIL 2018 - 2022

From left to right: Councillor Jen Comer, Councillor Karen Unruh, Councillor Jim Elford, Staff Sergeant Ryan Currie, Mayor Ron Toyota, Corporal Gerry Sliworsky, Councillor Arnold DeBoon, Councillor Elen Tzakis, Councillor Joanna Wilson. Photo: Warren Bruns

TOWN OF CRESTON COUNCIL



An elected Council, comprised of a Mayor and six Councillors, governs the Town of Creston. Council is elected for a four-year term. The 2018 municipal election elected five incumbents and two new Councillors to the team (below). The next municipal election will be held in 2022.

Council has the authority to set budgets, levy taxes and establish policies to guide the growth, development and operation of the Town of Creston for the benefit and protection of its residents. The powers of the Council are exercised through the adoption of resolutions or the enactment of bylaws at Council meetings. Members of the public are encouraged to attend open Committee and Council Meetings; see the Town's website at www.creston.ca for information regarding dates and times of meetings.

Regular Committee of the Whole Meetings are held on an as-needed basis, and generally are held on the third Tuesday of each month. The open portion of the meeting begins at 4:00 pm. There may be a "closed" portion of the meeting (which is closed to the public) that begins immediately following the open meeting.

Regular Council Meetings are held the second and fourth Tuesday of each month. The open portion of the meeting begins at 4:00 pm. There may be a "closed" portion of the meeting (which is closed to the public) that begins immediately following the open meeting.

Both Council and Committee of the Whole Meetings are held in the Council Chambers at Town Hall and are open to the public.

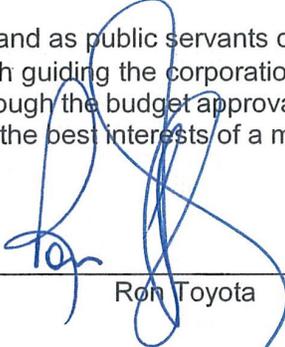




TOWN OF CRESTON COUNCIL COVENANT

WE, AS MEMBERS OF COUNCIL, WILL:

- Carry out our responsibilities as set out in the applicable legislation to the best of our abilities;
- Make decisions which we believe to be in the best interests of the citizens of the Town of Creston;
- Review the background information and advice made available to us by the administration prior to rendering a decision;
- Seek further input when we are unsure of the issues or uncertain as to the preferred course of action;
- Refer any complaints, either written or verbal, about the decisions of Council or the actions of administration, to the Town Manager for review, comment and follow-up (as appropriate);
- Refrain from making any commitments on behalf of council to individual citizens or groups other than to take the request up with the Council or Town Manager and to respond appropriately;
- Seek to participate actively in the decision-making process;
- Refrain from any public or private criticism of our administration wherein individual employees are identified; and,
- Act as good stewards of the Town and as public servants of our citizens through ethical conduct;
- Provide effective leadership through guiding the corporation and the municipality through annual or longer term goals and priorities, through the budget approval process and by agreeing to reasonable policies which reflect, in our views, the best interests of a majority of our citizens.

Mayor 
Ron Toyota

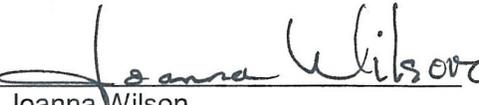
Councillor 
Kevin Boehmer

Councillor 
Adam Casemore

Councillor 
Jen Comer

Councillor 
Jim Elford

Councillor 
Karen Unruh

Councillor 
Joanna Wilson

Dated at Creston, BC, this 11th day of July, 2017.

DECLARATION AND IDENTIFICATION OF DISQUALIFIED COUNCIL MEMBERS

In accordance with Section 98(2)(e) of the *Community Charter*, there were no declarations of disqualification made under Section 111 of the *Community Charter* in the year 2018.

CORPORATE VISION, MISSION, PRINCIPLES & VALUES



We, the Council of the Town of Creston, believe that the following statements reflect the ethical foundation of our Council and Community, and our relationship with our public.

The Council of the Town of Creston is prepared and committed to increase responsiveness to the needs of our public and to focus our organization's efforts on achieving the goals articulated through our Corporate Strategic Plan.



OUR VISION



"Our community working together to enhance the quality of life, now and into the future, for the Creston Valley."



OUR MISSION



Our Mission is to exhibit strong leadership by:

- *Providing excellent public service and value through good governance and continued improvement;*
- *Maintaining a strong sense of community while embracing opportunities for growth that enhance our quality of life; and,*
- *Nurturing and preserving pride in our arts, culture, heritage and lifestyle amenities.*



GUIDING PRINCIPLES AND VALUES



As people who care, we treat each other with respect and act with integrity by fostering attitudes that are professional, fair and just, through prioritizing:

- | | |
|---|---|
| - <i>Collaborative Leadership</i> | - <i>Recognition of Achievements</i> |
| - <i>Safety and Wellness</i> | - <i>Sustainability (Social, Environmental, Cultural, Economic)</i> |
| - <i>Innovation and Creativity</i> | - <i>Transparency and Accountability</i> |
| - <i>Quality of Life</i> | - <i>Fiscal Responsibility</i> |
| - <i>Equitable Partnerships and Alliances</i> | |

COUNCIL REPRESENTATIVE APPOINTMENTS NOVEMBER 2017 - 2018



GOVERNMENT RELATED AGENCIES – 2018

| | |
|---|---|
| Arrow Creek Water Treatment & Supply Commission | |
| Representative..... | Councillor Elford |
| Alternate..... | Mayor Toyota |
| East Resource Recovery Commission (RDCK) | |
| Representative..... | Mayor Toyota |
| Alternate..... | Councillor Elford |
| Kootenay East Regional Hospital District | |
| Director..... | Councillor Unruh |
| Alternate Director..... | Councillor Elford |
| School District No. 8 (Kootenay Lake) – Board of School Trustees | |
| Liaisons..... | Councillors Comer and Unruh |
| Emergency Operations Centre | |
| EOC Director..... | Town Manager |
| Member..... | Fire Chief |
| Resource..... | RDCK Emergency Coordinator, Creston, Areas A, B & C |
| Council Liaisons..... | Mayor Toyota & Councillor Elford |
| Municipal Insurance Association of BC | |
| Representative..... | Councillor Elford |
| Alternate..... | Councillor Wilson |

COMMUNITY ORGANIZATIONS

| | |
|--|---------------------------------|
| Community Arts Council of Creston | |
| Representative..... | Councillor Wilson |
| Creston-Kaminoho Friendship Society | |
| Representative..... | Councillor Wilson |
| Creston-Kootenay Foundation | |
| Representatives..... | Councillors Casemore and Wilson |
| Creston & District Community Directed Funds Committee | |
| Representative..... | Mayor Toyota |
| Creston & District Library Board | |
| Representatives..... | Councillors Comer and Unruh |
| Creston Valley Blossom Festival Association | |
| Representatives..... | Councillors Unruh and Wilson |
| Creston Valley Chamber of Commerce | |
| Representatives..... | Councillors Casemore and Unruh |

| | |
|--|----------------------------------|
| Creston Valley Community Housing Society Representative..... | Councillor Casemore |
| Creston Valley Community Network Society Representatives..... | Councillors Comer and Wilson |
| Creston Valley Wildlife Management Area Interpretive Centre Committee Representative..... | Mayor Toyota |
| Fields Forward Representative..... | Councillor Comer |
| Creston Valley Trails Society Representatives..... | Councillors Boehmer and Casemore |

OTHER ORGANIZATIONS

| | |
|---|---------------------|
| Creston Valley Forest Corporation Director..... | Councillor Elford |
| Alternate..... | Councillor Casemore |
| Creston Valley Regional Airport Society Liaison..... | Councillor Boehmer |

SELECT COMMITTEES

| | |
|--|--|
| Parcel Tax Roll Review Panel (Foot Frontage) Chair..... | Councillor Boehmer |
| Member..... | Councillor Unruh |
| Member..... | Director of Finance & Corporate Services |
| Cemetery Advisory Committee Members..... | Mayor Toyota and Councillor Boehmer |

OTHER

| | |
|---|--------------------------------------|
| Creston Valley Youth Network Committee Liaisons..... | Councillors Boehmer and Casemore |
| Ktunaxa Kinbasket Treaty Advisory Representative (appointed to 2018)..... | Councillor Boehmer |
| Appointment of Auditor | Carr & Associates |
| Appointment of Solicitor (appointed to 2018)..... | Lorena P. D. Staples Law Corporation |
| Regional District of Central Kootenay Director Director (appointed to 2018)..... | Mayor Toyota |
| Alternate (appointed to 2018)..... | Councillor Elford |

SIGNING AUTHORITIES

(Appointed to 2019)

Mayor Ron Toyota, Councillor Karen Unruh, Lou Varela (Town Manager), Ross Beddoes (Director of Municipal Services), Steffan Klassen (Director of Finance & Corporate Services), Stacey Hadley (Corporate Officer)

2018-2019 CORPORATE STRATEGIC PRIORITIES



Strategic Priorities reflect Council's vision for the community and defines items and areas for key focus. Actions are associated with each of the Strategic Priorities to provide for focused implementation. Operational Strategies provide greater detail for staff's implementation of Council's Strategic Priorities; Operational Strategies are identified in the Strategic Priorities Chart attached to Council's agenda.

1. Official Community Plan

Implementation – 2018-2019

- Zoning Bylaw Update - 2018
- DCC Bylaw Update – 2019 (Budget Dependent)
- Multi Modal Transportation Master Plan – 2019 (Budget Dependent)
- Implementation of the Trails Master Plan to enhance trails, greenways and parks connectivity – 2018-2019
- Development Approval and Information Bylaw Update – 2018

2. Highway 3 Realignment

- Phase II (Cook Street Realignment) – Ongoing liaison with MoTI

3. Service Agreements

- Septage Pits – Agreement extended to June 2019, Engineering Report to RDCK - 2018
- Erickson Water Users Agreement – 2018 discussions with RDCK

4. Regional Fire Service

- Budget - 2018
- Develop Business Case/ Budget & Strategic Plan – 2018
- Contract Negotiations - 2018

5. Airport Lands / Employment Lands – 2019 (Budget Dependent)

- Undertake research re: possible annexation of subject lands and potential land use(s)
- Engagement of affected stakeholders (Council, RDCK Electoral Area Directors, Airport Society, etc.)

6. Shelf Ready Projects

- Project Readiness - Market Park detailed design (engineering) – 2019 (Budget Dependent)

7. New Revenue Opportunities & Service Levels

- Consider implementation of Local Improvement Costs Bylaws for capital infrastructure projects - 2018

8. Fire Hall – Short & Long Term Solutions

- Community Fire Hall Advisory Committee – 2018
- Next Steps - TBD

9. Organization/Process Improvements

- Asset Management Plan – 2018
- Records Management Policies & Implementation – 2018 and ongoing
- Policies & Procedures Review and Update – 2018
- IT – Service Enhancements & Risk Reduction - 2018

10. Emergency Management

- Liaise with the RDCK to address the four phased approach to Emergency Management; Preparedness, Mitigation, Response, and Recovery – 2018

11. Community Development Projects

- Glaser Drive Right Of Way – Trail – 2018
- Sidewalk Restoration and Enhancement Projects - 2018
- Downtown Beautification – Ongoing (Budget Dependent)

12. Public Works Operations

- Road Restoration Program – 2018
- Inflows & Infiltration (I&I) Investigation and Remediation – 2018
- Fire Hydrant Replacement Program – 2018

2018-2019 CORPORATE ADVOCACY PRIORITIES



Advocacy Priorities identify those agencies, organizations and community groups that Council prioritizes collaboration with, in order to improve and/or achieve community benefits and value.

1. **Highway 3 Realignment – Phase II**
 - Meet with Minister of Transportation and Infrastructure
 - Meet with MoTI staff
2. **First Nations Partnerships**
 - Liaise with Lower Kootenay Band and explore possible partnerships/cooperative efforts through Community-to-Community Forums and other opportunities
3. **Health / Physician Recruitment**
 - Continue to support the Creston Valley Health Working Group and Medical Professionals Recruiter
 - Continue to support the Air Medivac service
4. **Youth Program Support**
 - Continue to liaise with stakeholders regarding youth related initiatives
5. **Affordable / Sustainable Housing**
 - Partner with provincial agencies and other stakeholders to advance affordable/sustainable housing initiatives
6. **The Creston Experience (Livability)**
 - Support livability initiatives that enhance Creston's sense of place and quality of life
 - Support and promote the local agri-food sector through a variety of means including, but not limited to, providing ongoing support for the Creston and District Fields Forward Partnership
7. **Economic Development**
 - Explore local and regional economic development initiatives/opportunities
 - Support RDCK Service 108 initiatives
 - Promote a vibrant food system as a pillar of the local economy
 - Partner with provincial agencies and community stakeholders to support business retention, expansion and attraction efforts
8. **Arrow Creek Water Service**
 - Explore grant funding opportunities at regional, provincial and federal levels
9. **Regional Trails System**
 - Support planning, funding and development of trails, greenways and parks
10. **Police Cost Sharing**
 - Continue to work with Ministry of Justice to find more equitable cost-sharing
11. **Organization/Process Improvements**
 - Research possible partnerships with Columbia Basin Trust and other organizations for funding of a local government intern position - 2018
12. **Alternate Revenue Sources / Grants**
 - Explore sources for funding, not based on municipal taxation



Photo: Andrew Bibby

III. COMMUNITY PROFILE



Photo: Jeff Banman

COMMUNITY PROFILE



The Town of Creston, a scenic treasure, is nestled in an agricultural valley located at the south end of Kootenay Lake, minutes from the British Columbia/Idaho border. Surrounded by the stunning Selkirk and Purcell mountain ranges, Creston is accessible along Highway 3, and sits near major cities in both Canada and the United States of America.

Nearby Cities with International Airports

| City | Distance | Driving Time |
|--------------|----------|--------------|
| Cranbrook BC | 105 km | ~80 min |
| Spokane WA | 228 km | ~165 min |
| Kelowna BC | 424 km | ~320 min |
| Calgary AB | 488 km | ~330 min |



CRESTON TODAY

The Town of Creston is located on the east side of the Kootenay River Valley at the foot of Arrow Mountain (known locally as Goat Mountain). Most of the Town is situated on a bench-like landform that rises significantly above the Valley floor. The remainder of the Town, roughly 30 percent of its land area, extends up the lower slope of Goat Mountain and is largely unserviced and undeveloped. By virtue of its elevated setting, Creston enjoys a grand vista over the fields in the valley and onto the Selkirk Mountains to the west and the majestic Skimmerhorns of the Purcell Mountains to the east.

Creston was first incorporated as a Village in 1924, then as a Town in 1965. Today, the Town of Creston strives to maintain its small town character while experiencing a small but steady population increase since 2006.

OUR NEIGHBOURS

Since time immemorial the Lower Kootenay Band, locally known as Yaqan Nukiy, were the original inhabitants of the Lower Kootenay area. The name Yaqan Nukiy

literally means “where the rock stands” and refers to an important place in the Creston Valley. Today, the Lower Kootenay Band is located on approximately 6,000 acres in the beautiful Creston Valley, along the banks of the Kootenay River in south eastern British Columbia. The main community is located 4 km south of Creston and just north of the USA border on Simon Road.

Incorporated in 1965, the Regional District of Central Kootenay (RDCK) is a local government that serves an estimated population of 60,000 residents. The Town of Creston is one of nine member municipalities, including: Castlegar, Kaslo, Nakusp, Nelson, New Denver, Salmo, Silverton and Slocan. In addition to these municipalities, the region consists of 11 Electoral Areas.

| Census Year | Population | 5 Year Change |
|-------------|------------|---------------|
| 2001 | 4,795 | -0.6% |
| 2006 | 4,825 | +0.6% |
| 2011 | 5,306 | +10% |
| 2016 | 5,351 | +0.8% |

Creston is located within the southern portion of the RDCK, immediately adjacent to Electoral Areas “A”, “B”, and “C”. The Town participates in a significant number of shared services with these RDCK Electoral Areas ranging from the Creston Valley Public Library, the Arrow Creek water system, the Creston Museum, the Creston Valley Regional Airport, the Creston & District Community Complex, to Waste Management and more. In addition, these partners work together on various programs and projects to advance the quality of life within the Creston Valley as a whole.

DEMOGRAPHICS

In 2016, the average age of Creston residents was 52.2 years of age; 11 years older than the Canadian average. Known as a great place for retirement, Creston is also experiencing growth in the 20-34 year old age bracket.

The average 2015 household income in Creston was \$58,681 compared to the Provincial average household income of \$90,354.

The average 2016 household size in Creston was 2 persons, compared to the Provincial average of 2.4 persons.

In 2016, 73% of households in Creston were occupied by their owners, and 27% were rented. Compared to the provincial average of 68% owner occupation, Creston has a higher proportion of owner occupied households. The average cost of a home in Creston was \$276,513 compared to the provincial average of \$720,689. In 2016, 12.4% of homeowners spent more than 30% of their income on shelter costs, compared to 20.7% provincially. This contrasts tenant occupied households in Creston, where 57.9% of renters spend more than 30% of their income on shelter costs, compared with 43.3% provincially.

COMMUNITY INFRASTRUCTURE

In 2018, Town of Creston infrastructure consisted of:

- i.....29 km of storm sewer pipe
- ii.....57 km of sanitary sewer pipe
- iii.....63 km of water pipe
- iv.....54 km of paved roads
- v.....4 km of unpaved roads

Projected Population Growth

Looking forward, and using a realistic growth rate of 1.0%, Creston can anticipate a population of approximately 5,852 persons by 2025, and 6,212 persons by 2031.

Infrastructure Capacity

Creston has adequate water supply, sewerage and treatment capacity to meet its needs through 2030 and beyond, given an annual growth rate of 1%. In 2009, the Town implemented water conservation measures as a way of lowering its annual operating and maintenance costs, and deferring capacity system improvements. Between 2009 and 2018, Creston reduced its gross water demand by 22%, per capita.

Geographic Limitations

Geographic (physical) limitations to outward growth and expansion include the Agricultural Land Reserve to the north, west, and south, and the steep slopes of Arrow Mountain to the east.

PUBLIC SPACES

Creston has a network of trails throughout the community, with Glaser Trail as the latest addition. In total the Town maintains over 20 km of sidewalks and trails throughout the community.

Each of the parks in the Town of Creston is unique. Park types range from Millennium Park, which is home to traditional Japanese gardens and an outdoor amphitheatre, to Schikurski Park, which is largely a natural green space. A downtown greenspace, and upcoming skatepark are the latest projects undertaken to increase parks and recreation capacity.



ECONOMY

The total number of active business licences in 2018 was 440. These business licences consist of businesses that are associated with a Creston address, as well as businesses located outside of Town, who conduct business within Town limits.

The Town of Creston is committed to identifying challenges and opportunities related to business growth.

The top industry categories in which Creston residents are employed are: health care and social assistance; retail trade; manufacturing; construction; accommodation and food services; educational services; and, agriculture, forestry, fishing and hunting.

2018 Tax Base

2018 Taxable Assessed Values for Town of Creston property classes, including both land and improvements, total \$667,608,857 and are broken down below:

| Property Class | Assessed Value |
|------------------------------------|----------------------|
| Residential (all types) | \$575,427,800 |
| Utilities (gas, phone, electrical) | \$1,483,630 |
| Light Industry | \$13,440,300 |
| Business & Miscellaneous | \$70,844,900 |
| Recreation Non-Profit | \$447,200 |
| Farm | \$42,527 |
| Total | \$667,608,857 |

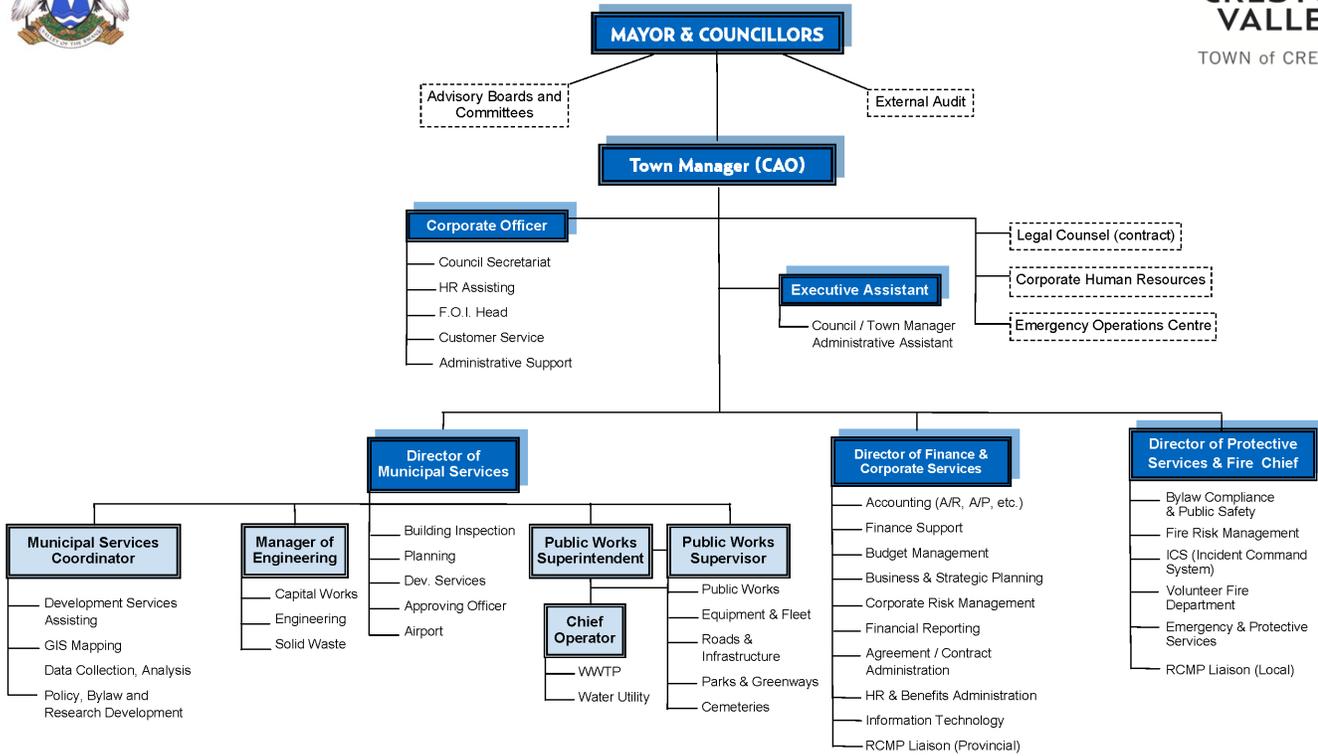




Photo: Town of Creston

IV. OPERATIONAL ACTIVITIES

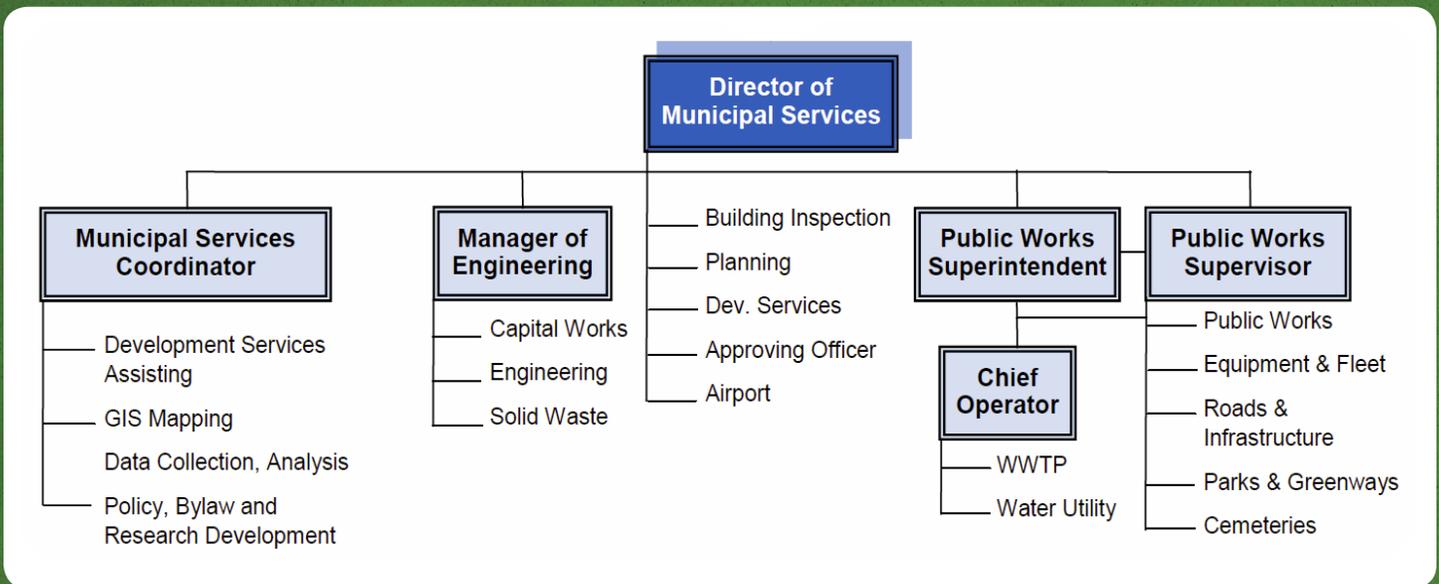
A. 2018 ORGANIZATIONAL STRUCTURE & SENIOR STAFF



| | | |
|--|-------|------------------|
| Town Manager / CAO (Jan - Jun) | ..... | Lou Varela |
| Interim Chief Administrative Officer (Jun - Dec) | ..... | Mike Moore |
| Director of Finance & Corporate Services | ..... | Steffan Klassen |
| Director of Municipal Services | ..... | Ross Beddoes |
| Manager of Engineering | ..... | Colin Farynowski |
| Acting Fire Chief | ..... | Jared Riel |
| Acting Assistant Fire Chief | ..... | Randall Fabbro |
| Public Works Superintendent | ..... | Ferd Schmidt |
| Public Works Supervisor | ..... | Brad Ziefflie |
| Corporate Officer | ..... | Stacey Hadley |
| Executive Assistant | ..... | Marsha Neufeld |
| Municipal Services Coordinator | ..... | Joel Comer |



B. MUNICIPAL SERVICES



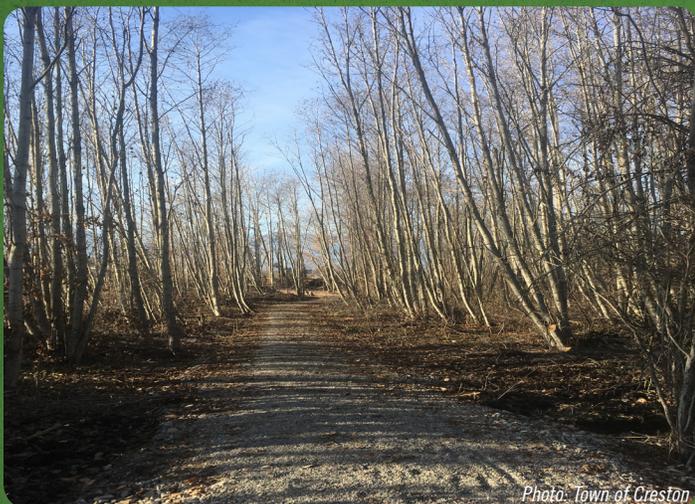
The Municipal Services Department includes a wide variety of roles and responsibilities including land use planning and development services, building inspection services, engineering, subdivision, airport, public works, capital works, water and sewer utilities, roads and infrastructure, parks and greenways, GIS mapping services, and cemeteries. Municipal Services provides strategic policy and planning advice, and develops effective working relationships with senior government agencies, advisory committees, industry and the community.





PLANNING & DEVELOPMENT

Planning & Development take place within the Town's Municipal Services Department. The department is involved in implementation of Council's direction regarding land use matters within Town boundaries. This includes processing of development permits, rezoning applications, and development variance permits. Additional activities include GIS mapping support, coordination of public consultations involving land use, liaising with community groups for public improvements and events, and working to achieve the long-term objectives of Council, as outlined in the Official Community Plan.



Glaser Trail

Photo: Town of Creston



OCP Planning Award

2018 HIGHLIGHTS

- Continued implementation of the 2017 Official Community Plan
- Partnered with Creston Rotary Club in construction of additional 1km Glaser Trail section, connecting Devon Street with Payne Street
- Partnered with Creston Community Forest in development of Billy Goat Bluffs trail
- Continued development of updated Zoning Bylaw
- Continued development of Trails Masterplan
- Developed new signage for Town parks
- Consultation with public in regards to regulation surrounding federal cannabis legalization
- Drafted cannabis related Zoning Amendment Bylaw (adoption 2019)
- Drafted Clean Air Bylaw (adoption 2019)
- Continued support for public art installations (CVPAC)
- 2018 Planning Institute of BC's Silver Award for Excellence in Policy Planning
- DCFC Electric Vehicle charging station added to Cook Street parking lot



BUILDING INSPECTION

Working within the Town's Municipal Services Department, the Building Inspector oversees construction and demolition related activities within the Town of Creston, insuring compliance with applicable codes, standards, bylaws and regulations. 2018 was a busy year for development in Creston, with 20 new dwelling units added and a total construction value of over \$7.5 million.

BUILDING PERMIT TRENDS

| TOWN OF CRESTON | | | | |
|----------------------------------|------------------------------|--------------------------|-------------------------|---------------------|
| TEN YEAR BUILDING SUMMARY | | | | |
| YEAR | NO. OF DWELLING UNITS | RESIDENTIAL VALUE | COMMERCIAL VALUE | TOTAL VALUE |
| 2018 | 20 | \$4,576,237 | \$2,925,000 | \$7,501,237 |
| 2017 | 9 | \$1,929,300 | \$2,093,000 | \$4,022,300 |
| 2016 | 14 | \$3,120,500 | \$1,120,000 | \$4,240,500 |
| 2015 | 10 | \$2,840,700 | \$1,676,760 | \$4,517,460 |
| 2014 | 23 | \$4,670,700 | \$1,176,000 | \$5,846,700 |
| 2013 | 14 | \$2,483,200 | \$857,000 | \$3,340,200 |
| 2012 | 5 | \$1,084,000 | \$818,000 | \$1,902,000 |
| 2011 | 79 | \$2,330,850 | \$8,851,000 | \$11,181,850 |
| 2010 | 57 | \$8,986,197 | \$2,980,800 | \$11,966,997 |
| 2009 | 26 | \$4,682,700 | \$15,951,821 | \$20,634,521 |
| TOTAL | 257 | \$36,704,384 | \$38,449,381 | \$75,153,765 |
| 10 YEAR AVERAGE | 25.7 | \$3,670,438 | \$3,844,938 | \$7,515,377 |
| 5 YEAR AVERAGE | 15.2 | \$3,427,487 | \$1,798,152 | \$5,225,639 |



ENGINEERING

Engineering in the Town operates under the umbrella of the Municipal Services Department. The Manager of Engineering oversees engineering services, capital works construction, transportation improvements, technical support for maintenance and operations of facilities and equipment, and water and liquid waste utilities. Additionally, the Manager of Engineering liaises with internal staff and external agencies for asset management planning and capital project coordination.

2018 Highlights

- Drinking Water Well GARP (Groundwater at Risk of Pathogens) Screening & Assessment
- Asset Management Plan
- Asset Management Policy Development
- Water & Sewer Rate Review
- Micro Surfacing Program (4.3km)
- Schikurski Booster Station Construction
- Bio-Solids Handling System – Engineering



Photo: Town of Creston

Micro-surfacing



Photo: Town of Creston

Schikurski Booster Station



Photo: Town of Creston

Micro-surfacing



Photo: Town of Creston

Schikurski Booster Station



Photo: Town of Creston

Schikurski Booster Station



PUBLIC WORKS

Operating in 2018 as a branch of the Municipal Services Department, Public Works takes care of the on-the-ground work involved in constructing and maintaining roads, pedestrian routes, water and sanitary sewers, parks and greenways, snow clearing and cemeteries. These are the crews that keep Town infrastructure operating and maintained. 2018 saw Public Works undertake many projects that benefit the residents of Creston.

2018 Highlights

- Purchase of new street sweeper to assist aging vacuum sweeper
- Replacement and realignment of 60 metres of failing sewer main on 9th Ave South
- Replacement of 25 metres of failing sewer main on Cedar St.
- Replacement of Sewer manhole on Cedar St.
- 3 obsolete hydrants replaced with new Canada Valve Hydrants
- Worked with various stakeholders/consultants to improve drainage at the Town’s Wynndel gravel pit to reduce risk to surrounding properties
- Worked with consultants to close gaps found in our Mine Audit completed in 2017
- Fenced entire perimeter of the Wynndel gravel pit (~825 lineal metres)
- Installation of new front entrance gate at Forest Lawn Cemetery as per the Forest Lawn Development Plan (FLDP)
- Installed 32’ Memorial Walk with columbariums at Forest Lawn Cemetery as per FLDP
- Re-established irrigation lines throughout Forest Lawn Cemetery to allow irrigation
- Installation of 2” water service, Pressure Reducing Valve and Backflow Preventer at Pioneer Cemetery to allow irrigation



Photo: Town of Creston

New street sweeper



Photo: Town of Creston

Forest Lawn Cemetery gate



Photo: Town of Creston

Wynndel gravel pit fencing



Photo: Town of Creston

Forest Lawn Memorial Walk and columbariums

- Installed 65m of new 2m wide sidewalk on 15th Ave S between Canyon and Cook St. and 35m of new curb and gutter
- Removal of failing sidewalk and replacement with 64m of 2m wide sidewalk, with handrail, curb and gutter on Canyon St., including replacement of retaining wall adjacent to Creston Valley Motel
- Installation of 3 new flag poles at Town Hall to replace old single flag pole
- Rehabilitated roads by chip sealing a total area of 11,900 square meters, including 25th Ave S, Ash Rd, 4th Ave NW, and the lane between 12th Ave S and 16th Ave S
- Rebuilt a portion of the RCMP parking lot (790m²) including road base and asphalt
- 200m of chain link fencing at the Waste Water Treatment Plant along western boundary of the property



Photo: Town of Creston

Photo: Town of Creston

Chip Sealing



Photo: Town of Creston

Waste Water Treatment Plant Fence



Photo: Town of Creston

Photo: Town of Creston

RCMP Parking Lot Paving



Photo: Town of Creston

Town Hall Flag Poles

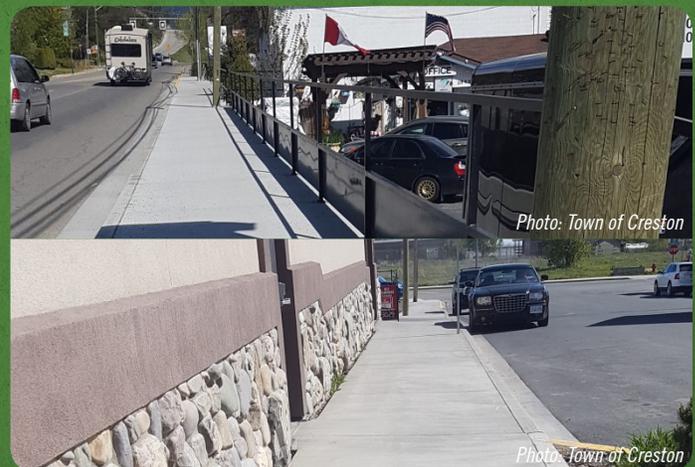


Photo: Town of Creston

Photo: Town of Creston

Canyon Street Sidewalk Replacement



C. FIRE & RESCUE / PROTECTIVE SERVICES

Director of Protective Services & Fire Chief

- Bylaw Compliance & Public Safety
- Fire Risk Management
- ICS (Incident Command System)
- Volunteer Fire Department
- Emergency & Protective Services
- RCMP Liaison (Local)



The Director of Protective Services & Fire Chief position involves the development, direction and supervision of effective fire prevention and fire rescue operations. By statute, this position is also a Local Assistant to the Fire Commissioner and performs such duties as recruitment, training and development of volunteer firefighters; supervision; and, short and long range planning of facilities, equipment, supplies and apparatus.

2018 HIGHLIGHTS

Service and Public Engagement

- Two (2) firefighters received a BCAS Vital Link Award for assistance at a medical call
- Back to school week “Drive Slow” campaign
- Firefighters volunteer for RDCK Hazmat Roundup
- The department was on standby for a wildfire near Kimberley during the wildfire season
- Three (3) “Hot Summer Nights” public engagement events hosted by fire rescue service
- Fire department hosted annual Halloween Safety Stop at fire station where over six hundred (600) hot dogs were served along with hot chocolate, treats and glow sticks
- Firefighters provided fireworks display on Canada Day at the Community Complex
- Firefighters decorated fire trucks with Christmas Lights and played Christmas carols while driving through the community on the last Sunday evening before Christmas

Fire Department Personnel

- Eight (8) new recruits hired in 2018
- Three (3) paid on call firefighters left fire service during 2018
- Total of 40 active personnel (career, paid on-call and WEP) as of December 31, 2018

Firefighter Work Experience Program

- Five (5) new Work Experience Firefighters started November 5, 2018
- Work Experience Firefighters work forty (40) hour per week, Monday through Friday
- WEP Firefighters provided volunteer hours as security and medical aid to thirty-two (32) Creston Valley Thunder Cats hockey games
- Daily maintenance and inspections of apparatus and equipment achieved through WEP firefighters
- While the Work Experience Firefighters are not paid a wage, the equivalent value of the work performed (based on \$5,767 month from the Kootenay Boundary Fire Rescue union collective agreement for recruit firefighter) was \$346,020, based upon twelve months
- Thirteen (13) of the past twenty (21) work experience firefighters have become career firefighters

Started in 2018:

Jesse Dodds.....Vancouver Fire Rescue Services
 Jennifer Simmons.....Surrey Fire Services
 Bryan Brychka.....Calgary Fire Department

Fire Department Personnel – Training – Succession Planning

- Three (3) paid on-call firefighters completed the “Interior” Firefighting training certification
- Fire Chief and Asst. Fire Chief attend BC Fire Chiefs’ Association Conference in Victoria, BC
- Fire Officers continued education to completed NFPA 1021 Fire Officer Certification
- Five (5) firefighters attain NFPA 1002 Standard for Fire Apparatus Driver / Operator
- Continued internal “NFPA 1001 – Professional Qualifications for Firefighters” training
- Annual Technical Rescue Training - Auto extrication and Rope Rescue

Fire Apparatus and Equipment

- Continued service maintenance programs in accordance with NFPA and industry standards
- Maintenance of all small equipment used within the fire department

Fire Department – Regional Fire Training Center

- Received private donations of \$10,000 for development of live fire training facility

Public Education

- Provided fire extinguisher classes to businesses and community groups
- Provided nine (9) fire station tours with education to various community groups, day cares and school groups
- Hosted a “Bike Rodeo” for youth with the Creston & District Community Complex

Fire Protection Automatic Aid Agreement

- Fire department responded to ten (10) responses to rural fire departments in the Creston Valley during 2018 with apparatus and personnel



Photo: Creston Fire Rescue

Fire Rescue Response Summary

| | |
|---|------------|
| Fire – False Alarms (Fire & CO) | 31 |
| Fire – Interface / Wildland | 15 |
| Fire – Open Burning Complaints | 38 |
| Fire - Structure | 10 |
| Fire – Vehicles | 6 |
| Hazardous Materials | 3 |
| First Responder (Medical) | 290 |
| BC Ambulance Lift Assist | 22 |
| Public Service | 23 |
| Rescue – Motor Vehicle Incidents | 63 |
| Rescue – Technical Rescue (Rope/Entrapment) | 7 |
| Automatic Aid w/ Canyon Lister and Wynndel fire departments | 10 |
| Investigation, Lines down/fire, Information | 12 |
| TOTAL BY RESPONSE TYPE | 530 |



*Photo: Creston Fire Rescue
Firefighter J. Bates and the new driver*

Total numbers of emergency responses by response type

2018 Fire Rescue Incidents of Note

- Firefighters responded to the Kootenay Pass for a land slide with people trapped
- One person was extricated from a concrete structural collapse in West Creston.

| | |
|---------------|-------------|
| Fire Losses | \$96,000 |
| Value at Risk | \$3,571,100 |

Total fires losses / property value saved

| | |
|--|------------------|
| Average Fire Response Time in Municipality | 7 min, 14 sec |
| Average Fire Response Time in Contract Area* | 21 min, 55 sec |
| Total Number of Personnel Hours at Incidents | 2,296 hr, 52 min |

**20 minute and 23 seconds response for one call in West Creston*

**PUBLIC SAFETY COMPLIANCE
(FORMERLY BYLAW SERVICES)**

2018 Highlights

- Hired new Public Safety & Compliance Officer
- Participated with the RDCK in a Bike Rodeo to provide education on the safe operation and maintenance of bicycles.

Public Safety Compliance Response Summary

| | |
|--------------------------------|------------|
| Animal Control | 29 |
| Business Licences | 0 |
| Fire Services (Open Burning) | 3 |
| Fireworks | 0 |
| Noise Control | 7 |
| Parking & Traffic Regulations | 48 |
| Property Clean Up | 121 |
| Sign Development & Regulations | 0 |
| Traffic Regulations | 70 |
| Parks Regulations | 1 |
| Waste Management | 2 |
| Zoning | 2 |
| TOTAL BY RESPONSE TYPE | 283 |

Total Number of Municipal Bylaw Incidents



D. FINANCE & CORPORATE SERVICES

The Finance & Corporate Services Department is responsible for providing a full range of financial services including: budgeting, financial control and reporting, payroll, accounts payables / receivables, cash management and banking. Additionally, the Department oversees the provision of corporate human resource management, information technology, strategic planning, telecommunications, records management, and freedom of information services.

2018 HIGHLIGHTS

Bylaw Updates

- Council Procedures Bylaw
- West Kootenay Inter-community Business Licence Bylaw
- Five Year Financial Plan (2018-2022) Bylaw
- Five Year Financial Plan (2018-2022) Amendment Bylaw
- 2018 Tax Rates Bylaw
- Officers & Employees Bylaw
- Freedom of Information & Protection of Privacy Bylaw

Other Projects

- Community Fire Hall Advisory Select Committee commenced a comprehensive policy review
- Continued Community Initiatives Consultant - in partnership with RDCK and Service 108
- Continued teen support through Youth Engagement Strategy and funding in collaboration with RDCK for a Teen Space and Programming for the Creston Valley Youth Network
- Continued the Town's Leadership Bursary for Prince Charles Secondary School students
- Continued support for the Creston Valley Health Working Group recruitment of medical practitioners
- 2018 Municipal Election
- Conducted a Referendum, in conjunction with 2018 Municipal Election, with respect to the borrowing associated with the construction of a new Fire Hall
- Created the 2018 Annual Report
- New Council orientation
- Creston Education Centre purchase, and partnership with RDCK and Valley Community Services for long-term sustainability of the project





Photo: Pixabay

V. FINANCE

2018 PERMISSIVE TAX EXEMPTIONS



| Recipient | Civic Address | Folio No. | Tax Value of Municipal Portion (2018 value) | Total Value of Tax Exemption (2018 value) |
|---|--|-----------|---|---|
| Seventh-Day Adventist Church | 719 Cavell Street | 00020.050 | \$ 48.25 | \$102.41 |
| Seventh-Day Adventist Church | 713 Cavell Street | 00020.075 | \$ 1,345.01 | \$2,643.49 |
| Christ Church Anglican (Synod of Diocese of Kootenay) | 422 – 7th Avenue North | 00061.020 | \$ 270.00 | \$530.66 |
| Creston Trinity Housing Society | 136 10th Avenue N | 00129.000 | \$ 3,108.91 | \$6,110.27 |
| Trinity United Church (Trustees Congregation Creston) | 128 – 10th Avenue N. | 131.040 | \$ 1,088.90 | \$2,140.12 |
| St. Stephens Presbyterian Church | 306 Northwest Blvd. | 00159.010 | \$ 1,611.12 | \$3,166.51 |
| St. Stephens Presbyterian Church | 314 Northwest Blvd. | 00160.000 | \$ 343.89 | \$675.89 |
| Creston Valley Seniors Association | 810 Canyon Street | 00180.000 | \$ 1,879.46 | \$3,693.90 |
| Valley Community Services Society | 915 Pine St. | 00183.020 | \$ 3,731.36 | \$7,919.75 |
| Kootenai Community Centre Society | 806 Cook Street | 00190.120 | \$ 833.89 | \$1,638.94 |
| Creston Valley Gleaners Society | 807 Canyon Street | 00193.010 | \$ 2,882.15 | \$6,117.32 |
| Kootenai Community Centre Society | 116 Northwest Blvd | 00209.400 | \$ 2,516.52 | \$5,341.28 |
| Creston Valley Gleaners Society | 113 8th Avenue N | 00213.030 | \$ 2,405.01 | \$5,104.60 |
| Cresteramics Society for the Handicapped | 921 Railway Boulevard | 00290.100 | \$ 1,946.10 | \$4,130.56 |
| Creston & District Chamber of Commerce | 121 Northwest Boulevard | 00412.100 | \$ 3,718.49 | \$7,892.44 |
| Kootenay Employment Services Society | 119-11th Avenue | 00540.000 | \$ 3,524.42 | \$7,480.52 |
| Kootenay Employment Services Society | 123-11th Avenue | 00541.000 | \$ 2,580.86 | \$5,477.83 |
| Royal Canadian Legion, Branch 29 | 137 – 11th Avenue N. (Bldg & Land, excludes lounge/bar portion of the building) | 00544.000 | \$ 560.00 | \$1,100.64 |
| Creston Judo Club | Suite B4 - 1230 Canyon St. | 00637.000 | \$ 892.09 | \$1,893.46 |
| Redeemer Lutheran Church of Creston | 305 – 15th Avenue N. | 00672.000 | \$ 338.89 | \$666.06 |
| Kootenai Community Centre Society | 1230 Cook Street | 00698.100 | \$ 649.48 | \$1,292.29 |
| Kootenai Community Centre Society | 1508 Cook Street | 00705.000 | \$ 1,838.68 | \$3,869.76 |
| Creston New Life Christian Church | 1821 Elm Street | 00757.269 | \$ 441.11 | \$866.97 |
| Roman Catholic Bishop of Nelson (Holy Cross Parish) | 1709 Pine Street - Land | 00757.337 | \$ 443.89 | \$872.43 |
| Roman Catholic Bishop of Nelson (Holy Cross Parish) | 128 - 16th Avenue N. | 00757.376 | \$ 3,549.47 | \$6,976.15 |
| Creston Valley Community Housing Society | 215 25th Ave S | 00758.138 | \$ 1,484.45 | \$2,917.56 |
| Grace Christian Fellowship Society | 2416 Cedar Street | 00758.160 | \$ 315.56 | \$620.20 |
| Creston Baptist Church of Creston | 2423 Ash St. | 00758.442 | \$ 254.45 | \$500.09 |
| Creston Baptist Church of Creston | 605 – 25th Avenue S. | 00758.825 | \$ 422.22 | \$829.84 |
| Creston & District Historical & Museum Society | 219 Devon Street | 05025.000 | \$ 4,398.28 | \$9,335.29 |
| Creston & District Historical & Museum Society | 323 Devon Street | 05030.000 | \$ 651.90 | \$1,338.00 |
| Trustees Creston Jehovah Witnesses | 1323 Northwest Blvd. | 05109.000 | \$ 77.22 | \$151.77 |
| The Church of God in Christ and (Mennonite) | 1152 Highway 21 | 05205.200 | \$ 4,530.08 | \$9,471.05 |
| TOTAL | | | \$ 54,682.11 | \$ 112,868.04 |



Town of Creston

FINANCIAL STATEMENT 2018

TOWN OF CRESTON**INDEX TO FINANCIAL STATEMENTS**DECEMBER 31, 2018

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MANAGEMENT REPORT

Management is responsible for the preparation of the accompanying consolidated financial statements. The financial statements have been prepared in accordance with the accounting principles disclosed in Note 1 to the consolidated financial statements and include amounts that are based on estimates and judgements. Management believes that the financial statements fairly present the Town of Creston's consolidated financial position and results of operations. The integrity of the information presented in the financial statements, including estimates and judgements relating to matters not concluded by fiscal year-end, is the responsibility of management. The financial statements have been approved by Council.

Management has established and maintained appropriate systems of internal control including policies and procedures, which are designed to provide reasonable assurance that The Town of Creston's assets are safeguarded and that reliable financial records are maintained to form a proper basis for the preparation of the financial statements.

The independent external auditors, Carr & Associates, Chartered Professional Accountant, have been appointed by Council to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, the Town of Creston's financial position, results of operations, and changes in financial position in conformity with the accounting principles disclosed in Note 1 to the consolidated financial statements. The report of Carr & Associates, Chartered Professional Account, follows and outlines the scope of their examination and their opinion on the consolidated financial statements.



Steffan Klassen, CPA, CA
Director of Finance and Corporate Services

May 14, 2019



Carr & Associates
CHARTERED PROFESSIONAL ACCOUNTANT

Erin Carr, CPA, CA*

INDEPENDENT AUDITOR'S REPORT

TO THE MAYOR AND COUNCIL
TOWN OF CRESTON

I have audited the accompanying consolidated financial statements of the Town of Creston, which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Town of Creston as at December 31, 2018 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

May 14, 2019
Creston, British Columbia

Carr & Associates
CHARTERED PROFESSIONAL ACCOUNTANT



www.crestonca.com

122 - 11th Avenue N. Box 1175 Creston, B.C. V0B 1G0 Phone: (250) 428-2248 Fax: (250) 428-4338 office@crestoncpa.com

Member, Chartered Professional Accountants Association of B.C.

*Partnership interest held through corporation

Town of Creston
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2018

| | 2018 | 2017 |
|--|----------------------|----------------------|
| Financial Assets | | |
| Cash and investments (Note 2) | \$ 7,412,592 | \$ 7,648,111 |
| Accounts receivable (Note 3) | 682,306 | 732,541 |
| MFA deposits (Note 4) | 279,397 | 374,690 |
| Loans receivable (Note 5) | 2,122,677 | 2,132,001 |
| | <u>10,496,972</u> | <u>10,887,343</u> |
| Financial Liabilities | | |
| Accounts payable and accrued liabilities (Note 6) | 1,641,142 | 1,408,891 |
| Deferred revenue (Notes 7 & 8) | 672,375 | 1,101,402 |
| Development cost charges (Note 9) | 517,795 | 509,283 |
| Reserve MFA | 279,397 | 374,690 |
| Long-term debt (Note 11) | 4,745,470 | 5,255,167 |
| | <u>7,856,179</u> | <u>8,649,433</u> |
| Net Financial Assets | 2,640,793 | 2,237,910 |
| Non-financial assets | | |
| Tangible capital assets (Notes 1 & 12, Schedule 1) | 39,766,198 | 39,866,626 |
| Property Purchase Deposit (Note 19) | 550,000 | - |
| Supply inventory | 363,032 | 395,885 |
| Prepaid expenses | 92,428 | 96,002 |
| | <u>40,771,658</u> | <u>40,358,513</u> |
| Accumulated surplus | \$ 43,412,451 | \$ 42,596,423 |
| Represented by: | | |
| Operating fund (Schedule 2) | 7,045,549 | 6,652,025 |
| Capital fund (Schedule 2) | 1,086,996 | 1,086,996 |
| Statutory reserve fund (Schedule 2) | 259,172 | 245,939 |
| Equity in tangible capital assets (Note 13) | 35,020,734 | 34,611,463 |
| | <u>\$ 43,412,451</u> | <u>\$ 42,596,423</u> |

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


 Ron Toyota
 Mayor


 Steffan Klassen, CPA, CA
 Director of Finance and Corporate Services

Town of Creston
CONSOLIDATED STATEMENT OF OPERATIONS
for the year ended December 31, 2018

| | 2018 Budget | 2018 | 2017 |
|--|---------------|---------------|---------------|
| Revenue | | | |
| Property Taxes (Note 14) | \$ 5,151,772 | \$ 5,152,263 | \$ 5,020,125 |
| Grants in Lieu of Taxes | 13,800 | 7,518 | 17,733 |
| Sale of services (Note 15) | 1,347,446 | 1,386,073 | 1,394,740 |
| Government transfers (Note 17) | 2,122,248 | 1,327,669 | 675,910 |
| Investment income | 87,000 | 441,259 | 291,499 |
| Utility user fees and connection charges | 2,729,981 | 2,720,136 | 2,783,376 |
| Developer Asset Contributions | - | 1,000 | 97,852 |
| Other | 410,063 | 442,596 | 442,826 |
| | 11,862,310 | 11,478,514 | 10,724,061 |
| Expenses | | | |
| General government | 1,811,542 | 1,829,987 | 1,646,639 |
| Municipal contribution for RCMP services | 1,142,470 | 1,100,869 | 964,724 |
| Protective services | 1,188,253 | 1,151,196 | 1,056,314 |
| Transportation | 1,138,623 | 1,133,073 | 1,160,323 |
| Health and Welfare | 361,224 | 381,510 | 328,935 |
| Recreation and Community Services | 489,727 | 445,776 | 535,532 |
| Water Services | 1,185,595 | 1,107,492 | 1,038,380 |
| Sewer Services | 267,000 | 190,312 | 190,238 |
| Waste water treatment plant operation | 923,874 | 814,506 | 843,761 |
| Debt financing | 360,214 | 367,518 | 355,791 |
| Bank Charges | 3,100 | 4,124 | 4,420 |
| Amortization (Note 1, Schedule 1) | 2,116,015 | 2,085,739 | 2,120,613 |
| Loss from sale/write down of tangible capital assets | - | 27,748 | 454,129 |
| Capital Lease (Note 18) | 22,636 | 22,636 | 22,636 |
| | 11,010,273 | 10,662,486 | 10,722,435 |
| Annual surplus | 852,037 | 816,028 | 1,626 |
| Accumulated surplus at beginning of year | 42,596,423 | 42,596,423 | 42,594,797 |
| Accumulated surplus at end of year | \$ 43,448,460 | \$ 43,412,451 | \$ 42,596,423 |

Commitments and Contingencies are specified in Note 19

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

Town of Creston
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
for the year ended December 31, 2018

| | 2018 Budget | 2018 | 2017 |
|---|--------------|--------------|--------------|
| Annual surplus | \$ 852,037 | \$ 816,028 | \$ 1,626 |
| Acquisition of tangible capital assets | (3,263,039) | (2,013,060) | (1,341,736) |
| Amortization of tangible capital assets | 2,116,015 | 2,085,739 | 2,120,613 |
| Loss from sale/write down of tangible capital assets | - | 27,748 | 454,129 |
| | (294,987) | 916,455 | 1,234,632 |
| Acquisition of supply inventory | | (133,772) | (187,838) |
| Acquisition of prepaid expense | | (106,460) | (104,097) |
| Deposit made on property purchase | | (550,000) | - |
| Consumption of supply inventory | | 166,627 | 187,323 |
| Use of prepaid expense | | 110,032 | 122,054 |
| | | (513,573) | 17,442 |
| Increase in net financial assets | (294,987) | 402,882 | 1,252,074 |
| Net financial assets/(net debt) at beginning of year | 2,237,911 | 2,237,911 | 985,836 |
| Net financial assets at end of year | \$ 1,942,924 | \$ 2,640,793 | \$ 2,237,910 |

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

Town of Creston
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended December 31, 2018

| (Indirect method) | 2018 | 2017 |
|--|--------------|--------------|
| Operating transactions: | | |
| Annual surplus | \$ 816,028 | \$ 1,626 |
| Non-cash and non-financial items: | | |
| Amortization | 2,085,739 | 2,120,613 |
| Increase in property purchase deposit | (550,000) | - |
| Decrease in prepaid expenses | 3,574 | 17,956 |
| Decrease (increase) in supply inventory | 32,853 | (514) |
| Loss from sale/write down of tangible capital assets | 27,748 | 454,129 |
| Changes to financial assets/liabilities: | | |
| Decrease (increase) in accounts receivable | 50,235 | (90,050) |
| Decrease (increase) in MFA cash deposits | 95,293 | (2,220) |
| Decrease (increase) in Loan Receivable | 9,324 | (107,000) |
| Increase (decrease) in accounts payable | 232,251 | (36,746) |
| Increase (decrease) in deferred revenue | (429,027) | 499,273 |
| Increase in development cost charges | 8,512 | 8,630 |
| Increase (decrease) in other restricted revenue | (95,293) | 2,220 |
| Cash provided by operating transactions | 2,287,237 | 2,867,917 |
| Capital transactions: | | |
| Acquisition of tangible capital assets | (2,013,060) | (1,341,736) |
| Financing transactions: | | |
| Debt repayment | (331,233) | (329,877) |
| Actuarial Adjustments | (178,463) | (159,096) |
| Cash applied to financing transactions | (509,696) | (488,973) |
| Increase (Decrease) in cash and cash equivalents | (235,519) | 1,037,208 |
| Cash and cash equivalents at beginning of year | 7,648,111 | 6,610,903 |
| Cash and cash equivalents at end of year | \$ 7,412,592 | \$ 7,648,111 |

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

Town of Creston
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

General

The Town of Creston (the "Town") was incorporated in 1924, under the Local Government Act of British Columbia. The Town's principal activities include the provision of local government services to residents of the incorporated area. These include administrative, protective, transportation, health and welfare, water, sewer and parks.

1. Significant Accounting Policies

a. Basis of Presentation

The Consolidated Financial Statements of the Town of Creston (the Town), which are the representation of management, are prepared in accordance with Canadian Public Sector Accounting Standards as prescribed by the Public Sector Accounting Board (PSAB). The Consolidated Financial Statements reflect the combined results and activities of the reporting entity which is comprised of the Operating, Capital and Reserve funds controlled or owned by the Town. Inter-fund transactions have been eliminated on consolidation.

- i. **Operating Funds:** These funds include the General, Water and Sewer operations of the Town. They are used to record the operating costs of the services provided by the Town.
- ii. **Capital Funds:** These funds include the General, Water and Sewer Capital Funds. They are used to record the acquisition and disposal of property and equipment and their related financing.
- iii. **Reserve Funds:** Under the Community Charter, Town Council may, by bylaw, establish statutory reserve funds for specified purposes. Money in a reserve fund, and interest earned thereon, must be expended by bylaw only for the purpose for which the fund was established. If the amount in a reserve fund is greater than required, Town Council may, by bylaw, transfer all or part of the balance to another reserve fund. Reserves created as non-statutory segregations of surplus do not have the same formal restrictions as those created by bylaw.
- iv. **Trust Funds:** These funds account for assets which must be administered as directed by agreement or statute for certain beneficiaries. In accordance with PSAB recommendations on financial statement presentation for local governments, trust funds are not included in the Town's consolidated financial statements. Trust funds administered by the Town are presented in Note 10.

b. Revenue Recognition

Sources of revenue are recorded on the accrual basis and include revenue in the period in which the transactions or events occurred that give rise to the revenues, and expenses in the period the goods and services are acquired and a liability is incurred or transfers are due. Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fee revenues are recognized when the service or product is rendered by the Town. Grant revenues are recognized when all eligibility criteria has been met. Revenue unearned in the current period is recorded as deferred revenue.

c. Investments

Investments are carried at market value.

d. Use of Estimates

The preparation of financial instruments in accordance with PSAB, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Significant areas requiring estimates include the useful lives of tangible capital assets for amortization, and the provision for contingencies. Actual results could differ from management's best estimates as additional information becomes available in the future.

Town of Creston
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

1. Significant Accounting Policies (continued):

e. Cash and Equivalents

Cash and Equivalents include cash on hand, bank balances, and Municipal Finance Authority (MFA) pooled investment funds and guaranteed investment certificates.

f. Tangible Capital Assets

Tangible capital assets, comprised of capital assets and capital work-in-progress, are recorded at cost less accumulated amortization and are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life of the asset commencing the year after the asset is put in to service. Donated tangible capital assets are reported at fair value at the time of donation. Estimated useful lives as follows:

| Asset Type | Useful Life |
|---|-------------|
| Parks Infrastructure | 15-50 |
| Building Structure | 20-50 |
| Building Improvements | 10-40 |
| IT Equipment/Furniture | 3-10 |
| Equipment/Vehicles | 7-25 |
| Capital Lease Assets | 35 |
| Infrastructure (dependent upon component and material | |
| Transportation | 10-100 |
| Water Infrastructure | 10-100 |
| Sewer Infrastructure | 10-100 |
| Drainage Infrastructure | 10-100 |

g. Budget Figures

The budget figures are from the Annual Five-Year Financial Plan Bylaw adopted before May 15 of each year. Council made an amendment to reflect changes in the budget as required by law on September 25, 2018. The amended budget is used for financial statement purposes.

h. Inventories

The inventories are stated at cost. Cost is generally determined on a first-in first-out basis. Obsolete items are written off.

i. Post Employment Benefits

Vacation and sick pay are charged in the year incurred. Sick time is non-accumulative and vacation has limited accumulation based on language in the collective agreement for CUPE employees or by administrative policy for staff. Employment contracts of certain non-union employees obligate the Town to the payment of severance and benefit amounts on termination under certain conditions.

j. Reserve for Future Expenditures

The reserve for future expenditures represents amounts set aside for future operating expenditures.

k. Statutory Reserve Funds

The use of these funds is restricted by the Community Charter and associated Municipal Bylaws. Statutory reserve funds are funded 100% by cash and temporary investments.

l. Financial Instruments

The Town carries several financial instruments. Unless otherwise noted, it is management's opinion that the Town is not exposed to significant currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Town of Creston
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

1. Significant Accounting Policies (continued):

m. Government Transfers

Government transfers are recognized as revenue in the period that the transfer is authorized, eligibility criteria, if any, have been met, and a reasonable estimate of the amount to be received can be made.

n. Contributed Tangible Capital Assets

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. Developer asset contributions consist of infrastructure built by the developer as required to service newly developed lands. Upon acceptance by the Town, all risks and rewards of ownership for those assets are passed on to the Town.

o. Segment Disclosure

A segment is defined as a distinguishable activity or group of activities of government for which it is appropriate to separately report financial information. The Town has provided definitions of segments used for the presentation of financial information in segmented format (note 21). Schedule 3 provides a table of the segmented revenue and expenses for the Town.

p. Contaminated Sites

Under PS3260 governments are required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the standard, the government has responsibility for remediation, future economic benefits will be given up and a reasonable estimate can be made.

Management has assessed its potential liabilities under the standard including sites that are no longer in productive use and sites which the Town accepts responsibility. There were no such sites that had contamination in excess of an environmental standard which required remediation at this time, therefore no liability at December 31, 2018.

q. Deferred Revenue

Deferred revenue represents funds received for specific purposes which are externally restricted by legislation, regulation, or agreement and are not available for general municipal purposes as well as licences, permits, other fees and grants which have been collected, but for which the related services have not been performed and or projects have not been constructed. These amounts will be recognized as revenues in the fiscal year in which it is used for the specific purpose, the services are performed and or the projects are constructed.

2. Cash and Investments

| | 2018 | 2017 |
|-------------------------------------|----------------------------|----------------------------|
| Restricted cash and investments | | |
| Statutory Reserves (Schedule 2) | \$ 259,172 | \$ 245,939 |
| Restricted Revenues (Notes 8 and 9) | 793,208 | 978,138 |
| | <u>1,052,380</u> | <u>1,224,077</u> |
| Unrestricted cash and investments | 6,360,212 | 6,424,034 |
| Total cash and investments | <u>\$ 7,412,592</u> | <u>\$ 7,648,111</u> |

Town of Creston
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

3. Accounts Receivable

| | 2018 | 2017 |
|----------------------------------|-------------------|-------------------|
| Property Taxes | \$ 320,895 | \$ 413,713 |
| Other Governments | 180,949 | 77,866 |
| Trade and other | 180,462 | 240,962 |
| Total accounts receivable | \$ 682,306 | \$ 732,541 |

4. Deposit and Reserve - Municipal Finance Authority

The Municipal Finance Authority of British Columbia (the Authority) provides capital financing for regional districts and their member municipalities. The Authority is required to establish a Debt Reserve Fund. The Authority must then use this fund if at any time there are insufficient funds to meet payments on its obligations. If this occurs the regional districts may be called upon to restore the fund.

Each regional district, through its member municipalities who share in the proceeds of a debt issue, is required to pay into the Debt Reserve Fund certain amounts set out in the financing agreements. The interest earned on the Debt Reserve Fund, less administrative expenses, becomes an obligation of the Authority to the regional districts.

Upon the maturity of a debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the Municipality. The proceeds from these discharges will be credited to income in the year they are received. As at December 31, the total of the Debt reserve fund was comprised of:

| | 2018 | 2017 |
|---------------|-------------------|-------------------|
| Cash deposits | \$ 79,274 | \$ 116,056 |
| Demand notes | 200,123 | 258,634 |
| | \$ 279,397 | \$ 374,690 |

5. Loans Receivable

Since 2008, the Creston Valley Regional Airport Society (CVRAS) has operated the Town owned airport on behalf of the Town. In 2010, Town of Creston loaned \$25,001 to the CVRAS in order to help with working capital requirements for the on-going fuel sales which the CVRAS assumed. The loan is without interest, secured either by fuel receipts or fuel inventory, and is repayable upon the end of the operating agreement and any renewals.

In 2017, The Town of Creston loaned the CVRAS \$107,000 towards the purchase of a caretaker's residence located at the airport. The loan is being repaid over 10 years with annual installments paid every November and bears an interest rate of 3%. The residence would become the property of the Town in the event that the CVRAS would discontinue operating. The balance at December 31, 2018 was \$97,676.

In 2007, general fund monies were used to payout the short term capital fund debt of \$2,000,000 obtained in relation to the 2005 Prepaid Capital Lease entered into with FortisBC Inc. (see Note 18) These funds are repayable to the general fund upon receipt of termination payment from FortisBC at the end of the 17 year term lease. Elimination of the interfund transaction has not occurred as this transaction is not in the normal course of operations and has a set contractual repayment date. The corresponding liability has been reported as long term debt in the capital fund.

6. Accounts payable and accrued liabilities

| | 2018 | 2017 |
|----------------------------|---------------------|---------------------|
| Other governments | \$ 656,201 | \$ 631,965 |
| Accrued wages and benefits | 589,283 | 473,929 |
| Trade and other | 395,658 | 302,997 |
| | \$ 1,641,142 | \$ 1,408,891 |

Town of Creston
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

7. Deferred Revenue

| | 2018 | 2017 |
|--------------------------|-------------------|---------------------|
| Prepaid taxes | \$ 71,358 | \$ 43,339 |
| Deposits | 244,097 | 186,335 |
| Federal gas tax (Note 8) | 275,413 | 468,855 |
| Other | 81,507 | 402,873 |
| | <u>\$ 672,375</u> | <u>\$ 1,101,402</u> |

8. Federal Gas Tax

Gas Tax funding is provided by the Government of Canada and use of the funding is restricted by the terms of a funding agreement between the local government and the Union of British Columbia Municipalities. Gas Tax funding may be used towards certain public transit, community energy, water, wastewater, solid waste and Town building projects, as specified in the funding agreements. This amount is reported in the Deferred Revenue line on the Statement of Financial Position.

| | 2018 | 2017 |
|--|-------------------|-------------------|
| Federal Gas Tax Agreement Funds | | |
| Opening balance of unspent funds | \$ 468,855 | \$ 289,517 |
| Add: Amount received during the year | 289,575 | 279,442 |
| Interest earned | 5,449 | 3,063 |
| Less: Amount spent on eligible project costs | (488,466) | (103,167) |
| Closing balance of unspent funds | <u>\$ 275,413</u> | <u>\$ 468,855</u> |

9. Development Cost Charges

Development Cost Charges are restricted revenue liabilities representing funds received from developers and deposited into a separate reserve fund for capital expenses. In accordance with PSAB, the Town records these funds as restricted revenue which is then recognized as revenue when the related costs are incurred.

| | Opening Balance | Receipts | Interest | Transfers Out | Closing Balance |
|--------------------|--------------------|---------------|-----------------|------------------|--------------------|
| Infrastructure DCC | \$ 371,717 | \$ 749 | \$ 5,666 | \$ - | \$ 378,132 |
| Parkland Reserve | 137,566 | | 2,097 | - | 139,663 |
| | <u>\$ 509,283</u> | <u>\$ 749</u> | <u>\$ 7,763</u> | <u>\$ -</u> | <u>\$ 517,795</u> |

| Reserve by Bylaw | Roads | Water | Sanitary | Storm | Parks | Total |
|-------------------------|------------------|-------------------|------------------|------------------|-------------------|-------------------|
| Duganville (BL 839) | \$ - | \$ 16,090 | \$ 3,644 | \$ 47,378 | \$ - | \$ 67,112 |
| Parks Reserve (BL 1264) | \$ - | - | - | - | \$ 139,663 | \$ 139,663 |
| Alice Siding (BL 1463) | \$ 473 | \$ 163,990 | \$ 51,047 | \$ 85 | - | \$ 215,595 |
| Alice Siding (BL 1712) | \$ 63,087 | \$ 6,992 | \$ 16,064 | - | \$ 9,282 | \$ 95,425 |
| Grand Total: | <u>\$ 63,560</u> | <u>\$ 187,072</u> | <u>\$ 70,755</u> | <u>\$ 47,463</u> | <u>\$ 148,945</u> | <u>\$ 517,795</u> |

10. Trust Funds

The Town operates the cemetery and maintains a cemetery perpetual care fund in accordance with the Cremation, Interment and Funeral Services Act. The trust fund assets and liabilities are not included in the consolidated financial statements. At December 31, 2018, the balance of funds held in trust was \$183,096 (2017 - \$174,578).

Town of Creston
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

11. Long-Term Debt

| Purpose | By-law | Remaining Term | Rate | 2018 | 2017 |
|---|---------|----------------|-------------|---------------------|---------------------|
| GENERAL FUND | | | | | |
| Debenture Debt | | | | | |
| RCMP Building | 1453 | 0 | 4.65% (a) | \$ - | \$ 136,030 |
| Fire Engine Replacement | 1734 | 2 | 3.73% (a) | 62,785 | 92,379 |
| Prepaid Capital Lease | 441-05 | 5 | 4.93% (a) | 1,229,536 | 1,447,810 |
| Prepaid Capital Lease - Inter-fund borrowing (Note 5) | | | | 2,000,000 | 2,000,000 |
| | | | | <u>3,292,321</u> | <u>3,676,219</u> |
| SEWER FUND | | | | | |
| Debenture Debt | | | | | |
| Water Pollution BVF Cover | LA 1734 | 8 | 3.65% (a) | 363,271 | 401,785 |
| WWTP Upgrade | 1707 | 10 | 3.15% (a) | 1,089,878 | 1,177,163 |
| | | | | <u>1,453,149</u> | <u>1,578,948</u> |
| | | | | <u>\$ 4,745,470</u> | <u>\$ 5,255,167</u> |

(a) Interest repaid on a straight line basis

The following principal amounts are payable over the next five years:

Future minimum principal payments and actuarial additions of existing debt are due as follows:

| | General Fund | Sewer Fund | Total |
|----------------------|---------------------|---------------------|---------------------|
| 2019 | 164,276 | 114,531 | \$ 278,807 |
| 2020 | 164,276 | 115,989 | 280,265 |
| 2021 | 141,787 | 117,499 | 259,286 |
| 2022 | 141,787 | 119,064 | 260,851 |
| 2023 | 141,787 | 120,687 | 262,474 |
| 2024 and subsequent | 2,000,000 | 521,622 | 2,521,622 |
| | 2,753,913 | 1,109,392 | 3,863,305 |
| Actuarial addition * | 538,408 | 343,757 | 882,165 |
| | <u>\$ 3,292,321</u> | <u>\$ 1,453,149</u> | <u>\$ 4,745,470</u> |

* Actuarial Adjustments represent interest earned on sinking funds held by the Municipal Finance Authority. Such interest is used to reduce the principal amount of outstanding debt.

Town of Creston
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

12. Tangible Capital Assets

| | 2018 | | 2017 |
|-------------------------------|----------------------|-----------|-------------------|
| | Net Book | | Net Book |
| | Value | | Value |
| Land | \$ 2,762,002 | \$ | 2,762,002 |
| Building | 1,741,417 | | 1,715,668 |
| Machinery and Equipment | 1,896,362 | | 1,737,090 |
| Engineering structures | | | |
| Water | 7,058,377 | | 7,218,699 |
| Sewer | 11,246,692 | | 11,671,431 |
| Drainage | 1,981,286 | | 2,043,188 |
| Roads | 7,139,486 | | 7,167,655 |
| Other | 1,732,120 | | 1,787,124 |
| Other Tangible Capital Assets | 3,290,818 | | 3,443,880 |
| WIP | 917,638 | | 319,889 |
| Total | \$ 39,766,198 | \$ | 39,866,626 |

For additional information, see the Consolidated Schedule of Tangible Capital Assets (Schedule 1)

13. Equity in Tangible Capital Assets

Equity in tangible capital assets (TCA) represents the net book value (NBV) of total capital assets less long term obligations assumed to acquire those assets. The change in consolidated equity in tangible capital assets is as follows:

| | 2018 | | 2017 |
|------------------------------------|----------------------|-----------|-------------------|
| Proof: | | | |
| Equity in Physical Assets, opening | \$ 34,611,463 | \$ | 35,355,496 |
| Add: | | | |
| Capital Acquisitions | 2,013,060 | | 1,341,736 |
| Debt principal repayment | 331,233 | | 329,877 |
| Actuarial Adjustments | 178,465 | | 159,096 |
| Less: | | | |
| Loss on Disposals | (27,748) | | (454,129) |
| Amortization | (2,085,739) | | (2,120,613) |
| | \$ 35,020,734 | \$ | 34,611,463 |

Loss on Disposals - In 2017, a review of the asset management asset registry was undertaken. During the review some redundant and duplicate assets were identified in the Water category. The assets were written-off in 2017 which resulted in a one-time book loss of \$336,636. The net result is reduce water asset value and corresponding reduction in the Equity in Tangible Capital Assets. Other losses on disposals were a result of replacement of assets which had remaining NBV at the time of replacement.

Town of Creston
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

14. Net Taxation

| | 2018 | 2017 |
|--|---------------------|---------------------|
| General Municipal purposes | \$ 4,335,469 | \$ 4,204,807 |
| Collections for other governments | | |
| Provincial Education | 1,715,181 | 1,741,581 |
| Regional Hospital District - East Kootenay | 123,933 | 122,694 |
| Municipal Finance Authority | 166 | 157 |
| BC Assessment Authority | 37,598 | 38,609 |
| Regional District of Central Kootenay | 2,472,514 | 2,292,536 |
| | <u>8,684,861</u> | <u>8,400,384</u> |
| Transfers to other governments | | |
| Provincial Education | 1,715,181 | 1,741,581 |
| Regional Hospital District - East Kootenay | 123,933 | 122,694 |
| Municipal Finance Authority | 157 | 157 |
| BC Assessment Authority | 37,598 | 38,609 |
| Regional District of Central Kootenay | 2,472,513 | 2,292,536 |
| | <u>4,349,382</u> | <u>4,195,577</u> |
| Net Municipal Taxes | 4,335,479 | 4,204,807 |
| Water and Sewer Funds - Frontage Taxes | 816,784 | 815,318 |
| | <u>\$ 5,152,263</u> | <u>\$ 5,020,125</u> |

15. Sale of Services, User Rates, Rentals

| | 2018 | 2017 |
|---|---------------------|---------------------|
| Sale of cemetery plots and burial charges | \$ 56,287 | \$ 49,363 |
| Regional District - cemetery | 83,871 | 83,871 |
| - fire protection and rescue | 358,542 | 370,120 |
| Provincial - fire suppression and rescue | 47,585 | 137,906 |
| Fines | 50,532 | 47,938 |
| Licences and permits | 130,795 | 91,472 |
| Rents | 594,158 | 564,864 |
| Concessions and franchises | 64,303 | 49,206 |
| Total | <u>\$ 1,386,073</u> | <u>\$ 1,394,740</u> |

16. Expenditure by Object

| | 2018 | 2017 |
|------------------------------|----------------------|----------------------|
| Goods and Services | \$ 4,400,132 | \$ 4,330,741 |
| Interest and Finance Charges | 367,518 | 355,791 |
| Salaries, wages and benefits | 3,680,495 | 3,364,054 |
| Amortization | 2,085,739 | 2,120,613 |
| Other | 128,602 | 551,236 |
| | <u>\$ 10,662,486</u> | <u>\$ 10,722,435</u> |

Town of Creston
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

17. Government Transfers

| | | 2018 | 2017 |
|-------------|-------------------------|---------------------|-------------------|
| Federal: | Conditional transfers | \$ 645,095 | \$ 104,877 |
| | Unconditional transfers | - | - |
| Provincial: | Conditional transfers | 149,510 | 38,779 |
| | Unconditional transfers | 533,064 | 532,254 |
| Total | | <u>\$ 1,327,669</u> | <u>\$ 675,910</u> |

18. Lease-in; Lease-out (LILO)

In 2005 the Town entered into a 35 year capital lease with FortisBC Inc. (formerly Terasen Gas Inc.) for the natural gas distribution system within the municipal boundary. The value of the Town's rights in the lease has been set at \$5,500,000 of which 95% or \$5,225,000 has been prepaid to FortisBC. \$3,360,000 of the funds required for this prepayment together with transaction costs (approximately \$135,000) have been borrowed from the Municipal Finance Authority (MFA). Surplus Town funds that were on deposit with MFA have been used to fund the remaining \$2,000,000. Subsequent to establishing this capital lease the Town has leased back the operation of the system to FortisBC under a 17 year operating lease through which the risks inherent in such an operation have been transferred back to FortisBC. The terms of the operating lease require FortisBC to make annual payments which will be used by the Town to pay down the MFA debt and fund new capital projects. In year 17, FortisBC has the option of terminating the capital lease and refunding the remaining portion of the prepaid amount. The Town would use this refund to pay down the remaining debt. In the event this option were not exercised, a new operating lease would be negotiated for an additional 18 years.

19. Commitments and Contingencies

- a. The municipality and its employees contribute to the Municipal Pension Plan (Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2018, the plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local governments.

The most recent actuarial valuation as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits. The next valuation will be at December 31, 2018 with results available in 2019. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, Plan assets and cost to individual entities participating in the plan. In 2018, the Town paid \$247,466 (2017 - \$227,724) in employer contributions to the plan while employees contributed \$208,960 (2017 - \$195,278).

- b. The Town is responsible, as a member of the Regional District Central Kootenay, for its portion of any operating deficits or long-term debt related to functions in which it participates.
- c. The Town is a subscribed member of the Municipal Insurance Association of British Columbia (The "Exchange") as provided by section 3.02 of the Insurance Act of the Province of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any subscriber. Under the Reciprocal Insurance Exchange Agreement, the Town is assessed a premium and specific deductible for its claims based on population. The obligation of the Town with respect to the Exchange and/or contracts and obligations entered into by the Exchange on behalf of its subscribers in connection with the Exchange are in every case several, not joint and several. The Town irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against liability losses and costs which the other subscriber may suffer.
- d. In the normal course of a year the Town is faced with lawsuits and claims for damages of a diverse nature. The outcome of these claims cannot be reasonably determined at this time.

Town of Creston
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

19. Commitments and Contingencies (Continued)

- e. The Town of Creston and School District No. 8 entered into a property purchase agreement in 2018 which closed on January 2, 2019. At December 31, 2018, the Town of Creston was committed to purchasing the Creston Education Centre and land adjacent to Canyon Street by the high school and at that time had paid School District No. 8 a \$50,000 non-refundable deposit as well transferred \$500,000 to Town's lawyer's trust account to complete the purchase.

20. Segmented Disclosure

The Town of Creston has identified the General Government, Municipal Share of RCMP Costs, Protective Services, Transportation Services, Sanitation and Waste Removal, Cemetery Services, Community Planning, Recreation, Water Utility and Sewer Collection and Treatment as distinguishable activities of the municipality for which it is appropriate to separately report financial information.

The nature of the activities of these identified segments are as follows:

The General Government function provides for the on-going daily operations for the municipality

The Municipal Share of RCMP Costs - function are the activities associated with the cost of having the RCMP detachment in Creston including the officers, administrative and victim services staff, jailing costs as well as building costs.

The Protective Services function includes fire department, building inspection, animal control and bylaw compliance and enforcement services.

The Health and Welfare function is divided into two distinct services, Sanitation and Waste Removal and Cemetery Services.

Recreation and Community Services are divided into two distinct services, the Community Planning function administer all land development applications as zoning and Official Community Plan management, and the Recreation Services function takes care of the parks and trails in Creston.

The Water Utility function is a self funded service which is responsible for the procurement and delivery of drinking water throughout the municipality.

The Sewer Utility function is a self fund services which is responsible for the collection and treatment of wastewater for residences, commercial and industry.

The financial activities of these segments are reported in the following Schedule of Consolidated Operations by Segment (Schedule 3).

Town of Creston
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

21. Accumulated Surplus

| | 2018 | 2017 |
|---|----------------------|----------------------|
| Unappropriated Surplus/(Deficit) | | |
| General Fund | \$ 1,228,833 | \$ 1,397,638 |
| Water Fund | 2,023,311 | 1,961,259 |
| Sewer Fund | 1,550,652 | 1,344,913 |
| Capital Surplus | 1,086,996 | 1,086,996 |
| | <u>5,889,792</u> | <u>5,790,806</u> |
| Less: Amount to be funded in future years (Internal debt) | (2,000,000) | (2,000,000) |
| Less: Non-financial component (prepaids & inventory) | (455,460) | (491,887) |
| Amount available to finance operations | <u>3,434,332</u> | <u>3,298,919</u> |
| Non-Statutory Reserves | | |
| Operating Reserves | 190,152 | 191,757 |
| LILO | 437,997 | 400,064 |
| Operating Capital Replacement Reserves | 1,614,604 | 1,356,394 |
| | <u>2,242,753</u> | <u>1,948,215</u> |
| Statutory Reserves | | |
| Property purchase reserve | 131,492 | 129,518 |
| Parking reserve | 32,363 | 31,877 |
| Water district reserve | 95,317 | 84,544 |
| | <u>259,172</u> | <u>245,939</u> |
| Subtotal | 5,936,257 | 5,493,073 |
| Equity in Tangible Capital Assets | <u>35,020,734</u> | <u>34,611,463</u> |
| Add back unappropriated surplus amounts not available to finance operations | 2,455,460 | 2,491,887 |
| | <u>\$ 43,412,451</u> | <u>\$ 42,596,423</u> |

The Unappropriated Surplus is the amount of Accumulated Surplus remaining after deducting the other appropriated surplus balances (see below). It is available to temporarily finance operations until planned revenues (i.e. property taxes, grants etc.) are received, or for other operating or capital purposes as determined by Council, to the extent that it is available as cash. In 2005 year, the Town used \$2.0M to finance the acquisition of LILO Assets (Notes 5 & 18), this amount will be repaid by future payments from FortisBC LILO revenues; full repayment is estimated to occur by 2025.

The Non-Statutory and Statutory Reserves are Accumulated Surplus that have been set-aside by decision of Council for a specified purpose. The Statutory Reserves have been established by bylaw in accordance with the *Community Charter* and their use is restricted by the related bylaw and legislation. In the normal course of operations, these funds will be used to finance the future services or capital works for which they have been appropriated.

Equity in Tangible Capital Assets is equal to the book value of the tangible capital assets less related long-term debt. In the normal course of operations the tangible capital assets will not be available to finance operations, but will be consumed/used to provide services, and the debt will be repaid by future period revenues.

Schedule 1

Town of Creston
Consolidated Schedule of Tangible Capital Assets
Year Ended December 31, 2018

| | Equipment/ | | | | | | Engineering | | | Other | | | 2017 |
|--|---------------------|---------------------|---------------------|-----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|-------------------|----------------------|----------------------|------|
| | Land | Buildings | Vehicles | Furniture/ Structures | Water | Sewer | Drainage | Streets | Other | Capital Assets | WIP | Total | |
| Historical Cost: | | | | | | | | | | | | | |
| Opening Balance | \$ 2,762,002 | \$ 3,147,954 | \$ 4,865,990 | \$ 11,125,799 | \$ 21,438,087 | \$ 4,547,380 | \$ 17,446,390 | \$ 4,311,751 | \$ 5,357,153 | \$ 319,889 | \$ 75,322,395 | \$ 74,648,313 | |
| Additions | \$- | 104,677 | 453,584 | 54,474 | 119,140 | \$- | 583,962 | 99,474 | \$- | 597,749 | 2,013,060 | 1,341,735 | |
| Disposals | \$- | \$- | (207,062) | (9,354) | | | (13,480) | (21,156) | | | (251,052) | (601,087) | |
| Write Downs and Adjustments | \$- | \$- | \$- | | (3,992) | \$- | (4,000) | \$- | \$- | \$- | (7,992) | (66,566) | |
| Closing Balance, Dec. 31 | 2,762,002 | 3,252,631 | 5,112,511 | 11,170,919 | 21,553,235 | 4,547,380 | 18,012,872 | 4,390,069 | 5,357,153 | 917,638 | 77,076,411 | 75,322,395 | |
| Accumulated Amortization: | | | | | | | | | | | | | |
| Opening Balance | - | 1,432,286 | 3,128,900 | 3,907,100 | 9,766,656 | 2,504,192 | 10,278,735 | 2,524,627 | 1,913,273 | | 35,455,769 | 33,548,680 | |
| Amortization Expense | - | 78,928 | 294,311 | 207,718 | 539,887 | 61,902 | 605,943 | 143,988 | 153,062 | | 2,085,739 | 2,120,613 | |
| Effects of Disposals and write down adjustments | - | - | (207,062) | (2,276) | | | (9,659) | (10,666) | | | (229,663) | (213,524) | |
| Closing Balance, Dec. 31 | - | 1,511,214 | 3,216,149 | 4,112,542 | 10,306,543 | 2,566,094 | 10,873,386 | 2,657,949 | 2,066,335 | - | 37,310,212 | 35,455,769 | |
| Net book value for year ended December 31, 2018 | \$ 2,762,002 | \$ 1,741,417 | \$ 1,896,362 | \$ 7,058,377 | \$ 11,246,692 | \$ 1,981,286 | \$ 7,139,486 | \$ 1,732,120 | \$ 3,290,818 | \$ 917,638 | \$ 39,766,199 | \$ 39,866,626 | |

Town of Creston
Consolidated Schedule Surplus and Reserves
Year Ended December 31, 2018

SCHEDULE 2

| | Balances, Beginning of Year | Contributions From Operations | Withdrawals for Capital Purposes | Withdrawals for Operating Purposes | Interest Earnings | Balances, End of Year |
|-------------------------------------|-----------------------------------|----------------------------------|--|--|----------------------|-----------------------------|
| OPERATING FUND SURPLUS | | | | | | |
| SURPLUS | | | | | | |
| General Fund Surplus | \$ 1,397,637 | \$ - | \$ - | \$ (168,804) | \$ - | \$ 1,228,833 |
| Water Fund Surplus | 1,961,259 | 62,052 | - | - | - | 2,023,311 |
| Sewer Fund Surplus | 1,344,913 | 205,739 | - | - | - | 1,550,652 |
| | <u>\$ 4,703,809</u> | <u>\$ 267,791</u> | <u>\$ -</u> | <u>\$ (168,804)</u> | <u>\$ -</u> | <u>\$ 4,802,796</u> |
| NON STATUTORY RESERVES | | | | | | |
| LIFO Reserve | 400,064 | 43,258 | (5,325) | - | - | 437,997 |
| Health Promotion & EDC Reserve | 28,805 | 28,140 | - | (3,695) | - | 53,250 |
| Green Initiatives Reserve | 73,037 | 21,974 | - | (1,700) | - | 93,311 |
| Engineering Reserve | 49,828 | - | - | - | - | 49,828 |
| Cemetery Operating Reserve | 40,088 | - | - | (46,325) | - | (6,237) |
| | <u>591,822</u> | <u>93,372</u> | <u>(5,325)</u> | <u>(51,720)</u> | <u>-</u> | <u>628,149</u> |
| CAPITAL REPLACEMENT RESERVES | | | | | | |
| Public works equipment reserve | 262,143 | 170,000 | (299,980) | - | - | 132,163 |
| Fire equipment replacement reserve | 134,251 | 79,750 | (32,560) | - | - | 181,441 |
| Infrastructure Reserve | - | 101,000 | - | - | - | 101,000 |
| Wastewater treatment plant reserve | 960,000 | 240,000 | - | - | - | 1,200,000 |
| | <u>1,356,394</u> | <u>590,750</u> | <u>(332,540)</u> | <u>-</u> | <u>-</u> | <u>1,614,604</u> |
| TOTAL OPERATING FUND SURPLUS | <u>6,652,025</u> | <u>951,913</u> | <u>(337,865)</u> | <u>(220,524)</u> | <u>-</u> | <u>7,045,549</u> |
| CAPITAL FUND SURPLUS | | | | | | |
| General Capital Fund Surplus | 190,536 | - | - | - | - | 190,536 |
| Water Capital Fund Surplus | 321,995 | - | - | - | - | 321,995 |
| Sewer Capital Fund Surplus | 574,465 | - | - | - | - | 574,465 |
| | <u>1,086,996</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,086,996</u> |
| STATUTORY RESERVES | | | | | | |
| Property purchase reserve | 129,518 | - | - | - | 1,974 | 131,492 |
| Parking reserve | 31,877 | - | - | - | 486 | 32,363 |
| Water district reserve | 84,544 | 12,297 | (2,813) | - | 1,289 | 95,317 |
| | <u>245,939</u> | <u>12,297</u> | <u>(2,813)</u> | <u>-</u> | <u>3,749</u> | <u>259,172</u> |
| TOTAL SURPLUS AND RESERVES | <u>\$ 7,984,960</u> | <u>\$ 964,210</u> | <u>\$ (340,678)</u> | <u>\$ (220,524)</u> | <u>\$ 3,749</u> | <u>\$ 8,391,717</u> |

Schedule 3

Town of Creston
Schedule of Consolidated Operations by Segment
Year Ended December 31, 2018

| | General Government | Municipal Share of RCMP Costs | Health & Welfare | | | | Recreation and Community Services | | | Water Utility | Sewer Utility | Unallocated | 2018 Total | 2017 Total |
|--|--------------------|-------------------------------|------------------------------|-------------------|--------------------|------------|-----------------------------------|--------------|------------|---------------|---------------|--------------|--------------|------------|
| | | | Sanitation and Waste Removal | Cemetery Services | Community Planning | Recreation | Community Services | | | | | | | |
| Revenue | | | | | | | | | | | | | | |
| Taxation | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 387,378 | \$ 429,407 | \$ 4,342,996 | \$ 5,159,781 | \$ 5,037,857 | |
| Sale of services and rents | 453,393 | 184,837 | - | - | 2,750 | - | 140,158 | 79,815 | - | - | 64,303 | 1,386,073 | 1,394,740 | |
| Government transfers | 1,819 | - | 488,466 | - | - | - | - | - | 298,420 | 5,900 | 533,064 | 1,327,669 | 675,910 | |
| Investment income | 8,322 | - | - | - | - | - | - | - | 29,958 | 24,120 | 378,859 | 441,259 | 291,500 | |
| Utility user fees and connection charges | - | - | - | - | - | - | - | - | 1,221,870 | 1,498,266 | - | 2,720,136 | 2,783,376 | |
| Developer Asset Contributions | - | 49,830 | - | - | 1,000 | - | - | - | - | - | - | 1,000 | 97,852 | |
| Other | 267,709 | - | 32,192 | - | 32,192 | - | - | - | - | 3,670 | 55,198 | 442,596 | 442,826 | |
| | 731,243 | 234,667 | 524,408 | - | 140,158 | 79,815 | 13,562 | 1,937,626 | 1,961,363 | 5,374,420 | 11,478,514 | 10,724,061 | | |
| Expenses | | | | | | | | | | | | | | |
| Salaries and Wages | 1,228,338 | 12,111 | 587,084 | 34,822 | 89,385 | 133,569 | 225,130 | 189,123 | 516,551 | 3,680,495 | 3,364,054 | 4,400,132 | 4,330,741 | |
| Goods and Services | 565,699 | 1,088,758 | 545,989 | 236,356 | 20,949 | 26,353 | 60,723 | 896,678 | 471,813 | 367,518 | 355,791 | 2,085,739 | 2,120,613 | |
| Debt Financing | 211,726 | 83,458 | 10,071 | - | - | - | - | 207,718 | 539,887 | 579,129 | 128,602 | 551,236 | 551,236 | |
| Amortization | 153,062 | - | 605,943 | - | - | - | - | 21,689 | 16,455 | 1,606,969 | 579,129 | 10,662,486 | 10,722,435 | |
| Other | 90,458 | - | 1,739,016 | 271,178 | 110,334 | 159,922 | 285,853 | 1,315,208 | 1,606,969 | 579,129 | 10,662,486 | 10,722,435 | | |
| | 2,249,283 | 1,184,327 | 1,161,267 | (1,214,608) | (271,178) | 29,824 | (80,107) | 622,418 | 354,394 | 4,795,291 | 816,028 | 1,626 | | |
| Total | \$ (1,518,040) | \$ (949,660) | \$ (680,015) | \$ (1,214,608) | \$ (271,178) | \$ 29,824 | \$ (80,107) | \$ (272,291) | \$ 622,418 | \$ 354,394 | \$ 4,795,291 | \$ 816,028 | \$ 1,626 | |

CRESTON  VALLEY

TOWN of CRESTON