

2022 ANNUAL REPORT





Creston at a Glance

Average House Value in 2022*

Creston \$362,389

British Columbia \$1,666,486

Taxes and Utilities on the Average House*

Creston \$4,248

British Columbia \$6,705

* 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

64

Building Permits Issued in 2022

Total Construction Value
\$13.1 million



Community Grants

\$39

Thousand in Funding Issued in 2022



Business Opportunities

517

Licenses Issued in 2022



Property Assessments

\$994

Million in 2022
26.5% increase from 2021

Table of Contents

Introductions

Message from Mayor	6
Meet Town Council	8
Message from Chief Administrative Officer	12
Message from Director of Finance & Corporate Services	14
Organizational Chart	16

Council Profile

Council	20
Corporate Vision, Mission, Principles & Values	21
Council Representative Appointments	22
Corporate Strategic Priorities	27

Operational Activities

Fire & Rescue	34
Planning & Development	36
Infrastructure Services	38
2021 Feature Projects	40
Parks and Greenspaces	42
Trails	46
Municipal Buildings	48
Finance & Corporate Services	50
Permissive Tax Exemptions	51

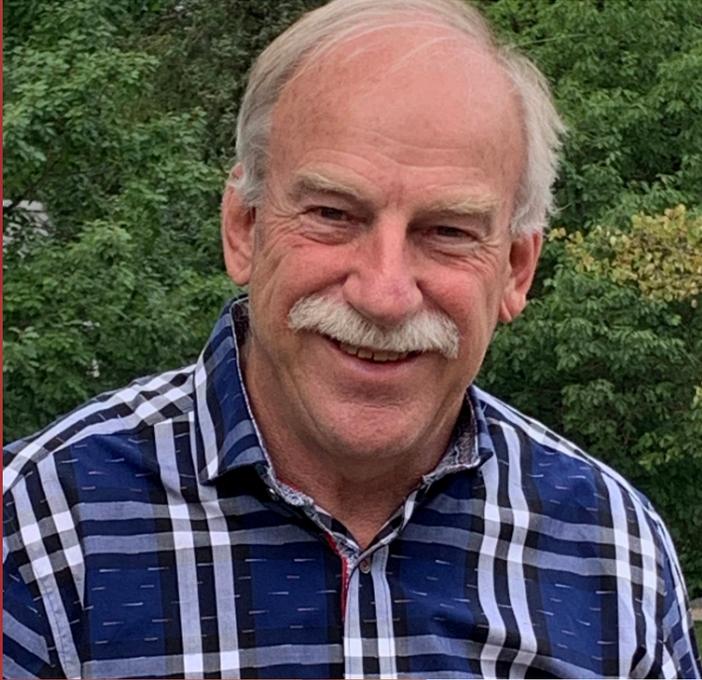
Finance

2021 Audited Financial Statements	54
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INTRODUCTIONS



Message from the Mayor

Dear Residents and Community Members,

On behalf of Town Council and staff, it is my pleasure to introduce the Town of Creston's 2022 Annual Report. This report serves as a testament to the progress we have made together over the past year and highlights our shared achievements, challenges and aspirations for the future.

As we reflect on the past year, we cannot overlook the extraordinary circumstances we have all faced. The COVID-19 pandemic tested our resilience and our unity. I want to express my deepest gratitude to each and every one of you for your responding 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 disrupted almost all facets of our lives, I think that a positive aspect has been that it has helped us to appreciate just what we have here in Creston – incredible individuals like our first responders, our essential workers, our volunteers, and the natural beauty of our surroundings. We have amazing local producers and businesses who continued to provide for our community while adapting to rapidly changing circumstances. We continued to thrive because of the commitment of each and every one of us to protect our families, our neighbours and our Valley.

Our Town Council remains steadfast in our resolve to ensure that the projects, services and high levels of customer service that our citizens have come to expect from the Town of Creston are consistent with the needs and wants of our community. Here are just a few of the project highlights from 2022:

Residential Curbside Collection Service

The Town of Creston's residential curbside collection service program which provides bi-weekly garbage collection alternating with recycling collection and weekly food waste collection, launched at the end of June 2022. Not surprisingly, the community support for this program has been remarkable. For the six-month period of July to December 2022, the total material diverted from the Creston landfill was 46.3% (209 tonnes)! Creston's diversion goal is 60%, and I am confident that we are well on our way to achieving that. Stay up to date with project milestones on our Let's Talk Creston webpage!

Creston Emergency Services Building

The completion of the Creston Emergency Services Building in 2022 was a major highlight for Council, staff and our Creston Valley Fire Services personnel. Recently, at their 2023 Efficiency in Action awards, Town of Creston received Fortis BC's Municipal Public Sector award for the design and construction of the Creston Emergency Services Building. We are looking forward to having our local BC Emergency Health Services personnel move in as well to continue to provide coordinated emergency response to the Creston Valley.

Market Park Project

"Market Park" is a public space nestled between Highway 3 and the Canadian Pacific Railway, spanning from the Creston Valley Grain elevators to the Pealow's Independent Grocery store. The mission of Market Park is to create a permanent venue that emphasizes Creston's history, landscape, and beauty. The visionary public space will introduce green space, provide a permanent home for the Creston Valley Farmers' Market, celebrate the heritage and culture of the Lower Kootenay Band and Yaqa Nukiy people, encompass recreational features, and serve as a social and multi-modal transportation hub for the community. In 2022, ground was broken for this project that is to be a foundational cornerstone of the community, and we are excited to see the significant progress that this year will bring!

I am confident that our municipality's future is bright, and I am honoured to serve as your Mayor during these exciting times. 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, and keep reading to see how your local government is working for you!

Warmest regards,



Arnold DeBoon
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



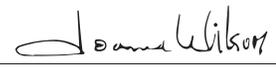
Councillor Arnold DeBoon



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 2022.

Mayor and Council
January 1, 2022 – November 8, 2022



RON TOYOTA
MAYOR



KEITH BALDWIN
COUNCILLOR



JEN COMER
COUNCILLOR



ARNOLD DEBOON
COUNCILLOR



NORM EISLER
COUNCILLOR



JIM ELFORD
COUNCILLOR



JOANNA WILSON
COUNCILLOR

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- 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 Arnold Deboon



Councillor Monique Arès



Councillor Keith Baldwin



Councillor Denise Dumas



Councillor Norm Eisler



Councillor Jim Elford

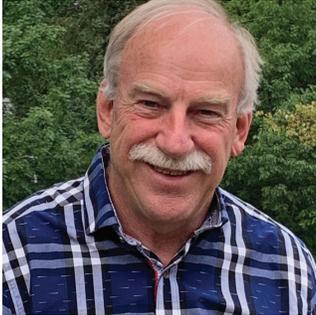


Councillor Anthony Mondia

DECLARATION AND IDENTIFICATION OF DISQUALIFIED COUNCIL MEMBERS

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Mayor and Council
November 8, 2022 – December 31, 2022



ARNOLD DEBOON
MAYOR



MONIQUE ARÈS
COUNCILLOR



KEITH BALDWIN
COUNCILLOR



DENISE DUMAS
COUNCILLOR



NORM EISLER
COUNCILLOR



JIM ELFORD
COUNCILLOR



ANTHONY MONDIA
COUNCILLOR



Message from the Chief Administrative Officer

I am honoured and privileged to present the 2022 Annual Report on behalf of the Town of Creston staff. The annual report provides the opportunity to reflect on the accomplishments of Council's Strategic Plan and department work plans, as well as a financial overview of the municipality as of December 31, 2022.

The largest accomplishment was the completion of the Creston Emergency Services Building to provide a new facility for our fire and ambulance services. While the project had scheduling challenges due to supply chain issues, the fire service was able to begin operating from the new facility in January 2023. The Town and the Province entered into a long-term lease agreement for BC Emergency Health Services in November to complete transaction of providing a new location for the ambulance service. The facility was recognized by Fortis BC for its energy efficiency improvements shown through energy modelling to show case the Town's commitment reduce energy usage. The hard work and diligence by the construction management team at Chandos, many sub-contractors and the design professionals delivered a facility that will serve the community for many decades.

The redevelopment of former Sunset Seed property to "Market Park" began last year with the receipt of \$1.4 million in grant funding. The project is split into two phases, with phase one scheduled for completion in the summer of 2023. While the second phase will require additional grant funding, the completion of the first phase will transform this property into a versatile public space for the Farmer's Market, a heritage area for Yaqan Nukiy and additional downtown parking.

A significant transformation in solid waste management was finalized last year with the introduction of the new curbside collection program. The new program now diverts organic waste and recycling from the landfill contributing to a cleaner and greener environment. This simplified and user-friendly program has widespread participation and adherence to waste management guidelines resulting in significant reduction in solid waste going into the land fill. While Town Staff may have planned the implementation of the program, the instant success of the program belongs to our residents who embraced this significant change.

In closing, it is important to acknowledge that all the community achievements are as a result of the leadership of Mayor and Council. In October 2022 the community had Mayor Toyota (14 years service), Councillor Wilson (17 years service) and Councillor Comer (8 years service) step down from public office. Their leadership and dedication to community will be missed. In November 2022, the welcoming of the new Council with orientation and budgeting began. It is with great excitement and optimism to welcome a new Council and vision for their four year term.

Keep up to date on our activities through Let's Talk Creston online!



Mike Moore
Chief Administrative Officer

Message from the Director of Finance & Corporate Services



On behalf of the Finance and Corporate Services Department, it is my pleasure to present the 2022 Annual Report for the Town of Creston. The Finance Section of the report includes the Auditors Report and the Consolidated Financial Statements from Apex Accounting Chartered Professional Accountants for the year ended December 31, 2022. The purpose of the Annual Report is to provide the community an understanding of the financial position and financial activities of the Town. The report is divided into three sections:

- **Introductory Section:** Provides an overview of the Town, including the organizational structure, and the nature and scope of the services provided.
- **Departmental Reports:** Provides a summary of the past year's activities and accomplishments.
- **Financial Section:** Presents the 2022 audited consolidated financial statements, notes, supplementary schedules, and the auditor's report.

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

The preparation and presentation of the financial statements and related information in the annual report is the responsibility of the finance department. Staff support the external auditors during the end of year audit by preparing the working papers and ensuring accurate accounting of all financial transactions.

The consolidated financial statements for the year ended December 31, 2022 was prepared by Town staff and audited by Apex Accounting, Chartered Professional Accountants. The preparation of the consolidated financial statements have been audited in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Professional Accountants of Canada.

2022 OPERATING RESULTS

There were strong financial results for the 2022 fiscal year. The consolidated annual surplus was \$3.93 million, which is the net result of all of the Town's financial activities for the year. This consolidated surplus is less than budgeted for two primary reasons; \$832,000 in grant funding for Market Park and

\$163,000 RDCK contribution for Creston Education Centre renovations was not included within revenue due to construction delays.

The Town has a variety of revenue sources. Taxation and grants in lieu of taxation was \$5.87 million. Fees, charges and miscellaneous revenue totalled \$2.59 million, utility fees and charges were \$3.35 million, and \$1.87 million in government transfers. The revenue increase in 2022 over the previous year was due to a \$1.87 million government transfer, \$310,000 Columbia Basin Trust contribution for Market Park project, \$223,000 increased investment earnings, and \$263,000 increase in sales of services. These increases were offset by \$210,000 decrease in utility fees, related to less capital charges for the wastewater treatment plant to Columbia Brewery.

The consolidated operating expenditures were under budget by \$325,000. This amount does not represent necessarily savings as some incomplete projects in 2022 will be completed in 2023 and will require a carry-over of funds. Actual savings become surplus used to fund future operating and capital projects. While budgets are used to control municipal expenditures, it is only a forecast, and therefore variances are experienced from internal and external factors. If a budget overage is expected in one area, then savings in other budgeted areas are sought to remain on target for the overall budget.

CAPITAL SPENDING

The Town has an estimated \$175 million (replacement value) of assets that will require upgrading or replacement as they age. The Town is faced with this challenge of maintaining and replacing our infrastructure in an economically sustainable manner and keeping taxation and borrowing at a minimum. Please review Schedule 1 in the financial statements which categorizes the capital assets with historical cost.

A total of \$6.44 million was invested on additions to capital asset 2022, although lower than 2021, the amount spent is about double normal years. The majority of the investment was \$9.68 million for the Creston Emergency Services Building (CESB) offset by a \$4.82 million reduction in Work in Progress (WIP) for the CESB, \$377,000 for paving a portion of Hurl Street, and \$206,000 for the purchase of Kinsmen Park.

LONG-TERM DEBT

The long-term debt outstanding at December 31, 2022, was \$5.6 million, which is \$973,000 less than 2021. The decrease was the result of the termination of Fortis Gas Lease-In Lease Out agreement (LILO) with a payout of \$2,473,000 offset by \$1.5 million for the new borrowing for the CESB. Only \$152,000 (22%) of the \$689,000 regular long-term debt principal and interest payments are paid by property taxes and user fees. FortisBC pays for the prepaid capital lease loans, Columbia Brewery pays for a substantial share of the waste water treatment plant debt, and approximately half the CESB debt payments are paid by the RDCK areas receiving fire protection service from the facility.

LILO Agreement Termination

In 2022, FortisBC opted to terminate the capital lease and refund the remaining portion of the prepaid amount. The Town used this \$2.47 million refund to pay down the remaining debt created by the capital lease program. Over the life of the 17 year agreement, the Town realized income of \$2,140,000 which helped fund many different capital projects including the downtown revitalization project and the Creston Emergency Services Building.

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



Steffan Klassen, CA
Director of Finance
and Corporate Services

Organizational Structure & Senior Staff (as of December 2022)



Chief Administrative OfficerMike Moore	Fire Chief.....Jared Riel
Affordable Housing and Climate Change Coordinator.....Asha DeLisle	Assistant Fire Chief.....Laura Dodman
Manager of Community Planning & Development.....Joel Comer	Fire Service Support Supervisor.....Randall Fabbro
Director of Finance & Corporate Services.....Steffan Klassen	Corporate OfficerKirsten Dunbar
Director of Infrastructure Services.....Ferd Schmidt	Executive Assistant/Human Resources.....Marsha Neufeld
Manager of Engineering.....Colin Farynowski	Municipal Services Coordinator and Planner.....Natasha Ewashen
Public Works Superintendent.....Brad Ziefflie	Communications CoordinatorBrandy Dyer



Top row – left to right: Colin Farynowski, Steffan Klassen, Brad Ziefflie
 Middle row – left to right: Brandon Vigne, Kirsten Dunbar, Joel Comer,
 Front row – left to right: Marsha Neufeld, Mike Moore, Natasha Ewashen, Asha DeLisle, Brandy Dyer

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 and reporting, treasury, 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 Manager of Community Planning and Development, Municipal Services Coordinator and Planner, Affordable Housing and Climate Change Coordinator, Public Safety Compliance Officer, Building Inspector, Fire Chief, RCMP Staff Sgt., and Administrative Assistants.

Infrastructure Services

What we do... The Infrastructure Services department is responsible for overseeing many of the Town's operations that 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.





COUNCIL PROFILE

Town Council

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



In 2022 Council held:

25

Regular
Council
Meetings

4

Special
Council
Meeting

12

Regular
Committee of the
Whole Meetings

9

Special
Committee of the
Whole Meetings



During the Regular & Special Meetings, Council:

Adopted

11

Corporate Policies

Adopted

27

Municipal Bylaws

Passed

492

Resolutions

Council Collectively Attended

250

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 2026.

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 2022 Council, Board, Committee, and Commission Appointments

Government Related Agencies – 2022

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.....Councillor Baldwin

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.....Councillor Baldwin

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 Eisler

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
Community Arts Council of Creston Representative	Councillor Eisler
Creston-Kaminoho Friendship Society Representative	Councillor Eisler
Creston Valley Blossom Festival Association Representative	Councillor Wilson
Creston Valley Chamber of Commerce Representative	Councillor Baldwin
Creston Valley Community Housing Society Representative	Councillor Eisler
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
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

Town of Creston 2022 Council, Board, Committee, and Commission Appointments

Government Related Agencies – 2022

Arrow Creek Water Treatment & Supply Commission

Representative.....Councillor Elford
 Alternate.....Councillor Mondia

Creston Valley Services Committee

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

Creston Valley Health Working Group

Representative.....Mayor DeBoon
 Alternate.....Councillor Baldwin

East and Joint Resource Recovery Commission (RDCK)

Representative.....Councillor Mondia
 Alternate.....Mayor DeBoon

Economic Action Partnership (EAP)

Representative.....Councillor Arès
 Alternate.....Councillor Mondia

Kootenay East Regional Hospital District

Director.....Councillor Baldwin
 Alternate Director.....Councillor Mondia

Emergency Management

Representative.....Councillor Dumas

Emergency Operations Centre

EOC Director.....Chief Administrative Officer
 Member.....Fire Chief
 Resource.....RDCK Emergency Coordinator, Creston, Areas A, B & C
 Council Liaisons.....Mayor DeBoon & Councillor Elford

Municipal Insurance Association of BC

Representative.....Councillor Elford
 Alternate.....Councillor Eisler

Regional District of Central Kootenay

Director.....Mayor DeBoon
 Alternate Director.....Councillor Elford

Community Organizations

Creston & District Library Board Representative.....	Councillor Arès
Community Arts Council of Creston Representative.....	Councillor Eisler
Representative.....	Councillor Arès
Creston Climate Action Society Representative.....	Councillor Arès
Creston Valley Blossom Festival Association Representative.....	Councillor Dumas
Creston Valley Chamber of Commerce Representative.....	Councillor Baldwin
Representative.....	Councillor Mondia
Creston Valley Community Housing Society Representative.....	Councillor Eisler
Alternate.....	Councillor Dumas
Creston Valley Community Network Society Representative.....	Councillor Dumas
Creston Valley Trails Society Representative.....	Councillor Dumas
Neighbours United Representative.....	Councillor Arès

Other Organizations

Creston Valley Forest Corporation Director.....	Councillor Elford
Creston Valley Regional Airport Society Liaison.....	Councillor Dumas
Kootenay Forest Sector Collaborative Representative.....	Councillor Elford

Select Committees

Affordable Housing and Development Committee Chair.....	Mayor DeBoon
Vice Chair.....	Councillor Eisler
Alternate.....	Councillor Baldwin
Cemetery Advisory Committee Members.....	Mayor DeBoon
Members.....	Councillor Dumas

2022 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
- Downtown Decorative Banners
- Expand License of Occupation Policy
- Branding of Commercial Revitalization Tax Exemption Program

PLANS AND POLICIES

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

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

SERVICE EXCELLENCE



AREAS OF FOCUS

Accountable Service Delivery

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

Community Engagement

Encourage proactive and meaningful engagement.

Regional Partnerships

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

Management of Assets

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

KEY PROJECTS

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

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

PLANS AND POLICIES

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

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





OPERATIONAL ACTIVITIES

Fire & Rescue Protective Services

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



9560

Total Hours Worked by
Volunteer Firefighters

753

Total
Emergency
Responses

3966

Hours for
Training

168

Fire
Responses

477

Medical
Responses

74

Rescue
Responses

22

Public Service
Responses

3

Provincial Wildfire
Deployments

14

Hazardous Materials
Responses

193

Total Number of
Municipal Bylaw Incidents

3753

Hours at
Emergency Incidents

2005

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

7

Subdivision
Applications
Received

21

Residential Units
Created
(includes secondary suites)

437

Building
Inspections
Performed

\$6.5
MILLION

Total Value of
Residential
Construction

\$6.6
MILLION

Total Value of
Commercial, Industrial
Institutional, and
Governmental

\$44
MILLION

Total Value of
Residential
Construction
2013 - 2022

\$24
MILLION

Total Value of Commercial,
Institutional, Institutional,
& Governmental
Construction 2013 - 2022



Zoning or OCP Bylaw Amendments Requiring a Public Hearing:

2

Zoning
Amendments

1

Combined Zoning/
OCP Amendments



Breaking Ground on Market Park

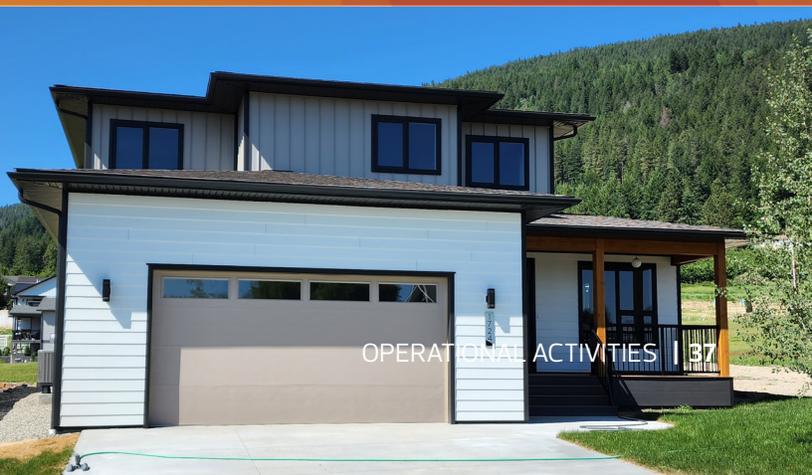


2022 Project Highlights

Backyard Hens Pilot Program

New Home Built to Step 4 of the BC Energy Step Code – 1724 Murdoch St. ▼

▼ Brewery Warehouse Expansion Project Completion – 28,000 sq.ft.



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.



2022 Projects

\$151
THOUSAND

Water Projects

\$221
THOUSAND

Sewer Projects

\$266
THOUSAND

Road Projects

\$71
THOUSAND

Storm Drainage
Projects



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



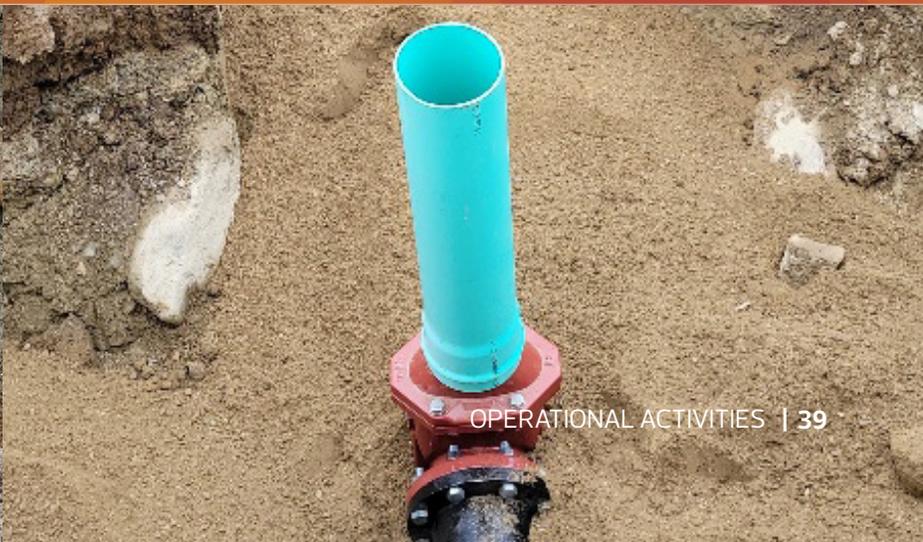
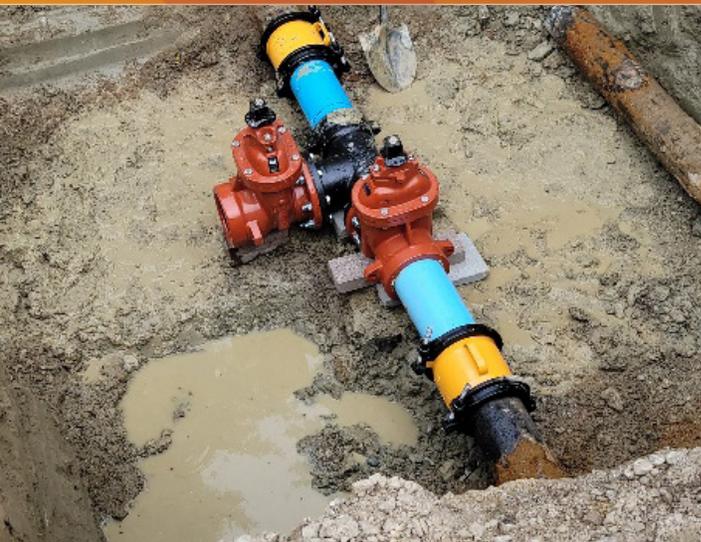
▲ Purchase of 2014 Combo HydroVac/Sewer Flusher Truck

▲ Hurl Street Restoration Project



2022 Project Highlights

Creston Emergency Services Building parking lot paving ▲ ▼ Water line replacement on Murdoch Street and 8th Ave.





2022 Feature Project



New Curbside Collection Program Launched

In response to the growing concerns about sustainability and environmental conservation, the Town of Creston recognized the need for an efficient and convenient waste management solution. The Curbside Collection Service was designed to streamline the process of waste disposal, promote recycling, and reduce the overall environmental impact.

Since its implementation, the Curbside Collection Service has received a positive response from the community. The service operates on a regular schedule, providing residents with designated collection days for various types of waste, including recyclables, organic waste, and household garbage. The introduction of curbside recycling has led to a significant increase in the overall recycling rates within Creston, contributing to a greener and cleaner environment. Moreover, the simplified and user-friendly approach has encouraged widespread participation and adherence to the waste management guidelines, resulting in a noticeable reduction in the volume of waste ending up the landfills.



Creston Emergency Services Building

The Creston Emergency Services Building (CESB) celebrated its grand opening on September 23, 2022, marking the culmination of years of hard work by the local fire department and town staff. The journey was filled with challenges, including the global pandemic, supply chain issues, rising costs, and inflation, which led to a budget increase in early 2021.

The CESB's completion cost a total of \$10.1 million, with funding coming from various sources. \$4.5 million was borrowed and approved through a 2018 referendum, \$2.0 million was provided by BC Emergency Health Services (BCEHS), \$1.7 million came from grants (Canada Community Building Fund, Fortis, and Province of BC), and \$1.9 million was allocated from reserves, including specific savings for the fire hall project. This exciting accomplishment reflects the resilience and determination of the community and heralds a new era of safety and preparedness.

Parks & Green Spaces

The Town of Creston maintained twelve parks/green spaces in 2022 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

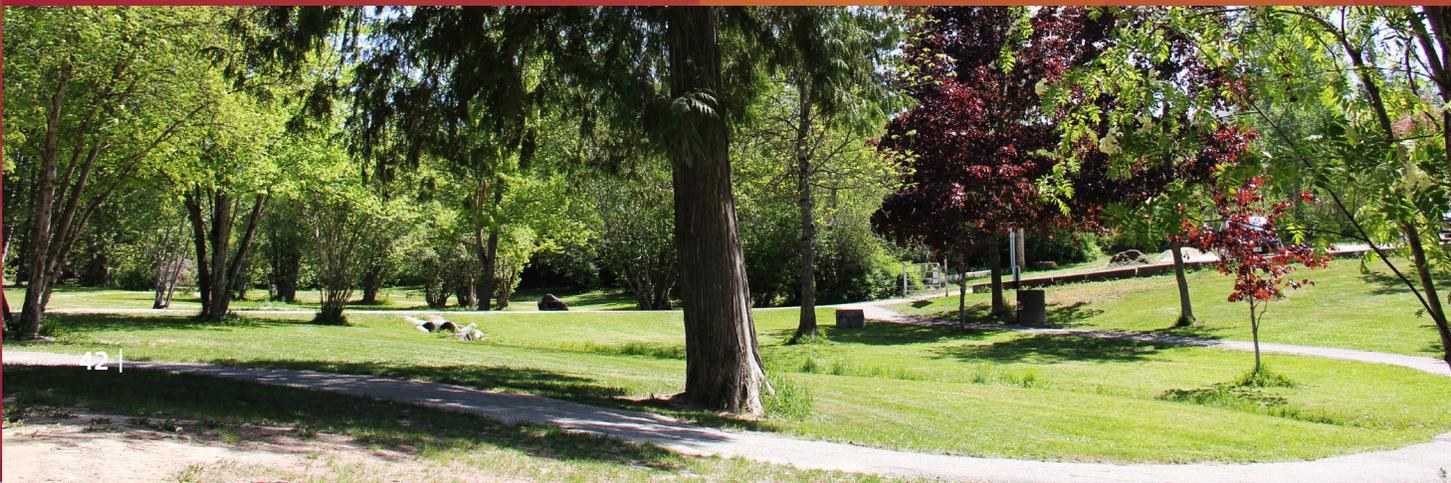


Staking Park



Rotary Park

Schikurski Park

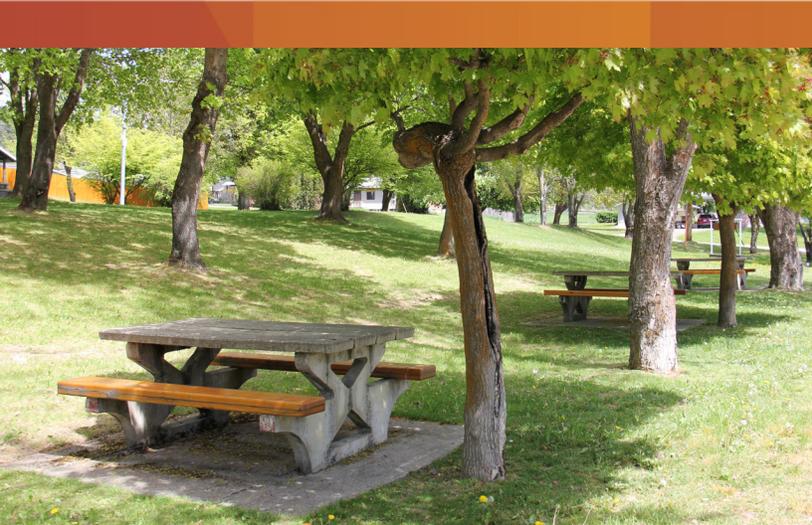




Centennial Park



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

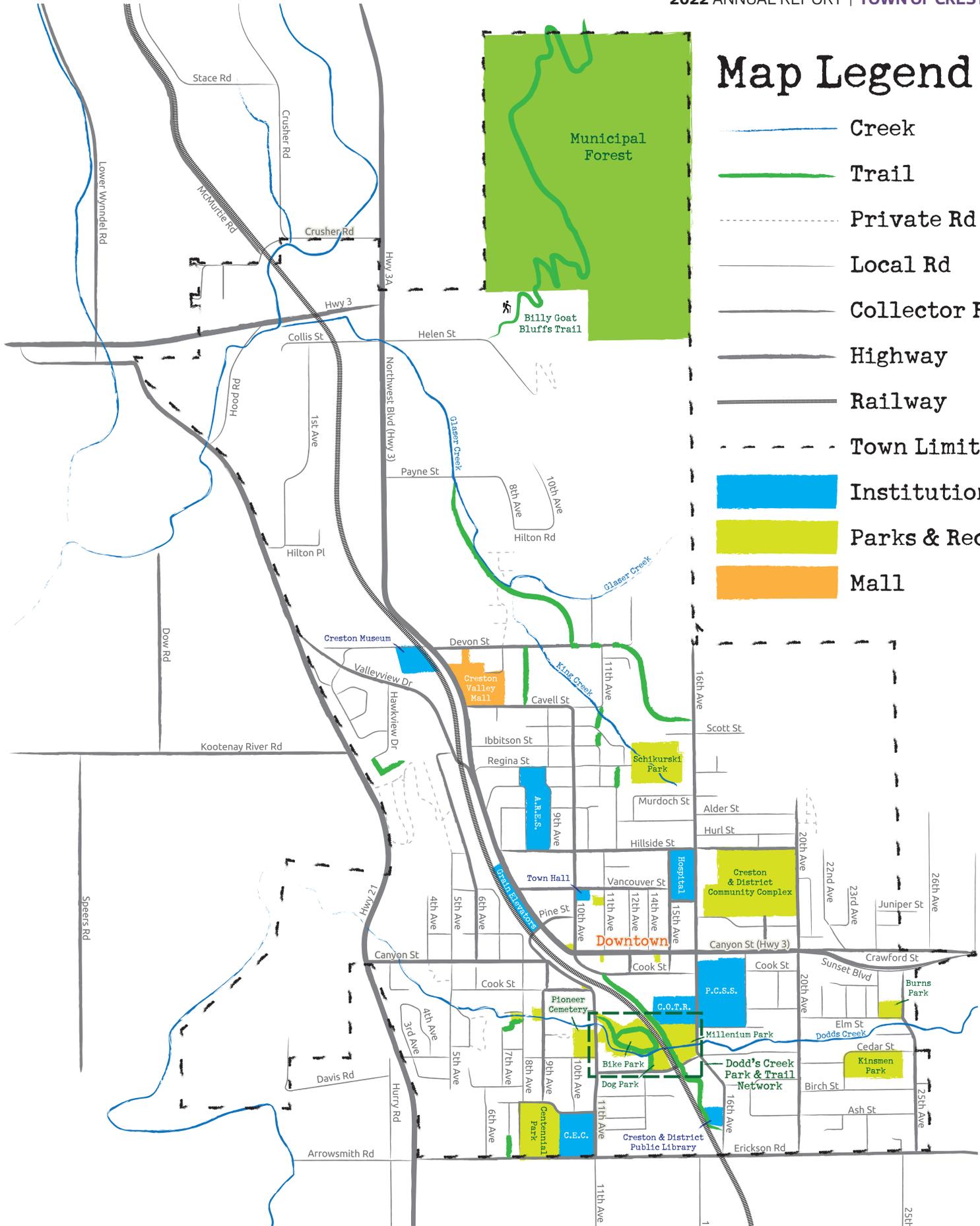
The Town of Creston maintained seven municipal trails in 2022 which include:

- 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 2022, 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.



\$11.1

MILLION

Property Tax
Collected

12

THOUSAND

Phone
Inquiries

\$3.5

MILLION

Water/Utilities
Collected

\$16.5

MILLION

Total
Revenues

\$12.6

MILLION

Operating
Expenses

\$3.7

MILLION

Total Grants and
Transfers Received

517

Business
Licenses
Issued

490

Animal
Licences
Issued

9,730

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 2022	Tax Value of Total Exemption for 2022
Seventh-Day Adventist Church	713 Cavell Street	00020.075	\$883	\$1,994
Christ Church Anglican (Synod of Diocese of Kootenay)	422 – 7th Avenue North	00061.020	\$221	\$499
Creston Trinity Housing Society	136 10th Avenue N	00129.000	\$3,415	\$10,015
Trinity United Church (Trustees Congregation Creston)	128 – 10th Avenue N.	00131.040	\$3,497	\$7,896
St. Stephens Presbyterian Church	306 Northwest Blvd.	00159.010	\$948	\$2,139
St. Stephens Presbyterian Church	314 Northwest Blvd.	00160.000	\$423	\$954
Creston Valley Seniors Association	810 Canyon Street	00180.000	\$1,136	\$2,565
Valley Community Services Society	915 Pine St.	00183.020	\$4,031	\$4,044
Kootenai Community Centre Society	806 Cook St	00190.120	\$551	\$1,191
Creston Valley Gleaners Society	807 Canyon Street	00193.010	\$3,422	\$12,139
Creston Valley Gleaners Society	113 8th Avenue N	00213.030	\$2,766	\$9,811
Cresteramics Society for the Handicapped	921 Railway Boulevard	00290.100	\$2,051	\$7,274
Kootenay Employment Services Society (Day Care)	419 4th Ave S	00384.900	\$1,601	\$3,459
Creston & District Chamber of Commerce	121 Northwest Boulevard	00412.100	\$4,019	\$14,256
Valley Community Services Society	617 11th Ave S	00417.010	\$723	\$2,566
Kootenay Employment Services Society	119–11th Avenue	00540.000	\$3,838	\$13,615
Kootenay Employment Services Society	123–11th Avenue	00541.000	\$2,782	\$9,869
Royal Canadian Legion, Branch 29	137 – 11th Avenue N.	00544.000	\$1,846	\$6,549
Royal Canadian Legion, Branch 29	137 – 11th Avenue N.	00544.000	\$545	\$1,229
Creston Judo Club	Suite B4 – 1230 Canyon St.	00637.000	\$1,138	\$4,037
Redeemer Lutheran Church of Creston	305 – 15th Avenue N.	00672.000	\$277	\$625
Creston Pharmacy (Town of Creston Lease)	1130 Cook St	00687.300	\$1,453	\$4,897
Kootenai Community Centre Society	1508 Cook Street	00705.000	\$279	\$603
Kootenai Community Centre Society	1508 Cook Street	00705.000	\$1,715	\$6,084
1411 Canyon St (Greenspace)	1411 Canyon Street	00722.000	\$815	\$2,745
Creston New Life Christian Church	1821 Elm Street	00757.269	\$362	\$817
Roman Catholic Bishop of Nelson (Holy Cross Parish)	1709 Pine Street – Land	00757.337	\$546	\$1,179
Roman Catholic Bishop of Nelson (Holy Cross Parish)	128 – 16th Avenue N.	00757.376	\$1,546	\$3,341
Roman Catholic Bishop of Nelson (Holy Cross Parish)	128 – 16th Avenue N.	00757.376	\$2,154	\$4,863
Creston Valley Gymnastics Club	1714 Canyon Street	00757.556	\$2,446	\$8,676
Creston Valley Community Housing Society	215 25th Ave S	00758.138	\$2,083	\$6,109
Grace Christian Fellowship Society	2416 Cedar Street	00758.160	\$258	\$582
Creston Baptist Church of Creston	2423 Ash Street	00758.442	\$196	\$443
Creston Baptist Church of Creston	605 – 25th Avenue S.	00758.825	\$608	\$1,373
Creston & District Historical & Museum Society	219 Devon Street	05025.000	\$5,429	\$19,260
Creston & District Historical & Museum Society	323 Devon Street	05030.000	\$137	\$484
Creston & District Historical & Museum Society	323 Devon Street	05030.000	\$274	\$620
Trustees Creston Jehovah Witnesses	1323 Northwest Blvd.	05109.000	\$628	\$1,418
The Church of God in Christ and (Mennonite)	1152 Highway 21	05205.200	\$3,514	\$12,467
The Church of God in Christ and (Mennonite)	1152 Highway 21	05205.200	\$895	\$2,020
Total			\$65,451	\$194,707





2022 FINANCIAL STATEMENT



Town of Creston

**FINANCIAL STATEMENT
2022**

TOWN OF CRESTON

INDEX TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

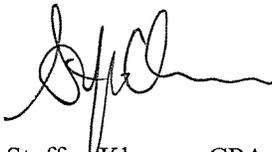
Management Report	2
Independent Auditors' Report	3-4
Financial Statements	
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Changes in Net Financial Assets	7
Consolidated Statement of Cash Flows	8
Notes to Consolidated Financial Statements	9-20
Schedule 1 Consolidated Schedule of Tangible Capital Assets	21
Schedule 2 Consolidated Schedule of Surplus and Reserves	22
Schedule 3 Schedule of Consolidated Operations by Segment	23
Schedule 4 Schedule of Provincial COVID 19 Safe Restart Grant Utilization	24

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 policies 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 net financial position in conformity with the accounting policies disclosed in Note 1 to the consolidated financial statements. The report of Apex Accounting, Chartered Professional Accounts, follows and outlines the scope of their examination and their opinion on the consolidated financial statements.



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

May 9, 2023

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council Town of Creston

Opinion

We have audited the accompanying financial statements of the Town of Creston, which comprise the consolidated statement of financial position as at December 31, 2022, 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, 2022, 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.

The image shows a handwritten signature in black ink that reads "Apex Accounting". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

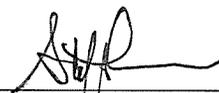
Creston, BC
May 9, 2023

Town of Creston
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2022

	2022	2021
Financial Assets		
Cash and investments (Note 2)	\$ 12,273,751	\$ 11,900,433
Accounts receivable (Note 3)	949,829	843,364
MFA deposits (Note 4)	386,509	341,478
Loans receivable (Note 5)	2,038,520	2,092,980
	<u>15,648,609</u>	<u>15,178,255</u>
Financial Liabilities		
Accounts payable and accrued liabilities (Note 6)	1,814,325	2,766,695
Deferred revenue (Notes 7 & 8)	1,666,625	1,314,083
Development cost charges (Note 9)	462,056	592,460
Reserve MFA	386,509	341,478
Long-term debt (Note 11)	5,593,500	6,566,512
	<u>9,923,015</u>	<u>11,581,228</u>
Net Financial Assets	5,725,594	3,597,027
Non-financial assets		
Tangible capital assets (Notes 1 & 12, Schedule 1)	50,529,919	48,901,006
Property Purchase Deposit	-	204,103
Supply inventory	659,833	327,652
Prepaid expenses	170,193	130,678
	<u>51,359,945</u>	<u>49,563,439</u>
Accumulated surplus	<u>\$ 57,085,539</u>	<u>\$ 53,160,466</u>
Represented by:		
Operating fund (Schedule 2)	10,854,540	9,562,679
Capital fund (Schedule 2)	1,086,996	1,086,996
Statutory reserve fund (Schedule 2)	207,576	176,289
Equity in tangible capital assets (Note 13)	44,936,427	42,334,502
	<u>\$ 57,085,539</u>	<u>\$ 53,160,466</u>

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


 Arnold DeBoon
 Mayor


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

Town of Creston
CONSOLIDATED STATEMENT OF OPERATIONS
for the year ended December 31, 2022

	2022 Budget	2022	2021
Revenue			
Property Taxes (Note 14)	\$ 5,856,826	\$ 5,860,166	\$ 5,605,053
Grants in Lieu of Taxes	8,020	8,122	9,743
Sale of services (Note 15)	2,843,639	2,265,483	2,002,698
Government transfers (Note 17)	4,344,365	3,668,698	1,795,544
Investment income	135,150	502,287	279,439
Utility user fees and connection charges	3,208,178	3,136,710	3,346,724
Development cost charges / Park Land Purchase (Note 9)	145,500	158,874	-
Other	1,718,753	896,213	586,916
	18,260,431	16,496,553	13,626,117
Expenses			
General government	2,521,812	2,411,914	1,960,798
Municipal contribution for RCMP services	1,283,655	1,166,334	1,153,811
Protective services	1,552,655	1,473,376	1,360,438
Transportation	1,237,174	1,304,746	1,132,187
Health and Welfare	773,028	636,813	419,176
Recreation and Community Services	643,007	642,807	711,653
Water Services	1,166,018	1,068,895	1,117,306
Sewer Services	267,094	257,254	245,146
Waste water treatment plant operation	886,453	983,546	866,965
Debt financing	357,369	395,583	306,098
Bank Charges	4,100	6,339	5,306
Amortization (Note 1, Schedule 1)	2,181,000	2,106,946	2,118,900
Loss from sale/write down of tangible capital assets	-	94,291	7,608
Capital Lease (Note 18)	22,636	22,636	22,636
	12,896,001	12,571,480	11,428,028
Annual surplus	5,364,430	3,925,073	2,198,089
Accumulated surplus at beginning of year	53,160,466	53,160,466	50,962,377
Accumulated surplus at end of year	\$ 58,524,896	\$ 57,085,539	\$ 53,160,466

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, 2022

	2022 Budget	2022	2021
Annual surplus	\$ 5,364,430	\$ 3,925,073	\$ 2,198,089
Acquisition of tangible capital assets	(9,501,316)	(6,439,970)	(7,149,235)
Amortization of tangible capital assets	2,181,000	2,106,946	2,118,900
Loss from sale/write down of tangible capital assets	-	94,291	7,608
Proceeds on sale of tangible capital assets	-	2,609,819	-
	(1,955,886)	2,296,159	(2,824,638)
Acquisition of supply inventory		(583,891)	(223,269)
Acquisition of prepaid expense		(190,091)	(148,086)
Deposit made on property purchase		204,103	(204,103)
Consumption of supply inventory		251,711	221,194
Use of prepaid expense		150,576	126,142
		(167,592)	(228,122)
Increase (decrease) in net financial assets	(1,955,886)	2,128,567	(3,052,760)
Net financial assets at beginning of year	3,597,027	3,597,027	6,649,787
Net financial assets at end of year	\$ 1,641,141	\$ 5,725,594	\$ 3,597,027

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, 2022

(Indirect method)	2022	2021
Operating transactions:		
Annual surplus	\$ 3,925,073	\$ 2,198,089
Non-cash and non-financial items:		
Amortization	2,106,946	2,118,900
Increase in prepaid expenses	(39,515)	(21,944)
Decrease (increase) in Property Purchase Deposit	204,103	(204,103)
Increase in supply inventory	(332,181)	(2,075)
Loss from sale/write down of tangible capital assets	94,291	7,608
Changes to financial assets/liabilities:		
(Increase) decrease in accounts receivable	(106,465)	200,720
Increase in MFA cash deposits	(45,031)	(75,746)
Decrease in loan receivable	54,460	10,195
(Decrease) increase in accounts payable	(952,370)	888,713
Increase in deferred revenue	352,542	381,587
(Decrease) increase in development cost charges	(130,404)	31,043
Increase in other restricted revenue	45,031	75,746
Cash provided by operating transactions	5,176,480	5,608,733
Capital transactions:		
Acquisition of tangible capital assets	(6,439,970)	(7,149,235)
Proceeds from the sale of tangible capital assets	2,609,819	-
Cash applied to capital transactions	(3,830,151)	(7,149,235)
Financing transactions:		
Debt repayment	(2,331,949)	(259,286)
Proceeds of MFA Loan for Creston Emergency Services Building	1,500,000	3,000,000
Actuarial Adjustments	(141,062)	(127,314)
Cash applied to financing transactions	(973,011)	2,613,400
Increase in cash and investments	373,318	1,072,898
Cash and investments at beginning of year	11,900,433	10,827,535
Cash and investments at end of year	\$ 12,273,751	\$ 11,900,433
Represented by		
Bank deposits and petty cash	998,967	(1,200,499)
Investments	11,274,784	13,100,932
	\$ 12,273,751	\$ 11,900,433

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.

1. Significant Accounting Policies (continued):

e. Cash and Equivalents

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

f. Tangible Capital Assets

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

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

g. Budget Figures

The budget figures are from the Annual Five-Year Financial Plan Bylaw adopted before May 15 of each year.

h. Inventories

The inventories are stated at the lesser of cost and net realizable value. 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.

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, 2022.

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 Equivalents

	2022	2021
Restricted cash and investments		
Statutory Reserves (Schedule 2)	\$ 207,576	\$ 176,289
Restricted Revenues (Notes 8 and 9)	698,649	946,021
	<u>906,225</u>	<u>1,122,310</u>
Unrestricted cash and investments	11,367,526	10,778,123
Total cash and investments	<u>\$ 12,273,751</u>	<u>\$ 11,900,433</u>

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2022

3. Accounts Receivable

	2022		2021
Property Taxes	\$ 438,114	\$	301,225
Other Governments	328,853		423,165
Trade and other	182,862		118,974
Total accounts receivable	\$ 949,829	\$	843,364

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:

	2022		2021
Cash deposits	\$ 128,434	\$	110,686
Demand notes	258,075		230,792
	\$ 386,509	\$	341,478

5. Loans Receivable

Effective November 2022, The Town signed a 30 year agreement with British Columbia Emergency Health Services (BCEHS) to provide a home for the BCEHS ambulance service for the Creston Valley. The agreement requires the BCEHS to pay \$1,964,228 over a 20 year loan amortization with interest at prime set every 3 years. The rate for the first 3 years is 5.95%. In addition to the capital payments, the BCEHS will contribute annually to its' share of operating costs. If the lease is terminated early, BCEHS will pay back any remaining loan balance at the time of termination.

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, 2022 was \$57,475.

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 were repaid to the general fund upon receipt of termination payment from FortisBC in 2022. The corresponding liability has been reported as long term debt in the capital fund in prior years.

	2022		2021
Creston Valley Airport Society	\$ 82,476	\$	92,980
BCEHS (2022), Fortis (2021)	1,956,044		2,000,000
	\$ 2,038,520	\$	2,092,980

6. Accounts payable and accrued liabilities

	2022		2021
Other governments	\$ 641,817	\$	638,529
Accrued wages and benefits	618,722		716,413
Trade and other	553,786		1,411,753
	\$ 1,814,325	\$	2,766,695

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2022

7. Deferred Revenue

	2022		2021
Prepaid taxes	\$ 120,878	\$	139,922
Deposits	794,773		558,105
Federal gas tax (Note 8)	236,593		353,561
Other	514,381		262,495
	<u>\$ 1,666,625</u>	\$	<u>1,314,083</u>

8. Federal Gas Tax

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

	2022		2021
Federal Gas Tax Agreement Funds			
Opening balance of unspent funds	\$ 353,561	\$	547,031
Add: Amount received during the year	293,388		573,854
Interest earned	9,142		941
Less: Amount spent on eligible project costs	(419,498)		(768,265)
Closing balance of unspent funds	<u>\$ 236,593</u>	\$	<u>353,561</u>

9. Development Cost Charges

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

	Opening Balance	Receipts	Interest	Transfers Out	Closing Balance
Infrastructure DCC	\$ 438,166	\$ 10,885	\$ 13,005	\$ -	\$ 462,056
Parkland Reserve	154,294	-	4,580	(158,874)	-
	<u>\$ 592,460</u>	<u>\$ 10,885</u>	<u>\$ 17,585</u>	<u>\$ (158,874)</u>	<u>\$ 462,056</u>

Reserve by Bylaw	Roads	Water	Sanitary	Storm	Parks	Total
Duganville (BL 839)	\$ -	\$ 17,392	\$ 3,940	\$ 24,691	\$ -	\$ 46,023
Parks Reserve (BL 1264)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
McLaren (BL 1331)	\$ -	\$ 6,178	\$ -	\$ -	\$ -	\$ 6,178
Alice Siding (BL 1463)	\$ 564	\$ 177,227	\$ 55,212	\$ 44	\$ -	\$ 233,047
Alice Siding (BL 1712)	\$ 101,670	\$ 18,643	\$ 42,990	\$ -	\$ 13,505	\$ 176,808
Grand Total:	<u>\$ 102,234</u>	<u>\$ 219,440</u>	<u>\$ 102,142</u>	<u>\$ 24,735</u>	<u>\$ 13,505</u>	<u>\$ 462,056</u>

10. Trust Funds

The Town operates the cemetery and maintains a cemetery perpetual care fund in accordance with the Cremation, Interment and Funeral Services Act. The trust fund assets and liabilities are not included in the consolidated financial statements. At December 31, 2022, the balance of funds held in trust was \$246,698 (2021 - \$224,580).

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2022

11. Long-Term Debt

Purpose	By-law	Remaining Term	Rate	2022	2021
GENERAL FUND					
Debenture Debt					
Prepaid Capital Lease	1769	2	4.93% (a)	265,565	520,915
Emergency Services Building	1872	30	2.58% (a)	2,928,902	3,000,000
Emergency Services Building	1872	30	3.36% (a)	1,500,000	-
Prepaid Capital Lease - Inter-fund borrowing (Note 5)				-	2,000,000
				<u>4,694,467</u>	<u>5,520,915</u>
SEWER FUND					
Debenture Debt					
Water Pollution BVF Cover	1734	5	3.65%	194,637	239,089
WWTP Upgrade	1707	7	3.15% (a)	704,396	806,508
				<u>899,033</u>	<u>1,045,597</u>
				\$ 5,593,500	\$ 6,566,512

(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
2023	247,052	120,687	367,739
2024	105,264	122,368	227,632
2025	105,264	124,111	229,375
2026	105,264	125,918	231,182
2027	105,264	74,612	179,876
2028 and subsequent	2,560,514	74,612	2,635,126
	3,228,622	642,308	3,870,930
Actuarial addition *	1,465,845	256,725	1,722,570
	<u>\$ 4,694,467</u>	<u>\$ 899,033</u>	<u>\$ 5,593,500</u>

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

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2022

12. Tangible Capital Assets

	2022		2021
	Net Book		Net Book
	Value		Value
Land	\$ 3,471,390	\$	3,265,249
Building	11,749,750		2,184,828
Machinery and Equipment	1,699,037		1,669,033
Engineering structures			
Water	8,124,827		8,222,660
Sewer	13,638,447		13,974,754
Drainage	2,308,272		2,303,258
Roads	6,683,860		6,868,410
Other	1,640,186		1,544,337
Other Tangible Capital Assets	-		2,831,632
WIP	1,214,150		6,036,845
Total	\$ 50,529,919	\$	48,901,006

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:

	2022		2021
Proof:			
Equity in Physical Assets, opening	\$ 42,334,502	\$	39,925,174
Add:			
Capital Acquisitions	6,439,970		7,149,235
Debt principal repayment	2,331,949		259,286
Actuarial Adjustments	141,062		127,315
Less:			
Net Proceeds from the issue of debt	(1,500,000)		(3,000,000)
Proceeds of Disposition	(2,609,819)		-
Loss on Disposals	(94,291)		(7,608)
Amortization	(2,106,946)		(2,118,900)
	\$ 44,936,427	\$	42,334,502

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2022

14. Net Taxation

	2022	2021
General Municipal purposes	\$ 5,037,709	\$ 4,785,903
Collections for other governments		
Provincial Education	1,936,205	1,835,589
Regional Hospital District - East Kootenay	414,067	307,081
Municipal Finance Authority	239	193
BC Assessment Authority	45,726	42,810
Regional District of Central Kootenay	2,883,985	2,786,691
	<u>10,317,931</u>	<u>9,758,267</u>
Transfers to other governments		
Provincial Education	1,936,205	1,835,589
Regional Hospital District - East Kootenay	414,067	307,081
Municipal Finance Authority	239	193
BC Assessment Authority	45,726	42,810
Regional District of Central Kootenay	2,883,985	2,786,690
	<u>5,280,222</u>	<u>4,972,363</u>
Net Municipal Taxes	5,037,709	4,785,904
Water and Sewer Funds - Frontage Taxes	822,457	819,149
	<u>\$ 5,860,166</u>	<u>\$ 5,605,053</u>

15. Sale of Services, User Rates, Rentals

	2022	2021
Sale of cemetery plots and burial charges	\$ 58,424	\$ 77,276
Regional District - cemetery	88,132	87,259
- fire protection and rescue	756,735	560,223
Provincial - fire suppression and rescue	64,545	108,250
Fines	44,037	46,368
Licences and permits	190,516	158,944
Rents	608,012	617,130
Solid Waste Collection and Disposal Fees	383,940	281,738
Concessions and franchises	71,142	65,510
Total	<u>\$ 2,265,483</u>	<u>\$ 2,002,698</u>

16. Expenditure by Object

	2022	2021
Goods and Services	\$ 5,235,018	\$ 4,589,042
Interest and Finance Charges	395,583	306,098
Salaries, wages and benefits	4,568,715	4,293,025
Amortization	2,106,946	2,118,900
Other	265,219	120,963
	<u>\$ 12,571,481</u>	<u>\$ 11,428,028</u>

17. Government Transfers

		2022		2021
Federal:	Conditional transfers	\$ 690,676	\$	1,202,794
	Unconditional transfers	-		-
Provincial:	Conditional transfers	2,254,022		18,750
	Unconditional transfers	724,000		574,000
Total		<u>\$ 3,668,698</u>	<u>\$</u>	<u>1,795,544</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 required FortisBC to make annual payments which were be used by the Town to pay down the MFA debt and fund new capital projects. In 2022, FortisBC exercised it's option to terminate the capital lease and refund the remaining portion of the prepaid amount. The Town used the refund to pay down the remaining debt. Over the life of the agreement, the Town realized income of \$2,140,000 which helped fund many different capital projects with the downtown revitalization project and the Creston Emergency Services Building being the two largest over the years.

19. Commitments and Contingencies

- a. The municipality and its employees contribute to the Municipal Pension Plan (Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2022, the plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from local governments.

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3.761 billion funding surplus for basic pension benefits on a going concern basis.

In 2022, the Town paid \$266,672 (2021 - \$281,065) in employer contributions to the plan.

The next valuation will be at December 31, 2024 with results available in 2025.

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. The nature of the Town's activities is such that there is litigation pending or in progress at any time. With respect to unsettled claims at December 31, 2022, management is of the opinion that the Town has valid defences and appropriate insurance coverage in place, or if there is unfunded risk, such claims are not expected to have material effect on the Town's financial position. Outstanding contingencies are reviewed on an ongoing basis and are provided for based on management's best estimate of the ultimate settlement.

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, 2022

21. Accumulated Surplus

	2022	2021
Unappropriated Surplus/(Deficit)		
General Fund	\$ 1,444,094	\$ 1,685,669
Water Fund	2,737,343	2,296,525
Sewer Fund	2,106,431	1,794,036
Capital Surplus	1,086,996	1,086,996
	<u>7,374,864</u>	<u>6,863,226</u>
Less: Amount to be funded in future years (Internal debt)	-	(2,000,000)
Less: Non-financial component (prepaids & inventory)	(830,026)	(458,330)
Amount available to finance operations	<u>6,544,838</u>	<u>4,404,896</u>
Non-Statutory Reserves		
Operating Reserves	605,005	362,417
LILO	-	68,227
Operating Capital Replacement Reserves	3,961,666	3,355,805
	<u>4,566,671</u>	<u>3,786,449</u>
Statutory Reserves		
Parking reserve	34,964	33,956
Water district reserve	172,612	142,333
	<u>207,576</u>	<u>176,289</u>
Subtotal	11,319,085	8,367,634
Equity in Tangible Capital Assets	<u>44,936,427</u>	<u>42,334,502</u>
Add back unappropriated surplus amounts not available to finance operations	830,026	2,458,330
	<u>\$ 57,085,538</u>	<u>\$ 53,160,466</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 was repaid by payments from FortisBC LILO revenues in 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

Thankfully COVID-19's impact is waning, but it still continued to have an impact on the Town's operations in 2022. Over the course of the pandemic, 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 during the pandemic. The Town has experienced revenue losses, some new operating expenses and increased costs for capital projects, those have been offset by Covid-19 Safe Restart Grant received from the Federal and Provincial Governments in 2020. Please see Schedule 4 for the statement of the grant utilization. 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 endeavoured to keep operations functioning in a safe sustainable manner throughout this challenging time for all.

23. Future Accounting Changes

PS 3280 - Asset Retirement Obligations.

This section establishes standards on how to account for and report a liability for asset retirement obligations, which are legal obligations associated with the retirement of a tangible capital asset. The new standard must be implemented for the year ended December 31, 2023. The transition method used will be the prospective approach. To apply the prospective approach the Town will apply PS 3280 as of the year of adoption without considering previous years.

PS 3450 - Financial Instruments

This section establishes standards for recognizing and measuring all types of financial instruments. Financial instruments include primary instruments, such as receivables, payables, and equity instruments, as well as derivatives such as financial options, futures and forwards, interest rate swaps, and currency swaps. This section must be applied by the Town for the year ended December 31, 2023. Since the Town does not deal with derivatives, swap arrangements, or other exotic financial transactions, the implementation will have little effect on the financial statement presentation.

Schedule 1

Town of Creston
Consolidated Schedule of Tangible Capital Assets
Year Ended December 31, 2022

	Land	Buildings	Equipment/ Furniture/ Vehicles	Engineering Structures			Sewer	Drainage	Streets	Other	Other Tangible Capital Assets		2022 Total	2021 Total
				Water	Water	Water					WIP	Total		
Historical Cost:														
Opening Balance	\$ 3,265,249	\$ 3,988,811	\$ 5,324,549	\$ 12,879,076	\$ 25,892,128	\$ 5,039,721	\$ 19,420,708	\$ 4,604,923	\$ 5,357,153	\$ 6,036,845	\$ 91,809,163	\$ 84,954,086		
Additions	206,142	9,680,929	347,614	150,563	197,759	71,165	377,292	231,201	-	(4,822,695)	6,439,970	7,149,235		
Disposals	-	-	-	(7,669)	(12,500)	(9,631)	(8,524)	-	(5,357,153)	-	(5,395,477)	(294,157)		
Closing Balance, Dec. 31	3,471,390	13,669,740	5,672,163	13,021,970	26,077,387	5,101,256	19,789,477	4,836,123	-	1,214,150	92,853,656	91,809,164		
Accumulated Amortization:														
Opening Balance	-	1,803,983	3,655,516	4,656,416	11,917,374	2,736,463	12,552,298	3,060,586	2,525,521	-	42,908,157	41,075,806		
Amortization Expense	116,007	116,007	317,610	247,629	522,048	66,152	561,843	135,351	140,306	-	2,106,946	2,118,900		
Effects of Disposals	-	-	-	(6,902)	(482)	(9,631)	(8,524)	-	(2,665,827)	-	(2,688,242)	(286,549)		
Closing Balance, Dec. 31	-	1,919,990	3,973,126	4,897,143	12,438,940	2,792,984	13,105,617	3,195,937	-	-	42,323,737	42,908,157		
Net book value for year ended December 31, 2022	\$ 3,471,390	\$ 11,749,750	\$ 1,699,037	\$ 8,124,827	\$ 13,638,447	\$ 2,308,272	\$ 6,683,860	\$ 1,640,186	\$ -	\$ 1,214,150	\$ 50,529,919	\$ 48,901,007		

Town of Creston
 Consolidated Schedule Surplus and Reserves
 Year Ended December 31, 2022

SCHEDULE 2

	Balances, Beginning of Year	Contributions From Operations	Withdrawals for Capital Purposes	Withdrawals for Operating Purposes	Interest Earnings	Balances, End of Year
OPERATING FUND SURPLUS						
SURPLUS						
General Fund Surplus	\$ 1,515,727			\$ (162,157)	\$ -	\$ 1,353,570
COVID 19 Safe Start Grant Surplus	169,942	-	-	(79,418)	-	90,524
Water Fund Surplus	2,296,525	591,381	(150,563)	-	-	2,737,343
Sewer Fund Surplus	1,794,036	424,067	(111,672)	-	-	2,106,431
	<u>5,776,230</u>	<u>1,015,448</u>	<u>(262,235)</u>	<u>(241,575)</u>	<u>-</u>	<u>6,287,868</u>
NON STATUTORY RESERVES						
LILO Reserve	68,227	9,595	(77,822)	-	-	-
Police Operating Reserve	-	101,773	-	-	-	101,773
Health Promotion & EDC Reserve	129,481	-	-	(542)	-	128,939
Green Initiatives Reserve	135,223	86,082	-	(5,551)	-	215,754
Engineering Reserve	67,259	9,837	-	-	-	77,096
Bin Replacement Reserve	-	24,205	-	-	-	24,205
Cemetery Operating Reserve	30,454	26,784	-	-	-	57,238
	<u>430,644</u>	<u>258,276</u>	<u>(77,822)</u>	<u>(6,093)</u>	<u>-</u>	<u>605,005</u>
CAPITAL REPLACEMENT RESERVES						
Public works equipment reserve	295,873	184,000	(253,696)	-	-	226,177
Fire equipment replacement reserve	384,215	118,377	-	-	-	502,592
Infrastructure Reserve	755,717	285,578	(25,382)	-	-	1,015,913
Wastewater treatment plant reserve	1,920,000	240,000	-	-	56,985	2,216,985
	<u>3,355,805</u>	<u>827,955</u>	<u>(279,078)</u>	<u>-</u>	<u>56,985</u>	<u>3,961,667</u>
TOTAL OPERATING FUND SURPLUS	<u>9,562,679</u>	<u>2,101,679</u>	<u>(619,135)</u>	<u>(247,668)</u>	<u>56,985</u>	<u>10,854,540</u>
CAPITAL FUND SURPLUS						
General Capital Fund Surplus	190,536	-	-	-	-	190,536
Water Capital Fund Surplus	321,995	-	-	-	-	321,995
Sewer Capital Fund Surplus	574,465	-	-	-	-	574,465
	<u>1,086,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,086,996</u>
STATUTORY RESERVES						
Parking reserve	33,956	-	-	-	1,008	34,964
Water district reserve	142,333	26,054	-	-	4,225	172,612
	<u>176,289</u>	<u>26,054</u>	<u>-</u>	<u>-</u>	<u>5,233</u>	<u>207,576</u>
TOTAL SURPLUS AND RESERVES	<u>\$ 10,825,964</u>	<u>\$ 2,127,733</u>	<u>\$ (619,135)</u>	<u>\$ (247,668)</u>	<u>\$ 62,218</u>	<u>\$ 12,149,112</u>

Town of Creston
 Schedule of Consolidated Operations by Segment
 Year Ended December 31, 2022

	General Government	Municipal Share of RCMP Costs	Health & Welfare					Recreation and Community Services					Water Utility	Sewer Utility	Unallocated	2021 Total	2022 Total
			Protection Services	Transportation	Sanitation and Waste Removal	Cemetery Services	Community Planning	Recreation	Community Services								
Revenue																	
Taxation	\$ -	\$ 1,102,306	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of services and rents	559,572	84,751	887,086	4,500	383,427	146,556	513	127,936	513	71,142	724,000	724,000	724,000	724,000	724,000	724,000	724,000
Government transfers	146,204	-	2,103,915	332,223	97,849	-	264,507	-	-	-	-	-	-	-	-	-	-
Investment income	(3,852)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility user fees and connection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Development Cost Charge Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	245,238	30,145	53,399	32,102	45,150	-	158,874	15,200	411,854	63,125	63,125	63,125	63,125	63,125	63,125	63,125	63,125
	947,162	1,217,202	3,044,400	368,825	526,426	146,556	835,748	143,136	411,854	5,125,315	5,125,315	5,125,315	5,125,315	5,125,315	5,125,315	5,125,315	5,125,315
Expenses																	
Salaries and Wages	1,399,238	66,599	1,008,383	713,813	42,791	97,703	280,559	212,045	280,559	574,286	574,286	574,286	574,286	574,286	574,286	574,286	574,286
Goods and Services	968,341	1,099,735	422,995	590,933	467,358	22,069	82,592	67,610	82,592	644,867	644,867	644,867	644,867	644,867	644,867	644,867	644,867
Debt Financing	204,448	-	134,750	-	-	-	-	-	-	56,385	56,385	56,385	56,385	56,385	56,385	56,385	56,385
Amortization	140,306	-	-	561,843	-	-	-	-	-	247,629	247,629	247,629	247,629	247,629	247,629	247,629	247,629
Other	167,603	-	41,998	-	6,892	-	-	-	-	21,647	21,647	21,647	21,647	21,647	21,647	21,647	21,647
	2,879,936	1,166,334	1,608,126	1,866,589	517,041	119,772	363,151	279,655	363,151	1,819,233	1,819,233	1,819,233	1,819,233	1,819,233	1,819,233	1,819,233	1,819,233
Total	\$ (1,932,774)	\$ 50,868	\$ 1,436,274	\$ (1,497,764)	\$ 9,385	\$ 26,784	\$ (136,519)	\$ 472,597	\$ 527,956	\$ 4,490,196	\$ 4,490,196	\$ 4,490,196	\$ 4,490,196	\$ 4,490,196	\$ 4,490,196	\$ 4,490,196	\$ 4,490,196

Town of Creston
 Schedule of Provincial COVID 19 Safe Restart Grant Utilization
 Year Ended December 31, 2022

SCHEDULE 4

	2022	2021
Beginning Balance	\$ 169,942	\$ 1,480,751
COVID 19 Safe Restart Grant Revenue	-	-
Operating Costs		
Supplies	1,851	4,189
Extra Cleaning Labour	41,307	102,833
Communications	6,745	66,699
Equipment Rentals & Costs	60	18,203
Fire Department Costs	-	1,685
Sick Pay	29,455	7,200
Total	<u>79,418</u>	<u>200,809</u>
Capital Costs		
Contribution towards Excess Emergency Services Building Costs	-	1,110,000
Remaining Grant Funds (included in General Fund Surplus)	<u>\$ 90,524</u>	<u>\$ 169,942</u>

