

District of Coldstream

2018 Annual Report



For the Fiscal Year Ended
December 31, 2018

District of Coldstream

2018 Annual Report

For the Fiscal Year Ended
December 31, 2018

Table of Contents

1-12	INTRODUCTORY SECTION	43-58	STATISTICAL SECTION
2	Welcome to Coldstream	44	Revenue by Source
3	District of Coldstream Council	45	Expenses by Function
4	Mayor's Message	46	Expenses by Object
5	Corporate Vision	47	Statement of Reserve Funds and Surplus
6	Committees, Boards and Commissions	48	Capital Spending
7	Message from the Chief Administrative Officer	49	Capital Funding by Source
8-9	Message from the Chief Financial Officer	50	Long-Term Debt by Function
10	Municipal Services and Operations	51	Long-Term Debt Capacity
11	2018 Strategic Priorities	52	Taxable Property Assessments
12	2019 Strategic Priorities	53	Property Tax Revenue
	DEPARTMENT OVERVIEWS	54	Principal Corporate Tax Payers
13	Corporate Administration	55	Permissive Tax Exemptions
14	Financial Administration	56	Building Permits and Business Licenses
15-16	Infrastructure Services	57	Number of Employees
17-18	Development Services	58	Population Demographics
19-20	Protective Services		STATEMENT OF FINANCIAL INFORMATION
21-42	FINANCIAL SECTION - Financial Statements	59	Schedule of Debts
22	Management's Statement of Responsibility	59	Schedule of Guarantees and Indemnity Agreements
23-24	Independent Auditor's Report	60	Schedule of Remuneration and Expenses
25	Statement of Financial Position	60	Statement of Severance Agreements
26	Statement of Operations and Accumulated Surplus	61-62	Schedule of Suppliers of Goods and Services (Greater than \$25,000)
27	Statement of Cash Flows	63	Statement of Financial Information Approval
28	Statement of Changes in Net Financial Liability		
29-31	Summary of Significant Accounting Policies		
32-41	Notes to Consolidated Financial Statements		
42	Schedule 1 - Segment Disclosure		



INTRODUCTORY SECTION



Welcome to Coldstream

The District of Coldstream is located just east of Vernon, surrounding the north end of Kalamalka Lake and extending through the beautiful Coldstream Valley.

The District is comprised of two neighbourhoods; Coldstream in the west and Lavington in the east, centering around the Coldstream Ranch, the earliest land claim in the District.

Kalamalka Lake has been called the lake of many colours because of its shimmering blue-green waters - a paradise for swimming, fishing and boating.



The District has a significant residential component and boasts a substantial inventory of parks - Coldstream Park, Creekside Park, Sovereign Park, Lavington Centennial Park - just to name a few. As well, the District is bordered on the south by beautiful Kalamalka Lake Provincial Park. A skateboard park is located on Kidston Road, and there are numerous biking routes and hiking trails throughout the District, adding to the rural flavor of the area.

There are three elementary schools in Coldstream, a high school, and the Kalamalka Campus of Okanagan College. Shopping is just a few minutes away in the neighbouring communities of Vernon and Lumby. A large portion of the community is mixed agriculture use and ranching. Industrial development is limited to lumber mills and small manufacturing.

The District has professional full-time staff in administration, finance, planning, engineering and public works, building inspection, bylaw enforcement and fire inspection. The Fire Department consists of approximately fifty paid on-call volunteer firefighters and two fire halls.

Fast Facts

Incorporated: December 21, 1906

Area: 7,645 hectares (18,891 acres)

Population: 11,395 (2018)

Active Parks: 76 acres

123 km paved roads; 11 km unpaved

July mean daily temperature: 19.1°C

Average sunshine: 1,903 hours per year

Average snowfall: 102.2 cm per year



District of Coldstream Council



The District of Coldstream is governed by an elected Council comprised of a Mayor and six Councillors. Members of Council are elected for a four-year term. During the 2018 Municipal elections, all the incumbent council members were re-elected with the exception of Peter McClean and Gyula Kiss. Ms. Stephanie Hoffman and Ms. Ruth Hoyte were elected as Councillors for the new term. The current term is from 2018 to 2022.

Regular Council meetings are held at 6:00 p.m. on the second and fourth Mondays of every month in Council Chambers at the Municipal Hall, 9901 Kalamalka Road. Public Hearings on development matters are scheduled at the same time and take place just prior to the Regular Council Meeting. Committee of the Whole meetings are generally scheduled twice a month. Members of the public are encouraged to attend all Council and Committee Meetings and Public Hearings. Meeting minutes and agendas are available on the District's website www.coldstream.ca.



Message from the Mayor

On behalf of Council, I would like to take this opportunity to present the Annual Financial Report of the District of Coldstream for 2018. This is a look back at the finances, initiatives and activities of the District for the year. This report is a legislative requirement of the Province. I hope that residents take the time to read this report to gain a better understanding of their community.

The local government election was held on October 20. As a result of the election process, Coldstream Council is now made up of incumbent Councillors Pat Cochrane, Doug Dirk, Richard Enns, Glen Taylor and new Councillors Stephanie Hoffman and Ruth Hoyte.

The election was accompanied by the successful question on borrowing up to \$25 million to build a cultural facility to house an art gallery and museum for the Greater Vernon Area. The support was around 60% of voters in favor of the borrowing. The process will now begin to plan for the building and to raise additional funds to pay for the project from provincial and federal grants together with private donations.

Locally, Coldstream staff completed another year of capital projects including development of public land to accommodate parking for the Okanagan Rail Trail, road paving, drainage projects and another phase of our pedestrian and cycling pathways along Coldstream Creek Road.

One of Council's first tasks will be setting our priorities for 2018-2022 term and developing a strategic plan to help guide us. This will lead us into determining the budget for 2019 and beyond for operations and capital projects.

The District of Coldstream is very fortunate to have a dedicated group of volunteers at our fire halls in Coldstream and Lavington. Coldstream Council is working with our fire department to ensure that they are supported in their efforts. The fire chiefs at these fire halls work very hard with their members to provide much-needed service to Coldstream.

I thank you for showing interest and taking the time to read this report. We would also like to hear any questions or feedback on this report or its contents to help Coldstream Council and staff make improvements as we move forward.



Jim Garlick

Mayor



Corporate Vision

Mission Statement of the District of Coldstream

We, the Council of the District of Coldstream, are committed to a long-range plan for Coldstream, which fosters orderly growth and which enhances rural living at its best. Our mission is to make this a living plan supported by efficient fiscal management, appropriate policy and procedure development, and effective delivery of services.



Council Responsibilities

Every Council member has the following responsibilities:

- To consider the well-being and interests of the municipality and its community;
- To contribute to the development and evaluation of the policies and programs of the municipality respecting its services and other activities;
- To participate in Council meetings, Committee meetings, and meetings of other bodies to which the member is appointed;
- To carry out other duties assigned by the Council;
- To carry out other duties assigned by or under the *Community Charter* and other legislation.



Committees, Boards and Commissions

Advisory Planning Commission

Councillor P. Cochrane
Councillor P. McClean, Alternate

Okanagan Regional Library Board

Councillor P. Cochrane
Councillor G. Kiss, Alternate

Regional District of North Okanagan

Councillor D. Dirk
Mayor J. Garlick, Alternate

Greater Vernon Advisory Committee (RDNO)

Councillor D. Dirk
Councillor G. Kiss, Alternate
Mayor J. Garlick, Alternate
Councillor G. Taylor, Alternate

Regional Growth Management Advisory Committee (RDNO)

Councillor D. Dirk
Mayor J. Garlick, Alternate

Agricultural Advisory Committee (RDNO)

Councillor R. Enns, Alternate

The District of Coldstream is a member of the Regional District of the North Okanagan, and a Council appointee serves as Coldstream's director on the 14 member Regional District Board, as well as a member the North Okanagan Regional Hospital District.



Message from the Chief Administrative Officer

I am very pleased to provide our residents and taxpayers with the 2018 Annual Report. The report is a wonderful opportunity to describe in detail the District's operations and set out our financial position. We welcome comments on the content and form of this report as we strive to improve communications with our residents about our community.

Delivering effective and efficient services is a key success factor for our community. As our community continues to grow, and services expand, we need to ensure we are providing the appropriate level of resources to meet the needs of the community. After taking an internal organizational review over the past 2 years, 2018 represented the implementation of the recommended changes. Additional staffing in our parks department, more efficient alignment of our public works department and efficient allocation of our resources for bylaw enforcement and building inspection services were the primary changes implemented. We continually strive to find efficiencies in our operations in order to deliver quality services to our community.

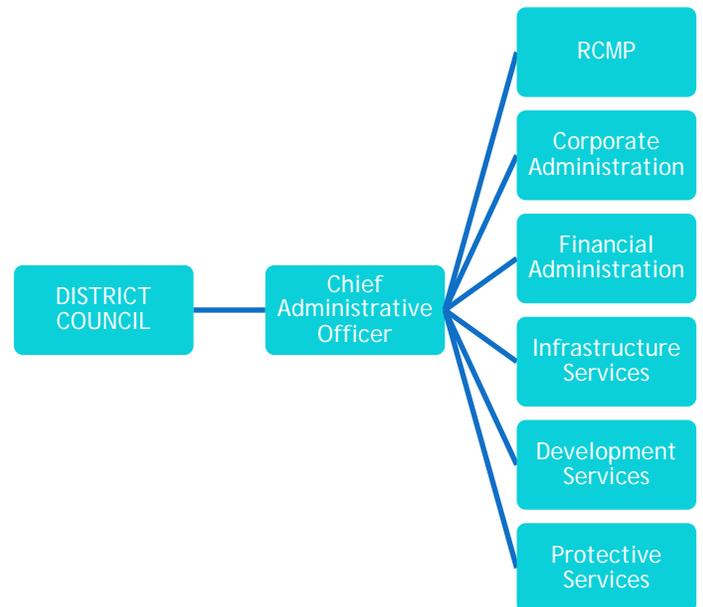
The RCMP Support Services Review has required a significant amount of time and resources as we work through the issues and concerns identified. Countless hours and meetings with our Regional partners and the RCMP have been undertaken as we work to find the most efficient and effective service for our community. We continue to work with the RCMP to determine the options available to Coldstream for the most beneficial delivery system for police services. Public safety is critically important for both our community and the RCMP, and this will be a paramount consideration in the evaluation of the effective and efficient delivery of police services for Coldstream.

As we have for many years, we continue to provide proportionate funding for regional initiatives such as recreation facilities, recreation services, police services and the fire training centre. These agreements provide our residents with the necessary services to create an active, safe and secure community that enhances the quality of life for everyone.

There are many accomplishments contained in this report that we are proud to share with the community. I invite you to take the time to read the document and provide us with any feedback and ideas to make this document better.



Trevor Seibel, BBA, CPA, CA
Chief Administrative Officer



Message from the Chief Financial Officer

June 7, 2019

In accordance with Section 98 of the *Community Charter*, I am pleased to present the 2018 Annual Report for the District of Coldstream. The report provides detailed information regarding the financial position and results of operations for the year ended December 31, 2018.

STRUCTURE

The 2018 Annual Report is presented in three sections. These sections are identified as Introductory, Financial and Statistical.

The Introductory Section provides information regarding the organization of the District of Coldstream including the 2018 operating results for each department as well as the 2019 Strategic Priorities. The District's departments consist of Corporate Administration, Financial Administration, Infrastructure Services, Development Services, and Fire Protection.

The Financial Section presents the 2018 audited financial statements along with the Auditor's Report. The audited financial statements contain the following statements:

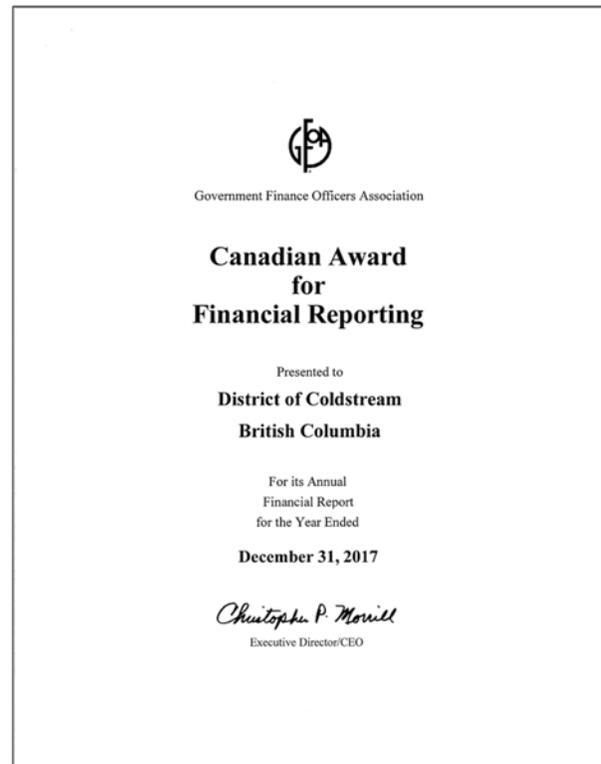
- Statement of Financial Position
- Statement of Operations and Accumulated Surplus
- Statement of Cash Flows
- Statement of Changes in Net Liability

The Statistical Section provides a variety of financial and non-financial statistics for the past five years as well as specific financial information pursuant to the *Financial Information Act* that are not readily apparent from the Financial Statements.

Most recently the Government Finance Officers Association of United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the District for its Financial Report for the fiscal year ended December 31, 2017, the eighth year in a row.



Patricia (Pat) Higgins
Director of Financial Administration



A handwritten signature in black ink, appearing to read "Pat Higgins".

Message from the Chief Financial Officer

2018 OPERATING RESULTS

The District's financial position increased in 2018 with the net financial asset increasing from \$1.075 million to \$1.833 million. The book value of the District's tangible capital assets increased \$5.080 million with a total amortization expense of \$2.204 million recognized in 2017. Consolidated revenues were 150.6% of budgeted revenues, whereas consolidated expenses were 94.3% of budgeted expenses, resulting in consolidated surplus of \$5.823 million. Highlights from the 2018 Statement of Operations include:

- Increase in revenue of \$4.3 million of assets acquired from new development and park assets that were transferred from the North Okanagan Regional District.
- Increase in grant revenue of \$0.791 million due primarily to grant applications approved for the construction of the Kalamalka multi use pathway and parking lot for the Okanagan Rail Trail.
- Decrease in sewer services in the amount of \$0.122 million due primarily to sewer treatment actual costs less than budgeted.

The District's 25-year Asset Investment Plan highlights the funding issues related to replacing our existing infrastructure. A proactive approach to funding the identified shortfall will put the District on a stronger financial footing in the years to come. During 2018 the District's statutory reserves had a net increase of \$0.705 million as a result of the financial strategies employed by the District.

The operating reserves had a year-end balance of \$1.62 million down from the \$1.64 million in the previous year. The decrease is due largely to the expended portion of the Community Works (Gas Tax) funds that was used for capital projects. The District of Coldstream continues to take a proactive approach to ensure stable surplus and reserve balances that are adequate for our community in the coming years.

FINANCIAL MANAGEMENT

The financial statements for the year ended December 31, 2018 were prepared by District staff in accordance with generally accepted accounting principles and the *Financial Information Act*, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules included in the Annual Report and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. Management is responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

AUDIT

The financial statements were audited by BDO Canada LLP, and their responsibility was to express an opinion based on the results of their audit. The audit was planned and performed to obtain reasonable assurance as to whether the financial statements were free of material error or misstatement. The external auditors have full and free access to the financial information of the District.

FUTURE OUTLOOK

The operating and financial environment is becoming more complex, and the demand for increasing service levels means the District must be innovative in its search for ways to promote efficiency and effectiveness in the delivery of services.

The District will continue to invest in existing infrastructure renewal in accordance with the long-term capital plan. Investment in new assets will follow the long-term capital plan and decision-making process for new asset investment will be documented, transparent and clearly communicated to Council, staff and the community.

Property taxes will remain as stable as possible over time. Council will continue to adjust any increases to property taxes amongst assessment classes. Property taxes will reflect the infrastructure, services and service levels that the community believes are important.

Municipal Services and Operations

Services provided by the District include:

- Legislative (bylaws, corporate policies and procedures)
- Policing
- Fire protection
- Fire inspection
- Building permits and inspection
- Bylaw enforcement
- Business licensing
- Planning services
- Engineering services
- Street and sidewalk maintenance, construction and reconstruction
- Snow removal
- Drainage system maintenance
- Street lighting
- Parks Maintenance
- Cemetery operations
- Public transit
- Acting as a collection authority for other taxation jurisdictions
- Sanitary sewer collection system, operation, maintenance and construction
- Water system operation as a subcontracted service of the Regional District of North Okanagan



2018 Strategic Priorities

<u>Strategic Direction</u>	<u>Strategic Objective</u>	<u>Target Completion</u>
Corporate Governance		
Collaboration with Other Local Governments	Discussions with RDNO regarding process to review the Master Water Plan	2018/2019
Zoning Bylaw Update	Align bylaw to be consistent with OCP and changing expectations	2018/2019
Community Hall	Identify goals, values and principles for the WI Hall; identify financial strategy for replacement of WI Hall	2018/2019
Administrative Office Renovations	Upgrade front office to resolve ergonomic concerns with existing workstations	2018
Active Lifestyle		
Parks & Trail Improvements	Implement projects from the Bicycle Pedestrian Master Plan and Parks Master Plan. Coldstream Creek Bike Path; Stenquist Parks Improvements; Lavington Park Improvements; Sovereign Park Improvements; Kalamalka Lake Road Multi-Use Path Design	2018
Infrastructure		
Transportation Network	Implement Pavement Management Program; improve non-vehicular modes of transportation; Kidston Road Realignment; Buchanan Road Path planning; Sanitary sewer - planning and pre-design (Area A); drainage projects	2018
Environment		
Coldstream Creek Water Quality	Implement the findings of the Sensitive Habitat Inventory and Mapping (SHIM) priorities; possible projects from Water Quality and Land Use Study Phase II	Ongoing with new initiatives each year
Lagoon	Identify goals, values and principles for the Lagoon; should the lagoon integrate with the storm management plan; local water feature	2018/2019

2019 Strategic Priorities

<u>Strategic Direction</u>	<u>Strategic Objective</u>	<u>Target Completion</u>
Corporate Governance		
Collaboration with Other Local Governments	Discussions with RDNO regarding process to review the Cultural Master Plan	2019
Community Hall	Identify goals, values and principles for the WI Hall; identify financial strategy and prepare a design for replacement of WI Hall.	2019/2020
Active Lifestyle		
Parks & Trail Improvements	Implement projects from the Bicycle Pedestrian Master Plan and Parks Master Plan. Coldstream Creek Bike Path; Lavington Park Improvements; Sovereign Park Improvements; Boat Launches; Pathway at Lake Accesses	2019
Infrastructure		
Transportation Network	Implement Pavement Management Program; improve non-vehicular modes of transportation; installation traffic calming measures; Kidston Road - Red Gate realignment; Sanitary sewer -upgrading Kalavista Lift Station; drainage projects	2019/2020
Kalamalka Lake Road Property	Develop parking lot on the Kalamalka Lake Road property to support increase in traffic activity to access the new Rail Trail system	2019
Environment		
Coldstream Creek Water Quality	Implement the findings of the Sensitive Habitat Inventory and Mapping (SHIM) priorities; possible projects from Water Quality and Land Use Study Phase II	Ongoing with new initiatives each year
Lagoon	Identify goals, values and principles for the Lagoon; should the lagoon integrate with the storm management plan; local water feature	2019/2020

Corporate Administration

The Administration Department is the link between Coldstream residents, Council, staff and outside government agencies.

Key responsibilities include the following:

- Implementing policy direction as determined by District Council;
- Providing leadership and direction to staff in fulfilling the various departmental directives and responsibilities;
- Ensuring timely and appropriate administrative support and information flow to Council;
- Maintaining accessibility to the public through notifications and through a user-friendly website;
- Ensuring timely access to information and records by staff, the public and Council;
- Updating and maintaining bylaws and policies;

2018 Highlights

Discussions with Coldstream’s partners in Greater Vernon continued over shared services, including water and parks. The development of a new Master Water Plan is being prepared with Coldstream’s partners in the service.

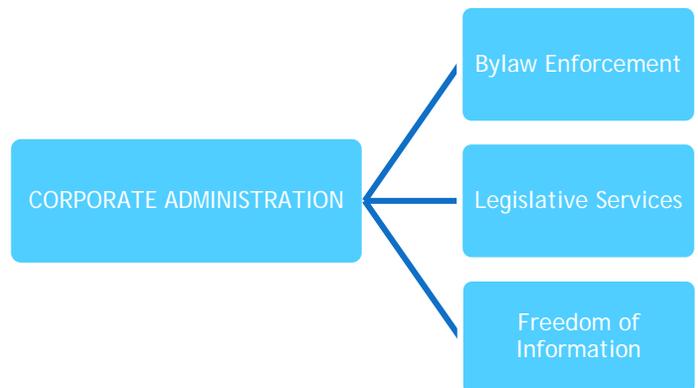
Staff continued with the reorganization of the District’s records management system and made improvements to the online Council and Committee agendas to enhance the electronic agenda experience for Council, staff and the public.

2018 Corporate Administration Statistics:

53	Council & Committee Meetings (Open)
23	Council & Committee Meetings (Closed)
14	Freedom of Information Requests
12	Bylaws Adopted
213	Bylaw Complaint Files



Keri-Ann Austin
Director of Corporate Administration



2019 Outlook

Communication continues to be a priority for the department. Planned improvements to the District website will further enhance the online experience of those users seeking information from the District.

Bylaw enforcement will continue to operate on a complaint-based system. There are several issues that continually generate complaints such as the Kalavista Boat Launch and parking lot, non-agricultural activities on agricultural lands, movable storage containers and secondary suites. The Commissionaires further assist the District with additional bylaw enforcement and patrolling responsibilities from the restructuring of the parks.

Financial Administration

The Finance Department is responsible for all matters of financial administration for the District of Coldstream as well as management of the District's information services. Specific responsibilities include the following:

- Financial management, planning, reporting and analysis;
- Administration of the District's assets through budgets, financial and internal control systems and valuations;
- Collection of taxes, utility usage and other revenue sources;
- Cash, portfolio and debt management; expending municipal money as authorized;
- Insurance claims and risk management;
- Purchasing including improving policy and process;
- Information technology management, including hardware and software acquisition and maintenance.

2018 Highlights

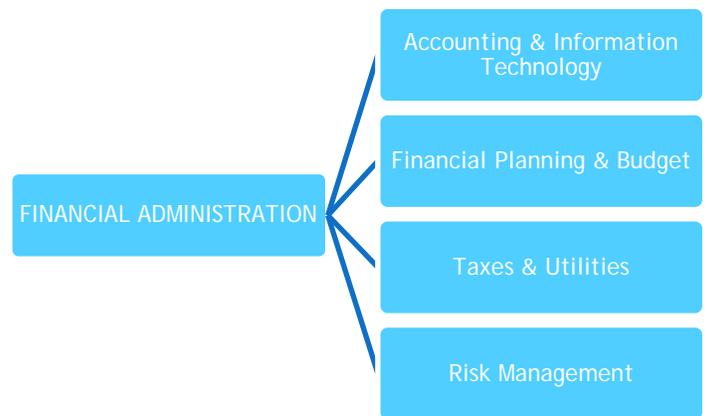
The District's operating results were stronger than expected in 2018. Development activity continued to be strong in 2018 and paralleled that of 2017. Building permit fee revenue continued to meet budgeted targets. Additionally, increased revenues from user fees and sales of services continue to help mitigate annual tax increases. Senior government funding continues to play an integral part of the District's overall operations.

The District continues to be proactive in implementing financial policies to better position the District for the future. Of the 3.5% tax rate increase approved by Council, 1.35% was allocated for infrastructure needs and will allow timely replacement of community assets as well as provide funds for future needs of the Community Hall.

The Department is responsible to provide financial reporting which includes long-term planning, annual budget development, accounting, procurement and statutory financial reporting; responsible for presenting an annual five-year financial plan which establishes financial and programming priorities. The Department also keeps Management and Council informed about the District's financial performance on a regular basis, ensuring the District meets its annual budget and targeted savings.



Patricia (Pat) Higgins
Director of Financial Administration



2019 Outlook

Communicating with the public continues to be an important part of delivering local government services. In conjunction with Administration, further implementation of the Corporate Communication Strategy will continue to promote communication with the community.

It is also the Department's focus to provide maximum efficiency and reasonable taxation, while also making provision for future infrastructure and service needs. The Department is committed to sound financial management of its operations, debt and reserve balances and addressing our aging municipal infrastructure. The District will effectively plan and steward the continuance of healthy fiscal management on these issues for current and future generations.

Infrastructure Services

The Infrastructure Services Department is responsible for all operational matters of the District of Coldstream. Specific responsibilities include:

- Planning, design and construction of the District's infrastructure, including roads and sewer;
- Reviewing and inspecting subdivision applications and construction;
- Reviewing all development applications for impact on servicing and infrastructure;
- Planning for capital projects;
- Maintenance of the District's fleet;
- Maintenance of the sewer system;
- Maintenance of the water system under sub-contract to Greater Vernon Water Utility;
- Signage and traffic marking;
- Maintenance of community parks.



Michael Baker
Director of Infrastructure Services

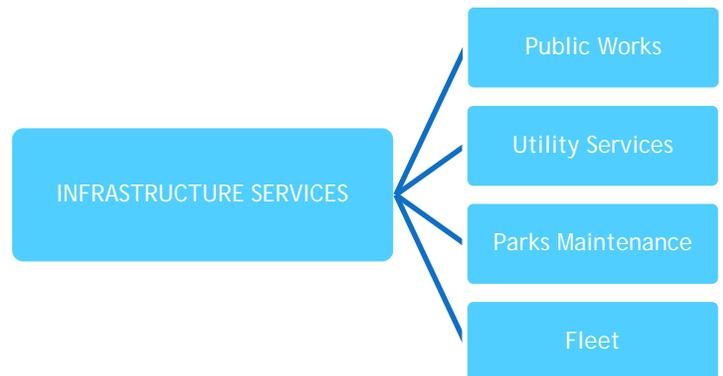
2018 Highlights

Infrastructure Services had another busy year in 2018. The Pavement Management Plan continued in 2018 with asphalt resurfacing and curb replacement. Roads that received asphalt resurfacing and curb replacement included Upland Heights, Kickwillie Loop, Buchanan Road and Kidston Road.

The purpose of this Plan is to ensure that the long-term cost of maintaining roads is minimized. A comprehensive analysis of Coldstream's roads was conducted in 2013 and included an investment/benefit analysis to optimize the monies invested in our roads. The optimal time to rehabilitate roads is quite some time prior to complete failure.

The District was successful in obtaining a grant to assist with the construction of a multi-use pathway from the Vernon Boundary to College Way, to KLL Construction. This work also included a gravel parking area on a District-owned lot adjacent to the Vernon boundary. This provides a linkage and safe access for the Okanagan Rail Trail users.

The next Phase of Coldstream Creek Road multi-use pathway was completed. This project will increase the usability of Coldstream Creek Road for recreational users and provide linkages between local neighbourhoods, schools and Kalamalka Road.



Infrastructure Services

The District of Coldstream also received grant funding to complete the detailed design for completion of the sanitary sewer in the Kalamalka Road / Aberdeen Road area. The design for the Town Centre was completed in early 2018 and the grant was extended to include a trunk main up Aberdeen Road, including the adjacent subdivisions. This will produce a “shelf ready” design that could be used at a future date to apply for grant funding.

Staff also worked with consultants and SPPrKL to prepare a work plan to obtain permitting and options for carp fencing and restoration of the Kalavista Lagoon.

The District of Coldstream completed the detailed design for the replacement of the Kalavista Sewer Lift Station and the forcemain out to Kalamalka Road. This work is needed to replace aging infrastructure and increase sewer capacity. The work will coincide with the paving for the water main replacement by Greater Vernon Water and is scheduled for 2019.

In addition to the parks transferred to the District in 2014, the District took over the care and control of Creekside Park, Kal Beach and the Kal Beach parking lot in 2018. With the added services, some additional resources were required to meet these needs. Council authorized a number of pieces of equipment to provide ongoing maintenance of the green spaces and natural and artificial turfs.



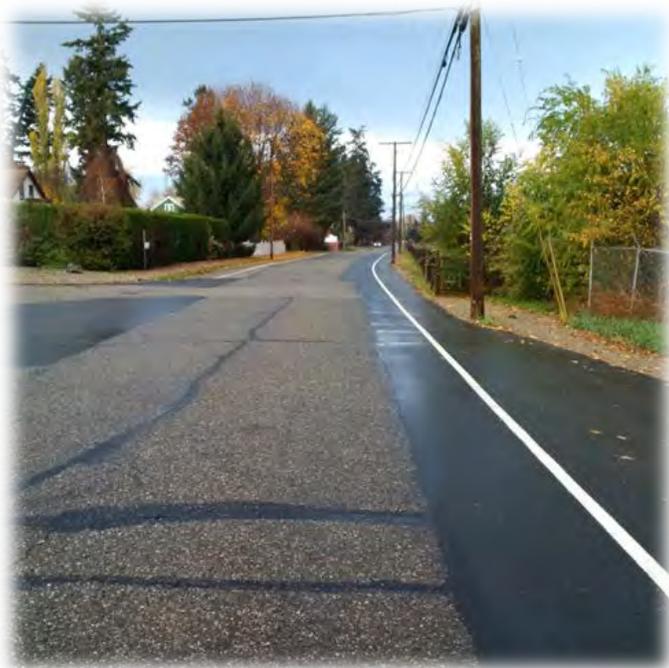
2019 Outlook

There are a number of specific roads identified for roads maintenance in 2019 including an overlay on Reid Road, Middleton Drive, Upper Warren Drive and sections of College Way.

Council further approved the realignment of Kidston Road at the Red Gate. Staff have worked with BC Parks to identify a long term solution for the parking area which will include an expanded parking lot into the park boundary.

The District will look at the next phase of the development of public land next to the Alpine Centre entrance. A conceptual plan will be developed to address landscaping and washroom facilities.

There are also a number of projects planned to be completed in the District's parks including washroom upgrades in Lavington Park, ramp and wharf replacement at WestKal boat launch, and replacement of the irrigation system in several parks.



Development Services

Department responsibilities include:

- Assisting and advising Council on growth management, development, long-range policy planning, ongoing improvements and amendments to the Official Community Plan (OCP) and Zoning Bylaw.
- Subdivision review and approvals.
- Review and processing of development applications (i.e., Official Community Plan amendments, Zoning Bylaw amendments, development variance permits, development permits, Agricultural Land Reserve).
- Building inspections and business licensing



Mike Reiley
Director of Development Services

2018 Highlights

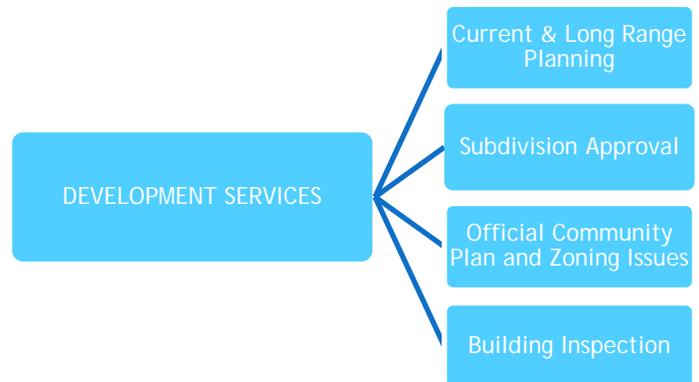
The number of development applications that were submitted in 2018 increased from the 2017 level of activity.

In 2017, 24 applications were processed and in 2018 staff handled 27 applications consisting of:

- 3 subdivision applications;
- 13 development variance permit applications;
- 6 rezoning applications;
- 2 OCP applications;
- 3 ALR applications.

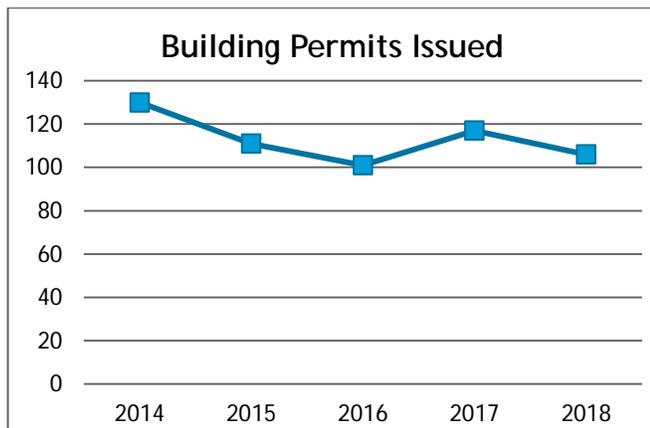
The District hired Urban Systems Ltd to prepare an updated version of the community's zoning bylaw. Staff started working through the document, making sure that Council's concerns are addressed regarding secondary suites, rural parcel sizes, short-term vacation rentals, farm worker housing, urban hens and farm home plate.

The draft bylaw was completed and presented to Council and the District's Advisory Planning Commission for their review followed by several public hearings in the fall. The updated bylaw is scheduled to be adopted in early 2019.



Development Services

Building permits are issued for activities including, but not limited to, residential buildings, commercial buildings, accessory buildings, renovations, demolitions, swimming pools and mobile homes. The chart below highlights the change in the number of building permits issued over the past five years. The number of housing units has remained fairly consistent between 2014 & 2018 with only a slight decrease in 2018 down to 253 permits.

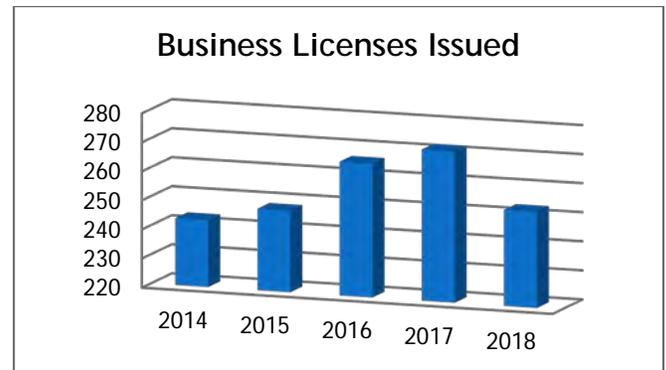


With the retirement of the Building Official in 2018, the District entered into an agreement with the Regional District for Building Inspection services until April 2019.

Bylaw enforcement has continued to operate on a complaint basis to ensure that compliance is maintained at a reasonable cost.

This division is also responsible for parking and traffic enforcement. The Commissionaires have been contracted for the past several years to provide parking enforcement services during the busy tourist season. The Commissionaires perform this function very well, maintaining a consistent daily presence which serves to minimize complaints to the District.

Business License activity has decreased slightly, with 253 active business licenses at the end of 2018 compared to 272 at the end of 2017. The number of businesses operating in Coldstream has remained relatively constant over the past several years. Businesses that have been tied to the construction industry have experienced a decline in the past couple of years. Overall, these businesses provide services and jobs for the benefit of the community



2019 Outlook

For 2019, development activity is expected to be consistent with 2018. A large amount of renovations and redevelopment continues to take place throughout the District, particularly properties along Kalamalka Lake.

Additional public hearings will be held in early 2019 to allow the community to provide further comment on the proposed changes to the District's Zoning Bylaw. It is anticipated that Council will adopt the Bylaw in early spring.



Protective Services



Lavington fire hall on school road



Coldstream fire hall on aberdeen road

Protective Services responsibilities include:

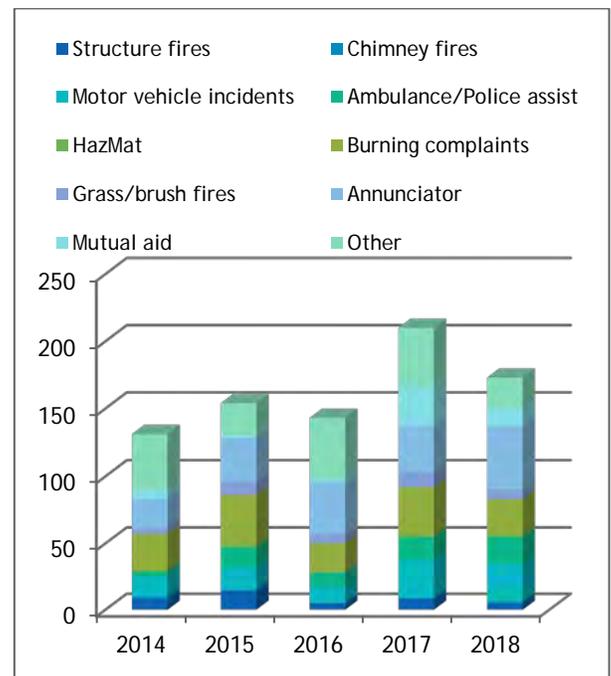
- Prevention, control and extinguishment of fires
- Protection of life and property
- Enforcement of all municipal bylaws respecting fire prevention
- Overseeing the District's Emergency Management Occupational Health and Safety, Fire inspections and fire investigation programs and services
- Provide traffic control and safety to citizens

2018 Highlights

The primary goal of 2018 for the Coldstream and Lavington Fire Departments was to continue implementing the BC Structure Firefighter Competency and Training Playbook and provide training to deliver the highest level of service as possible. Certification based training model will ensure consistent training standards are implemented at both fire halls. It also provides greater efficiencies and cooperation when interacting with other fire departments within the North Okanagan Regional District.

The District's Fire Department was called out a total 173 times in 2018. There were a total of 210 callouts in 2017.

The following table identifies the number and type of callouts for the Fire Department over the past five years.



Additionally the District continued to use the services of Davies Wildfire to assist the District in working to reduce the risk to homes due to the impact of wildfires. The District, with the assistance of Davies Wildfire, is currently moving forward with two programs: a FireSmart Program and a Fuel Management Program.

In 2018, the Emergency Program provided EOC team member training to 10 full time staff members. This training will provide greater capacity for the response and recovery from emergency events.

Protective Services

The District of Coldstream also started a review of the police service delivery model and how it affects our community. As a community with a population of over 5,000 we are required to directly fund 70% of our police costs. Coldstream resources have been integrated within the Vernon detachment as part of the Regional Policing model.

The recent support services review undertaken between the RCMP, District of Coldstream, City of Vernon, Township of Spallumcheen and City of Armstrong looked at the level and funding of the support services to deliver the current policing model. Through the process it was determined there was a need for Coldstream to review the various police service models available to our community to ensure that we are receiving the best value for the tax dollars spent.

Below are a few key points about our police service:

- Coldstream funds 7 police officers
- Coldstream funds 2 support staff
- Our police officers and support staff are stationed at the Vernon detachment
- The 2018 police budget was \$1,057,862



2019 Outlook

Training will continue to be a major focus going forward for the Fire Departments. Goals for 2019 are to continue implementing the “Passport” accountability system that will enable safe and effective accountability on the fire ground as well as an added level of record and reporting when it comes to investigation.

Occupational Health and Safety will continue to guide the direction of safe effective fire service management. Equipment testing will take place to ensure 100% compliance in 2019.

The District of Coldstream will continue to work with the RCMP to determine the options available to Coldstream for the most beneficial delivery system for police services. Public safety is critically important for both our community and the RCMP, and this will be a paramount consideration in the evaluation of the effective and efficient delivery of police services for Coldstream.





FINANCIAL SECTION



Management's Statement of Responsibility

These financial statements and accompanying schedules of the District of Coldstream are the responsibility of management and have been prepared in accordance with generally accepted accounting principles for local governments as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Management is responsible for implementing and maintaining a system of internal controls that are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are regularly monitored and evaluated by management.

These financial statements have been audited by BDO Canada LLP, independent external auditors appointed by the District of Coldstream. The following Independent Auditors' Report describes their responsibilities, scope of examination, and opinion on the District's financial statements. The external auditors have full access to Council.



Patricia (Pat) Higgins
Director of Financial Administration

April 8, 2019



Trevor Seibel, CPA, CA
Chief Administrative Officer



Tel: 250-545-2136
Fax: 250-545-3364
www.bdo.ca

BDO Canada LLP
2706 30th Avenue
Suite 202
Vernon BC V1T 2B6 Canada

Independent Auditor's Report

To the Mayor and Council of the District of Coldstream

Opinion

We have audited the financial statements of District of Coldstream (the District), which comprise the statement of financial position as at December 31, 2018, and the statement of operations and accumulated surplus, change in net financial liability, 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 District as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the District 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 these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the District'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 District or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a Swiss company limited by guarantee, and forms part of the international BDO network of independent member firms.



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District 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.

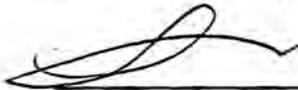
BDO Canada LLP

Chartered Professional Accountants

Vernon, British Columbia
April 8, 2019

**District of Coldstream
Statement of Financial Position**

December 31	2018	2017
Financial assets		
Cash (Note 1)	\$ 3,419,326	\$ 3,295,391
Portfolio Investments (Note 1)	3,595,609	3,592,434
Accounts receivable (Note 2)	2,580,534	2,424,198
Deposit - Municipal Finance Authority	205,888	204,301
	9,801,357	9,516,324
Liabilities		
Accounts payable and accrued liabilities (Note 3)	2,309,776	2,581,947
Reserve - Municipal Finance Authority	205,888	204,301
Development cost charges	1,522,412	1,476,031
Debt (Note 5)	3,929,564	4,178,436
	7,967,640	8,440,715
Net financial asset	1,833,717	1,075,609
Non-financial assets		
Inventory	11,586	13,930
Prepaid expenses	85,339	98,473
Tangible capital assets (Note 4)	68,648,346	63,567,912
	68,745,271	63,680,315
Accumulated surplus (Note 6)	\$70,578,988	\$ 64,755,924
Contingent Liabilities (Note 13)		
Commitments (Note 14)		



Director of Financial Administration

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

District of Coldstream
Statement of Operations and Accumulated Surplus

For the year ended December 31	2018	2018	2017
	Budget	Actual	Actual
Revenues			
Taxation-net	\$ 6,371,087	\$ 6,362,447	\$ 5,955,009
Grants in lieu of taxes	157,410	157,443	142,244
Sale of services	1,796,190	1,961,927	1,970,304
Licenses, fines and rentals	621,250	985,308	1,025,193
Return on investments	32,000	197,045	173,655
Unconditional grants	437,008	443,003	443,065
Conditional grants	1,086,942	1,331,577	540,262
Developer contributions	-	4,376,100	200,000
	<u>10,501,887</u>	<u>15,814,850</u>	<u>10,449,732</u>
Expenses (Note 11)			
General government services	919,434	853,059	847,503
Protective services	2,284,924	2,353,460	1,935,425
Transportation services	3,636,624	3,624,969	3,518,603
Environmental health services	111,606	111,486	127,259
Development services	383,423	344,275	406,941
Park services	1,320,022	1,299,746	1,158,612
Sewer services	1,694,664	1,279,777	1,402,168
Interest	278,870	152,017	236,981
	<u>10,629,567</u>	<u>10,018,789</u>	<u>9,633,492</u>
Annual surplus	(127,680)	5,796,061	816,240
Gain (Loss) on disposal of tangible capital assets	-	27,003	(533,792)
Annual surplus (Note 12)	(127,680)	5,823,064	282,448
Accumulated surplus, beginning of year	<u>64,755,924</u>	<u>64,755,924</u>	<u>64,473,476</u>
Accumulated surplus, end of year	<u>\$64,628,244</u>	<u>\$70,578,988</u>	<u>\$ 64,755,924</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

District of Coldstream
Statement of Cash Flows

For the year ended December 31	2018	2017
Operating activities		
Cash received from:		
Taxation	\$ 6,514,807	\$ 6,295,390
Fees, permits, licenses and fines	2,795,982	2,902,092
Grants	1,774,580	983,327
Investments	197,045	173,655
	11,282,414	10,354,464
Cash paid for:		
Wages and benefits	(3,493,568)	(3,026,753)
Materials and supplies	(846,649)	(653,730)
Contracted services	(1,447,180)	(2,797,451)
Interest charges	(152,017)	(236,981)
Other	(2,131,692)	(714,074)
	(8,071,106)	(7,428,989)
Cash provided by operating activities	3,211,308	2,925,475
Capital activities		
Proceeds on sale of tangible capital assets	26,868	-
Purchase of tangible capital assets	(2,908,575)	(2,207,336)
	(2,881,707)	(2,207,336)
Financing activities		
Development cost charges	46,381	87,721
Repayment of debt	(248,872)	(274,398)
	(202,491)	(186,677)
Increase in cash and portfolio investments during year	127,110	531,462
Cash and portfolio investments, beginning of year	6,887,825	6,356,363
Cash and portfolio investments, end of year (Note 1)	\$ 7,014,935	\$ 6,887,825

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

District of Coldstream
Statement of Change in Net Financial Liability

For the year ended December 31	2018	2018	2017
	Budget	Actual	Actual
Annual surplus	\$ (127,680)	\$ 5,823,064	\$ 282,448
Acquisition of tangible capital assets	(4,934,950)	(7,284,675)	(2,407,336)
Amortization of tangible capital assets	2,248,410	2,204,376	2,201,568
Gain on disposal of tangible capital assets	-	(27,003)	533,792
Proceeds on disposal of tangible capital assets	-	26,868	-
Acquisition of inventory	-	2,344	(218)
Acquisition (use) of prepaid expense	-	13,134	54,973
	<u>(2,686,540)</u>	<u>(5,064,956)</u>	<u>382,779</u>
Decrease (increase) in net financial asset/(liability)	(2,814,220)	758,108	665,227
Net financial asset, beginning of year	1,075,609	1,075,609	410,382
Net financial asset/(liability), end of year	\$ (1,738,611)	\$ 1,833,717	\$ 1,075,609

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

District of Coldstream Summary of Significant Accounting Policies

December 31, 2018

Basis of Accounting The financial statements of the District of Coldstream are prepared by management in accordance with local government accounting standards established by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants of Canada. The resources and operations of the District are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it.

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or creation of a legal obligation to pay.

Revenue Recognition 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 provided by the District. Grant revenues are recognized when the funding becomes receivable.

Deferred Revenue Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.

Tangible Capital Assets Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The District does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset. The cost, less residual value, of the tangible capital asset is amortized on a straight line basis over their estimated useful life as follows:

Land	not amortized
Land improvements	15 - 40 years
Buildings	20 - 50 years
Vehicles	10 - 30 years
Equipment	5 - 15 years
Road infrastructure	10 - 75 years
Drainage infrastructure	30 - 70 years
Sewer infrastructure	30 - 70 years

Assets under construction, work in progress, are not amortized until the asset is available for productive use.

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

District of Coldstream
Summary of Significant Accounting Policies

December 31, 2018

Portfolio Investments	Portfolio investments consist of guaranteed investment certificates with a chartered bank and deposits with the Municipal Finance Authority pooled investment money market funds. These investments are recorded at cost, which approximates their quoted market value. When, in the opinion of management, there is a permanent decline in value, investments are written down to their market value.
Financial Instruments	It is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from its financial instruments, unless otherwise noted. The fair values of the District's financial instruments approximate their carrying values, unless otherwise noted.
Use of Estimates	The financial statements of the District have been prepared by management in accordance with Canadian generally accepted accounting principles. As such, management is required to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.
Government Transfers	Government transfers, which include legislative grants, are recognized in the financial statements in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.
Non-Financial Assets	Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial liability for the year.
Development Cost Charges	Development Cost Charge (DCC) levies are restricted by by-law in their use for road, drainage and sewer expenses and the revenue is deferred until the expenses are incurred. When DCC expenses are made, a corresponding amount is recorded as "Development cost charges" in revenues.
Contaminated Sites Liability	A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries.

District of Coldstream
Summary of Significant Accounting Policies

December 31, 2018

Employee Future Benefits Employees are entitled to sick leave benefits, accrued monthly, to a maximum of 180 days. Employees are entitled to a payout of their unused sick leave balance upon satisfaction of pre-established criteria. The District's cost of the sick leave benefits are accounted for based on the actuarial valuation. Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the employee group.

Budget The budget figures are from the Annual Budget Bylaw to be adopted by May 15 of each year. They have been reallocated to conform to PSAB financial statements. Subsequent amendments have been made by Council to reflect changes in the budget as required by law.

District of Coldstream
Notes to Financial Statements

December 31, 2018

1. Cash and Portfolio Investments

Cash and Portfolio investments are comprised of the following:

	2018	2017
Cash	\$ 3,419,326	\$ 3,295,391
Municipal Finance Authority - temporary investments	187,020	183,845
Guaranteed Investment Certificates	3,408,589	3,408,589
	\$ 7,014,935	\$ 6,887,825

The restricted and unrestricted balances are as follows:

	2018	2017
Restricted cash and cash equivalents		
Restricted revenues	\$ 1,522,412	\$ 1,476,031
Statutory reserves (Note 7)	4,948,544	4,243,185
	6,470,956	5,719,216
Unrestricted cash and cash equivalents	543,979	1,168,609
	\$ 7,014,935	\$ 6,887,825

Guaranteed Investment Certificates bear interest ranging from 1.95% to 2.80% (2017 - 1.60% to 2.08%) with maturities ranging from June 2019 to September 2023. Portfolio investments are recorded at cost.

2. Accounts Receivable

	2018	2017
Federal Government	\$ 101,603	\$ 107,634
Taxes - current	291,472	335,459
- arrears	171,812	122,742
Utility billings	1,443,164	1,533,027
Trade	572,483	325,336
	\$ 2,580,534	\$ 2,424,198

3. Accounts Payables and Accrued Liabilities

	2018	2017
Accounts payable and accrued liabilities	\$ 2,031,112	\$ 2,298,839
Employee future benefits (Note 11)	278,664	283,108
	\$ 2,309,776	\$ 2,581,947

District of Coldstream
Notes to Financial Statements

December 31, 2018

4. Tangible Capital Assets

	HISTORICAL COST				ACCUMULATED AMORTIZATION				NET BOOK VALUE
	Opening	Additions	Disposals	Closing	Opening	Additions	Disposals	Closing	
2018									
Land	\$ 10,519,754	\$ 3,465,000	\$ -	\$ 13,984,754	\$ -	\$ -	\$ -	\$ -	\$ 13,984,754
Land improvements	3,373,263	705,009	-	4,078,272	-	140,059	-	1,016,056	3,062,216
Buildings	7,845,685	631,551	-	8,477,236	-	171,072	-	1,615,568	6,861,668
Vehicles	4,942,084	371,341	68,040	5,245,385	-	188,449	68,040	2,578,260	2,667,125
Equipment	2,752,648	155,882	56,063	2,852,467	-	157,126	56,198	1,731,993	1,120,474
Road infrastructure	35,905,226	2,084,972	-	37,990,198	-	970,410	-	15,964,875	22,025,323
Drainage infrastructure	13,555,503	-	-	13,555,503	-	243,276	-	4,763,095	8,792,408
Sewer infrastructure	17,131,922	-	-	17,131,922	-	333,984	-	7,252,201	9,879,721
Work in progress	383,738	220,384	349,465	254,657	-	-	-	-	254,657
	\$ 96,409,823	\$ 7,634,139	\$ 473,568	\$103,570,394	\$ 32,841,910	\$ 2,204,376	\$ 124,238	\$ 34,922,048	\$ 68,648,346

	HISTORICAL COST				ACCUMULATED AMORTIZATION				NET BOOK VALUE
	Opening	Additions	Disposals	Closing	Opening	Additions	Disposals	Closing	
2017									
Land	\$ 9,766,737	\$ 753,017	\$ -	\$ 10,519,754	\$ -	\$ -	\$ -	\$ -	\$ 10,519,754
Land improvements	3,893,263	-	520,000	3,373,263	760,538	140,059	24,600	875,997	2,497,266
Buildings	7,845,685	-	-	7,845,685	1,273,424	171,072	-	1,444,496	6,401,189
Vehicles	4,892,321	71,887	22,124	4,942,084	2,246,285	211,566	-	2,457,851	2,484,232
Equipment	2,723,948	146,745	118,045	2,752,648	1,587,321	145,521	101,777	1,631,065	1,121,583
Road infrastructure	34,793,119	1,261,628	149,521	35,905,226	14,187,896	956,090	149,521	14,994,465	20,910,761
Drainage infrastructure	13,555,503	-	-	13,555,503	4,276,543	243,276	-	4,519,819	9,035,684
Sewer infrastructure	17,131,922	-	-	17,131,922	6,584,233	333,984	-	6,918,217	10,213,705
Work in progress	209,677	382,903	208,842	383,738	-	-	-	-	383,738
	\$ 94,812,175	\$ 2,616,180	\$ 1,018,532	\$ 96,409,823	\$ 30,916,240	\$ 2,201,568	\$ 275,898	\$ 32,841,910	\$ 63,567,912

In 2018, the District received contributed assets from the Regional District of the North Okanagan as part of continued regional parks and recreation restructuring. \$3,465,000 Land; \$385,700 Land Improvements; \$525,400 Buildings
Where an estimate of fair value is not determinable, the tangible capital asset is recognized at a nominal value.

District of Coldstream
Notes to Financial Statements

December 31, 2018

5. Debt

Bylaw	Purpose	Maturity Date	Interest Rate	2018	2017
Debtenture debt outstanding:					
2214	Buildings	2032	4.52%	2,704,665	2,846,839
2513	Retaining Wall	2031	3.25%	37,018	39,158
2535	Building	2032	3.40%	1,037,881	1,092,439
				3,779,564	3,978,436
Other debt outstanding:					
1689	General Capital	2021	1.38%	150,000	200,000
				\$ 3,929,564	\$ 4,178,436

Future principal requirements are due as follows:

Year	Amount
2019	\$ 192,582
2020	192,582
2021	192,582
2022	142,582
2023	142,582
Thereafter	1,281,545
Actuarial adjustments	1,785,109
\$ 3,929,564	

District of Coldstream
Notes to Financial Statements

December 31, 2018

6. Accumulated Surplus

The accumulated surplus consists of individual fund balances and reserves as follows:

	2018	2017
Surplus		
Invested in tangible capital assets	\$64,718,782	\$ 59,389,475
General surplus (deficit)	(3,181,311)	(2,618,163)
Sewer surplus	2,467,769	2,096,809
	64,005,240	58,868,121
Operating reserves		
Building stabilization	25,000	25,000
Community amenity	21,619	21,619
Community Works (Gas Tax)	466,789	804,359
Election	-	15,000
Fire equipment	25,000	25,000
Future expenditures	672,194	338,253
Parks	163,800	9,000
Police stabilization	177,311	332,896
Road improvement	13,780	13,780
Snow removal	10,000	10,000
Water devolution	49,711	49,711
	1,625,204	1,644,618
Statutory reserves		
Building Reserve Fund	574,489	564,130
Community Hall Reserve Fund	116,716	57,612
Drainage Reserve Fund	439,533	299,521
Equipment Replacement Reserve	1,259,497	1,339,384
Land Sale Reserve Fund	161,417	106,610
Road Reserve Fund	1,298,845	945,783
Sewer Improvement Fund	1,098,047	930,145
	4,948,544	4,243,185
	\$70,578,988	\$ 64,755,924

**District of Coldstream
Notes to Financial Statements**

December 31, 2018

7. Trust Funds

The District has excluded the following trust funds and associated cash from the Statement of Financial Position and related interest earnings and transactions from the Statement of Operations and Accumulated Surplus:

a) Cemetery Trust Fund

The District operates and maintains the Coldstream Cemetery. As required under Provincial legislation, a portion of the plot sales and marker installation fees must be retained for the future maintenance of the cemetery.

	2018	2017
Balance , beginning of year	\$ 134,912	\$ 128,067
Interest income	2,469	1,928
Care fund contributions	5,890	6,845
Contribution to maintenance	(2,469)	(1,928)
	\$ 140,802	\$ 134,912

b) Highlands Crossing Trust Fund

The District received funds in advance from a developer to prepay a twenty-year railroad crossing lease. These funds are held in trust until required annually to meet the District's commitment.

	2018	2017
Balance , beginning of year	\$ 2,623	\$ 2,592
Interest income	43	31
Contribution to operations	(548)	-
	\$ 2,118	\$ 2,623

District of Coldstream
Notes to Financial Statements

December 31, 2018

8. Taxation Revenue

The District is required to collect taxes on behalf of and transfer these amounts to the government agencies noted below:

	2018	2017
Tax Collected:		
General Purposes	\$ 6,362,447	\$ 5,955,009
Collections for other Governments	8,349,121	8,060,179
	14,711,568	14,015,188
Breakdown of Collections to Other Governments:		
School Tax	4,784,409	4,557,899
North Okanagan Regional Hospital District	665,886	640,673
North Okanagan Regional District	2,342,824	2,312,189
Municipal Finance Authority	533	468
British Columbia Assessment Authority	114,253	107,512
Okanagan Regional Library	441,216	441,438
	\$ 8,349,121	\$ 8,060,179

9. Government Transfers

	2018	2017
Federal		
Community Works Fund - Gas Tax	\$ 510,858	\$ 493,639
Provincial		
Community Emergency Preparedness Fund	9,354	-
Strategic Priorities Fund	64,130	-
Infrastructure Planning Grant	695,800	-
Climate Action Revenue Incentive Program	11,543	11,677
Strategic Community Investment Funds	419,453	419,381
BC Highways - Street Lighting	1,336	2,183
Clean Water & Waste Water Fund Program	50,100	34,510
Total Provincial	1,251,716	467,751
Other		
Okanagan Basin Water Board	12,007	12,007
Municipal Insurance Association	-	-
Community Wildfire Planning Grant	-	9,930
Total Other	12,007	21,937
	\$ 1,774,581	\$ 983,327

District of Coldstream
Notes to Financial Statements

December 31, 2018

10. Employee Future Benefits

The District provides certain post-employment benefits in the form of vested sick leave benefits to its employees.

	<u>2018</u>	<u>2017</u>
Accrued Benefit Obligation, beginning of year	\$ 235,856	\$ 221,218
Service cost	25,323	23,788
Interest cost	7,145	7,698
Actual benefits paid	(28,590)	(11,333)
Actuarial (Gain)/Loss	<u>13,765</u>	<u>(5,515)</u>
Accrued Benefit Obligation, end of year	<u>\$ 253,499</u>	<u>\$ 235,856</u>

An actuarial valuation for these benefits was performed to determine the District's accrued benefit obligation as at December 31, 2018. The new valuation, along with actual benefit payments differing from expected, created an actuarial gain at December 31, 2018. The actuarial gain is being amortized over a period equal to the employees' average remaining service lifetime (9.5 years).

Reconciliation of funded status:

	<u>2018</u>	<u>2017</u>
Deficit at end of year	\$ (253,499)	\$ (235,856)
Unamortized net actuarial (gain)/loss	<u>(25,165)</u>	<u>(47,252)</u>
Accrued Benefit Liability	<u>\$ (278,664)</u>	<u>\$ (283,108)</u>

Actuarial assumptions used to determine the District's accrued benefit obligation are as follows:

	<u>2018</u>	<u>2017</u>
Discount rate	3.20%	2.90%
Expected future inflation rate	2.50%	2.50%
Expected wage and salary range increases	2.50%	2.50%

District of Coldstream
Notes to Financial Statements

December 31, 2018

11. Object Reporting

	2018	2017
Advertising and promotion	\$ 58,119	\$ 37,840
Amortization	2,204,376	2,201,568
Equipment and facilities	512,690	379,667
Insurance	149,997	138,514
Interest	152,017	236,981
Memberships and licenses	17,620	18,861
Miscellaneous	79,673	82,790
Office supplies	62,914	59,619
Policing costs	848,784	571,150
Professional development	184,117	131,863
Professional services	1,476,220	1,668,976
Sewer contract	452,177	557,325
Supplies and materials	271,046	214,444
Telephone and utilities	335,680	307,141
Wages and benefits	3,213,359	3,026,753
	\$10,018,789	\$ 9,633,492

12. Financial Plan

The Financial Plan anticipated use of surpluses accumulated in previous years to balance against current year expenditures in excess of current year revenues. The following shows how these amounts were combined:

	2018	2017
Addback:		
Capital expenditures	4,934,950	4,399,090
Debt principal payments	192,582	205,710
Less:		
Amortization	(2,248,410)	(2,069,798)
Debt proceeds	(300,000)	(250,000)
Budgeted transfers from accumulated surplus	(2,706,802)	(2,493,350)
Adjusted Annual Surplus (Deficit)	\$ (127,680)	\$ (208,348)

December 31, 2018

13. Contingent Liabilities

- a) Commencing December 31, 1987, the District entered into a self-insurance plan with other British Columbia municipalities. The District is obliged under the plan to pay a percentage of its fellow insurers' losses. The District pays an annual premium, which is anticipated to be adequate to cover any losses incurred.
- b) The District is responsible as a member of the Regional District of North Okanagan for its proportion of any operating deficits related to the functions in which it participates.

The Regional District of North Okanagan debt is, under the provisions of the Local Government Act, a direct, joint and several liability of the District and each member Municipality within the district, including the Corporation of the District of Coldstream.

The Municipal Finance Authority debentures are covered by a loan agreement with the Municipal Finance Authority which provides that, if at any time the payments provided for in the agreement are not sufficient to meet the Authority's obligations in respect of such borrowings, the resulting deficiency becomes a liability of the District.

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

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 is then adjusted to the extent there is amortization of any funding deficit.

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on an ongoing concern basis. The next valuation will be as at December 31, 2018, with results available in 2019.

The District of Coldstream paid \$258,264 (2017 - \$267,103) for employer contributions while employees contributed \$228,210 (2017 - \$216,923) to the plan in fiscal 2018.

- d) The District is the defendant in various lawsuits. In the opinion of management, the overall estimation of loss is not determinable. These claims have not been provided for in the financial statements. Settlement, if any, made with respect to these actions would be expected to be accounted for as a change to expenditures in the period in which realization is known.
- e) The bank has issued, on behalf of the District of Coldstream, letters of guarantee with respect to the College Way Extension (Grid Road). The aggregate amount outstanding at December 31, 2018 was approximately \$40,000 (2017 - \$40,000).

December 31, 2018

14. Commitments

- a) The District has entered into a lease agreement with the City of Vernon to accommodate the RCMP positions for which the District is responsible. The lease is for a five year term and expired December 31, 2016. Annual lease payments are based on the proportion of the District's detail strength to the total detachment strength. The payment for the next year will be approximately \$60,000.
- b) The District of Coldstream has entered into a 5 year agreement with the Regional District of the North Okanagan whereby the District operates the portion of the water system that is located within and east of the District borders. Under the agreement the District is responsible for the day to day operation of the water system, and is wholly reimbursed for the operating expenditures made to undertake these duties. The lease is for a five year term and expires December 31, 2018.
- c) The District of Coldstream has an operating line of credit with the Bank of Montreal for an authorized amount of \$800,000, bearing interest at bank prime rate. At December 31, 2018, the balance outstanding on the operating line of credit was \$nil (2017 - \$nil).

District of Coldstream Schedule 1 - Segment Disclosure

December 31, 2018

The District of Coldstream is a diversified municipal government institution that provides a wide range of services to its citizens. The District services are provided by departments and their activities are reported in these Service Areas. Departments disclosed in the Segmented Information, along with the services they provide are as follows:

General Government Services - Mayor & Council, Administration and Finance Departments

The Departments within General Government Services are responsible for adopting bylaws; adopting administrative policy; levying taxes; acquiring, disposing and managing District assets; ensuring effective financial management; monitoring performance and ensuring that District service standards are met.

Protective Services - Police Department and Fire Department

The mandates of the Police and Fire Departments are to enforce laws, prevent crime, and maintain peace, order, and security by protecting life, property and the environment through the provision of emergency response.

Infrastructure Services - Engineering Department and Public Works Department

The Infrastructure Department is responsible for the planning and design of the District's infrastructure. The Public works department is responsible for the maintenance of the District infrastructure.

Development Services - Planning and Development Department

The Planning and Development Department is responsible for preparing land use plans, bylaws and policies for development in the District and for reviewing and approving new development.

Building and Bylaw Services - Building Department and Bylaw Department

The Building and Bylaw department is responsible for conducting inspections of construction projects, including both new and renovation projects, fire inspections, business licensing and ensuring compliance with existing regulations.

	General Government	Protective Services	Infrastructure Services	Development Services	Building & Bylaw	2018	2017
Revenues							
Taxation - net	\$ 6,519,890	\$ -	\$ -	\$ -	\$ -	\$ 6,519,890	\$ 6,097,253
Sale of services	-	-	1,567,944	19,327	-	1,587,270	1,603,461
License, fines & rentals	517,254	-	217	-	842,493	1,359,964	1,392,035
Return on investments	197,045	-	-	-	-	197,045	173,655
Grants	85,026	36,294	1,653,261	-	-	1,774,581	983,328
Developer Contribution	-	-	4,376,100	-	-	4,376,100	200,000
	<u>7,319,215</u>	<u>36,294</u>	<u>7,597,522</u>	<u>19,327</u>	<u>842,493</u>	<u>15,814,850</u>	<u>10,449,732</u>
Expenses							
Advertising	53,652	-	-	4,467	-	58,119	37,840
Amortization	53,652	203,592	1,947,132	-	-	2,204,376	2,201,568
Equipment/facilities	-	-	512,689	-	-	512,689	379,667
Insurance	135,955	14,042	-	-	-	149,997	138,514
Interest	152,017	-	-	-	-	152,017	236,982
Memberships	12,906	2,225	1,383	1,054	53	17,621	18,861
Miscellaneous	32,762	14,806	10,650	-	21,455	79,673	82,790
Office supplies	57,101	5,813	-	-	-	62,914	59,620
Policing costs	-	848,783	-	-	-	848,783	571,150
Professional Dev.	36,861	135,307	4,642	1,215	6,091	184,116	131,863
Professional Serv.	157,992	18,339	1,275,980	23,909	-	1,476,220	1,668,975
Sewer contract	-	-	452,177	-	-	452,177	557,325
Supplies	-	8,770	262,277	-	-	271,047	214,444
Telephone & utilities	47,121	24,911	262,385	557	707	335,681	307,141
Wages & benefits	771,324	498,106	1,487,377	219,436	237,117	3,213,360	3,026,752
	<u>1,472,922</u>	<u>1,774,694</u>	<u>6,216,692</u>	<u>250,638</u>	<u>265,423</u>	<u>10,018,789</u>	<u>9,633,492</u>
Annual surplus (deficit)	5,846,293	(1,738,400)	1,380,830	(231,311)	577,070	5,796,061	816,240
Gains (losses) on disposal of tangible capital assets	-	-	27,003	-	-	27,003	(533,792)
Annual surplus (deficit)	\$ 5,846,293	\$ (1,738,400)	\$ 1,407,833	\$ (231,311)	\$ 577,070	\$ 5,823,064	\$ 282,448



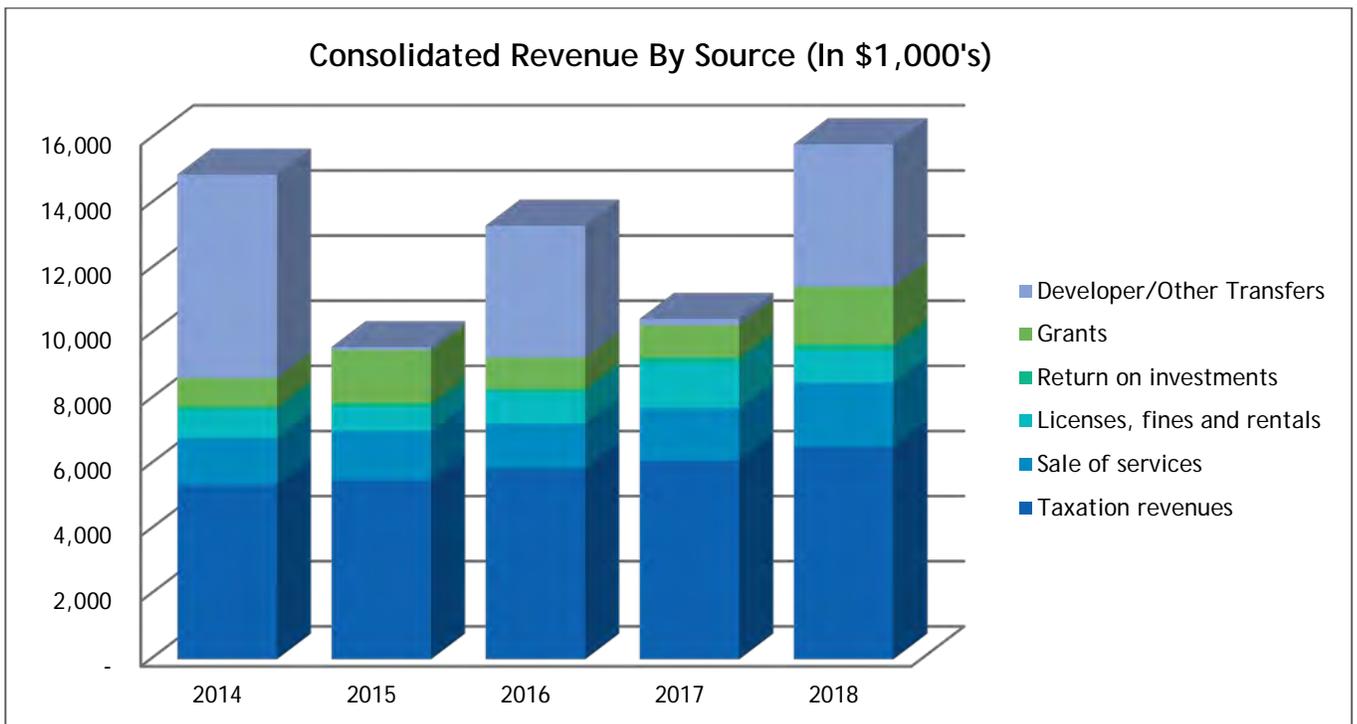
STATISTICAL SECTION



Revenue by Source

(in \$1,000's except per capita figures)

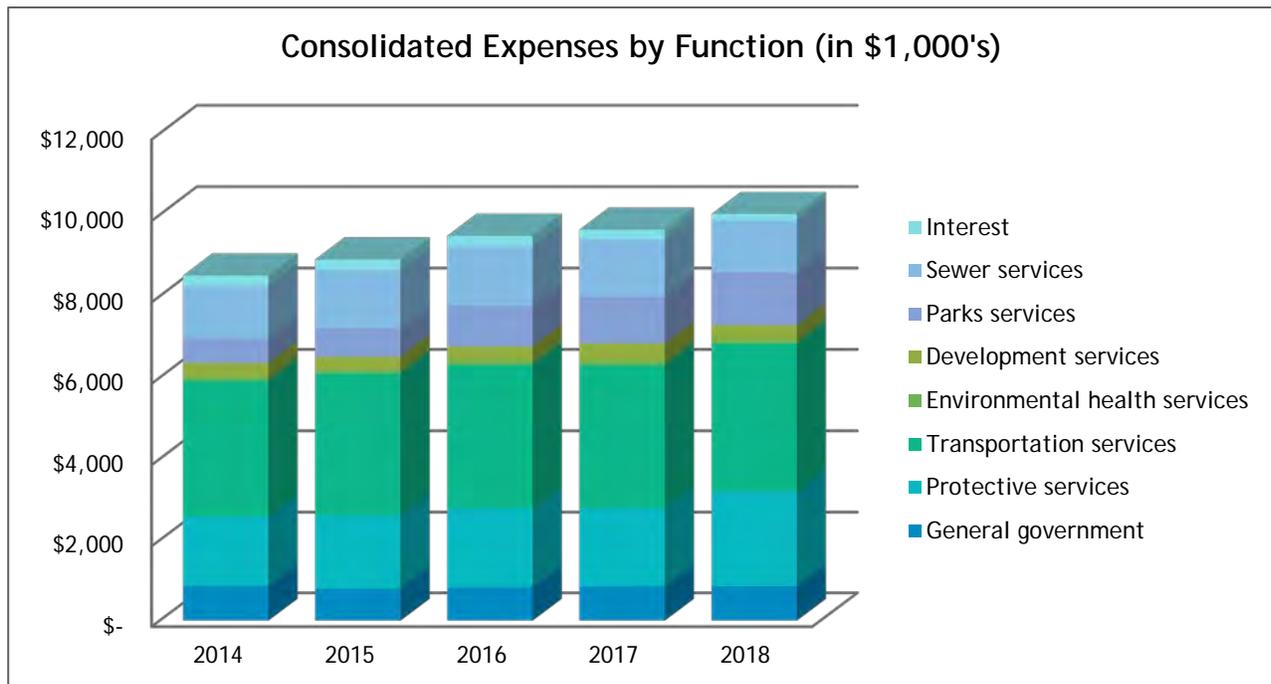
	2018	2017	2016	2015	2014
Taxation revenues	\$ 6,519	\$ 6,097	\$ 5,868	\$ 5,493	\$ 5,344
Sale of services	1,962	1,603	1,354	1,514	1,452
Licenses, fines and rentals	985	1,392	951	720	842
Return on investments	197	174	133	132	113
Grants	1,775	983	956	1,633	877
Developer/Other Transfers	4,376	200	4,050	91	6,257
	\$ 15,814	\$ 10,449	\$ 13,312	\$ 9,583	\$ 14,885
TOTAL REVENUE PER CAPITA	\$ 1,388	\$ 943	\$ 1,217	\$ 886	\$ 1,411
PROPORTION OF TAXATION REVENUE TO TOTAL REVENUE	41.2%	58.4%	44.1%	57.3%	35.9%



Expenses by Function

(in \$1,000's except per capita figures)

	2018	2017	2016	2015	2014
General government	\$ 853	\$ 848	\$ 831	\$ 790	\$ 848
Protective services	2,354	1,935	1,951	1,818	1,737
Transportation services	3,625	3,519	3,529	3,495	3,334
Environmental health services	111	127	118	80	106
Development services	344	407	338	330	334
Parks services	1,300	1,158	999	699	613
Sewer services	1,280	1,402	1,462	1,429	1,278
Interest	152	237	256	260	258
	\$ 10,019	\$ 9,633	\$ 9,484	\$ 8,901	\$ 8,508
TOTAL EXPENSES PER CAPITA	\$ 879	\$ 869	\$ 867	\$ 823	\$ 806
PERCENTAGE CHANGE IN PER-CAPITA EXPENSES FROM PRIOR YEAR	1.2%	0.2%	5.4%	2.0%	-0.4%

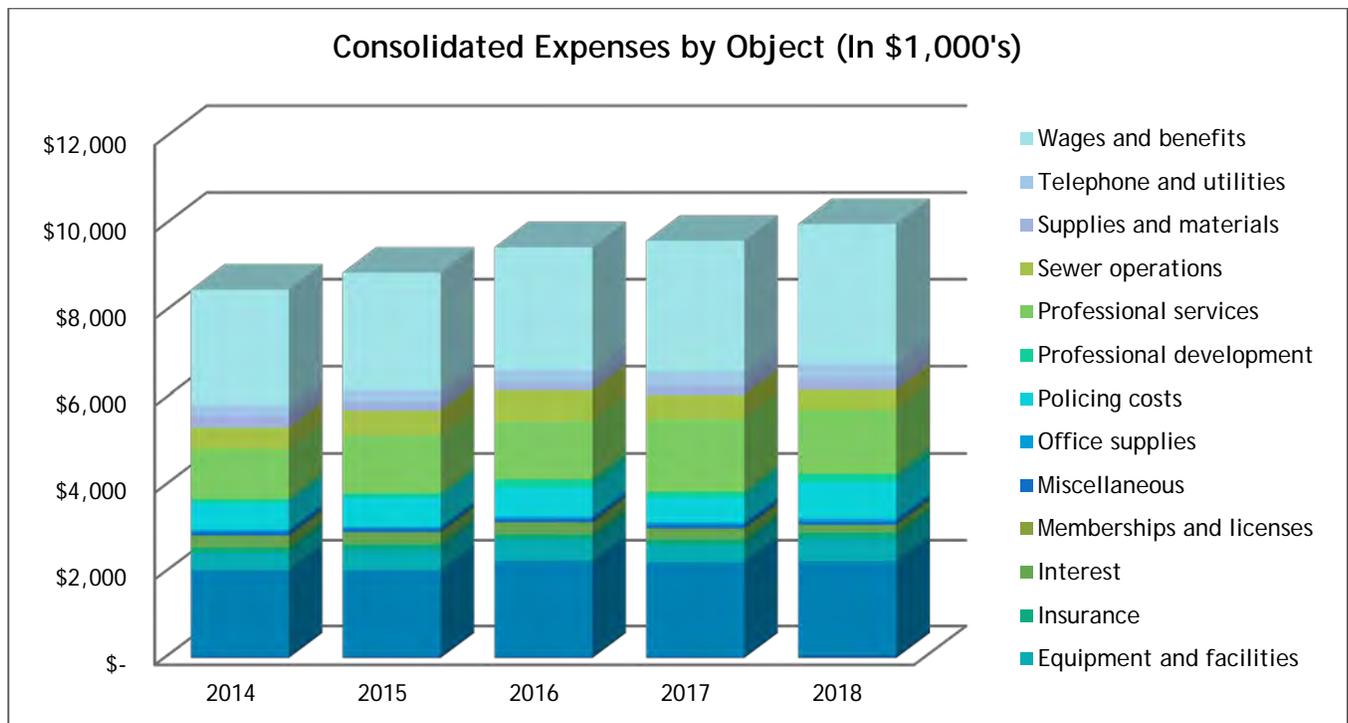


Expenses by Object

Consolidated Expense by Object

(in \$1,000's except per capita figures)

	2018	2017	2016	2015	2014
Advertising and promotion	\$ 58	\$ 38	\$ 35	\$ 38	\$ 34
Amortization	2,204	2,201	2,233	2,011	2,025
Equipment and facilities	513	380	475	470	382
Insurance	150	138	137	134	133
Interest	152	237	256	260	258
Memberships and licenses	18	19	19	19	17
Miscellaneous	80	83	85	76	93
Office supplies	63	60	50	49	44
Policing costs	849	571	669	670	607
Professional development	184	132	188	96	97
Professional services	1,476	1,669	1,353	1,334	1,157
Sewer operations	452	557	685	570	489
Supplies and materials	271	214	191	210	287
Telephone and utilities	336	307	276	263	241
Wages and benefits	3,213	3,027	2,832	2,701	2,644
	\$ 10,019	\$ 9,633	\$ 9,484	\$ 8,901	\$ 8,508



Statement of Reserve Funds and Surplus

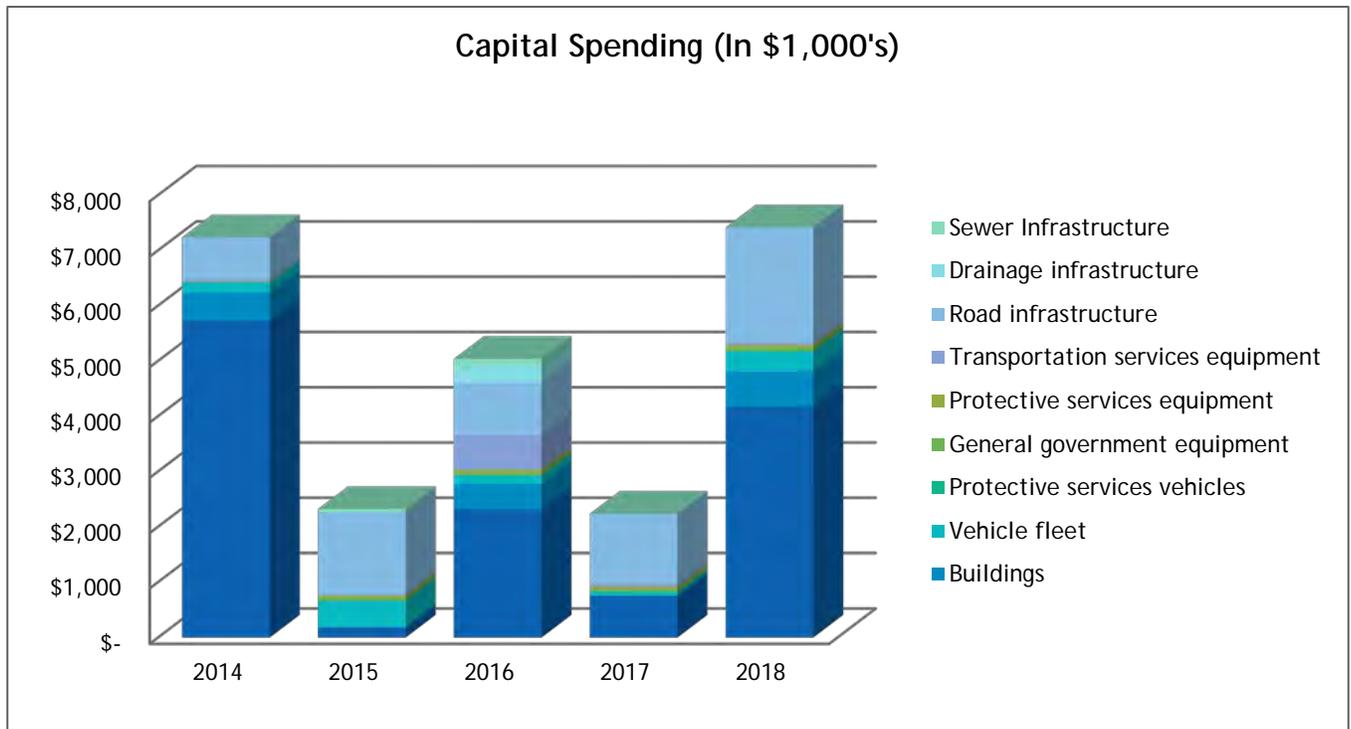
(in \$1,000's except per capita figures)

	2018	2017	2016	2015	2014
Statement of Annual & Accumulated Surplus					
Accumulated surplus, beginning	\$64,756	\$64,474	\$60,620	\$59,935	\$53,555
Annual surplus (deficit)	5,823	282	3,854	685	6,380
Accumulated surplus, ending	\$70,579	\$64,756	\$64,474	\$60,620	\$59,935
Statement of Annual and Accumulated Surplus					
Statutory reserves	\$4,949	\$4,243	\$3,524	\$2,754	\$2,229
Operating reserves	1,625	1,645	1,527	1,293	1,027
Surplus	(714)	(521)	(247)	65	459
Equity in tangible capital assets	64,719	59,389	59,670	56,508	56,220
	\$70,579	\$64,756	\$64,474	\$60,620	\$59,935
Net Financial Debt (Detail)					
Financial assets	\$9,802	\$9,517	\$9,113	\$8,393	\$8,013
Financial liabilities	7,968	8,441	8,702	8,843	9,059
Net financial debt	1,834	1,076	411	(450)	(1,046)
Non-financial assets	68,745	63,680	64,063	61,070	60,981
Accumulated surplus, ending	\$70,579	\$64,756	\$64,474	\$60,620	\$59,935
Statutory Reserve Funds (Detail)					
Equipment replacement reserve	\$1,260	\$1,339	\$749	\$649	\$865
Sewer improvement reserve	1,098	930	777	646	569
Land sale reserve	161	107	103	136	33
Building reserve	574	564	467	360	249
Road reserve	1,299	946	1,235	748	377
Drainage reserve	440	299	193	215	136
Community Hall Reserve	117	58	-	-	-
	\$4,949	\$4,243	\$3,524	\$2,754	\$2,229
Operating Reserve Funds (Detail)					
Police stabilization	\$177	\$333	\$180	\$217	\$318
Election	-	15	10	5	-
Snow removal	10	10	10	10	10
Library	-	-	1	1	-
Parks	164	9	326	339	411
Fire equipment	25	25	10	35	35
Community amenity	22	22	21	29	29
Fire Training Centre	-	-	-	19	19
Building stabilization	25	25	25	25	25
Road improvement	14	14	14	14	14
Water devolution	50	50	50	50	50
Future capital - general	1,138	1,142	865	509	116
Planning	-	-	15	40	-
	\$1,625	\$1,645	\$1,527	\$1,293	\$1,027
Statement of Surplus					
General operating fund - surplus	(3,181)	(2,618)	(1,972)	(1,454)	(811)
Sewer operating fund - surplus	2,467	2,096	1,725	1,519	1,270
	(714)	(522)	(247)	65	459
TOTAL RESERVES AND SURPLUSES	\$5,860	\$5,366	\$4,804	\$4,112	\$3,715
ACCUMULATED SURPLUS (FINANCIAL EQUITY) PER CAPITA	\$514	\$484	\$439	\$380	\$352

Capital Spending

(in \$1,000's except per capita figures)

	2018	2017	2016	2015	2014
Land & Land Improvements	\$ 4,170	\$ 753	\$ 2,315	\$ 183	\$ 5,720
Buildings	632	-	450	-	510
Vehicle fleet	371	72	162	478	184
Protective services vehicles	-	-	-	-	-
General government equipment	53	20	26	53	6
Protective services equipment	58	69	78	44	11
Transportation services equipment	45	58	625	20	38
Road infrastructure	2,085	1,262	952	1,489	766
Drainage infrastructure	-	-	305	-	-
Sewer Infrastructure	-	-	124	53	-
	\$ 7,414	\$ 2,234	\$ 5,037	\$ 2,320	\$ 7,235
TOTAL CAPITAL SPENDING PER CAPITAL	\$ 651	\$ 202	\$ 461	\$ 214	\$ 686



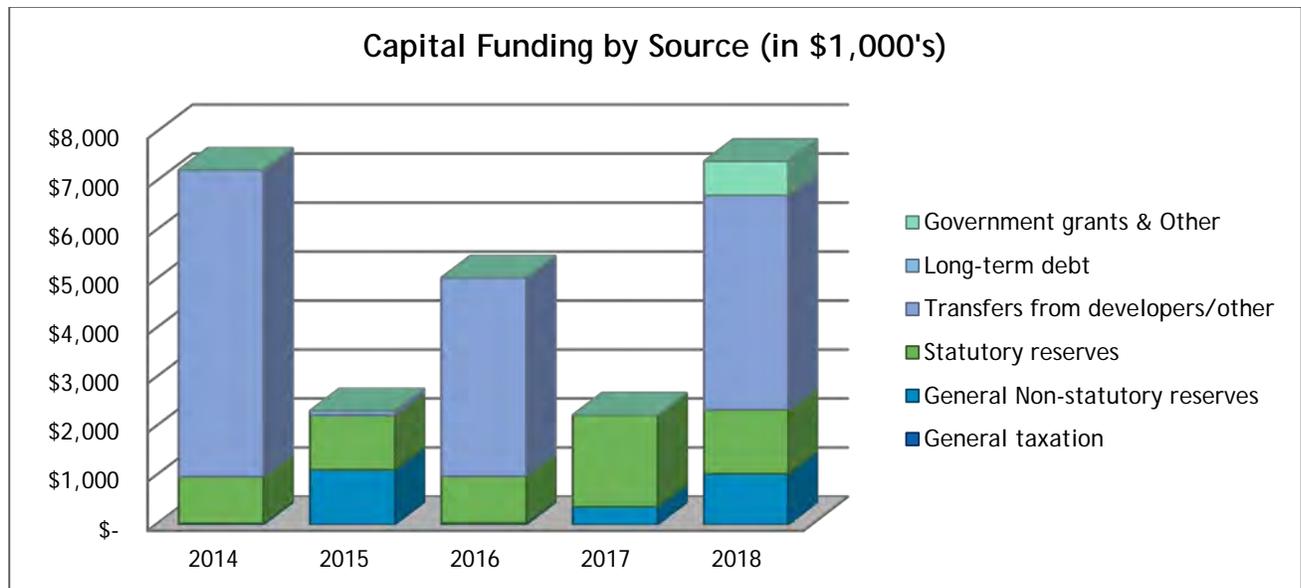
Capital Funding by Source

(in \$1,000's except per capita figures)

	2018	2017	2016	2015	2014
General taxation	\$ -	\$ -	\$ -	\$ -	\$ 15
General Non-statutory reserves	1,039	365	37	1,118	11
Sewer revenues	-	-	-	-	-
Sewer non-statutory reserves	-	-	-	-	-
Statutory reserves	1,302	1,869	950	1,111	955
Development cost charges	-	-	-	-	-
Transfers from developers/other	4,377	-	4,050	91	6,254
Long-term debt	-	-	-	-	-
Short-term borrowing	-	-	-	-	-
Government grants & Other	696	-	-	-	-
	\$ 7,414	\$ 2,234	\$ 5,037	\$ 2,320	\$ 7,235

PROPORTIONAL BREAKDOWN OF CAPITAL FUNDING

	2018	2017	2016	2015	2014
General taxation	0.0%	0.0%	0.0%	0.0%	0.2%
Sanitary Sewer revenues	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves	31.6%	100.0%	19.6%	96.1%	13.4%
Developers	59.0%	0.0%	80.4%	3.9%	86.4%
Long-term debt	0.0%	0.0%	0.0%	0.0%	0.0%
Short-term borrowing	0.0%	0.0%	0.0%	0.0%	0.0%
Government grants & Other	9.4%	0.0%	0.0%	0.0%	0.0%
	100.0%	100.0%	100.0%	100.0%	100.0%



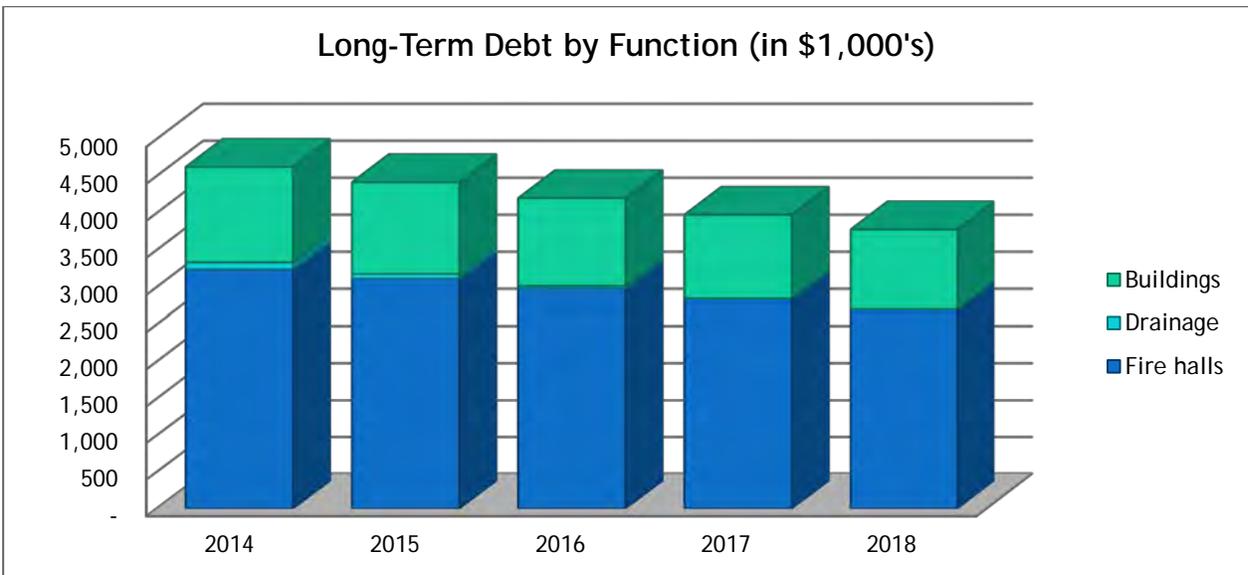
Long-Term Debt By Function

(in \$1,000's except per capita figures)

	2018	2017	2016	2015	2014
Long-Term Debt by Function					
Fire halls	\$ 2,705	\$ 2,847	\$ 2,984	\$ 3,115	\$ 3,241
Drainage	-	-	33	65	95
Buildings	1,075	1,131	1,186	1,238	1,289
	<u>\$ 3,780</u>	<u>\$ 3,978</u>	<u>\$ 4,203</u>	<u>\$ 4,418</u>	<u>\$ 4,625</u>

The long-term debt of the municipality is funded 99.9% from general taxation and 0.1% from parcel tax.

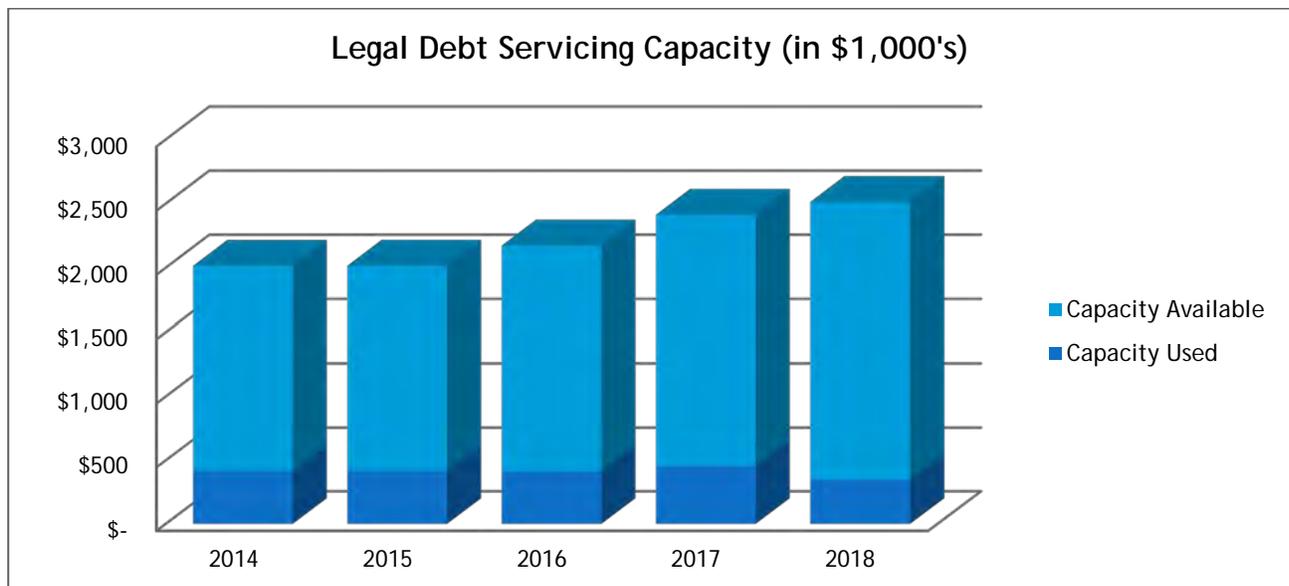
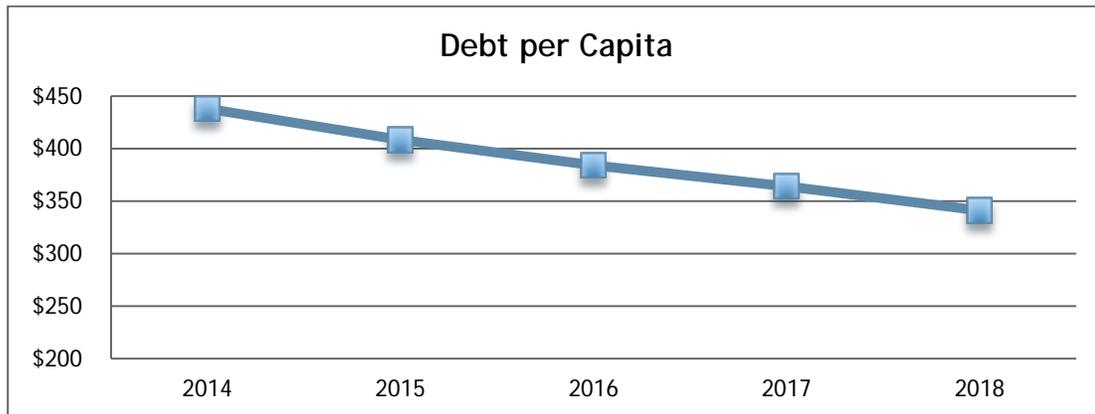
LONG-TERM DEBT PER CAPITA	\$ 332	\$ 359	\$ 384	\$ 408	\$ 438
---------------------------	--------	--------	--------	--------	--------



Long-Term Debt Capacity

(in \$1,000's except per capita figures)

	2018	2017	2016	2015	2014
Long- Term Debt Per Capital	\$ 332	\$ 359	\$ 384	\$ 408	\$ 438
Annual Debt Servicing	345	454	412	416	414
% of Annual Debt Servicing to Total Expenses and principal payments	3.44%	4.71%	4.34%	4.67%	4.87%
LEGAL DEBT SERVICING LIMIT	\$ 2,513	\$ 2,413	\$ 2,172	\$ 2,073	\$ 2,005
REMAINING DEBT SERVICING CAPACITY	\$ 2,168	\$ 1,959	\$ 1,760	\$ 1,657	\$ 1,591



Taxable Property Assessments

(in \$1,000's)

	2018	2017	2016	2015	2014
Residential	\$ 2,551,812	\$ 2,227,336	\$ 2,081,956	\$ 1,958,907	\$ 1,851,924
Utility	1,693	1,520	1,180	1,491	1,466
Major industry	8,973	8,312	8,327	8,296	8,286
Light industry	11,588	9,934	9,734	5,496	4,981
Commercial	20,350	17,989	17,007	19,416	20,113
Recreation and non-profit	4,950	4,737	4,678	4,300	4,451
Farm land	9,136	9,375	9,261	9,238	9,348
	\$2,608,502	\$2,279,203	\$2,132,143	\$2,007,144	\$1,900,569
% change from prior year	14.45%	6.90%	6.23%	5.61%	1.84%

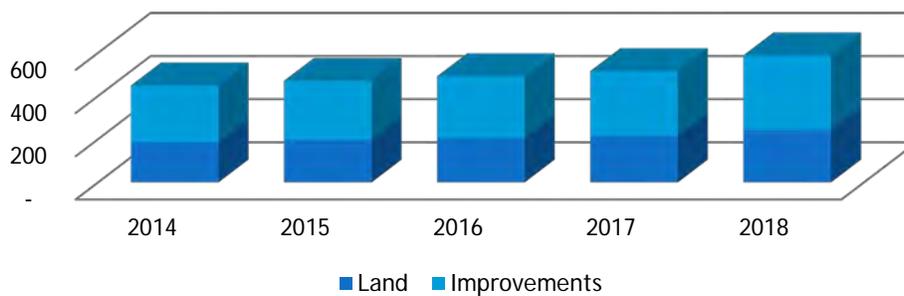
AVERAGE SINGLE FAMILY RESIDENTIAL

ASSESSED VALUES (in \$1,000's)

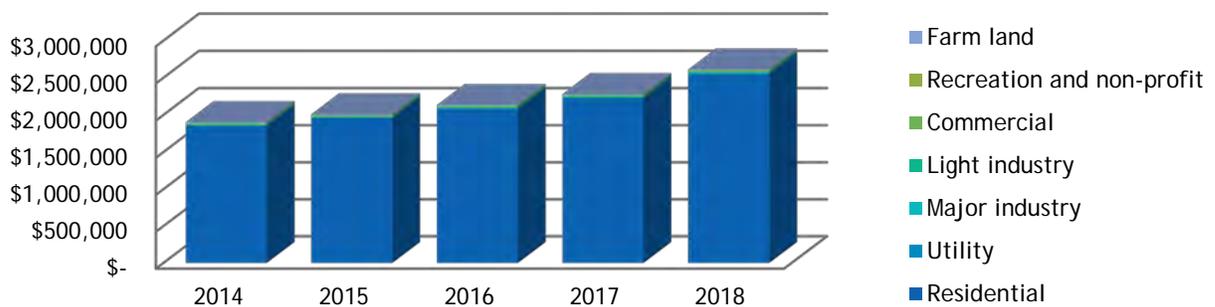
	2018	2017	2016	2015	2014
Land	\$ 241	\$ 215	\$ 204	\$ 195	\$ 185
Improvements	347	300	287	275	263
	\$ 588	\$ 515	\$ 491	\$ 470	\$ 448

% change from prior year 14.17% 4.89% 4.47% 4.91% 1.82%

Average Single Family Residential Assessed Value (in \$1,000's)



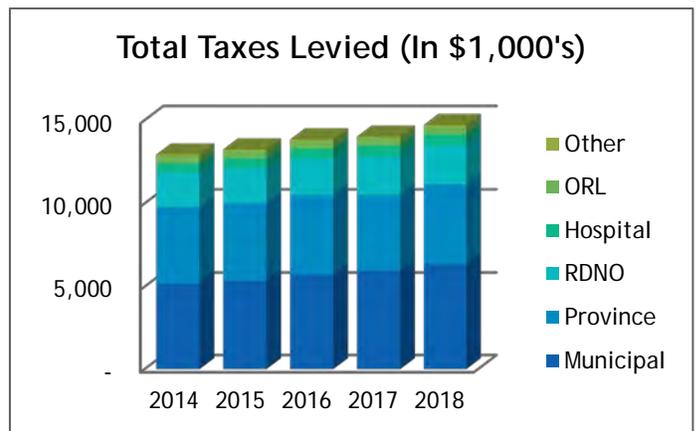
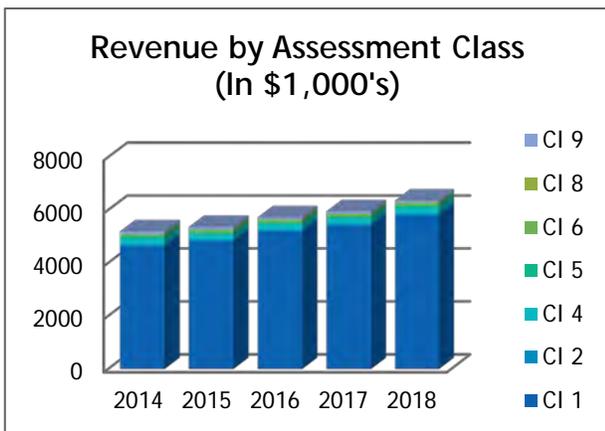
Assessment Values (in \$1,000's)



Property Tax Revenue

(in \$1,000's except per capita figures)

	2018	2017	2016	2015	2014
Residential	\$ 5,809	\$ 5,423	\$ 5,204	\$ 4,827	\$ 4,642
Utility	63	57	44	55	54
Major industry	211	200	204	215	219
Light industry	78	71	72	40	93
Business	111	105	102	115	73
Recreation and non-profit	11	12	12	11	11
Farm land	79	87	88	102	105
	<u>\$ 6,362</u>	<u>\$ 5,955</u>	<u>\$ 5,726</u>	<u>\$ 5,365</u>	<u>\$ 5,197</u>
PROPERTY TAX REVENUE PER CAPITA	\$ 558	\$ 537	\$ 523	\$ 496	\$ 493
TAXES COLLECTED IN THE YEAR	\$ 6,071	\$ 5,717	\$ 5,418	\$ 5,059	\$ 4,964
PERCENTAGE OF TAXES COLLECTED IN THE YEAR	95.43%	96.00%	94.62%	94.30%	95.52%
RATIO OF TAXES - RESIDENTIAL TO TOTAL PROPERTY (GENERAL TAXES ONLY)	91.31%	91.07%	90.88%	89.97%	89.32%
TAXES LEVIED FOR OTHER AGENCIES	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Provincial School Tax	\$ 4,784	\$ 4,558	\$ 4,776	\$ 4,659	\$ 4,606
Regional District of North Okanagan	2,343	2,312	2,164	2,081	2,021
Regional Hospital Districts	666	641	618	602	581
Okanagan Regional Library	441	441	429	413	408
Other	115	108	125	128	127
	<u>\$ 8,349</u>	<u>\$ 8,060</u>	<u>\$ 8,112</u>	<u>\$ 7,883</u>	<u>\$ 7,743</u>

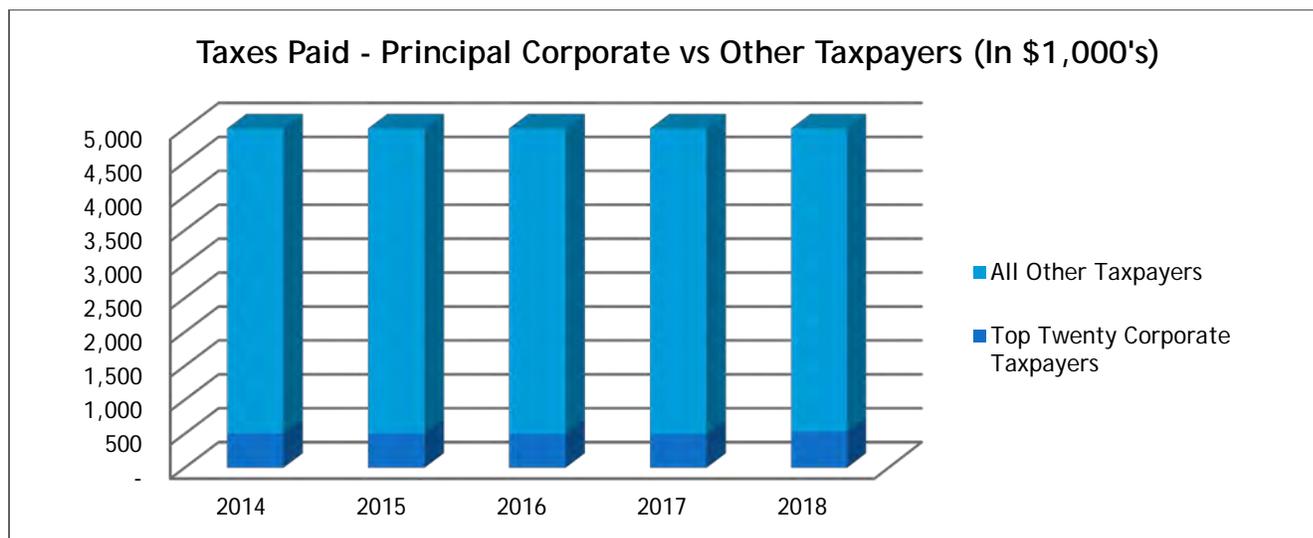


Principal Corporate Tax Payers

(in \$1,000's)

Rank	Property Owner	Category	General Taxes Levied	2017
1	Tolko Industries Ltd.	Industrial	\$ 211	1
2	Timber Investments	Residential	40	3
3	Canadian National Railway Ltd.	Utility	38	4
4	Coldstream Ranch (2002) Ltd.	Farm & Industrial	36	2
5	O-I Canada Corp/Restoration Lands	Commercial	35	5
6	West Kootenay Power & Light Co.	Utility	27	6
7	Scenic Valley Trailer Park Ltd.	Residential	19	7
8	Coldstream Court Resort Ltd.	Commercial	18	8
9	Coldstream Meadows Ppty Mngt. Ltd.	Residential	17	9
10	Gestion Pro Veg Inc	Farm & Industrial	12	10
11	Trintec Enterprises Ltd.	Commercial	11	11
12	Coldstream Lumber Remanufacturing Ltd.	Industrial	9	12
13	Podollan's Construction Ltd.	Residential	9	13
14	673291 Alberta Ltd.	Residential	8	14
15	MNB Holdings Ltd.	Residential	8	15
16	Highridge Homes Ltd	Residential	8	16
17	INC. NO. BC0850137	Industrial	6	17
18	INC. NO. 300343	Business	6	0
19	Kalview Estates Ltd.	Residential	6	18
20	David Regehr Holdings Ltd.	Residential	5	19

Total General Tax Revenue - Top Twenty	\$ 529
Total General Tax Revenue - District Wide	\$ 6,362
Proportion of Taxes Paid by Top Twenty	8.3%



Permissive Tax Exemptions

(Foregone Tax Revenues - Coldstream Portion Only)

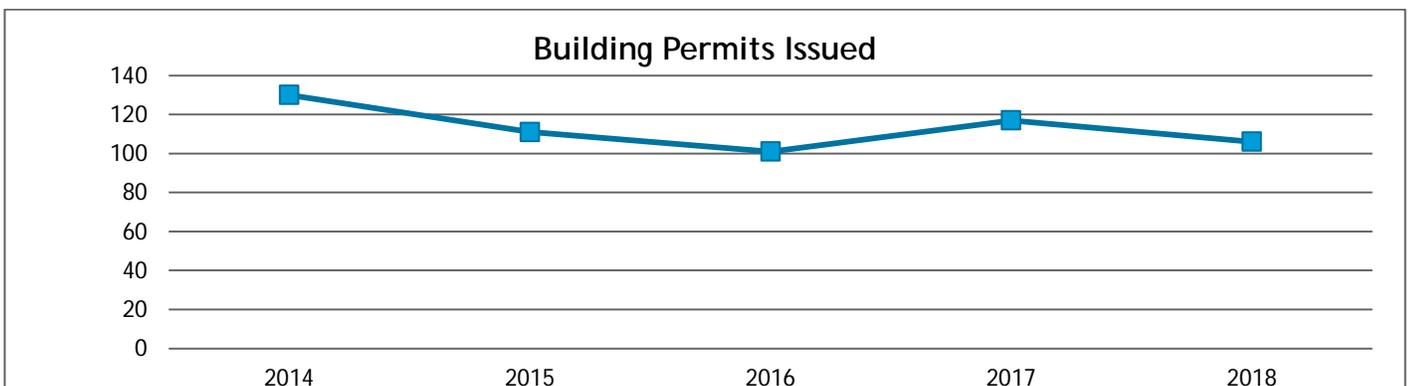
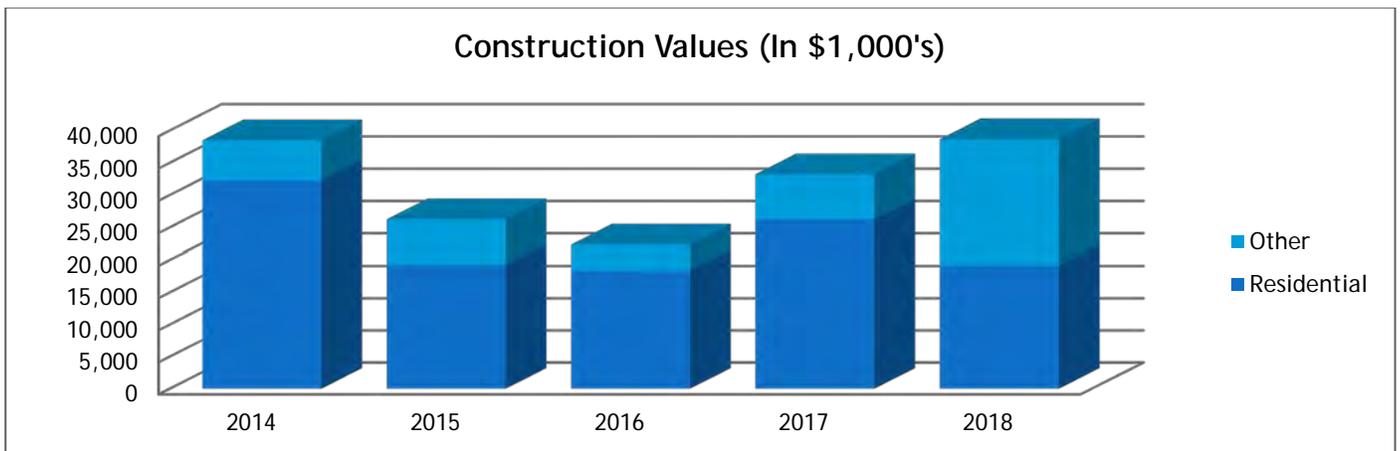
LEGAL	ROLL #	NAME	Class	Assessment	Taxes
Other Municipalities - parks, etc.					
Plan B4067, Plan 455	1765.000	City of Vernon -Vernon Creek Control Gate - Westkal Rd.	6L	34,200	187
Lot C,Plan B4047	1766.000	City of Vernon - Kal Lake Pumphouse	2L&I	650,700	24,170
Lot A, Plan B4047	1767.000	City of Vernon - Water Reservoir	2L&I	1,244,000	46,207
Lot 1, Plan 6417	1768.000	City of Vernon - Kal Lake Pumphouse	2L&I	1,528,000	56,756
Non-profit Organizations					
Plan B5453; N/E 1/4	1228.000	Lavington Community Association - old hall site - vacant land	8L	207,000	472
Lot 5, Plan 10026	954.000	Canadian Mental Health Association	1L&I	788,000	1,797
Lot 6, Plan KAP9714 Blk 2	37.000	Kindale Developmental Association	IL&I	827,000	1,885
Lot 7, Plan 2122	656.000	Kindale Developmental Association	IL&I	1,084,000	2,471
Lot 55, Plan KAP76946	179.358	Kindale Developmental Association	IL&I	649,000	1,480
Lot 1, Plan 9735	728.000	Vernon & District Riding Club	8L	458,000	1,044
Lot 1,Plan KAP72589	448.000	Mackie Lake House Foundation	8L	4,204,000	9,585
			1I	492,000	1,122
Lot 1, Plan 16554	568.000	Bishop Wild Bird Foundation	1L&I	2,971,000	6,774
Moorage Folio	568.001	Bishop Wild Bird Foundation	1L&I	5,800	13
Lot 6, Blk 4, Plan KAP9714	63.000	North Okanagan Foundation for the Mentally Handicapped Inc. #S-0035674	1L&I	464,000	1,058
Places of Worship					
Lot 1, Plan EPP18765, DL 57	831.015	Real Life Ministries Society	8L&I	1,128,300	2,406
L.1&2;Plan 3026	681.000	Ukrainian Catholic Eparchy	8L&I	325,200	741
	682.000	Ukrainian Catholic Eparchy	6L	261,000	1,428
PCL.A, Plan B6907	1227.000	Lavington Fellowship Baptist Church	8L&I	833,000	1,899
Lot 1, Plan 40254	680.050	Roman Catholic Bishop of Kamloops - Our Lady of the Valley	8L&I	2,251,100	5,132
					166,627

Building Permits and Business Licenses

Building Permit Construction Values (in \$1,000's)	2018	2017	2016	2015	2014
Residential	\$ 19,135	\$ 26,188	\$ 18,325	\$ 19,225	\$ 32,266
Other	19,514	7,027	3,998	7,010	6,209
	\$ 38,649	\$ 33,215	\$ 22,323	\$ 26,235	\$ 38,475
Building Permit Fees (in \$1,000's)	\$ 520	\$ 523	\$ 382	\$ 581	\$ 685
Number of Building Permits Issued	106	117	101	111	130
Business License Fees (in \$1,000's)	\$ 40	\$ 42	\$ 41	\$ 37	\$ 39
Number of Licensed Businesses	253	272	266	248	243
Number of Land Use Applications *	27	24	17	11	15

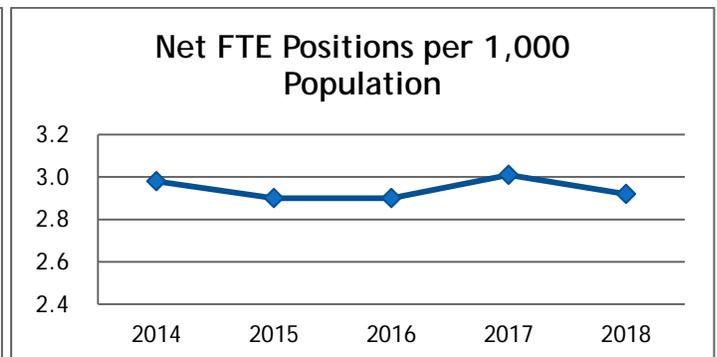
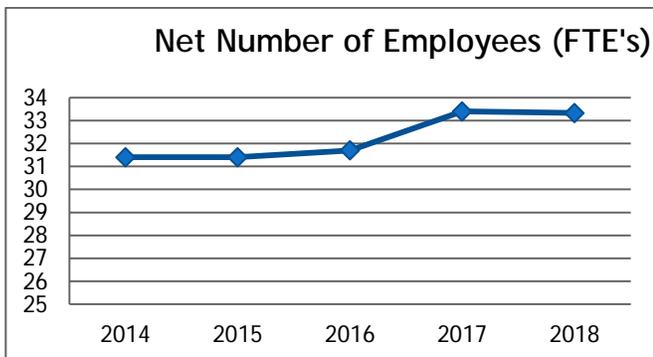
* Includes applications for rezoning, OCP Amendments, Development Permit, ALR and Subdivision

Source: District of Coldstream Development Services and Building divisions



Number of Employees

Number of Employees (Full Time Equivalents)*	2018	2017	2016	2015	2014
Administration	5.0	5.0	5.0	5.0	5.0
Finance	4.8	4.8	4.8	4.8	4.8
Building Inspection & Bylaw Enforcement	1.0	2.0	2.0	2.0	2.0
Development services	2.0	2.0	2.0	2.0	2.0
Engineering	2.0	2.0	2.0	2.4	2.4
Police (civilian staff) & Protective Services	3.0	3.0	2.3	2.0	2.0
Operations:					
Sanitary Sewer	1.0	1.0	1.0	1.0	1.0
Public Works	9.0	9.0	9.0	9.0	9.0
Parks	5.5	4.6	3.6	3.2	3.2
Water **	6.2	6.0	6.0	6.0	6.0
	39.5	39.4	37.7	37.4	37.4
* Full-time equivalent is based on the total number of hours worked as a function of standard full-time hours					
** Less: Number of employees for which full employment costs are recovered by the Regional District of North Okanagan for Water.					
	(6.2)	(6.0)	(6.0)	(6.0)	(6.0)
Net number of Employees (relating to employment costs recorded by the District of Coldstream)	33.3	33.4	31.7	31.4	31.4
Gross FTE Positions per 1,000 of population	3.47	3.55	3.45	3.46	3.54
Net FTE positions per 1,000 of population	2.92	3.01	2.90	2.90	2.98

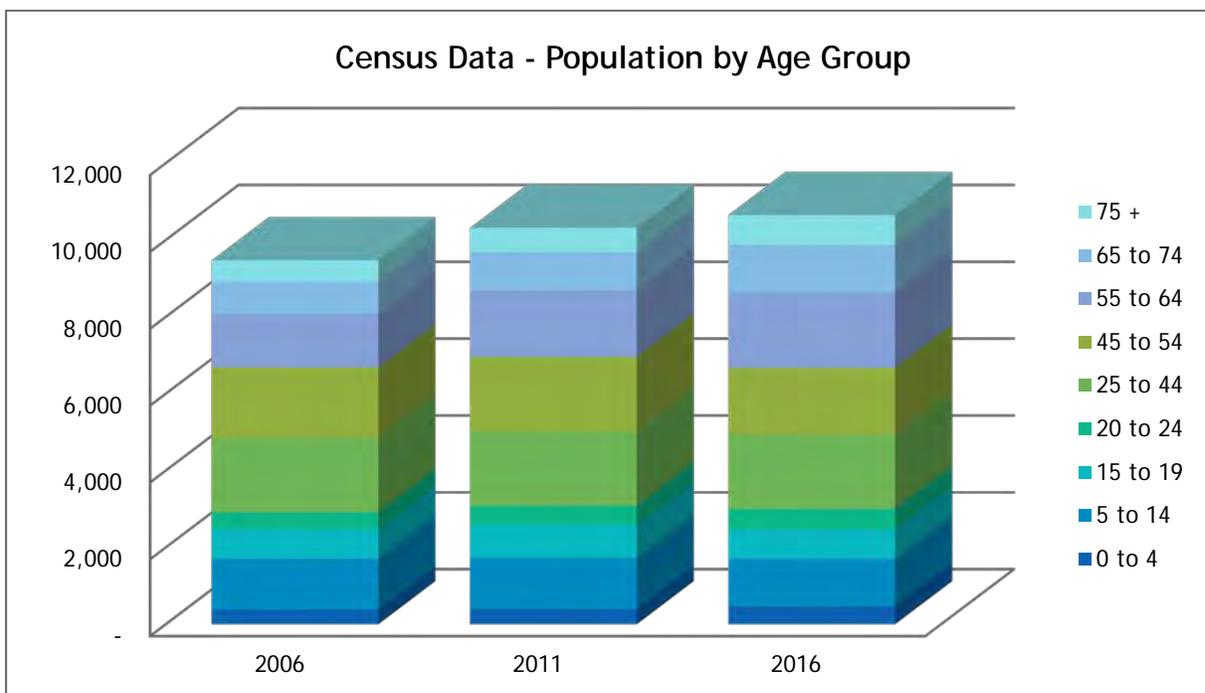


Population Demographics

	2018	2017	2016	2015	2014
Annual Estimated Population (Source: BC Statistics)	11,395	11,083	10,938	10,821	10,551
Population Growth Rate	2.74%	1.33%	1.08%	2.56%	3.82%

Statistics Canada Census Data (last three census years)

		2016	2011	2006
Census Population		10,648	10,315	9,470
Population by Age Group	0 to 4	460	395	375
	5 to 14	1,235	1,335	1,325
	15 to 19	770	855	765
	20 to 24	535	495	445
	25 to 44	1,930	1,935	1,945
	45 to 54	1,745	1,945	1,830
	55 to 64	1,945	1,730	1,385
	65 to 74	1,255	995	835
	75 +	773	630	565
		10,648	10,315	9,470



Statement of Financial Information

SCHEDULE OF DEBTS

Purpose	Date of Issue	Term in Years	Maturity Date	Interest Rate	Original Debt	2018	2017
						Balance Outstanding	Balance Outstanding
<i>Debenture Debt</i>							
Buildings	2007	25	2032	4.52%	4,000,000	2,704,664.95	2,846,839.23
Capital	2011	20	2031	3.25%	50,381	37,017.70	39,158.46
Buildings	2012	20	2032	3.40%	1,335,320	1,037,881.59	1,092,439.20
						\$3,779,564.24	\$3,978,436.89
<i>Other Debt</i>							
Capital	2016	5	2021	1.40%	250,000.00	150,000.00	200,000.00
						\$3,929,564.24	\$4,178,436.89

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

Information on all guarantees and indemnities for the District of Coldstream is included in Note 11 to the Financial Statements.

Statement of Financial Information

SCHEDULE OF REMUNERATION AND EXPENSES

Elected Officials

Name	Position	Remuneration	Expenses	Total
Jim Garlick	Mayor	\$ 33,027.65	\$ 2,225.11	\$ 35,252.76
Richard Enns	Councillor	13,703.09	685.00	14,388.09
Glen Taylor	Councillor	13,528.56	59.95	13,588.51
Patrick Cochrane	Councillor	13,355.28	-	13,355.28
Douglas Dirk	Councillor	13,265.20	-	13,265.20
Gyula Kiss	Councillor	12,907.08	1,373.24	14,280.32
Peter McClean	Councillor	10,273.48	-	10,273.48
Ruth Hoyte	Councillor	3,020.69	350.00	3,370.69
Stephanie Hoffman	Councillor	2,625.65	-	2,625.65
		\$ 115,706.68	\$ 4,693.30	\$ 120,399.98

Employees earning more than \$75,000 per year

Name	Position	Remuneration	Expenses	Total
Trevor Seibel	Chief Administrative Officer	\$ 151,355.86	\$ 7,441.37	\$ 158,797.23
Patricia Higgins	Director of Financial Admin.	111,473.00	5,221.18	116,694.18
Michael Reiley	Director of Development Services	111,257.15	784.38	112,041.53
Michael Baker	Director of Infrastructure Services	108,610.78	3,131.67	111,742.45
Keri-Ann Austin	Director of Corporate Admin.	105,420.75	2,306.27	107,727.02
Bob Bibby	Building Official	105,254.37	80.00	105,334.37
Michael Pethick	Operations Superintendent	99,922.53	2,422.04	102,344.57
Gord Mckay	Roads Foreman	98,509.48	429.00	98,938.48
Dave Acton	Utilities Foreman	88,165.05	1,486.70	89,651.75
Matt Treit	Protective Services Coordinator	88,003.64	3,056.53	91,060.17
Neil Blundell	Utilities Operator I	86,177.88	279.00	86,456.88
Brent Comeau	Utilities Operator II	82,255.42	1,615.70	83,871.12
James Scherck	Utilities Operator I	82,175.04	249.00	82,424.04
Terry Segert	Utilities Operator I	78,837.72	638.19	79,475.91
Kyle Johnson	Equipment Operator 1	77,178.35	277.00	77,455.35
Jan Ullrich	Mechanic	77,139.30	150.00	77,289.30
Jack Mazereeuw	Utilities Operator I	75,734.75	-	75,734.75
Irma Breitreutz	Deputy Municipal Clerk	75,541.29	1,634.75	77,176.04

1,703,012.36 31,202.78 1,734,215.14

Employees earning less than \$75,000 per year

Consolidated total of other employees
with remuneration less than \$75,000

1,616,768.46 25,752.39 1,642,520.85

Total Remuneration

\$ 3,435,487.50 \$ 61,648.47 \$ 3,497,135.97

There were no Council disqualifications in 2018 as per Section 110 of the *Community Charter*.

STATEMENT OF SEVERANCE AGREEMENTS

There were no severance agreements entered into during 2018.

Statement of Financial Information

SCHEDULE OF SUPPLIERS OF GOODS AND SERVICES (GREATER THAN \$25,000)

Vendor Name	2018	2017 Comparative Amount
1 & 2 ELECTRIC LTD	\$ 95,306.03	\$ 112,318.76
A & D ASPHALT SOLUTIONS	132,592.45	130,493.14
AARDVARK PAVEMENT MARKING SERVICES	84,673.96	65,527.10
AI HONG CHEAY	89,845.00	-
ALL SAFE TRAFFIC CONTROL INC	36,090.08	30,887.35
ANDREW SHERET LTD	170,342.47	114,370.59
ASPHALT VALLEY PAVING SERVICES	59,220.00	46,683.00
ASSOCIATED ENVIRONMENTAL CONSULTANTS INC	46,979.61	30,138.27
BANK OF MONTREAL/MASTERCARD	59,991.59	49,327.33
BANNISTER CHEVROLET INC	-	69,091.55
BC ASSESSMENT AUTHORITY	115,367.39	107,713.29
BC COMMISSIONAIRES	81,361.76	55,954.65
BC HYDRO & POWER AUTHORITY	182,015.07	179,012.48
BC TRANSIT	114,657.25	118,412.08
BLACK PRESS GROUP LTD	41,069.78	-
BRANDT TRACTOR LTD	238,064.28	-
C.U.P.E.	36,809.70	37,556.78
CAPRI INSURANCE	71,099.00	61,046.00
CO-OP ARMSTRONG REGIONAL COOPERATIVE	127,380.19	124,049.73
COLDSTREAM MECHANICAL LTD	27,223.35	-
CORAL BEACH FARMS LTD	-	79,700.00
CORBETT OFFICE EQUIPMENT LTD.	27,187.65	-
DAVIDSON LAWYERS LLP IN TRUST	-	304,242.42
DEAN TOOP EXCAVATING	255,769.98	154,688.11
DEL EQUIPMENT	44,978.08	-
DOWN UNDER PIPE INSPECTION LTD	26,536.14	-
EMPS/ELECTRIC MOTOR & PUMP SERVICE LTD.	-	28,365.89
EVERGREEN BUILDING MAINTENANCE	33,930.64	54,628.71
FIREWORKS CONSULTING INC	26,386.50	-
FORMA CONSTRUCTION LTD	46,444.65	-
FORTIS BC	25,464.43	28,650.26
FP TELESET	-	26,250.00
FRED SURRIDGE LTD.	139,628.04	147,778.75
GILBERT PARTS DEPOT	37,144.21	34,524.58
GUILLEVIN INTERNATIONAL INC	63,354.12	43,239.76
HIGHRIDGE HOMES LTD	-	31,567.18
HILLTOP TIRECRAFT	31,501.03	-
INSURANCE CORPORATION OF BC	37,003.00	-
INTERIOR COMMUNICATIONS LTD.	-	29,038.54
IRL INTERNATIONAL TRUCK CENTRES LTD	31,193.47	-
KETEL JACK	-	71,268.05
KLL CONSTRUCTION INC	1,043,571.30	-

Statement of Financial Information

Vendor Name	2018	2017 Comparative Amount
LAWSON ENGINEERING & DEVELOPMENT	90,328.85	-
LYNN'S EXECUTIVE CLEANING SERVICE INC	33,729.89	32,880.59
MINISTER OF FINANCE	27,000.00	59,105.17
MINISTRY OF PROVINCIAL REVENUE	1,924,844.09	1,475,194.21
MONAGHAN ENGINEERING & CONSULTING	90,522.34	-
MUNICIPAL INSURANCE ASSOC OF BC	67,279.36	68,443.13
MUNICIPAL PENSION PLAN	486,474.06	497,008.37
NORTH OKANAGAN (SHUSWAP) REG HOSPITAL	666,889.27	641,034.57
NORTH OKANAGAN REGIONAL DISTRICT	5,647,364.13	5,401,969.63
NORTHERN COMPUTER	62,843.57	36,942.14
OKANAGAN AGGREGATES LTD	139,092.96	1,261,069.69
OKANAGAN REGIONAL LIBRARY	442,408.88	441,363.12
PACIFIC BLUE CROSS	209,561.96	214,298.28
PETER'S BROS. CONSTRUCTION LTD.	-	45,044.76
POSTILL NIXON EARTHWORKS	155,721.92	-
POSTILL, R.E. & SONS LTD	160,668.99	88,104.62
RECEIVER GENERAL FOR CANADA	1,673,619.70	1,421,163.21
RL WALKER CONTRACTING LTD	30,657.64	-
ROCKY MOUNTAIN PHOENIX	46,158.57	-
ROYAL BANK OF CANADA	88,000.00	
ROYALE LANDSCAPING	-	252,095.97
SCV CONTRACTORS	42,951.57	-
SEAL TEC INDUSTRIES LTD	62,519.44	62,589.74
SPECIAL T CLEANING	196,365.75	123,957.75
SUPER SAVE DISPOSAL INC	36,887.12	28,590.87
SWING TIME DISTRIBUTORS	-	49,158.48
TELUS COMMUNICATIONS (B.C.) INC.	32,449.52	32,408.62
THE GROUNDS GUYS	332,665.19	99,209.53
URBAN SYSTEMS LTD	30,456.31	68,614.25
VERNON, CITY OF	631,473.03	1,171,304.34
VIMAR EQUIPMENT LTD.	28,861.32	-
WESTERN TANK & LINING LTD	-	25,032.00
WORK TRUCK WEST	102,088.34	-
WORKSAFE BC	50,414.83	58,919.09
Payments to Vendors over \$25,000	17,274,516.80	16,022,026.48
Payments to Vendors under \$25,000	1,473,396.73	1,268,932.86
TOTAL PAYMENTS MADE	\$ 18,747,913.53	\$ 17,290,959.34

NOTE: 2017 Comparative Amounts are only those amounts appearing in the 2017 vendor payment report over \$25,000.
Vendors showing 2017 amounts as zero may have received payments from the District in 2017 but were below the threshold of \$25,000.

Statement of Financial Information

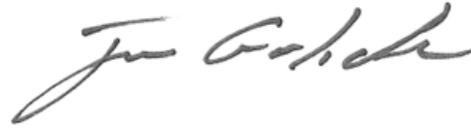
STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, Subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.



Patricia (Pat) Higgins

Director of Financial Administration



Jim Garlick

Mayor, District of Coldstream

May 13, 2019



Photos for this report have been provided primarily by the late Debbie Gibson

For additional copies of the 2018 Annual Report contact:

Director of Financial Administration
District of Coldstream
9901 Kalamalka Road, Coldstream, BC V1B 1L6

Tel 250-545-5304 | Fax 250-545-4733
www.coldstream.ca