

# 2021 ANNUAL REPORT





## Creston at a Glance

### Average House Value in 2021\*

**Creston** \$286,608

**British Columbia** \$1,387,313

### Taxes and Utilities on the Average House\*

**Creston** \$4,034

**British Columbia** \$6,359

\* 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 average house values in British Columbia.



#### Building Developments

**71**

Building Permits  
Issued in 2021

Total Construction Value  
\$11.5 million



#### Community Grants

**\$32**

Thousand  
in Funding  
Issued in 2021



#### Business Opportunities

**540**

Licenses  
Issued  
in 2021



#### Property Assessments

**\$994**

Million  
in 2021  
26.5% increase  
from 2020

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# INTRODUCTIONS



## Message from the Mayor

On behalf of Town Council and staff, it is my pleasure to introduce the Town of Creston's 2021 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 2021 was a globally unprecedented year as the world continued to navigate the COVID-19 pandemic, our community continued to respond 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, and how they have continued to do so throughout the COVID-19 pandemic.

Although certainly, 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 – incredible people like our first responders, our essential workers, and the natural beauty of our surroundings. We 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 brought about by the COVID-19 pandemic, 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. Here are just a few of the highlights from 2021:

### Traditional Territory Acknowledgement

The Town of Creston's First Nations Traditional Territory Acknowledgement Policy, adopted by Council in March 2021, was an important milestone in our journey towards reconciliation. Chief Jason Louie and I worked on the wording of the policy for several months, and it was so meaningful to have him attend our Council meeting to support its adoption. I am honoured and humbled every time I provide the traditional territory acknowledgement to open all of our Town of Creston Council and public meetings and events, as it speaks to the connection and friendship that exists between the Town of Creston and the Yaqan Nukiy.

### COVID-19 Global Pandemic

The Town of Creston activated our Emergency Operations Centre (EOC) on March 19, 2020 to ensure a coordinated response to this unprecedented event. In 2021, we continued to work closely with a number of external agencies including Interior Health, BC Emergency Health Services, School District #8, Creston RCMP, Border Services and more. Throughout 2021, our EOC Communications team continued to consistently share information received from our provincial and federal governments, and be a trusted resource for our citizens.

### Permanent Bio-Solids Handling System

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. Thanks to nearly \$3 million in federal and provincial grant funding received through the Strategic Gas Tax, with additional funding from the Columbia Brewery and our sewer reserve fund (approximately \$1 million), the permanent bio-solids handling system for the Town of Creston's wastewater treatment plant was completed in April 2021.

### 2021 By-Election

In September 2021, the Town of Creston held a by-election to fill two vacant Town Councillor positions. Despite logistical and voter turnout challenges that came about as a result of the pandemic, we had a voter turnout of approximately 28.6% for this by-election which is quite high for Creston (by comparison, the 2017 by-election for one Town Councillor position had a voter turnout of 14.8%). Norm Eisler and Keith Baldwin were elected, and have been a great complement to our Council team.

Although 2021 was another year of challenges like no other, I am so appreciative of the many opportunities that have emerged to connect with and engage our community. The Annual Report is one of our most valuable communication tools, and we take great pride in being able to showcase some of the projects, planning and hard work that happens here in the Town of Creston despite unforeseen circumstances. We are all better, stronger and resilient when we work together, and the accomplishments highlighted in this Annual Report are a reflection of the unbreakable spirit of this community.

Thank you for taking the time to review our Annual Report. 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 Keith Baldwin



Councillor Jen Comer



Councillor Arnold DeBoon



Councillor Norm Eisler



Councillor Jim Elford



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 2021.



**RON TOYOTA**  
MAYOR



**KEITH BALDWIN**  
COUNCILLOR



**JEN COMER**  
COUNCILLOR



**ARNOLD DEBOON**  
COUNCILLOR



**NORM EISLER**  
COUNCILLOR



**JIM ELFORD**  
COUNCILLOR



**JOANNA WILSON**  
COUNCILLOR



## Message from the Chief Administrative Officer

With a sense of accomplishment, pride and optimism, I am pleased to present the 2021 Annual Report on behalf of Town of Creston Staff. The Town's Annual Report is an opportunity to reflect on the excellent work that has been completed in the past year to support and carry out Council's Strategic Plan and individual Department Work Plans. Furthermore, the report provides residents with an overview of the Town's finances as of December 31, 2021. Throughout the year, Council and Staff focused on delivering the key initiatives outlined in the 2020-2022 Strategic Plan that was developed in early 2020 by Council. While many excellent projects were initiated during Council's term, without question, the significant advancement of the Creston Emergency Services Building, Crawford Hill Reservoir Restoration and Zoning Bylaw rewrite are highlights of a challenging year while still navigating through the COVID-19 pandemic. The work and dedication of our Town staff is truly remarkable. Our team has remained committed to achieving the strategic goals set out by Council in the Corporate Strategic Plan 2020-2022. These goals are focused on Community Safety, Livability, Economic Health, and Service Excellence.

I want to acknowledge the leadership of Mayor and Council – I am especially proud of the role that our elected officials played in the past two years. Challenged with a pandemic in March 2020 and through 2021, the municipality needed to navigate the “new normal” while remaining committed to service excellence for our citizens. Mayor and Council continued to provide leadership in advancing key projects which will shape the Town of Creston decades into the future.

Construction on the Creston Emergency Services Building began in May 2021 and faced unprecedented challenges created by the pandemic. This building will serve as a pillar to community safety for 50 years and beyond, with completion by August 2022. The Crawford Hill Reservoir Restoration project turned approximately 10 acres of unusable municipal land into wetlands and will be officially opened as a public space for the community in the first half of 2022. This new public open space will provide a closer connection to nature right within the community for our current and the next generation of citizens. The work in 2021 towards updating our Zoning Bylaw to align with our Official Community Plan will create improved land use policies for new housing opportunities for a more affordable future.

As we move into 2022, emerging issues continue to challenge the municipality, including affordable housing, inflation and climate change. Collectively, we – Council and Town Staff – will continue to think of the future as we strive to make our community a better place for everyone. We will continue to plan strategically to ensure our community assets and infrastructure remain the foundation of the vibrant community we live in. We will foster growth in our community while continuing to maintain livability for our citizens.

We have an excellent foundation on which to grow and we're ready for the opportunity!



**Mike Moore**  
Chief Administrative Officer

## Message from the Director of Finance & Corporate Services



As the Director of Finance and Corporate Services, it is my pleasure to present the 2021 Annual Report for the Town of Creston, the financial audit report prepared by Apex Accounting, Chartered Professional Accountants, and the Consolidated Financial Statements for the year ended December 31, 2021.

The annual report is divided into three sections:

**Introduction:** An organizational overview and the nature and scope of the services provided.

**Department Reports:** Summary of last year's activities and accomplishments.

**Financial:** The 2021 audited consolidated financial statements, notes, supplementary schedules, and auditor's report.

The Town maintains a system of controls for financial statement reliability and protection of municipal assets. The system includes managing budget preparation, financial transactions, authorized investments, and accurate accounting, as directed by Council.

The finance department is responsible for the preparation and presentation of the financial statements and related information in the annual report, as well as providing support to the external auditors during the audit process. The consolidated financial statements were prepared by the finance department in accordance accounting principles recommended by the Public Sector Accounting Board (PSAB) of the Canadian Professional Accountants and audited by the external auditors.

### 2021 OPERATING RESULTS

The consolidated annual surplus was \$2,198,089 less than budgeted; two primary reasons include a \$1 million grant not received, and delaying implementation of contract fire service to RDCK (Canyon-Lister Fire Department) to 2022. The General Fund surplus was \$640,000 higher than budgeted. The surplus is the net result of the Town's financial activities for the year. The consolidated financial statement is the summary of all transactions and used to show the financial changes to its readers.

The revenue sources include \$5.62 million in taxation and grants, \$2.59 million in fees, charges and miscellaneous revenue, \$3.35 million utility fees, and \$1.8 million in government transfers. While revenue was \$3.15 million lower than 2020, this is due to \$3.22 million lower government transfers and a \$509,000

decrease in developer contributions. The decreased revenue was offset by \$146,000 increase in utility fees and \$174,000 in property taxes.

Operating expenditures were under budget by \$487,000. Some of this amount will be utilized to fund incomplete 2021 projects in 2022. The remainder is savings and will form part of the surplus for funding future operational and capital projects. While budgets are tools to manage municipal expenditures, it is, however, a forecast. During a budget cycle, variances are experienced due to external and internal factors. If a budget overage is expected, savings in other areas are sought to meet the overall budget target.

In comparison, the annual surplus was unusually high for 2020 at \$5.88 million due to government grants and developer contributions received. While the 2021 surplus is notably less, it is higher than prior years.

### **CAPITAL SPENDING AND RESERVES**

An estimated \$175 million (replacement value) of assets will eventually need to be upgraded or replaced. Council and staff are constantly challenged to maintain and replace this infrastructure in an economically sustainable manner. This on-going asset management planning seeks to keep taxation and borrowing to a minimum. See Schedule 1 in the financial statements for capital assets split by category and values at historical cost.

In 2021, \$7.15 million of capital assets were added, which is more than double the past three-year average. The largest categories include \$2.42 million of Work in Progress (WIP) for the Creston Emergency Services Building (CESB), \$3.80 million for solids handling at the wastewater treatment plant, \$293,000 for roads and sidewalk improvements, and \$187,000 for vehicle / equipment replacement.

### **LONG-TERM DEBT**

The long-term debt outstanding at December 31, 2021 was \$6.56 million, \$2.61 million higher than 2020. The increase was due to borrowing \$3.0 million for the CESB and offset by principal repayments made during the year. Only 13.3% of the \$522,000 total debt payments (\$69,500) are paid by property taxes or user fees. FortisBC pays for the prepaid capital lease loans, and the Columbia

Brewery pays for a large portion of the wastewater treatment plant loan. While this amount paid by taxes will increase in 2022 from the CESB debt payments, about half CESB debt payments are paid by the RDCK areas being serviced from the new building.

### **COVID-19 and CRESTON EMERGENCY SERVICES BUILDING**

The COVID-19 pandemic was a life changing event for all of us. The Town of Creston maintained services with minimal disruption and continue to follow Provincial health orders and guidance to protect the public, staff and essential services. The pandemic caused minimal financial impact as the Town is not reliant on user revenue sources such as transit fees or parking revenue. The Town did receive a \$1.65 million Covid-19 Safe Restart Grant in 2020 from the Province and Federal Government to assist in offsetting impacts of the pandemic to limit these costs being funded through increased taxation. The most significant cost increase caused by the pandemic related to construction materials which change the capital cost of projects. To keep the borrowing for the CESB (fire hall) at \$4.5 million, a portion of this Covid-19 grant was used to offset higher costs associated to the pandemic. The original CESB construction cost was estimated at \$5.5 million pre-pandemic. The required budget amount was adjusted to \$8 million in late 2021 to accommodate these increases.

In summary, the Town is in a positive financial position. Staff continue to be innovative and creative in terms of service delivery in implementing community expectations and Council priorities. Financial accountability is maintained while being sensitive to public needs. Staff are directed by Council to preserve current service levels and community infrastructure while dealing with external economic challenges.



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

# Organizational Structure & Senior Staff (as of December 2021)



Chief Administrative Officer.....Mike Moore	Fire Chief.....Jared Riel
Director of Community Services.....Ross Beddoes	Assistant Fire Chief.....Laura Dodman
Municipal Services Coordinator.....Joel Comer	Fire Service Support Supervisor.....Randall Fabbro
Director of Finance & Corporate Services.....Steffan Klassen	Corporate Officer.....Kirsten Dunbar
Director of Infrastructure Services.....Ferd Schmidt	Executive Assistant/Human Resources.....Marsha Neufeld
Manager of Engineering.....Colin Farynowski	Local Government Management Intern.....Natasha Ewashen
Public Works Superintendent.....Brad Zieffle	Communications Coordinator.....Brandy Dyer



**Left to right:** Joel Comer, Brad Zieffle, Mike Moore, Brandon Vigne, Natasha Ewashen, Colin Farynowski, Kirsten Dunbar, Steffan Klassen, Brandy Dyer, Ross Beddoes, Marsha Neufeld, Ferd Schmidt.



**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, Local Government Management Intern, 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 are imperative to our 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.



**Left to right:** Councillor Jim Elford, Councillor Norm Eisler, Mayor Ron Toyota, Councillor Jen Comer, Councillor Keith Baldwin, Councillor Arnold DeBoon **Missing:** Councillor Joanna Wilson



# 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](http://www.creston.ca) for information regarding dates and times of meetings.



### In 2021 Council held:

**24**

Regular  
Council  
Meetings

**1**

Special  
Council  
Meeting

**11**

Regular  
Committee of the  
Whole Meetings

**8**

Special  
Committee of the  
Whole Meetings



### During the Regular & Special Meetings, Council:

Adopted

**7**

Corporate Policies

Adopted

**16**

Municipal Bylaws

Passed

**451**

Resolutions

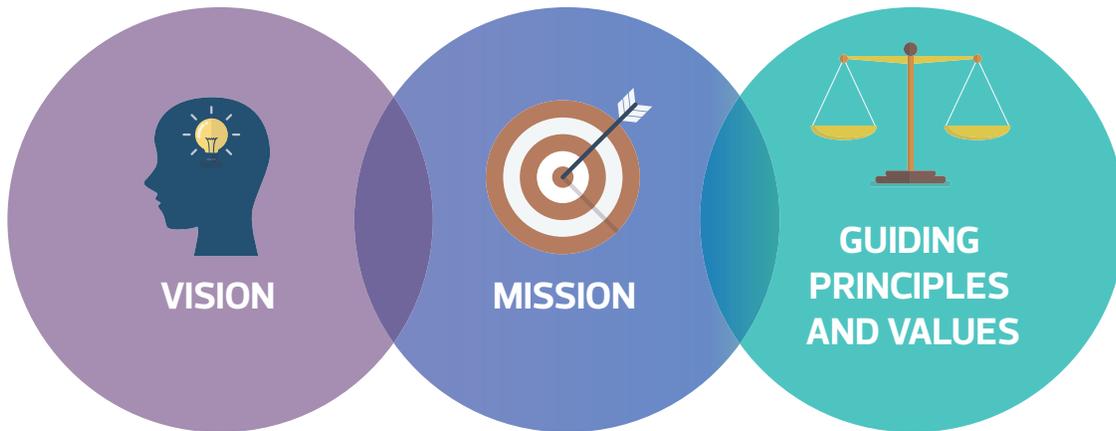
Council Collectively Attended

**226**

Council, Board, Committee, and Commission Appointments

**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 2021 Council, Board, Committee, and Commission Appointments

## Government Related Agencies – 2021

### Arrow Creek Water Treatment & Supply Commission

Representative.....Councillor Elford  
 Alternate.....Councillor DeBoon

### Creston Valley Services Committee

Representative.....Councillor Comer  
 Alternate.....Councillor Elford

### Creston Valley Health Working Group

Representative.....Mayor Toyota  
 Alternate.....None

### East Resource Recovery Commission (RDCK)

Representative.....Councillor DeBoon  
 Alternate.....Councillor Comer

### Economic Action Partnership (EAP)

Representative.....Councillor Comer  
 Alternate.....Councillor Elford

### Kootenay East Regional Hospital District

Director.....Mayor Toyota  
 Alternate Director.....None

### Emergency Operations Centre

EOC Director.....Chief Administrative Officer  
 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.....Councillor Comer  
 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 Wilson
Creston Valley Chamber of Commerce	
Representative .....	Councillor Wilson
Creston Valley Community Housing Society	
Representative .....	Councillor Wilson
Alternate.....	None
Creston Valley Community Network Society	
Representative.....	Councillor Wilson
Creston Valley Trails Society	
Representative .....	Councillor DeBoon

## Other Organizations

Creston Valley Forest Corporation	
Director.....	Councillor Elford
BC Transit	
Representative .....	Mayor Toyota
Representative .....	None
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 Wilson
Member.....	Councillor Elford
Member.....	Director of Finance & Corporate Services
Cemetery Advisory Committee	
Members.....	Mayor Toyota and Councillor DeBoon

## 2021 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
- Multi-modal 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 multi-modal 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 its 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



INCORPORATED  
1924



# 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.



**7504**

Total Hours Worked by  
Volunteer Firefighters

**607**

Total  
Emergency  
Responses

**2497**

Hours for  
Training

**142**

Fire  
Responses

**317**

Medical  
Responses

**74**

Rescue  
Responses

**55**

Public Service  
Responses

**9**

Provincial Wildfire  
Deployment

**10**

Hazardous Materials  
Responses

**173**

Total Number of  
Municipal Bylaw Incidents

**2671**

Hours at  
Emergency Incidents

**912**

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.



6

Development  
Permit Applications  
Received

15

Subdivision  
Applications  
Received

31

Residential Units  
Created  
(includes secondary suites)

481

Building  
Inspections  
Performed

\$8  
MILLION

Total Value of  
Residential  
Construction

\$4  
MILLION

Total Value of  
Commercial,  
Institutional, and  
Governmental

\$38  
MILLION

Total Value of  
Residential  
Construction  
2012 - 2021

\$18  
MILLION

Total Value of Commercial,  
Institutional,  
& Governmental  
Construction 2012 - 2021



### Zoning or OCP Bylaw Amendments Requiring a Public Hearing:

1

Zoning  
Amendments

1

Combined Zoning/  
OCP Amendments



**2021 Project Highlights**

Crawford Hill Reservoir Restoration (Planning, Consultation)



Public Art Installed – Salmon Dance

Public Art Installed- Steampunk Owl

Wild North Brewing Company - 125 16 Ave N.

Duplexes in Hawkview



# 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.



## 2021 Projects

**\$218**  
THOUSAND

Water Projects

**\$1.26**  
MILLION

Sewer Projects

**\$300**  
THOUSAND

Road Projects

**\$127**  
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

**59**  
KILOMETRES

Sanitary Sewer Pipe

**6**  
KILOMETRES

Trails

**17**  
KILOMETRES

Sidewalks



Storm main replacement on 16th south and Dogwood street ▲ ▼



**2021 Project Highlights**

Vehicle replacement in 2021 - tractor and pipe truck. Total price for both \$87,873.53. ▼





## 2021 Feature Project



### Road Repair on 16th Avenue South and Cook Street

The hot-in-place asphalt repair (HIPAR) on 16th Avenue South and Cook Street was one of the largest jobs completed in 2021.

0.82 km of road was repaired on 16th Avenue South from Canyon to Erickson Road, and 0.52km on Cook Street from 10th Avenue to 16th Avenue South. Total project cost was \$276,323.25.

There were significant savings per meter as we were able to receive reduced pricing from the Misinistry of Transporation and Infrastruture due to the HIPAR work completed on Highway #3.



## 2021 Feature Project



### Creston Emergency Services Building

The Creston Emergency Services Building project began in spring 2021. The structure was built from pre-fabricated concrete panels. Electrical and mechanical underground services were installed on the inside of the building, the front apparatus driveway was poured with concrete, and the roof was completed on the administrative side of the building.

While there were some project challenges due to the pandemic, the project is set for completion in the fall of 2022.

## Parks & Green Spaces

The Town of Creston maintained twelve parks/green spaces in 2021 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, or a place for celebrations, we've got you covered.

11th Avenue Walkthrough Park



Downtown Greenspace

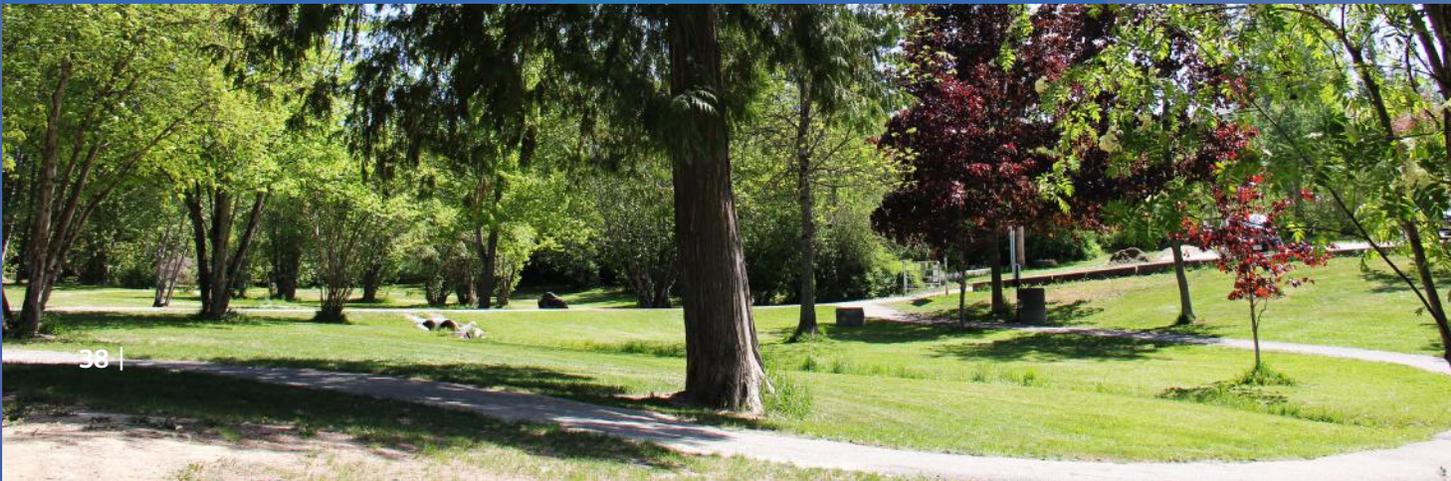


Staking Park



Rotary Park

Schikurski Park

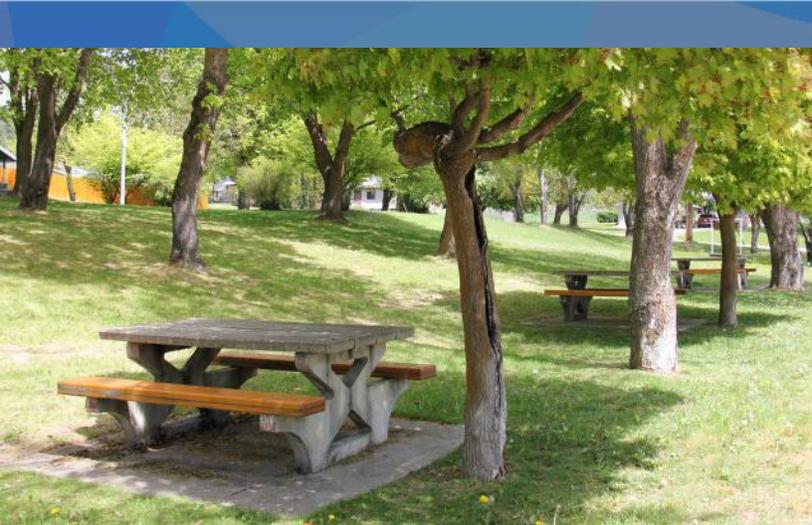




Centennial Park



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

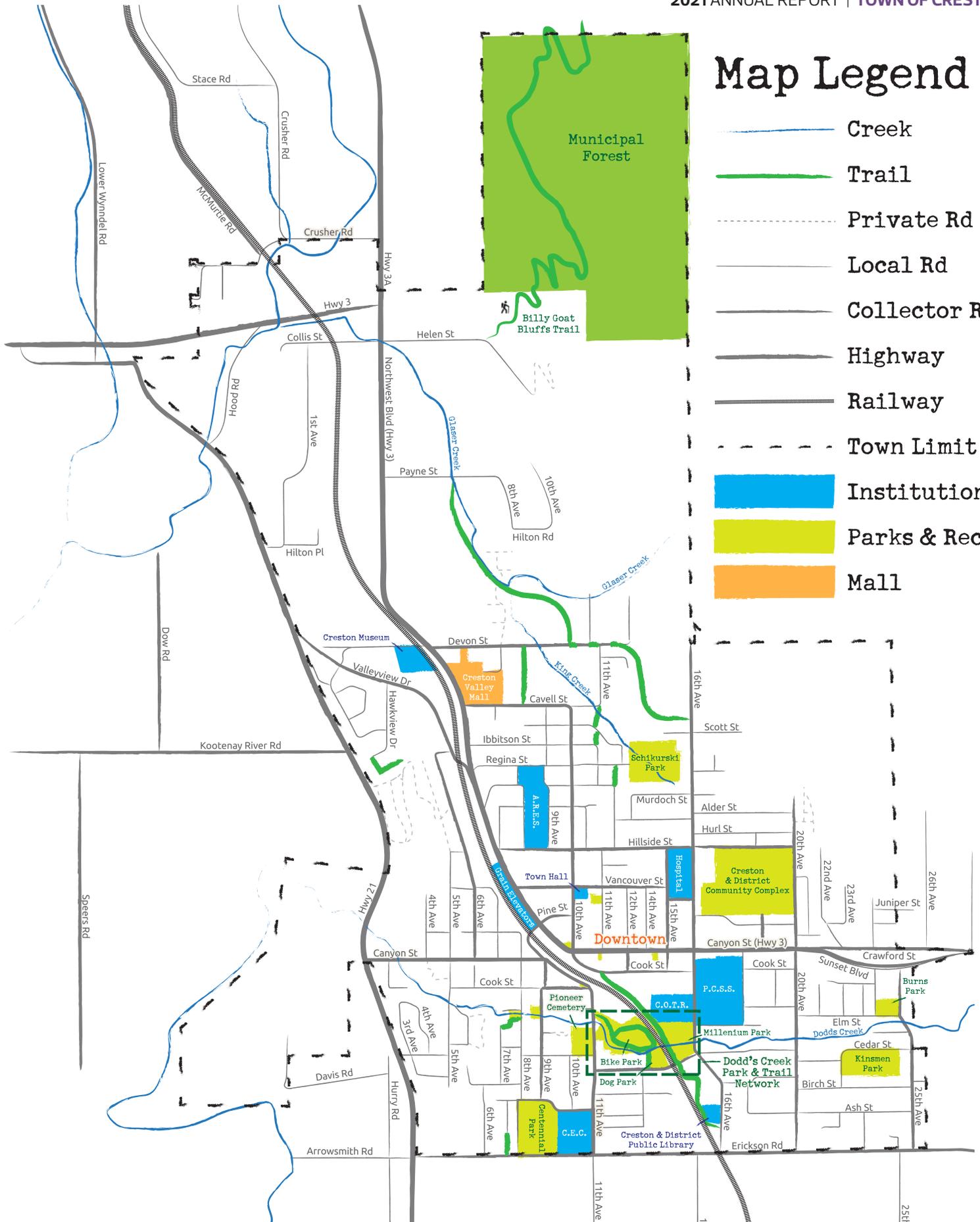
The Town of Creston maintained seven municipal trails in 2021 which include:

- Billy Goat Bluffs Hiking Trail
- 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 2021, 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



## Finance & Corporate Services

The Finance & Corporate Services Department is responsible for providing a full range of financial services including: budgeting, financial control and reporting, payroll, accounts payables / receivables, 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.



**\$9.8**

MILLION

Property Tax  
Collected

**12**

THOUSAND

Phone  
Inquiries

**\$3.4**

MILLION

Water/Utilities  
Collected

**\$15.4**

MILLION

Total  
Revenues

**\$11.4**

MILLION

Operating  
Expenses

**\$1.8**

MILLION

Total Grants and  
Transfers Received

**512**

Business  
Licenses  
Issued

**447**

Animal  
Licences  
Issued

**9,056**

Total Receipt  
Payments  
Processed

## 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 2021	Tax Value of Total Exemption for 2021
Seventh-Day Adventist Church	713 Cavell Street	00020.075	1118.67	2335.86
Christ Church Anglican (Synod of Diocese of Kootenay)	422 – 7th Avenue N.	00061.020	251.79	525.76
Creston Trinity Housing Society	136 10th Avenue N	00129.000	3516.85	7101.20
Trinity United Church (Trustees Congregation Creston)	128 – 10th Avenue N.	00131.040	4259.89	8894.92
St. Stephens Presbyterian Church	306 Northwest Blvd.	00159.010	1266.66	2644.87
St. Stephens Presbyterian Church	314 Northwest Blvd.	00160.000	318.59	643.30
Creston Valley Seniors Association	810 Canyon Street	00180.000	1435.72	2997.88
Valley Community Services Society	915 Pine St.	00183.020	3863.19	8110.02
Kootenai Community Centre Society	806 Cook St	00190.120	654.66	1321.88
Creston Valley Gleaners Society	807 Canyon Street	00193.010	2901.71	6091.58
Creston Valley Gleaners Society	113 8th Avenue N	00213.030	2566.11	5387.05
Cresteramics Society for the Handicapped	921 Railway Blvd	00290.100	2019.00	4238.51
Kootenay Employment Services Society (Day Care)	419 4th Ave S	00384.900	1648.46	3328.56
Creston & District Chamber of Commerce	121 Northwest Blvd	00412.100	3857.79	8098.70
Valley Community Services Society	617 11th Ave S	00417.010	411.09	858.38
Kootenay Employment Services Society	119–11th Avenue	00540.000	3662.48	7688.67
Kootenay Employment Services Society	123–11th Avenue	00541.000	2669.70	5604.53
Royal Canadian Legion, Branch 29	137 – 11th Ave. N.	00544.000	547.77	1143.79
Royal Canadian Legion, Branch 29	137 – 11th Ave. N. Canteen	00544.000	1807.50	3794.49
Creston Judo Club	Suite B4 – 1230 Canyon St	00637.000	925.87	1943.69
Redeemer Lutheran Church of Creston	305 – 15th Avenue N.	00672.000	316.02	659.88
Kootenai Community Centre Society	1508 Cook Street	00705.000	225.07	454.46
Kootenai Community Centre Society	1508 Cook Street	00705.000	1451.39	3046.92
Town of Creston	1411 Canyon Street	00722.000	880.55	1848.54
Creston New Life Christian Church	1821 Elm Street	00757.269	864.36	1814.56
Roman Catholic Bishop of Nelson (Holy Cross Parish)	1709 Pine Street – Land	00757.337	662.88	1338.48
Roman Catholic Bishop of Nelson (Holy Cross Parish)	128 – 16th Avenue N.	00757.376	4215.70	8802.65
Creston Valley Gymnastics Club	1714 Canyon Street	00757.556	1489.16	3126.21
Creston Valley Community Housing Society	215 25th Ave S	00758.138	1646.92	3325.44
Grace Christian Fellowship Society	2416 Cedar Street	00758.160	294.44	614.81
Creston Baptist Church of Creston	2423 Ash Street	00758.442	226.10	472.11
Creston Baptist Church of Creston	605 – 25th Avenue S.	00758.825	763.08	1593.36
Canadian Pacific Railway Co and Town of Creston	Highway 3	00768.500	226.61	475.73
Creston & District Historical & Museum Society	219 Devon Street	05025.000	5596.23	11748.21
Creston & District Historical & Museum Society	323 Devon Street	05030.000	12.95	27.18
Creston & District Historical & Museum Society	323 Devon Street	05030.000	253.85	530.05
Trustees Creston Jehovah Witnesses	1323 Northwest Blvd.	05109.000	719.40	1502.16
The Church of God in Christ and (Mennonite)	1152 Highway 21	05205.200	796.48	1663.10
<b>Total</b>			<b>\$60,344.69</b>	<b>\$125,797.46</b>



1.22	1.27
0.90	0.90
0.42	0.42
0.30	0.30
0.60	0.60
-0.04	-0.04
-2.30	-2.30
-0.20	-0.20
-0.65	-0.65
-0.78	-0.78
-2.12	-2.12
-0.52	-0.52
-1.11	-1.11
0.06	0.06
0.42	0.42
0.00	0.00
0.52	0.52
-0.01	-0.01
-0.13	-0.13
-0.12	-0.12
-0.82	-0.82
1.50	1.50
1.80	1.80
2.20	2.20
1.40	1.40

16.01.2013		
11:15:42	12.00	
16.01.2013	10.44	
11:15:33	-4.87	
16.01.2013	-14.7	
11:15:45		
16.01.2013		
11:15:32		
16.01.2013		
11:15:32		
16.01.2013		
11:15:20		



# 2021 FINANCIAL STATEMENT



# Town of Creston

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**FINANCIAL STATEMENT  
2021**

# TOWN OF CRESTON

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DECEMBER 31, 2021

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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 Accountants, 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 10, 2022

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## INDEPENDENT AUDITORS' REPORT

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### 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, 2021, 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, 2021, 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.



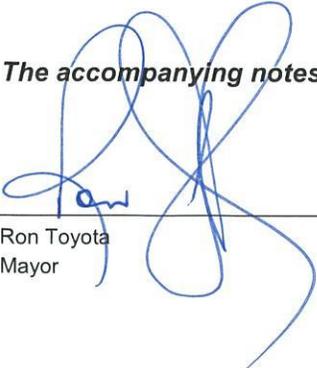
**Chartered Professional Accountants**

Creston, BC  
May 10, 2022

**Town of Creston**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2021**

	2021	2020
<b>Financial Assets</b>		
Cash and investments (Note 2)	\$ 11,900,433	\$ 10,827,535
Accounts receivable (Note 3)	843,364	1,044,084
MFA deposits (Note 4)	341,478	265,732
Loans receivable (Note 5)	2,092,980	2,103,175
	<u>15,178,255</u>	<u>14,240,526</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	2,766,695	1,877,982
Deferred revenue (Notes 7 & 8)	1,314,083	932,496
Development cost charges (Note 9)	592,460	561,417
Reserve MFA	341,478	265,732
Long-term debt (Note 11)	6,566,512	3,953,112
	<u>11,581,228</u>	<u>7,590,739</u>
<b>Net Financial Assets</b>	3,597,027	6,649,787
<b>Non-financial assets</b>		
Tangible capital assets (Notes 1 & 12, Schedule 1)	48,901,006	43,878,279
Property Purchase Deposit (Note 19)	204,103	-
Supply inventory	327,652	325,577
Prepaid expenses	130,678	108,734
	<u>49,563,439</u>	<u>44,312,590</u>
<b>Accumulated surplus</b>	<u>\$ 53,160,466</u>	<u>\$ 50,962,377</u>
<b>Represented by:</b>		
Operating fund (Schedule 2)	9,562,679	9,794,399
Capital fund (Schedule 2)	1,086,996	1,086,996
Statutory reserve fund (Schedule 2)	176,289	155,808
Equity in tangible capital assets (Note 13)	42,334,502	39,925,174
	<u>\$ 53,160,466</u>	<u>\$ 50,962,377</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, 2021**

	2021 Budget	2021	2020
<b>Revenue</b>			
Property Taxes (Note 14)	\$ 5,600,762	\$ 5,605,053	\$ 5,430,944
Grants in Lieu of Taxes	6,200	9,743	7,562
Sale of services (Note 15)	2,181,068	2,002,698	1,768,513
Government transfers (Note 17)	2,757,298	1,795,544	5,017,700
Investment income	114,000	279,439	312,547
Utility user fees and connection charges	3,336,786	3,346,724	3,200,890
Developer Asset Contributions	-	-	508,880
Other	1,408,906	586,916	529,436
	<b>15,405,020</b>	<b>13,626,117</b>	<b>16,776,472</b>
<b>Expenses</b>			
General government	2,152,426	1,960,798	1,974,907
Municipal contribution for RCMP services	1,206,962	1,153,811	1,158,293
Protective services	1,605,408	1,360,438	1,204,133
Transportation	1,236,520	1,132,187	1,074,294
Health and Welfare	487,326	419,176	432,637
Recreation and Community Services	658,397	711,653	513,222
Water Services	1,066,811	1,117,306	1,006,129
Sewer Services	266,370	245,146	208,581
Waste water treatment plant operation	851,143	866,965	924,130
Debt financing	288,001	306,098	269,040
Bank Charges	3,100	5,306	4,995
Amortization (Note 1, Schedule 1)	2,070,000	2,118,900	2,090,080
Loss from sale/write down of tangible capital assets	-	7,608	9,265
Capital Lease (Note 18)	22,636	22,636	22,636
	<b>11,915,100</b>	<b>11,428,028</b>	<b>10,892,342</b>
<b>Annual surplus</b>	<b>3,489,920</b>	<b>2,198,089</b>	<b>5,884,130</b>
<b>Accumulated surplus at beginning of year</b>	<b>50,962,377</b>	<b>50,962,377</b>	<b>45,078,247</b>
<b>Accumulated surplus at end of year</b>	<b>\$ 54,452,297</b>	<b>\$ 53,160,466</b>	<b>\$ 50,962,377</b>

*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, 2021**

	2021 Budget	2021	2020
<b>Annual surplus</b>	\$ 3,489,920	\$ 2,198,089	\$ 5,884,130
Acquisition of tangible capital assets	(9,501,316)	(7,149,235)	(5,458,357)
Amortization of tangible capital assets	2,070,000	2,118,900	2,090,080
Loss from sale/write down of tangible capital assets	-	7,608	9,265
	(3,941,396)	(2,824,638)	2,525,118
Acquisition of supply inventory		(223,269)	(114,316)
Acquisition of prepaid expense		(148,086)	(138,819)
Deposit made on property purchase		(204,103)	-
Consumption of supply inventory		221,194	145,735
Use of prepaid expense		126,142	116,655
		(228,122)	9,255
<b>Increase (decrease) in net financial assets</b>	(3,941,396)	(3,052,760)	2,534,373
<b>Net financial assets at beginning of year</b>	6,649,787	6,649,787	4,115,414
<b>Net financial assets at end of year</b>	\$ 2,708,391	\$ 3,597,027	\$ 6,649,787

*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, 2021**

<b>(Indirect method)</b>	<b>2021</b>	<b>2020</b>
<b>Operating transactions:</b>		
Annual surplus	\$ 2,198,089	\$ 5,884,130
Non-cash and non-financial items:		
Amortization	2,118,900	2,090,080
Increase in prepaid expenses	(21,944)	(22,164)
Increase in Property Purchase Deposit	(204,103)	-
Decrease (increase) in supply inventory	(2,075)	31,417
Loss from sale/write down of tangible capital assets	7,608	9,265
Changes to financial assets/liabilities:		
Decrease in accounts receivable	200,720	35,807
Decrease (increase) in MFA cash deposits	(75,746)	15,511
Decrease in loan receivable	10,195	9,896
Increase in accounts payable	888,713	359,053
Increase (decrease) in deferred revenue	381,587	(23,954)
Increase in development cost charges	31,043	24,609
Increase (decrease) in other restricted revenue	75,746	(1,511)
Cash provided by operating transactions	5,608,733	8,398,139
<b>Capital transactions:</b>		
Acquisition of tangible capital assets	(7,149,235)	(5,458,357)
<b>Financing transactions:</b>		
Debt repayment	(259,286)	(280,264)
Proceeds of MFA Loan for Creston Emergency Services Building	3,000,000	-
Actuarial Adjustments	(127,314)	(123,612)
Cash applied to financing transactions	2,613,400	(403,876)
<b>Increase in cash and investments</b>	<b>1,072,898</b>	<b>2,535,906</b>
<b>Cash and investments at beginning of year</b>	<b>10,827,535</b>	<b>8,291,629</b>
<b>Cash and investments at end of year</b>	<b>\$ 11,900,433</b>	<b>\$ 10,827,535</b>
<b>Represented by</b>		
Bank deposits and petty cash	(1,200,499)	1,253,810
Investments	13,100,932	9,573,725
	<b>\$ 11,900,433</b>	<b>\$ 10,827,535</b>

**Town of Creston**  
**Notes to the Consolidated Financial Statements**  
**for the year ended December 31, 2021**

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**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. Unconditional government transfers are recognized upon receipt. 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, provision for contingencies, inventory valuation and obsolescence, impairment of long-lived assets, accrued liabilities, fair value of investments, pension plans, and deferred revenue. 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, 2021**

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**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, 2021**

**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, 2021.

**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**

	2021	2020
Restricted cash and investments		
Statutory Reserves (Schedule 2)	\$ 176,289	\$ 155,808
Restricted Revenues (Notes 8 and 9)	946,021	1,108,448
	<u>1,122,310</u>	<u>1,264,256</u>
Unrestricted cash and investments	10,778,123	9,563,279
<b>Total cash and investments</b>	<b><u>\$ 11,900,433</u></b>	<b><u>\$ 10,827,535</u></b>

**Town of Creston**  
**Notes to the Consolidated Financial Statements**  
**for the year ended December 31, 2021**

**3. Accounts Receivable**

	<b>2021</b>		<b>2020</b>
Property Taxes	\$ 301,225	\$	368,256
Other Governments	423,165		483,016
Trade and other	118,974		192,812
<b>Total accounts receivable</b>	<b>\$ 843,364</b>	<b>\$</b>	<b>1,044,084</b>

**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:

	<b>2021</b>		<b>2020</b>
Cash deposits	\$ 110,686	\$	79,189
Demand notes	230,792		186,543
	<b>\$ 341,478</b>	<b>\$</b>	<b>265,732</b>

**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, 2021 was \$67,979.

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**

	<b>2021</b>		<b>2020</b>
Other governments	\$ 638,529	\$	679,748
Accrued wages and benefits	716,413		541,368
Trade and other	1,411,753		656,866
	<b>\$ 2,766,695</b>	<b>\$</b>	<b>1,877,982</b>

**Town of Creston**  
**Notes to the Consolidated Financial Statements**  
**for the year ended December 31, 2021**

**7. Deferred Revenue**

	<b>2021</b>	<b>2020</b>
Prepaid taxes	\$ 139,922	\$ 89,776
Deposits	558,105	82,627
Federal gas tax (Note 8)	353,561	547,031
Other	262,495	213,062
	<b>\$ 1,314,083</b>	<b>\$ 932,496</b>

**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.

	<b>2021</b>	<b>2020</b>
Federal Gas Tax Agreement Funds		
Opening balance of unspent funds	\$ 547,031	\$ 729,300
Add: Amount received during the year	573,854	280,466
Interest earned	941	5,452
Less: Amount spent on eligible project costs	(768,265)	(468,187)
Closing balance of unspent funds	<b>\$ 353,561</b>	<b>\$ 547,031</b>

**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.

	<b>Opening Balance</b>	<b>Receipts</b>	<b>Interest</b>	<b>Transfers Out</b>	<b>Closing Balance</b>
Infrastructure DCC	\$ 413,230	\$ 21,139	\$ 3,797	\$ -	\$ 438,166
Parkland Reserve	148,187	4,745	1,362	-	154,294
	<b>\$ 561,417</b>	<b>\$ 25,884</b>	<b>\$ 5,159</b>	<b>\$ -</b>	<b>\$ 592,460</b>

<b>Reserve by Bylaw</b>	<b>Roads</b>	<b>Water</b>	<b>Sanitary</b>	<b>Storm</b>	<b>Parks</b>	<b>Total</b>
Duganville (BL 839)	\$ -	\$ 16,891	\$ 3,826	\$ 23,979	\$ -	\$ 44,696
Parks Reserve (BL 1264)	\$ -	\$ -	\$ -	\$ -	\$ 154,294	\$ 154,294
McLaren (BL 1331)	\$ -	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000
Alice Siding (BL 1463)	\$ 529	\$ 172,132	\$ 53,609	\$ 60	\$ -	\$ 226,330
Alice Siding (BL 1712)	\$ 93,959	\$ 16,505	\$ 38,054	\$ -	\$ 12,622	\$ 161,140
Grand Total:	<b>\$ 94,488</b>	<b>\$ 211,528</b>	<b>\$ 95,489</b>	<b>\$ 24,039</b>	<b>\$ 166,916</b>	<b>\$ 592,460</b>

**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, 2021, the balance of funds held in trust was \$224,580 (2020 - \$205,011).

**Town of Creston**  
**Notes to the Consolidated Financial Statements**  
**for the year ended December 31, 2021**

**11. Long-Term Debt**

Purpose	By-law	Remaining Term	Rate	2021	2020
<b>GENERAL FUND</b>					
<b>Debenture Debt</b>					
Prepaid Capital Lease	1769	2	4.93% ( a )	520,915	766,444
Emergency Services Building	1872	30	2.58% ( a )	3,000,000	-
Prepaid Capital Lease - Inter-fund borrowing (Note 5)				2,000,000	2,000,000
				5,520,915	2,766,444
<b>SEWER FUND</b>					
<b>Debenture Debt</b>					
Water Pollution BVF Cover	1734	5	3.65%	239,089	281,975
WWTP Upgrade	1707	7	3.15% ( a )	806,508	904,693
				1,045,597	1,186,668
				<b>\$ 6,566,512</b>	<b>\$ 3,953,112</b>

( 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
2022	212,885	119,064	331,949
2023	212,885	120,687	333,572
2024	71,098	122,368	193,466
2025	71,098	124,111	195,209
2026	71,098	125,918	197,016
2027 and subsequent	1,777,451	149,224	1,926,675
	2,416,515	761,372	3,177,887
Actuarial addition *	3,104,400	284,225	3,388,625
	<b>\$ 5,520,915</b>	<b>\$ 1,045,597</b>	<b>\$ 6,566,512</b>

\* 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, 2021**

**12. Tangible Capital Assets**

	<b>2021</b>		<b>2020</b>
	Net Book		Net Book
	Value		Value
Land	\$ 3,265,249	\$	3,253,612
Building	2,184,828		2,259,329
Machinery and Equipment	1,669,033		1,793,093
Engineering structures			
Water	8,222,660		8,233,217
Sewer	13,974,754		10,724,411
Drainage	2,303,258		2,241,047
Roads	6,868,410		7,133,980
Other	1,544,337		1,640,529
Other Tangible Capital Assets	2,831,632		2,984,694
WIP	6,036,845		3,614,367
<b>Total</b>	<b>\$ 48,901,006</b>	<b>\$</b>	<b>43,878,279</b>

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:

	<b>2021</b>		<b>2020</b>
Proof:			
Equity in Physical Assets, opening	\$ 39,925,174	\$	36,162,282
Add:			
Capital Acquisitions	7,149,235		5,458,357
Debt principal repayment	259,286		280,264
Actuarial Adjustments	127,315		123,616
Less:			
Net Proceeds from the issue of debt	(3,000,000)		-
Proceeds of Disposition			
Loss on Disposals	(7,608)		(9,265)
Amortization	(2,118,900)		(2,090,080)
	<b>\$ 42,334,502</b>	<b>\$</b>	<b>39,925,174</b>

**Town of Creston**  
**Notes to the Consolidated Financial Statements**  
**for the year ended December 31, 2021**

**14. Net Taxation**

	<b>2021</b>	<b>2020</b>
General Municipal purposes	\$ 4,785,903	\$ 4,617,188
Collections for other governments		
Provincial Education	1,835,589	1,547,758
Regional Hospital District - East Kootenay	307,081	217,833
Municipal Finance Authority	193	184
BC Assessment Authority	42,810	41,545
Regional District of Central Kootenay	2,786,691	2,649,692
	<u>9,758,267</u>	<u>9,074,200</u>
Transfers to other governments		
Provincial Education	1,835,589	1,547,758
Regional Hospital District - East Kootenay	307,081	217,833
Municipal Finance Authority	193	184
BC Assessment Authority	42,810	41,545
Regional District of Central Kootenay	2,786,690	2,649,692
	<u>4,972,363</u>	<u>4,457,012</u>
Net Municipal Taxes	4,785,904	4,617,188
Water and Sewer Funds - Frontage Taxes	819,149	813,756
	<u>\$ 5,605,053</u>	<u>\$ 5,430,944</u>

**15. Sale of Services, User Rates, Rentals**

	<b>2021</b>	<b>2020</b>
Sale of cemetery plots and burial charges	\$ 77,276	\$ 52,407
Regional District - cemetery	87,259	85,548
- fire protection and rescue	560,223	550,256
Provincial - fire suppression and rescue	108,250	16,996
Fines	46,368	55,473
Licences and permits	158,944	134,505
Rents	617,130	572,492
Solid Waste Collection and Disposal Fees	281,738	235,470
Concessions and franchises	65,510	65,366
Total	<u>\$ 2,002,698</u>	<u>\$ 1,768,513</u>

**16. Expenditure by Object**

	<b>2021</b>	<b>2020</b>
Goods and Services	\$ 4,589,042	\$ 4,551,237
Interest and Finance Charges	306,098	269,040
Salaries, wages and benefits	4,293,025	3,857,671
Amortization	2,118,900	2,090,080
Other	120,963	124,314
	<u>\$ 11,428,028</u>	<u>\$ 10,892,342</u>

**Town of Creston**  
**Notes to the Consolidated Financial Statements**  
**for the year ended December 31, 2021**

**17. Government Transfers**

		<b>2021</b>	<b>2020</b>
Federal:	Conditional transfers	\$ 1,202,794	\$ 2,787,897
	Unconditional transfers	-	-
Provincial:	Conditional transfers	18,750	3,064
	Unconditional transfers	574,000	2,226,739
Total		<u>\$ 1,795,544</u>	<u>\$ 5,017,700</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 (2022), 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 trusteed 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, 2021, the plan has about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any 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 2021, the Town paid \$281,065 (2020 - \$262,969) 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.

- 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.

**19. Commitments and Contingencies (Continued)**

- 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.
- e. The Town and School District No. 8 entered into a property purchase agreement in 2021 which closed on January 13, 2022. At December 31, 2021 the Town was committed to purchasing a portion of the land know as Kinsmen Park and had already made a \$204,103 deposit with the School District's attorney for its share of the property.

**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, 2021**

**21. Accumulated Surplus**

	2021	2020
Unappropriated Surplus/(Deficit)		
General Fund	\$ 1,685,669	\$ 2,688,445
Water Fund	2,296,525	2,077,611
Sewer Fund	1,794,036	1,897,555
Capital Surplus	1,086,996	1,086,996
	<u>6,863,226</u>	<u>7,750,607</u>
Less: Amount to be funded in future years (Internal debt)	(2,000,000)	(2,000,000)
Less: Non-financial component (prepaids & inventory)	(458,330)	(434,311)
Amount available to finance operations	<u>4,404,896</u>	<u>5,316,296</u>
Non-Statutory Reserves		
Operating Reserves	362,417	311,149
LILO	68,227	151,055
Operating Capital Replacement Reserves	3,355,805	2,668,584
	<u>3,786,449</u>	<u>3,130,788</u>
Statutory Reserves		
Property purchase reserve	-	-
Parking reserve	33,956	33,647
Water district reserve	142,333	122,161
	<u>176,289</u>	<u>155,808</u>
Subtotal	<u>8,367,634</u>	<u>8,602,892</u>
Equity in Tangible Capital Assets	<u>42,334,502</u>	<u>39,925,174</u>
Add back unappropriated surplus amounts not available to finance operations	2,458,330	2,434,311
	<u>\$ 53,160,466</u>	<u>\$ 50,962,377</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 2022.

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. COVID-19**

COVID-19 is still continuing to have an impact on the Town's operations. The way of life has been significantly impacted for all residents of Creston. In turn, the Town has had to alter the way it operates in order to be able to continue to provide the many essential services in the community. The Town has experienced revenue losses, some new operating expenses and increase costs for capital projects, those have been offset by Covid-19 Safe Restart Grant received from the Federal and Provincial Governments. The most significant impact experienced by the Town was increased cost of construction of the Creston Emergency Services Building, a significant amount of the overage has been offset by the Covid-19 Safe Restart Grant. The Town of Creston is endeavouring to keep operations functioning in a safe sustainable manner throughout this challenging time for all.

**23. Long-term Borrowing Subsequent to December 31, 2021**

On April 8, 2022, the Town of Creston, completed its borrowing for the new Creston Emergency Services Building. The borrowing was done on Creston's behalf by the Regional District Central Kootenay through the Municipal Finance Authority. The borrowing was for \$1,500,000 with a 30 year amortization. The interest rate was 3.36% for the initial 10 years. After 10 years, the bond will be refinanced at the market rate current at that time.

Schedule 1

**Town of Creston**  
**Consolidated Schedule of Tangible Capital Assets**  
**Year Ended December 31, 2021**

	Equipment/ Furniture/ Vehicles		Engineering Structures				Other Tangible Capital Assets		2021		2020	
	Land	Buildings	Water	Sewer	Drainage	Streets	Other	WIP	Total	Total	Total	
<b>Historical Cost:</b>												
Opening Balance	\$ 3,253,612	\$ 3,960,281	\$ 5,417,527	\$ 12,654,855	\$ 4,913,010	\$ 19,127,593	\$ 4,562,867	\$ 3,614,367	\$ 84,954,086	\$ 79,761,409		
Additions	11,636	28,530	237,807	3,799,308	126,711	293,115	42,056	2,422,478	7,149,235	5,458,357		
Disposals	-	-	(280,571)	(13,586)	-	-	-	-	(294,157)	(265,680)		
Closing Balance, Dec. 31	3,265,249	3,988,811	5,324,549	12,879,076	5,039,721	19,420,708	4,604,923	5,357,153	91,809,163	84,954,086		
<b>Accumulated Amortization:</b>												
Opening Balance	-	1,700,952	3,624,434	4,421,638	2,671,963	11,993,613	2,922,338	2,372,459	41,075,806	39,242,141		
Amortization Expense	-	103,031	311,653	240,756	64,500	558,685	138,248	153,062	2,118,900	2,090,080		
Effects of Disposals	-	-	(280,571)	(5,978)	-	-	-	-	(286,549)	(256,415)		
Closing Balance, Dec. 31	-	1,803,983	3,655,516	4,656,416	2,736,463	12,552,298	3,060,586	2,525,521	42,908,157	41,075,806		
<b>Net book value for year ended December 31, 2021</b>	<b>\$ 3,265,249</b>	<b>\$ 2,184,828</b>	<b>\$ 1,669,033</b>	<b>\$ 8,222,660</b>	<b>\$ 2,303,258</b>	<b>\$ 6,868,410</b>	<b>\$ 1,544,337</b>	<b>\$ 2,831,632</b>	<b>\$ 48,901,006</b>	<b>\$ 43,878,280</b>		

**Town of Creston**  
**Consolidated Schedule Surplus and Reserves**  
**Year Ended December 31, 2021**

**SCHEDULE 2**

	Balances, Beginning of Year	Contributions From Operations	Withdrawals for Capital Purposes	Withdrawals for Operating Purposes	Interest Earnings	Balances, End of Year
<b>OPERATING FUND SURPLUS</b>						
<b>SURPLUS</b>						
General Fund Surplus	\$ 1,207,694	\$ 308,033	\$ -	\$ -	\$ -	\$ 1,515,727
COVID 19 Safe Start Grant Surplus	1,480,751	-	(1,110,000)	(200,809)	-	169,942
Water Fund Surplus	2,077,611	437,621	(218,707)	-	-	2,296,525
Sewer Fund Surplus	1,897,555	785,078	(888,597)	-	-	1,794,036
	<u>6,663,611</u>	<u>1,530,732</u>	<u>(2,217,304)</u>	<u>(200,809)</u>	<u>-</u>	<u>5,776,230</u>
<b>NON STATUTORY RESERVES</b>						
LILO Reserve	151,055	56,810	(139,638)	-	-	68,227
Health Promotion & EDC Reserve	93,128	36,353	-	-	-	129,481
Green Initiatives Reserve	144,297	30,516	(39,590)	-	-	135,223
Engineering Reserve	66,875	384	-	-	-	67,259
Cemetery Operating Reserve	6,849	23,605	-	-	-	30,454
	<u>462,204</u>	<u>147,668</u>	<u>(179,228)</u>	<u>-</u>	<u>-</u>	<u>430,644</u>
<b>CAPITAL REPLACEMENT RESERVES</b>						
Public works equipment reserve	205,295	195,000	(104,422)	-	-	295,873
Fire equipment replacement reserve	267,338	116,877	-	-	-	384,215
Infrastructure Reserve	515,951	365,266	(125,500)	-	-	755,717
Wastewater treatment plant reserve	1,680,000	240,000	-	-	-	1,920,000
	<u>2,668,584</u>	<u>917,143</u>	<u>(229,922)</u>	<u>-</u>	<u>-</u>	<u>3,355,805</u>
<b>TOTAL OPERATING FUND SURPLUS</b>	<u>9,794,399</u>	<u>2,595,543</u>	<u>(2,626,454)</u>	<u>(200,809)</u>	<u>-</u>	<u>9,562,679</u>
<b>CAPITAL FUND SURPLUS</b>						
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>
<b>STATUTORY RESERVES</b>						
Property purchase reserve	-	-	-	-	-	-
Parking reserve	33,647	-	-	-	309	33,956
Water district reserve	122,161	19,050	-	-	1,122	142,333
	<u>155,808</u>	<u>19,050</u>	<u>-</u>	<u>-</u>	<u>1,431</u>	<u>176,289</u>
<b>TOTAL SURPLUS AND RESERVES</b>	<u>\$ 11,037,203</u>	<u>\$ 2,614,593</u>	<u>\$ (2,626,454)</u>	<u>\$ (200,809)</u>	<u>\$ 1,431</u>	<u>\$ 10,825,964</u>

Schedule 3

**Town of Creston**  
**Schedule of Consolidated Operations by Segment**  
**Year Ended December 31, 2021**

	General Government	Recreation and										2021 Total	2020 Total			
		Municipal Share of RCMP Costs	Health & Welfare			Community Services			Water Utility	Sewer Utility	Unallocated					
			Protection Services	Transportation	Sanitation and Waste Removal	Cemetery Services	Community Planning	Recreation								
<b>Revenue</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Taxation	560,620	97,583	703,581	-	3,800	281,738	164,535	125,332	-	-	388,365	430,784	4,795,647	5,614,796	5,438,506	
Sale of services and rents	3,135	-	268,020	520,481	-	-	-	4,785	-	-	-	-	65,509	2,002,698	1,768,513	
Government transfers	37,038	-	-	-	-	-	-	-	-	-	19,092	21,499	574,000	1,795,544	5,017,700	
Investment income	-	-	-	-	-	-	-	-	-	-	1,326,520	2,020,204	201,872	279,501	312,548	
Utility user fees and connection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	3,346,724	3,200,890	
Development Cost Charge Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Developer Asset Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	244,130	25,959	16,365	28,146	-	-	-	400	196,577	-	-	-	75,277	586,854	508,880	
	844,923	123,542	987,966	552,427	281,738	164,535	130,517	196,577	1,733,977	2,897,610	5,712,305	13,626,117	16,776,473	16,776,473	16,776,473	
<b>Expenses</b>																
Salaries and Wages	1,304,992	24,912	886,758	611,866	13,712	104,463	308,862	273,787	216,943	546,730	-	-	-	4,293,025	3,857,671	
Goods and Services	623,807	1,128,899	471,180	520,322	277,603	17,467	53,826	75,179	875,950	544,809	-	-	-	4,589,042	4,551,237	
Debt Financing	188,147	60,150	-	-	-	-	-	-	-	57,801	-	-	-	306,098	269,040	
Amortization	153,062	-	-	558,685	-	-	-	-	240,756	548,965	617,432	-	-	2,118,900	2,090,080	
Other	67,550	-	2,500	-	5,931	-	-	-	24,413	20,569	-	-	-	120,963	124,315	
	2,337,558	1,213,961	1,360,438	1,690,873	297,246	121,930	362,688	348,966	1,358,062	1,718,874	617,432	11,428,028	10,892,343	10,892,343	10,892,343	
<b>Total</b>	\$ (1,492,635)	\$ (1,090,419)	\$ (372,472)	\$ (1,138,446)	\$ (15,508)	\$ 42,605	\$ (232,171)	\$ (152,389)	\$ 375,915	\$ 1,178,736	\$ 5,094,873	\$ 2,198,089	\$ 5,884,130	\$ 5,884,130	\$ 5,884,130	

**Town of Creston****SCHEDULE 4****Schedule of Provincial COVID 19 Safe Restart Grant Utilization  
Year Ended December 31, 2021**

	2021	2020
Beginning Balance	\$ 1,480,751	\$ -
COVID 19 Safe Restart Grant Revenue	-	1,648,000.00
Operating Costs		
Supplies	4,189	15,251
Extra Cleaning Labour	102,833	61,924
Emergency Operations Centre		17,764
Communications	66,699	8,811
IT Improvement	-	31,863
Community Services	-	5,000
Equipment Rentals & Costs	18,203	10,451
Fire Department Costs	1,685	6,948
Sick Pay	7,200	9,237
Total	<u>200,809</u>	<u>167,249</u>
Capital Costs		
Contribution towards Excess Emergency Services Building Costs	1,110,000	-
Remaining Grant Funds (included in General Fund Surplus)	<u>\$ 169,942</u>	<u>\$ 1,480,751</u>

CRESTON  VALLEY

TOWN of CRESTON