

2020 ANNUAL REPORT





Creston at a Glance

Average House Value in 2020*

Creston \$266,830

British Columbia \$788,900

Taxes and Utilities on the Average House*

Creston \$3,818

British Columbia \$5,168

* Note – Data for the average house values and taxes and utilities on the average house is available for all municipalities in British Columbia located at <https://www2.gov.bc.ca/gov/content/governments/local-governments/facts-framework/statistics/tax-rates-tax-burden>. The British Columbia averages are weighted based on all single family residences in British Columbia.



Building Developments

72

Building Permits Issued in 2020

Total Construction Value \$7 million



Community Grants

\$36

Thousand in Funding Issued in 2020



Business Opportunities

539

Licenses Issued in 2020



Property Assessments

\$741

Million in 2020
7.26% increase from 2019

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INTRODUCTIONS



Message from the Mayor

On behalf of the Town of Creston's Council and staff, it is my pleasure to introduce the 2020 Annual Report.

The Annual Report is an opportunity for us to look back at the past year's successes, reflect upon our challenges and potential solutions to those challenges. Although 2020 was a globally unprecedented year with the onset of the COVID-19 pandemic, our community responded to these challenges by demonstrating grace, resilience, kindness and compassion. I am so very proud of how our citizens came together to support our families, friends and neighbours in creative and genuine ways.

Although the pandemic has disrupted almost all facets of our lives, I think that it has helped us to appreciate just what we have here in Creston – exceptional citizens, incredible first responders and essential workers, as well as the natural beauty of our surroundings. We also have amazing local producers and businesses who made significant changes to accommodate increased health and safety protocols, while continuing to provide for our community. Through all of the uncertainty that was 2020, Creston has continued to thrive because of the commitment of each and every one of us to protect our families, our neighbours and our Valley.

It was, and continues to be, all the more important to ensure that the services and high levels of customer service that our citizens have come to expect from the Town of Creston are consistent and adaptable. We have endeavoured to provide innovative solutions which minimize physical contact, while maximizing connection to our citizens. Although certainly unlike any other year, here are some highlights from 2020:

Our “First Responders” in the Creston Valley:

In January 2020, the Royal Canadian Legion hosted a “First Responders Salute” potluck dinner at their Branch #29 Canteen with about 70 attending. This included staff and volunteers from Creston Fire Rescue and many other volunteer firefighters from the entire Creston Valley, as well as BC Ambulance, RCMP members, Search and Rescue volunteers, guests from the Creston Lions Club and of

course, the Royal Canadian Legion. I thank all of our first responders who contribute so much of their time and efforts to training and certification, and who make the sacrifice every day to protect us all.

COVID-19 Global Pandemic: The Town activated our Emergency Operations Centre (EOC) on March 14, 2020. We have worked closely with a number of external agencies including Interior Health, BC Emergency Health Services, School District #8, Creston RCMP, Border Services and more to ensure a coordinated response to this unprecedented event. Our EOC team continues to share information received from our federal and provincial governments and to be a trusted resource for our citizens.

Virtual Meetings: As with all municipalities, one of the challenges that we had was to adapt to conducting almost all meetings virtually. The last out of Town meeting that I physically attended was a Municipal Finance Authority meeting on March 10, 2020 in Richmond. For the remainder of 2020, I attended many online meetings via WebEx, Zoom, and other virtual meeting platforms, as did all of Council. We also had to conduct our Council meetings electronically and without having a physical gallery present. Although by no means an expert, I would say that we have all made great strides in adapting to new technologies and meeting protocols, which is certainly a positive development. That being said, we recognize that navigating online meetings is not for everyone. Warmer weather allowed us to conduct our Council meetings outdoors in Millennium Park from July through to October, and it was truly wonderful to have the opportunity to interact with our citizens in person!

Wastewater Treatment Plant Upgrades:

Our wastewater treatment plant is one of the most significant assets that the Town of Creston has. Every municipality in Canada is mandated to have a system in place to deal with bio-solids management, which is a part of the wastewater treatment process. All wastewater treatment processes are subject to stringent regulations from the Ministry of Environment, which makes any changes or upgrades to this infrastructure a major undertaking. In July 2020, Council awarded the Creston Wastewater Treatment Plant Bio-Solids Dewatering Upgrade to

Carver Construction of Kelowna, and they began work immediately, completing the project nine months later in April 2021. We are so appreciative of the nearly \$3 million in federal and provincial grant funding received through the Strategic Gas Tax, with additional funding from the Columbia Brewery and the Town's sewer reserve fund (totalling approximately \$1 million) to complete this project.

The Joy of Music and Creston Fire Rescue:

Although many of our traditional events and festivals were cancelled in 2020, we found other ways to celebrate. It was an honour and a privilege for me to ride in Fire Engine #21 through Yaqaan Nukiy playing Pow Wow music for Lower Kootenay Band residents in May. I also participated in the annual Creston Fire Rescue Christmas Carolling, in which CFR decorates the fire trucks and command vehicles and drives through most neighbourhoods in Town of Creston as well as parts of Erickson on the last Sunday before Christmas, playing Christmas carols for the community. This year, CFR also drove through Yaqaan Nukiy and Lakeview-Arrowcreek on the Saturday evening before their traditional Sunday evening route. With the number of events and celebrations that were not able to proceed this year, it was wonderful to be able to share in this community spirit!

Although 2020 was a year like no other, I am grateful for the many opportunities that have emerged, especially around increasing communication. The Annual Report is one of our most valuable communication tools, and in recognition of that, we have made some changes to the format and layout to streamline the information and presentation.

Keep reading to see how your local government is working for you!



Ron Toyota
Mayor

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 the 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;
- Act as good stewards of the Town and as public servants of our citizen through ethical conduct; and,
- 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 Jen Comer



Councillor Arnold DeBoon



Councillor Jim Elford



Councillor Ellen Tzakis



Councillor Karen Unruh



Councillor Joanna Wilson

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 2020.



RON TOYOTA
MAYOR



ARNOLD DEBOON
COUNCILLOR



JEN COMER
COUNCILLOR



JIM ELFORD
COUNCILLOR



ELLEN TZAKIS
COUNCILLOR



KAREN UNRUH
COUNCILLOR



JOANNA WILSON
COUNCILLOR



Message from the Chief Administrative Officer

On behalf of the Town of Creston staff, it is my privilege to provide this introduction to the 2020 Annual Report.

In 2020, local governments faced new challenges created by the COVID-19 pandemic. By the beginning of March, the Town of Creston was embroiled in how to support our community, maintain critical community services and keep all of our employees safe. At the onset, we were unsure what to expect from the pandemic, but recognized that our “business as usual” model needed to change. Mayor and Council needed to adapt in providing guidance and decision making through a “virtual setting”. Safety plans for protecting employees while still providing services were developed and refined during the first several months of the “new normal”. By the end of 2020, Mayor and Council were able to meet in person, deliberate on the next year’s budget and conduct the regular business of the Town, albeit in a socially distanced manner.

The Town of Creston continued with projects during 2020 under the direction of Mayor and Council. Many water, sewer and storm sewer projects were completed as part of our asset management program. Cedar Street between 20th Avenue South and 22nd Avenue South was completely rebuilt with new underground services and pavement. The Wastewater Treatment Plant started the construction of a new \$3.8 million bio-solids handling system. A few new speed humps were located on busy streets to improve traffic safety, along with other traffic calming bump outs on 20th Avenue South. Important

programs that improve livability in our community were maintained such as the physician recruitment program, wildlife/human conflict avoidance, woodstove exchange and high-efficiency toilet rebate.

The start of the construction of the Creston Emergency Services Building was delayed primarily due to cost increases related to the COVID-19 pandemic. With the received bids far exceeding the project budget, a process of value engineering began to ensure a cost effective facility could be still built. Mayor and Council also provided direction to hire a Construction Manager to manage the project on behalf of the Town of Creston. In December 2020, Chandos Construction was named the Construction Manager and will oversee the building of the new Creston Emergency Services Building.

In November 2020, the Province of British Columbia provided grants to all local governments and regional districts in order to reduce or minimize taxation increases to cover increased costs created by the pandemic. The Town of Creston received \$1.6 million in grant funds to manage costs related to the COVID-19 pandemic. In this annual report, at the end of the financial statement, you will be able to see the financial reporting on how the Town of Creston has utilized a portion of the grant funds in 2020 for COVID-19 related costs.

Finally, it is always a privilege to work with so many dedicated, exemplary co-workers, and this past year

was no exception. During the pandemic, I have seen the best of all of our employees, each and every day. These employees were required to adapt to new work procedures and learn to do jobs and tasks in different ways. Our Infrastructure Services employees were the backbone to ensuring that those services that provide that quality of life that we rely upon – clean drinking water, storm and sanitary sewers, snow clearing, and so much more – stayed operational. Our Administrative Assistants' dedication to providing the highest quality of support to our citizens and our internal departments, even while working between home and Town Hall was equally admirable. Our Management Team, most of whom were part of the Town's Emergency Operations Centre, are also commended for working through the challenges of the pandemic while still managing daily operational functions. Although the Town of Creston faced many challenges in 2020, we were able to navigate these challenges thanks to the leadership of Mayor and Council and our professional dedicated workforce that I am honoured to be part of.



Mike Moore
Chief Administrative Officer

Message from the Director of Finance & Corporate Services



It is my pleasure to present, on behalf of the Finance and Corporate Services Department, the 2020 Annual Report for the Town of Creston. The Finance section of the report includes the Audit report from Apex Accounting, Chartered Professional Accountants and the Consolidated Financial Statements for the year ended December 31, 2020.

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.
- **Departmental Reports:** Provides a summary of the past year's activities and accomplishments.
- **Financial Section:** Presents the 2020 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. Town staff supported 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, 2020 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 Apex Accounting, Chartered Professional Accountants.

2020 Operating Results: The financial results for 2020 year were better when compared to the 2020 budget. The consolidated annual surplus was \$5,884,130 or \$2,573,971 higher than budget. Two significant differences were the unexpected \$1,648,000 of COVID-19 Safe Restart Grant Funding

and \$508,880 of developer asset contributions of new subdivision infrastructure. 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.

The Town had a variety of revenue sources including taxation and grants in lieu of \$5.44 million, \$2.30 million in fees, charges and miscellaneous revenue, \$3.20 million of utility fees and charges, and \$5.02 million in government transfers. Total revenues were \$4.41 million higher than 2019 due to \$3.80 million higher government transfer, \$435,000 higher utility fees and a \$216,000 increase in developer contributions offset by decreases in investment income and other income. A part of the increased utilities fees was moving solid waste funding from taxation to utility fees.

Consolidated operating expenditures were under budget by \$886,000. The full amount of the difference is not true savings as there were projects budgeted for in 2020 that will not be complete until 2021. 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 of \$5.88 million was an unusually high amount in 2020. The major reason for this was the receipt of government grants to fund capital projects.

Capital Spending and Reserves: The Town has an estimated \$150 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 infrastructure in an economically sustainable manner and seek to do so by keeping taxation and borrowing to a minimum. Please see Schedule 1 in the financial statements which splits the capital assets by category.

A total of \$5.46 million was spent on capital asset additions in 2020, which is more than double the average of the past three years. The largest categories were \$2.96 million of Work in Progress (WIP) pertaining mostly to the new solids handling project at the wastewater treatment plant,

\$670,000 for roads and sidewalk improvements including the Cedar Street repaving, \$442,000 for vehicle replacements and \$418,000 for the land purchased for the new Creston Emergency Services Building (CESB).

Long-term Debt: The long-term debt issued and outstanding at December 31, 2020, was \$3.95 million, which is \$404,000 less than 2019. The decrease was due to principal repayments made during the year. Only 18% of the \$555,000 long-term debt principal and interest payments of \$102,000 are paid by property taxes or user fees. FortisBC pays for the prepaid capital lease loans, and through sewer charges the Columbia Brewery pays for a substantial share of the waste water treatment plant upgrade loans.

COVID-19: A concern to us all is the life changing events of the COVID-19 pandemic. The Town of Creston is striving to maintain its services to our public as much as possible and still follow public safety measures to protect against the spread of the virus. The financial impact on the Town, thankfully, will not be severe as the Town is not reliant on user fee revenue sources such as transit fees or parking revenues. There are some minor decreases in smaller revenue sources. The Town received the \$1.648 million COVID-19 Safe Restart Grant that was given by the Province of BC and the Federal Government to assist all communities in BC to help offset COVID-19 impacts, such that those impacts not be passed on to the community through taxation increases. One large increase that is being experienced is the much higher cost of construction materials which materially affects the capital cost of projects.

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

Organizational Structure & Senior Staff (as of December, 2020)



Chief Administrative Officer	Mike Moore	Fire Chief.....	Jared Riel
Director of Community Services.....	Ross Beddoes	Assistant Fire Chief.....	Laura Dodman
Director of Finance & Corporate Services.....	Steffan Klassen	Fire Service Support Supervisor.....	Randall Fabbro
Director of Infrastructure Services.....	Ferd Schmidt	Corporate Officer.....	Bev Caldwell/Kirsten Dunbar
Manager of Engineering.....	Colin Farynowski	Executive Assistant.....	Marsha Neufeld
Public Works Superintendent.....	Brad Ziefflie	Municipal Services Coordinator.....	Joel Comer



Top – Left to right: Mike Moore, Colin Farynowski, Steffan Klassen, Joel Comer, Ferd Schmidt, Ross Beddoes, **Bottom – Left to right:** Marsha Neufeld, Brad Ziefflie, Kirsten Dunbar, **Missing:** Bev Caldwell

Left to Right: Randall Fabbro, Jared Riel, Laura Dodman

Office of the Chief Administrator

What we do... The Chief Administrative Officer (CAO) is the primary link between Town Council, staff and the community. The CAO supports Council as it sets policy and strategic priorities, and provides leadership to ensure the implementation of Council decisions.

On a daily basis the CAO provides strategic advice to Mayor and Council, interacts with community groups and other government agencies, provides leadership and vision to the Town's leadership team and manages the human resources program. The CAO is supported by the Executive Assistant and Corporate Officer.

Corporate Services

What we do... Corporate Services is responsible for organizing and preparing agendas and minutes for Council and Council Committee Meetings, providing leadership to the Town's records management practices, maintaining and preserving the Town's records and managing Freedom of Information and Protection of Privacy issues and requests.

On a daily basis we... provide legislative advice to Mayor and Council, the CAO and the senior management team, manage contracts and agreements for the Town, maintain employee records, manage bookings of municipal facilities, oversee corporate communications and provide leadership at the Creston Valley Youth Network. Corporate Services is supported by the Director of Finance and Corporate Services, Corporate Officer, Executive Assistant and Administrative Assistants.

Financial Services

What we do... Financial Services works as a strategic partner with various areas of the Town to ensure effective delivery of municipal services and programs by providing financial operations, financial planning, information technology, procurement and risk management.

On a daily basis we... provide financial administration of the Town, collect taxes and user fees, issue business licenses and provide frontline services to the general public at Town Hall. The Finance Department is supported by the Director of Finance and Corporate Services, Corporate Officer and Administrative Assistants.

Community Services

What we do... The Community Services division is part of a strategic approach to support all facets of community health and safety, livability, and economic prosperity. Their work is focused on activities and actions that enable citizens to have a high quality of life. Public Safety is achieved through fire rescue, policing, bylaw and building inspections. Planning and land use staff provide guidance to community development and improved municipal services in parks, cemeteries and trails.

On a daily basis we... provide support to citizens through development permits, building permits, zoning amendments and implementing initiatives from the Official Community Plan. Response agencies, such as the RCMP through municipal policing contract and the fire department, respond to the needs of our citizens 24 hours a day. Public Safety Compliance manage bylaw concerns to assist community members on being good neighbours to each other. Community Services is supported by the Director of Community Services, Municipal Services Coordinator, Public Safety Compliance Officer, Building Inspector, Fire Chief, RCMP Staff Sgt. and Administrative Assistants.

Infrastructure Services

What we do... The Infrastructure Services department is responsible for overseeing many of the Town's operations that enable residents to go about their daily lives. The team is responsible for planning, designing, constructing, operating and maintaining Town infrastructure assets including roads, parks, trails, sidewalks, municipal buildings, water treatment and distribution networks, and sewer collection and treatment systems. We also oversee the collection of garbage through a contractor.

On a daily basis we... provide maintenance and repairs to municipal infrastructure – street sweeping, snow plowing, maintain road surfaces, sidewalks, water mains, sewer mains, etc. – and manage a complex wastewater treatment plant. We lead the management of infrastructure assets including water and sewer systems, municipal equipment and vehicles, parks, trails and storm water management. Infrastructure Services is supported by the Director of Infrastructure Services, Public Works Superintendent, Public Works Staff, Wastewater Treatment Plant Staff and Administrative Assistants.





 COUNCIL PROFILE

Town Council

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.



In 2020 Council held:

22

Regular
Council
Meetings

3

Special
Council
Meetings

12

Regular
Committee of the
Whole Meetings

7

Special
Committee of the
Whole Meetings



During the Regular & Special Meetings, Council:

Adopted

14

Corporate Policies

Adopted

19

Municipal Bylaws

Passed

433

Resolutions

Attended

170

Other Committee or Commission Meetings

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:

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

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 next municipal election will be held in October 2022.

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.

Regular Committee of the Whole Meetings 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.

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

Town of Creston 2020 Council, Board, Committee and Commission Appointments

Government Related Agencies – 2020

Arrow Creek Water Treatment & Supply Commission

Representative.....Councillor Elford

Alternate.....Councillor DeBoon

Creston Valley Services Committee

Representative.....Mayor Toyota

Alternate.....Councillor Elford

Creston Valley Health Working Group

Representative.....Councillor Unruh

East Resource Recovery Commission (RDCK)

Representative.....Councillor DeBoon

Alternate.....Mayor Toyota

Economic Action Partnership (EAP)

Representative.....Councillor Elford

Alternate.....Councillor Comer

Kootenay East Regional Hospital District

Director.....Councillor Unruh

Alternate Director.....Councillor Elford

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

Regional District of Central Kootenay

Director.....Mayor Toyota

Alternate Director.....Councillor Elford

Community Organizations

Creston & District Library Board	
Representative	Councillor Wilson
Community Arts Council of Creston	
Representative	Councillor Wilson
Creston-Kaminoho Friendship Society	
Representative.....	Councillor Wilson
Creston Valley Blossom Festival Association	
Representative.....	Councillor Unruh
Creston Valley Chamber of Commerce	
Representative	Councillor Tzakis
Creston Valley Community Housing Society	
Representative	Councillor Tzakis
Alternate.....	Councillor Wilson
Creston Valley Community Network Society	
Representative	Councillor Tzakis
Creston Valley Trails Society	
Representative	Councillor DeBoon

Other Organizations

Creston Valley Forest Corporation	
Director.....	Councillor Elford
BC Transit	
Representative.....	Mayor Toyota
Representative	Councillor Wilson
Creston Valley Regional Airport Society	
Liaison.....	Councillor DeBoon
Kootenay Forest Sector Collaborative	
Representative	Councillor Elford

Select Committees

Parcel Tax Roll Review Panel (Foot Frontage)	
Chair	Councillor Unruh
Member	Councillor Wilson
Member.....	Director of Finance & Corporate Services
Cemetery Select Committee	
Members.....	Mayor Toyota and Councillor DeBoon

2020 Strategic Focus Areas

The following represent the key "Focus Areas" that Council identified as having the most profound impact on the community. These focus areas are further broken down into strategic initiatives, and finally, the projects that support them are identified and will be measured and tracked by Council throughout the term.



COMMUNITY SAFETY

Council recognizes that a community's strength is in its safety and will focus on ensuring residents feel safe in the Town and the Region.



LIVABILITY

The Town is an inclusive, connected place for residents to play, celebrate the arts, connect to nature and which recognizes and values the diversity of our residents.



ECONOMIC HEALTH

We support and enhance economic health as being critically linked to quality of life in our community.



SERVICE EXCELLENCE

The Town is diligent and disciplined in its own service delivery and fiscally diligent in its management of assets and regional relationships.

COMMUNITY SAFETY



AREAS OF FOCUS

Emergency Management & Preparedness

Continue to take a leadership role regionally and prepare, protect and plan for the impact of emergency events.

Transportation

Advocate for highway and transportation improvements to make travel to and within the Town safer and more efficient.

Public Safety

Support the key services that make our community safe, and more importantly, make our residents feel safe in the Town.

Fire Hall

Completing the Town's Fire Hall replacement is a significant investment in safety in our community.

KEY PROJECTS

The following are the projects identified by Council that will advance this Focus Area:

- Creston Emergency Services Building – Construction
- Proactive Public Safety Compliance
- Multimodal Transportation Master Plan
- Parks Security Cameras

PLANS AND POLICIES

The following are Plans and Policies that impact this Focus Area:

- Dave Mitchell & Associates – Creston Fire Rescue Strategic Plan
- Firewise Consulting – Creston Fire Station Report
- Town of Creston Policy #SER-006-001 – Fire & Rescue Service Level
- Firewise Consulting – Creston Fire Department Interim Measures Report
- Fire Services – Bylaw No. 1774
- Town of Creston Policy #SER-008-041 – Bylaw Enforcement Procedures

LIVABILITY



AREAS OF FOCUS

Recreation

Maintain and enhance opportunities for our residents to connect and live healthy lives.

Connectivity

Ensure an environment that allows us to connect with nature and supports active and safe multimodal transportation.

Arts, Culture and Heritage

Showcase the talents and history of our community.

Housing

Continue to support projects that improve access to diverse housing options.

Advocacy

Continue to advocate on behalf of the Town and the region for investments in transportation, health and housing.

Volunteer Support

Recognize that much of the work around supporting our community (and it's most vulnerable) is done through our volunteers and community organizations.

KEY PROJECTS

The following are the projects identified by Council that will advance this Focus Area:

- Highway 3 Re-alignment
- Crawford Hill Reservoir Restoration
- Zoning Bylaw Update
- Connectivity Master Plan
- Official Community Plan (OCP) Implementation

PLANS AND POLICIES

The following are Plans and Policies that impact this Focus Area:

- Official Community Plan Bylaw No. 1854
- Cultivating Creston and Age Friendly Action Plan – Action Planning Round 2
- Regional Housing Needs Report & Town of Creston Community Summary
- Cultivating Creston Integrated Community Sustainability Plan
- Creston Age-Friendly Action Plan
- Greenways and Trails Master Plan

ECONOMIC HEALTH



AREAS OF FOCUS

Participate Regionally

Continue to engage regionally to enhance the economic health of the region.

Streamline Processes

Position our Town as the best place to grow a business with a focus on businesses that align with our strategic direction.

Proactive Community Growth

Provide an environment where our existing businesses can thrive.

Vibrant Downtown

Recognize the importance of a vibrant downtown to community pride, livability and economic prosperity.

KEY PROJECTS

The following are the projects identified by Council that will advance this Focus Area:

- Developer's Information and Procedures Bylaw
- Downtown Murals
- Market Park
- Community Health Initiatives Program (C.H.I.P.)
- Downtown Decorative Banners
- Expand License of Occupation Policy
- Branding of Commercial Revitalization Tax Exemption Program

PLANS AND POLICIES

The following are Plans and Policies that impact this Focus Area:

- Official Community Plan Bylaw No.1854
- Revitalization Tax Exemption Bylaw No. 1918
- Creston Valley – Kootenay Lake Economic Action Partnership
- Town of Creston Policy #SER-004-001 – Commercial Vending
- Town of Creston Policy #SER-009-020 – Murals

SERVICE EXCELLENCE



AREAS OF FOCUS

Accountable Service Delivery

Continue to ensure we utilize existing staff and partnerships before adding more.

Community Engagement

Encourage proactive and meaningful engagement.

Regional Partnerships

Ensure our regional service relationships are focused on value for our investment, supported by fact based decision making.

Management of Assets

We proactively plan for the financial impact of managing our assets.

KEY PROJECTS

The following are the projects identified by Council that will advance this Focus Area:

- Curbside Organic Waste and Recycling Program
- Asset Management Plan
- Cemetery Upgrades and Improvements
- Creston Valley Regional Fire Service (Creston/Canyon/ Wynndel/West Creston)
- Creston Education Centre – Local Area Plan

PLANS AND POLICIES

The following are Plans and Policies that impact this Focus Area:

- Official Community Plan Bylaw No. 1854
- Asset Management Policy
- Town of Creston Forest Lawn Cemetery Development Plan
- Town of Creston Policy #PUB-001-020 Public Participation and Community Engagement Policy
- Town of Creston Cemeteries Master Plan





OPERATIONAL ACTIVITIES

Fire & Rescue Protective Services

The 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.



6756

Total Hours Worked by
Volunteer Firefighters

459

Total
Emergency
Responses

1912

Hours for
Training

105

Fire
Responses

174

Medical
Responses

73

Rescue
Responses

56

Public Service
Responses

21

Automatic Aid
Responses

11

Hazardous Materials
Responses

109

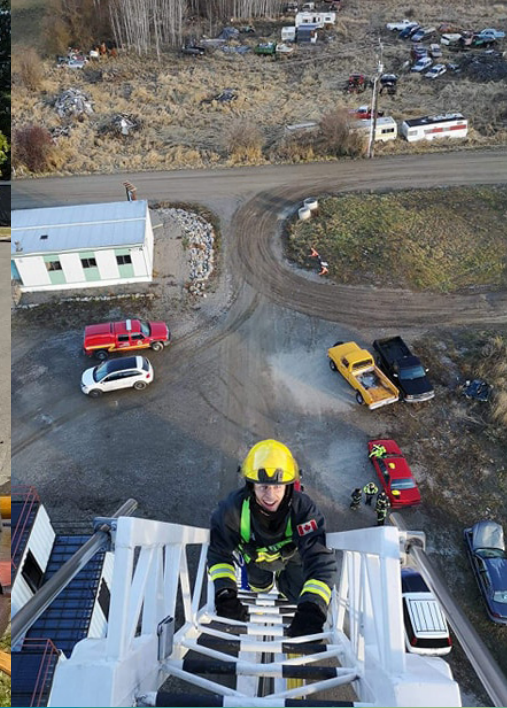
Total Number of
Municipal Bylaw Incidents

2020

Hours at
Emergency Incidents

1442

Hours for
Standby



Planning & Development

Planning & Development are functions of the Town's Community 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.



Zoning or OCP Bylaw Amendments Requiring a Public Hearing:





2020 Project Highlights

Crawford Hill – Public Consultation Begins (pre development) 1209 NW Blvd – High Caliber



“Let's Go” Sculpture Duplexes on Hillside

1213 Canyon Street – Orchard Heights Dental

50116th ave S – New 4 Plex



Infrastructure Services

Infrastructure Services is the largest department in the Town of Creston organizational structure. Responsibilities include engineering, maintenance, construction and operations of Town-owned services and property. Work in the Infrastructure Services department focuses on roads, parks, solid waste management, water utility services, sanitary utility services, capital works construction, trails, sidewalks, building maintenance, cemeteries, and asset management.



2020 Projects

\$218
THOUSAND

Water Projects

\$3
MILLION

Sewer Projects

\$668
THOUSAND

Road Projects

\$228
THOUSAND

Storm Drainage



Ongoing Maintenance

51

KILOMETRES

Roads

63

KILOMETRES

Water Pipe

47

KILOMETRES

Paved Roads

4

KILOMETRES

Unpaved Roads

30

KILOMETRES

Storm Sewer Pipe

58

KILOMETRES

Sanitary Sewer Pipe

6

KILOMETRES

Trails

17

KILOMETRES

Sidewalks



Traffic Calming Features Installed on 20th Ave. S. and 16th Ave. N.

Davis Drive Fence Installation



2020 Project Highlights

Sidewalk Replacement 20th Ave. S.

Chip Sealing 1st Ave NW

Completed Paving of RCMP Parking Lot



Forest Lawn Cemetery Entrance Improvement & Xeriscape Garden

Purchased New Skid Steer & Backhoe

Planted trees on Cedar Street (outside Millennium Park)

Canyon Street Handrail Replacement





2020 Feature Project



Cedar Street Infrastructure Project (20th Ave S – 22nd Ave S)

Work on Cedar Street in 2020 was part of an ongoing initiative to replace ageing infrastructure as per Creston's asset management plan. This long-term strategy will enhance infrastructure replacement by using an integrated, cost-effective set of practices to replace or extend infrastructure life, improve safety and meet resident expectations.

The 2020 Cedar Street Rehabilitation Program saw the replacement of 175 linear meters of road base and asphalt on Cedar Street between 20th and 22nd, new concrete curb and gutter was constructed on the north side of the street and traffic calming features incorporated at the Cedar Street & 20th Avenue S intersection. Underground infrastructure improvements saw the replacement of the sanitary sewer main and services. Storm sewer upgrades were made to rectify localized flooding that has resulted from changes in our climate that brings more frequent storms of high intensity. Further coordination with FortisBC Gas provided the opportunity to upgrade and improve existing natural gas mains and services within the construction area.



2020 Feature Project



Waste Water Treatment Plant – Bio-solids Handling Facility Upgrade

In 2018, the Town of Creston received funding in the amount of \$2,834,150 which was made available under the Strategic Gas Tax Grant offered by the Provincial and Federal Governments. This grant allowed the Town to construct a long-term solution to address the collection of bio-solids resulting from Creston's wastewater treatment process.

Construction was started in July 2020 by Carver Construction Limited out of Kelowna. The \$3.788M project was completed in April 2021, on schedule and approximately \$100,000 under budget.

The Town of Creston now has a permanent Bio-solids Handling Facility that fully addresses all BC Ministry of Environment regulations.

Parks and Green Spaces

The Town of Creston maintained twelve parks/green spaces in 2020 that provide residents and visitors with opportunities for great scenery, fun and exercise. Whether you're looking for a waterpark or playground for the little ones, a quiet place to eat lunch under the trees, a place for celebrations, or the World's Smallest Park, we've got you covered.

11th Avenue Walkthrough Park



Downtown Greenspace



Staking Park



Rotary Park



Schikurski Park

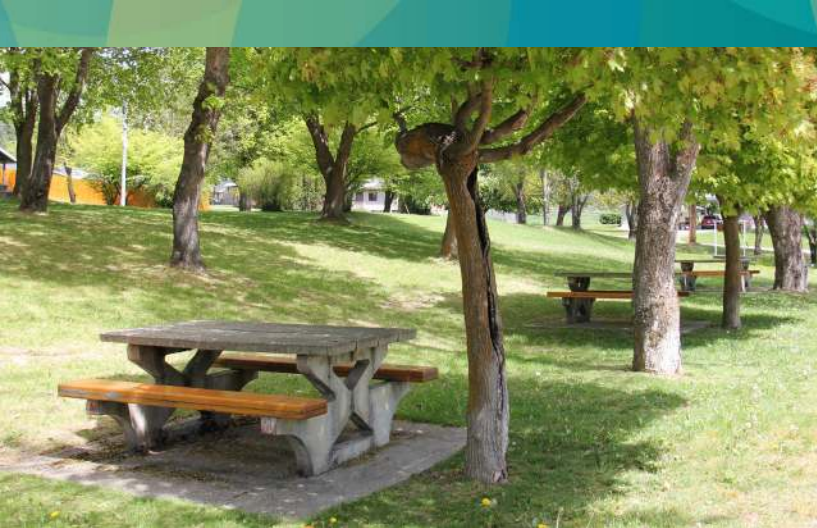




Centennial Park



Burns Park





Millennium Park



Downtown Spirt Square





Bike Park at Dodd's Creek Park



Dog Park at Dodd's Creek Park



Dodd's Creek Park














Walking Trails

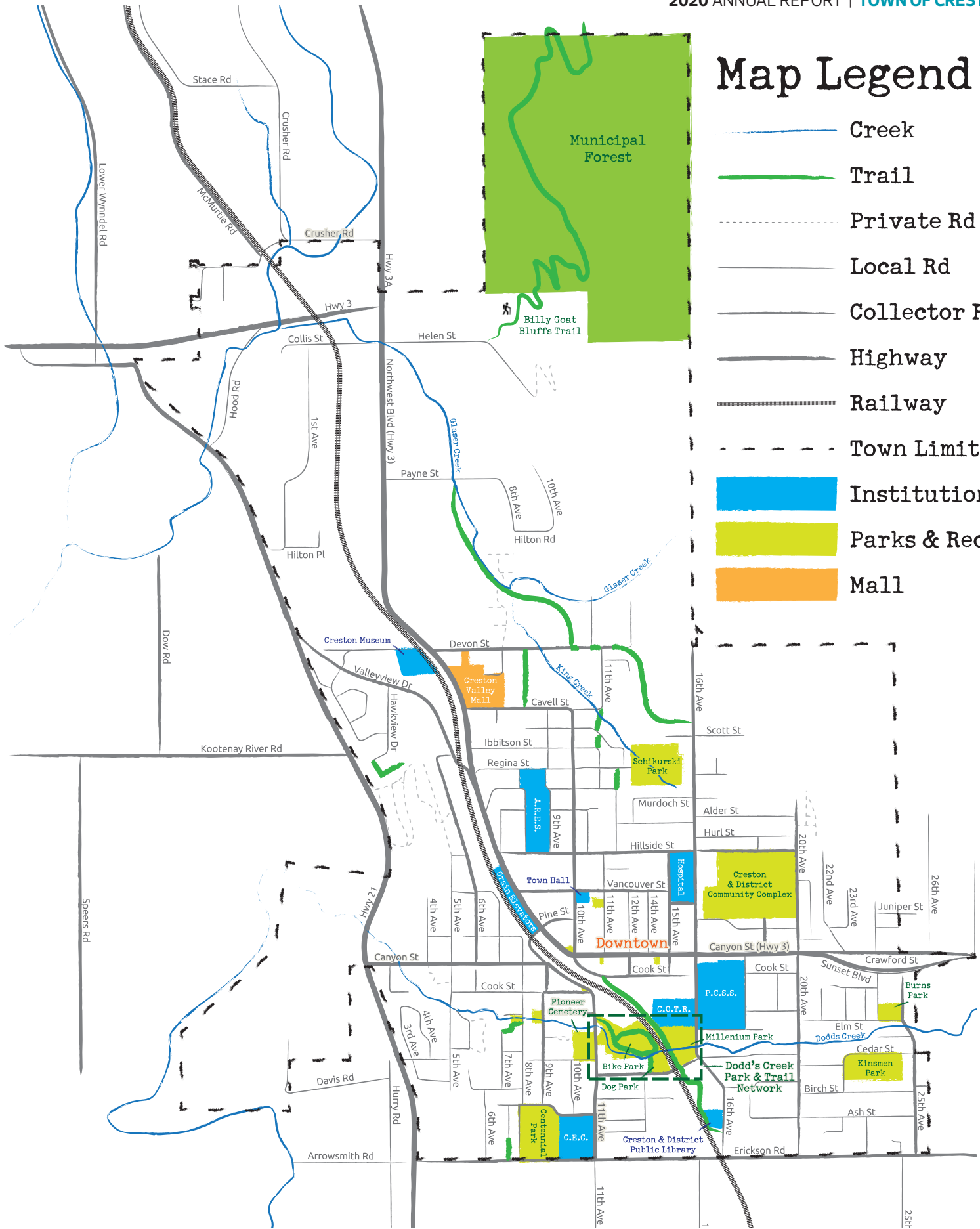
The Town of Creston maintained seven municipal trails in 2020 which include:

- Billy Goat Bluffs Hiking Trail (Creston Valley Community Forest)
- Glaser Trail (Devon Street – Payne Street)
- Devon St. – 16th Avenue North
- 8th Ave N Trail (Cavell Street – Devon Street)
- Steve's Ride (Dodd's Creek Park)
- 16th Avenue South (Library) – Cedar Street
- Cedar Street – Cook Street



Map Legend

-  Creek
-  Trail
-  Private Rd
-  Local Rd
-  Collector Rd
-  Highway
-  Railway
-  Town Limit
-  Institutional
-  Parks & Rec
-  Mall



Municipal Buildings

The Town of Creston owned and maintained nine municipal buildings in 2020, along with several other outbuildings, such as public washrooms and reservoir buildings.

Town Hall



RCMP Detachment



Public Works Building





Creston Education Centre

Fire Hall



Ambulance Station/Work Experience Program Barracks

Fire Training Centre



Waste Water Treatment Plant ▲

▼ Creston Valley Youth Network



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, taxation, utility billing, 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.



Permissive Tax Exemptions

Permissive tax exemption is available for qualifying, Creston-based, charitable or non-profit organizations, athletic or service clubs, care facilities and private hospitals. Statutory exemptions are made for places of public worship, cemeteries, libraries, seniors' facilities and hospitals.

Organizations that own or lease property in Creston that is used for the benefit of the community can request to be exempted from paying property taxes by filling out an application.

		Folio Number	Tax Value of Municipal Exemption for 2020	Tax Value of Total Exemption for 2020
Seventh-Day Adventist Church	713 Cavell Street	00020.075	\$1,205.85	\$2,115.54
Christ Church Anglican (Synod of Diocese of Kootenay)	422 – 7th Avenue N.	00061.020	\$257.23	\$451.29
Creston Trinty Housing Society	136 10th Avenue N	00129.000	\$3,424.88	\$6,844.52
Trinity United Church (Trustees Congregation Creston)	128 – 10th Avenue N.	00131.040	\$4,383.47	\$7,690.35
St. Stephens Presbyterian Church	306 Northwest Blvd.	00159.010	\$1,404.28	\$2,463.68
St. Stephens Presbyterian Church	314 Northwest Blvd.	00160.000	\$343.85	\$687.18
Creston Valley Seniors Association	810 Canyon Street	00180.000	\$1,519.25	\$2,665.37
Valley Community Services Society	915 Pine St.	00183.020	\$3,758.76	\$6,942.62
Kootenai Community Centre Society	806 Cook St	00190.120	\$722.88	\$1,444.65
Creston Valley Gleaners Society	807 Canyon Street	00193.010	\$2,823.27	\$5,214.72
Creston Valley Gleaners Society	113 8th Avenue N	00213.030	\$2,496.74	\$4,611.61
Cresteramics Society for the Handicapped	921 Railway Blvd	00290.100	\$1,964.42	\$3,628.39
Kootenay Employment Services Society (Day Care)	419 4th Ave S	00384.900	\$1,654.69	\$3,306.86
Creston & District Chamber of Commerce	121 Northwest Blvd	00412.100	\$3,753.51	\$6,932.93
Valley Community Services Society	617 11th Ave S	00417.010	\$419.97	\$736.80
Kootenay Employment Services Society	119–11th Avenue	00540.000	\$3,563.47	\$6,581.92
Kootenay Employment Services Society	123–11th Avenue	00541.000	\$2,597.53	\$4,797.78
Royal Canadian Legion, Branch 29	137 – 11th Ave. N.	00544.000	\$559.61	\$981.79
Royal Canadian Legion, Branch 29	137 – 11th Ave. N. Canteen	00544.000	\$1,750.50	\$3,233.26
Creston Judo Club	Suite B4 – 1230 Canyon St	00637.000	\$900.84	\$1,663.90
Redeemer Lutheran Church of Creston	305 – 15th Avenue N.	00672.000	\$322.85	\$566.42
Kootenai Community Centre Society	1508 Cook Street	00705.000	\$229.94	\$459.52
Town of Creston	1411 Canyon Street	00722.000	\$856.74	\$1,582.45
Creston New Life Christian Church	1821 Elm Street	00757.269	\$459.87	\$849.40
Roman Catholic Bishop of Nelson (Holy Cross Parish)	1709 Pine Street – Land	00757.337	\$444.12	\$887.56
Roman Catholic Bishop of Nelson (Holy Cross Parish)	128 – 16th Avenue N.	00757.376	\$1,412.16	\$2,477.49
Creston Valley Gymnastics Club	1714 Canyon Sreet	00757.556	\$1,448.91	\$2,676.21
Creston Valley Community Housing Society	215 25th Ave S	00758.138	\$1,401.13	\$2,800.13
Grace Christian Fellowship Society	2416 Cedar Street	00758.160	\$300.81	\$527.73
Creston Baptist Church of Creston	2423 Ash Street	00758.442	\$230.99	\$405.24
Creston Baptist Church of Creston	605 – 25th Avenue S.	00758.825	\$820.00	\$1,438.60
Canadian Pacific Railway Co and Town of Creston	Highway 3	00768.500	\$233.08	\$430.52
Creston & District Historical & Museum Society	219 Devon Street	05025.000	\$5,087.97	\$9,397.75
Creston & District Historical & Museum Society	323 Devon Street	05030.000	\$234.13	\$432.46
Trustees Creston Jehovah Witnesses	1323 Northwest Blvd.	05109.000	\$734.95	\$1,289.40
The Church of God in Christ and (Mennonite)	1152 Highway 21	05205.200	\$3,580.27	\$6,612.94
Total			\$63,624.57	\$117,072.40





2020 FINANCIAL STATEMENT



Town of Creston

FINANCIAL STATEMENT 2020

TOWN OF CRESTON

INDEX TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

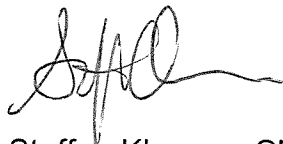
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MANAGEMENT REPORT

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, Apex Accounting, Chartered Professional Accountants, 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 Apex Accounting, Chartered Professional Accounts, 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 11, 2021

INDEPENDENT AUDITORS' REPORT

**To the Mayor and Council
Town of Creston**

Opinion

We have audited the accompanying financial statements of the Town of Creston, which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis For Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT, continued

Auditors' Responsibilities for the Audit of the Financial Statements, continued

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditors' report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Apex Accounting

Chartered Professional Accountants

Creston, BC
May 11, 2021

Town of Creston
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2020

	2020	2019
Financial Assets		
Cash and investments (Note 2)	\$ 10,827,535	\$ 8,291,629
Accounts receivable (Note 3)	1,044,084	1,079,891
MFA deposits (Note 4)	265,732	281,243
Loans receivable (Note 5)	2,103,175	2,113,071
	<u>14,240,526</u>	<u>11,765,834</u>
Financial Liabilities		
Accounts payable and accrued liabilities (Note 6)	1,877,982	1,518,929
Deferred revenue (Notes 7 & 8)	932,496	956,450
Development cost charges (Note 9)	561,417	536,808
Reserve MFA	265,732	281,243
Long-term debt (Note 11)	3,953,112	4,356,990
	<u>7,590,739</u>	<u>7,650,420</u>
Net Financial Assets	6,649,787	4,115,414
Non-financial assets		
Tangible capital assets (Notes 1 & 12, Schedule 1)	43,878,279	40,519,269
Supply inventory	325,577	356,994
Prepaid expenses	108,734	86,570
	<u>44,312,590</u>	<u>40,962,833</u>
Accumulated surplus	\$ 50,962,377	\$ 45,078,247
Represented by:		
Operating fund (Schedule 2)	9,794,399	7,551,617
Capital fund (Schedule 2)	1,086,996	1,086,996
Statutory reserve fund (Schedule 2)	155,808	277,352
Equity in tangible capital assets (Note 13)	39,925,174	36,162,282
	<u>\$ 50,962,377</u>	<u>\$ 45,078,247</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, 2020

	2020 Budget	2020	2019
Revenue			
Property Taxes (Note 14)	\$ 5,434,691	\$ 5,430,944	\$ 5,402,205
Grants in Lieu of Taxes	7,600	7,562	7,714
Sale of services (Note 15)	2,140,566	1,768,513	1,487,559
Government transfers (Note 17)	3,327,916	5,017,700	1,223,035
Investment income	135,000	312,547	378,064
Utility user fees and connection charges	3,104,923	3,200,890	2,766,193
Development cost charges (Note 9)	-	-	25,174
Developer Asset Contributions	-	508,880	292,995
Other	938,216	529,436	782,680
	15,088,912	16,776,472	12,365,619
Expenses			
General government	2,024,733	1,974,907	1,914,343
Municipal contribution for RCMP services	1,183,149	1,158,293	1,039,601
Protective services	1,539,868	1,204,133	1,067,629
Transportation	1,234,782	1,074,294	1,152,819
Health and Welfare	411,256	432,637	374,266
Recreation and Community Services	649,318	513,222	509,592
Water Services	1,150,137	1,006,129	1,065,792
Sewer Services	259,876	208,581	142,460
Waste water treatment plant operation	895,754	924,130	850,187
Debt financing	274,582	269,040	280,661
Bank Charges	3,100	4,995	4,828
Amortization (Note 1, Schedule 1)	2,129,562	2,090,080	2,104,131
Loss from sale/write down of tangible capital assets	-	9,265	170,878
Capital Lease (Note 18)	22,636	22,636	22,636
	11,778,753	10,892,342	10,699,823
Annual surplus	3,310,159	5,884,130	1,665,796
Accumulated surplus at beginning of year	45,078,247	45,078,247	43,412,451
Accumulated surplus at end of year	\$ 48,388,406	\$ 50,962,377	\$ 45,078,247

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, 2020

	2020 Budget	2020	2019
Annual surplus	\$ 3,310,159	\$ 5,884,130	\$ 1,665,796
Acquisition of tangible capital assets	(3,263,039)	(5,458,357)	(3,028,078)
Amortization of tangible capital assets	2,129,562	2,090,080	2,104,131
Loss from sale/write down of tangible capital assets	-	9,265	170,878
	2,176,682	2,525,118	912,727
Acquisition of supply inventory		(114,316)	(107,017)
Acquisition of prepaid expense		(138,819)	(106,871)
Deposit made on property purchase		-	550,000
Consumption of supply inventory		145,735	113,052
Use of prepaid expense		116,655	112,730
		9,255	561,894
Increase in net financial assets	2,176,682	2,534,373	1,474,621
Net financial assets at beginning of year	4,115,414	4,115,414	2,640,793
Net financial assets at end of year	\$ 6,292,096	\$ 6,649,787	\$ 4,115,414

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, 2020

(Indirect method)	2020	2019
Operating transactions:		
Annual surplus	\$ 5,884,130	\$ 1,665,796
Non-cash and non-financial items:		
Amortization	2,090,080	2,104,131
Decrease (increase) in property purchase deposit	-	550,000
Decrease (increase) in prepaid expenses	(22,164)	5,858
Decrease in supply inventory	31,417	6,038
Loss from sale/write down of tangible capital assets	9,265	170,878
Changes to financial assets/liabilities:		
Decrease (increase) in accounts receivable	35,807	(397,585)
Decrease (increase) in MFA cash deposits	15,511	(1,846)
Decrease in loan receivable	9,896	9,606
Increase (decrease) in accounts payable	359,053	(122,213)
Increase (decrease) in deferred revenue	(23,954)	284,075
Increase in development cost charges	24,609	19,013
Increase (decrease) in other restricted revenue	(15,511)	1,846
Cash provided by operating transactions	8,398,139	4,295,597
Capital transactions:		
Acquisition of tangible capital assets	(5,458,357)	(3,028,078)
Financing transactions:		
Debt repayment	(280,264)	(278,807)
Actuarial Adjustments	(123,612)	(109,675)
Cash applied to financing transactions	(403,876)	(388,482)
Increase in cash and investments	2,535,906	879,037
Cash and investments at beginning of year	8,291,629	7,412,592
Cash and investments at end of year	\$ 10,827,535	\$ 8,291,629
Represented by		
Bank deposits and petty cash	1,253,810	515,534
Investments	9,573,725	7,776,095
	\$ 10,827,535	\$ 8,291,629

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2020

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. Accrued interest and any accrued gains and losses are recognized when investments are adjusted to reflect 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, 2020

1. Significant Accounting Policies (continued):

e. Cash and Investments

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.

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, 2020

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 20). 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, 2020.

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

	2020	2019
Restricted cash and investments		
Statutory Reserves (Schedule 2)	\$ 155,808	\$ 277,352
Restricted Revenues (Notes 8 and 9)	1,108,448	1,265,808
	<u>1,264,256</u>	<u>1,543,160</u>
Unrestricted cash and investments	9,563,279	6,748,469
Total cash and investments	<u><u>\$ 10,827,535</u></u>	<u><u>\$ 8,291,629</u></u>

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2020

3. Accounts Receivable

	2020	2019
Property Taxes	\$ 368,256	\$ 380,078
Other Governments	483,016	535,961
Trade and other	192,812	163,852
Total accounts receivable	\$ 1,044,084	\$ 1,079,891

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:

	2020	2019
Cash deposits	\$ 79,189	\$ 81,120
Demand notes	186,543	200,123
	\$ 265,732	\$ 281,243

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, 2020 was \$78,174.

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

	2020	2019
Other governments	\$ 679,748	\$ 701,821
Accrued wages and benefits	541,368	551,435
Trade and other	656,866	265,673
	\$ 1,877,982	\$ 1,518,929

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2020

7. Deferred Revenue

	2020		2019
Prepaid taxes	\$ 89,776	\$	82,365
Deposits	82,627		95,091
Federal gas tax (Note 8)	547,031		729,000
Other	213,062		49,994
	<u>\$ 932,496</u>	\$	<u>956,450</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.

	2020		2019
Federal Gas Tax Agreement Funds			
Opening balance of unspent funds	\$ 729,300	\$	275,713
Add: Amount received during the year	280,466		569,940
Interest earned	5,452		7,785
Less: Amount spent on eligible project costs	(468,187)		(124,138)
Closing balance of unspent funds	<u>\$ 547,031</u>	\$	<u>729,300</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	\$ 393,515	\$ 14,254	\$ 5,461	\$ -	\$ 413,230
Parkland Reserve	143,293	2,932	1,962	-	148,187
	<u>\$ 536,808</u>	<u>\$ 17,186</u>	<u>\$ 7,423</u>	<u>\$ -</u>	<u>\$ 561,417</u>

Reserve by Bylaw	Roads	Water	Sanitary	Storm	Parks	Total
Duganville (BL 839)	\$ -	\$ 16,737	\$ 3,791	\$ 23,761	\$ -	\$ 44,289
Parks Reserve (BL 1264)	\$ -	\$ -	\$ -	\$ -	\$ 148,187	\$ 148,187
Alice Siding (BL 1463)	\$ 518	\$ 170,569	\$ 53,117	\$ 65	\$ -	\$ 224,269
Alice Siding (BL 1712)	\$ 86,292	\$ 14,092	\$ 32,489	\$ -	\$ 11,799	\$ 144,672
Grand Total:	<u>\$ 86,810</u>	<u>\$ 201,398</u>	<u>\$ 89,397</u>	<u>\$ 23,826</u>	<u>\$ 159,986</u>	<u>\$ 561,417</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, 2020, the balance of funds held in trust was \$205,011 (2019 - \$192,402).

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2020

11. Long-Term Debt

Purpose	By-law	Remaining Term	Rate	2020	2019
GENERAL FUND					
Debenture Debt					
Fire Engine Replacement	1734	0	3.73% (a)	-	32,008
Prepaid Capital Lease	441-05	3	4.93% (a)	766,444	1,002,530
Prepaid Capital Lease - Inter-fund borrowing (Note 5)				2,000,000	2,000,000
				<u>2,766,444</u>	<u>3,034,538</u>
SEWER FUND					
Debenture Debt					
Water Pollution BVF Cover	LA 1734	6	3.65% (a)	281,975	323,352
WWTP Upgrade	1707	8	3.15% (a)	904,693	999,100
				<u>1,186,668</u>	<u>1,322,452</u>
				<u>\$ 3,953,112</u>	<u>\$ 4,356,990</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
2021	141,787	117,499	259,286
2022	141,787	119,064	260,851
2023	141,787	120,687	262,474
2024	-	122,368	122,368
2025	-	124,112	124,112
2026 and subsequent	-	275,142	275,142
	<u>425,361</u>	<u>878,872</u>	<u>1,304,233</u>
Actuarial addition *	2,341,083	307,796	2,648,879
	<u>\$ 2,766,444</u>	<u>\$ 1,186,668</u>	<u>\$ 3,953,112</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, 2020

12. Tangible Capital Assets

	2020		2019
	Net Book		Net Book
	Value		Value
Land	\$ 3,253,612	\$	2,834,750
Building	2,259,329		2,296,148
Machinery and Equipment	1,793,093		1,643,372
Engineering structures			
Water	8,233,217		8,273,657
Sewer	10,724,411		10,936,340
Drainage	2,241,047		2,078,046
Roads	7,133,980		7,026,149
Other	1,640,529		1,638,112
Other Tangible Capital Assets	2,984,694		3,137,756
WIP	3,614,367		654,939
Total	\$ 43,878,279	\$	40,519,269

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:

	2020		2019
Proof:			
Equity in Physical Assets, opening	\$ 36,162,282	\$	35,020,734
Add:			
Capital Acquisitions	5,458,357		3,028,078
Debt principal repayment	280,264		278,807
Actuarial Adjustments	123,616		109,672
Less:			
Loss on Disposals	(9,265)		(170,878)
Amortization	(2,090,080)		(2,104,131)
	\$ 39,925,174	\$	36,162,282

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2020

14. Net Taxation

	2020	2019
General Municipal purposes	\$ 4,617,188	\$ 4,585,117
Collections for other governments		
Provincial Education	1,547,758	1,671,387
Regional Hospital District - East Kootenay	217,833	125,848
Municipal Finance Authority	184	173
BC Assessment Authority	41,545	36,852
Regional District of Central Kootenay	2,649,692	2,518,984
	<u>9,074,200</u>	<u>8,938,361</u>
Transfers to other governments		
Provincial Education	1,547,758	1,671,387
Regional Hospital District - East Kootenay	217,833	125,848
Municipal Finance Authority	184	173
BC Assessment Authority	41,545	36,852
Regional District of Central Kootenay	2,649,692	2,518,983
	<u>4,457,012</u>	<u>4,353,243</u>
Net Municipal Taxes	4,617,188	4,585,118
Water and Sewer Funds - Frontage Taxes	813,756	817,087
	<u>\$ 5,430,944</u>	<u>\$ 5,402,205</u>

15. Sale of Services, User Rates, Rentals

	2020	2019
Sale of cemetery plots and burial charges	\$ 52,407	\$ 58,831
Regional District - cemetery	85,548	83,871
- fire protection and rescue	550,256	372,791
Provincial - fire suppression and rescue	16,996	36,939
Fines	55,473	47,425
Licences and permits	134,505	121,513
Rents	572,492	702,793
Solid Waste Collection and Disposal Fees	235,470	-
Concessions and franchises	65,366	63,396
Total	<u>\$ 1,768,513</u>	<u>\$ 1,487,559</u>

16. Expenditure by Object

	2020	2019
Goods and Services	\$ 4,551,237	\$ 4,296,248
Interest and Finance Charges	269,040	280,661
Salaries, wages and benefits	3,857,671	3,743,885
Amortization	2,090,080	2,104,131
Other	124,314	274,898
	<u>\$ 10,892,342</u>	<u>\$ 10,699,823</u>

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2020

17. Government Transfers

		2020	2019
Federal:	Conditional transfers	\$ 2,787,897	\$ 435,618
	Unconditional transfers	-	-
Provincial:	Conditional transfers	3,064	221,858
	Unconditional transfers	2,226,739	565,559
Total		<u>\$ 5,017,700</u>	<u>\$ 1,223,035</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 (2023), 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, 2020, the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from local governments.

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

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

In 2020, the Town paid \$262,969 (2019 - \$255,391) in employer contributions to the plan.

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

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

19. Commitments and Contingencies (Continued)

- 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.

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, 2020

21. Accumulated Surplus

	2020	2019
Unappropriated Surplus/(Deficit)		
General Fund	\$ 2,688,445	\$ 1,094,501
Water Fund	2,077,611	1,692,777
Sewer Fund	1,897,555	1,751,768
Capital Surplus	1,086,996	1,086,996
	<u>7,750,607</u>	<u>5,626,042</u>
Less: Amount to be funded in future years (Internal debt)	(2,000,000)	(2,000,000)
Less: Non-financial component (prepaids & inventory)	(434,311)	(443,564)
Amount available to finance operations	<u>5,316,296</u>	<u>3,182,478</u>
Non-Statutory Reserves		
Operating Reserves	311,149	242,949
LILO	151,055	471,563
Operating Capital Replacement Reserves	2,668,584	2,298,058
	<u>3,130,788</u>	<u>3,012,570</u>
Statutory Reserves		
Property purchase reserve	-	134,910
Parking reserve	33,647	33,204
Water district reserve	122,161	109,238
	<u>155,808</u>	<u>277,352</u>
Subtotal	8,602,892	6,472,400
Equity in Tangible Capital Assets	<u>39,925,174</u>	<u>36,162,282</u>
Add back unappropriated surplus amounts not available to finance operations	2,434,311	2,443,565
	<u>\$ 50,962,377</u>	<u>\$ 45,078,247</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 2023.

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.

22. Subsequent Event

COVID-19

Subsequent to the year ended December 31, 2020, the world-wide pandemic of a novel coronavirus, COVID-19, began a third wave. The way of life has been significantly impacted for all residents of Creston. In turn, the Town has had to significantly alter the way it operates in order to be able to continue to provide the many essential services in the community. The Town has reviewed the financial impacts and determined that although there will be revenue losses and some unanticipated new expenses, those can be offset by Covid-19 Safe Restart Grant received from the Federal and Provincial Governments. The Town of Creston is endeavouring to keep operations functioning in a safe sustainable manner throughout this challenging time for all.

Fire Hall Project

The project to build a new fire hall is continuing in 2021. Subsequent to the year ended December 31, 2020, the Town determined that it had to do a redesign to accommodate for high increased costs of construction caused by the Covid-19 affects on the economy. It was also determined by Council to increase the budget for the actual building construction costs from \$5.4 million to \$7.0 million. It is anticipated that construction will start in the spring of 2021 into 2022. As authorized by the electorate through referendum, the Town will borrow up to \$4.5 million dollars to complete the project and may do so in tranches with timing and amounts related to the project's progress.

Schedule 1

Town of Creston
Consolidated Schedule of Tangible Capital Assets
Year Ended December 31, 2020

	Equipment/ Furniture/ Vehicles		Engineering Structures		Sewer	Drainage	Streets	Other	Other Tangible Capital Assets		WIP	2020		2019	
	Land	Buildings	Water	Structures					Capital Assets	Total		Total	Total		
Opening Balance	\$ 2,834,750	\$ 3,892,894	\$ 5,156,233	\$ 12,456,121	\$ 21,768,490	\$ 4,704,016	\$ 18,507,980	\$ 4,428,833	\$ 5,357,153	\$ 654,940	\$ 79,761,409	\$ 77,076,411			
Additions	418,863	67,386	441,225	198,734	341,670	228,090	668,928	134,034	-	2,959,427	5,458,357	3,028,078			
Disposals		(179,931)	(179,931)	(17,340)	(19,095)	(49,314)	(49,314)				(265,680)	(343,080)			
Closing Balance, Dec. 31	3,253,612	3,960,281	5,417,527	12,654,855	22,092,820	4,913,010	19,127,593	4,562,867	5,357,153	3,614,367	84,954,085	79,761,409			
Accumulated Amortization:															
Opening Balance	1,596,746	3,512,861	4,182,465	10,832,150	10,832,150	2,625,970	11,481,831	2,790,721	2,219,397		39,242,141	37,310,212			
Amortization Expense	104,206	291,504	239,173	549,784	61,924	558,810	131,617	153,062			2,090,080	2,104,131			
Effects of Disposals		(179,931)	(13,525)	(15,931)	(47,028)						(256,415)	(172,202)			
Closing Balance, Dec. 31	1,700,952	3,624,434	4,421,638	11,368,409	11,368,409	2,671,963	11,993,613	2,922,338	2,372,459	-	41,075,806	39,242,141			
Net book value for year ended December 31, 2020	\$ 3,253,612	\$ 2,259,329	\$ 1,793,093	\$ 8,233,217	\$ 10,724,411	\$ 2,241,047	\$ 7,133,980	\$ 1,640,529	\$ 2,984,694	\$ 3,614,367	\$ 43,878,279	\$ 40,519,268			

Town of Creston
Consolidated Schedule Surplus and Reserves
Year Ended December 31, 2020

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	\$ 1,094,501	\$ 113,193	\$ -	\$ -	\$ -	1,207,694
COVID 19 Safe Start Grant Surplus	-	\$ 1,648,000	-	\$ (167,249)	-	1,480,751
Water Fund Surplus	1,692,777	384,834	-	-	-	2,077,611
Sewer Fund Surplus	1,751,768	145,787	-	-	-	1,897,555
	<u>\$ 4,539,046</u>	<u>\$ 2,291,814</u>	<u>\$ -</u>	<u>\$ (167,249)</u>	<u>\$ -</u>	<u>\$ 6,663,611</u>
NON STATUTORY RESERVES						
LILO Reserve	471,563	37,566	(358,074)	-	-	151,055
Health Promotion & EDC Reserve	67,608	29,348	-	(3,828)	-	93,128
Green Initiatives Reserve	121,777	30,516	(7,496)	(500)	-	144,297
Engineering Reserve	56,643	10,232	-	-	-	66,875
Cemetery Operating Reserve	(3,079)	9,928	-	-	-	6,849
	<u>714,512</u>	<u>117,590</u>	<u>(365,570)</u>	<u>(4,328)</u>	<u>-</u>	<u>462,204</u>
CAPITAL REPLACEMENT RESERVES						
Public works equipment reserve	271,558	216,000	(282,263)	-	-	205,295
Fire equipment replacement reserve	236,371	126,338	(95,371)	-	-	267,338
Infrastructure Reserve	350,129	315,822	(150,000)	-	-	515,951
Wastewater treatment plant reserve	1,440,000	240,000	-	-	-	1,680,000
	<u>2,298,058</u>	<u>898,160</u>	<u>(527,634)</u>	<u>-</u>	<u>-</u>	<u>2,668,584</u>
TOTAL OPERATING FUND SURPLUS	<u>7,551,616</u>	<u>3,307,564</u>	<u>(893,204)</u>	<u>(171,577)</u>	<u>-</u>	<u>9,794,399</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	134,910	-	(136,070)	-	1,160	-
Parking reserve	33,204	-	-	-	443	33,647
Water district reserve	109,238	16,312	(4,482)	-	1,093	122,161
	<u>277,352</u>	<u>16,312</u>	<u>(140,552)</u>	<u>-</u>	<u>2,696</u>	<u>155,808</u>
TOTAL SURPLUS AND RESERVES	<u>\$ 8,915,964</u>	<u>\$ 3,323,876</u>	<u>\$ (1,033,756)</u>	<u>\$ (171,577)</u>	<u>\$ 2,696</u>	<u>\$ 11,037,203</u>

Town of Creston
Schedule of Consolidated Operations by Segment
Year Ended December 31, 2020

Revenue	General Government	Municipal Share of RCMP Costs	Health & Welfare				Recreation and Community Services			Sewer Utility	Unallocated	2020 Total	2019 Total
			Protection Services	Transportation	Sanitation and Waste Removal	Cemetery Services	Community Planning	Recreation	Water Utility				
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,438,506	\$ 5,409,919	
Sale of services and rents	575,733	47,657	3,780	235,470	137,955	78,764	-	-	-	65,366	1,768,513	1,487,559	
Government transfers	3,064	-	468,187	-	-	-	-	-	-	2,226,739	5,017,700	1,223,035	
Investment income	6,940	-	-	-	-	-	-	-	-	257,385	312,548	378,064	
Utility user fees and connection charges	-	-	-	-	-	-	-	-	-	-	3,200,890	2,766,193	
Development Cost Charge Revenue	-	-	315,338	-	-	-	-	-	-	-	-	25,174	
Developer Asset Contributions	-	-	40,888	-	-	-	-	-	-	-	508,880	292,995	
Other	332,643	30,036	5,474	-	-	100	23,007	-	-	97,288	529,436	782,680	
	918,380	77,693	828,193	235,470	137,955	78,864	23,007	1,784,610	4,791,511	7,271,528	16,776,473	12,365,619	
Expenses													
Salaries and Wages	1,253,579	41,460	560,734	13,419	101,460	249,329	187,355	124,967	562,412	-	3,857,671	3,743,885	
Goods and Services	684,428	1,116,833	513,560	292,643	20,357	12,808	63,731	857,409	550,791	-	4,551,237	4,296,248	
Debt Financing	199,575	10,071	-	-	-	-	-	-	59,394	-	269,040	280,661	
Amortization	153,062	-	558,810	-	-	-	-	239,173	549,784	589,251	2,090,080	2,104,131	
Other	73,796	-	-	4,758	-	-	-	23,753	19,508	-	124,315	274,898	
	2,364,440	1,168,364	1,633,104	310,820	121,817	262,137	251,086	1,245,302	1,741,889	589,251	10,892,343	10,699,823	
Total	\$ (1,446,060)	\$ (1,090,671)	\$ (574,871)	\$ (804,911)	\$ (75,350)	\$ 16,138	\$ (228,079)	\$ 539,308	\$ 3,049,622	\$ 6,682,277	\$ 5,884,130	\$ 1,665,796	

NOTICE TO READER

On the basis of information provided by management, you have compiled the Schedule of Provincial COVID 19 Safe Restart Grant Utilization for the Town of Creston as at December 31, 2020.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that this schedule may not be appropriate for their purpose.

Apex Accounting

Chartered Professional Accountants

Creston, BC
May 11, 2021

Town of Creston
Schedule of Provincial COVID 19 Safe Restart Grant Utilization
Year Ended December 31, 2020
(unaudited)

SCHEDULE 4

COVID 19 Safe Restart Grant Revenue	\$ 1,648,000
Operating Costs	
Supplies	15,251
Extra Cleaning Labour	61,924
Emergency Operations Centre	17,764
Communications	8,811
IT Improvement	31,863
Community Services	5,000
Equipment Rentals & Costs	10,451
Fire Department Costs	6,948
Sick Pay	9,237
Total	<u>167,249</u>
Remaining Grant Funds (included in General Fund Surplus)	<u><u>1,480,751</u></u>

CRESTON  VALLEY

TOWN of CRESTON