

Town of
Oliver

CANADA'S WINE CAPITAL



ANNUAL

REPORT

2018

Oliver, British Columbia | December 31, 2018

www.oliver.ca



Photo Credit Pat Hampson



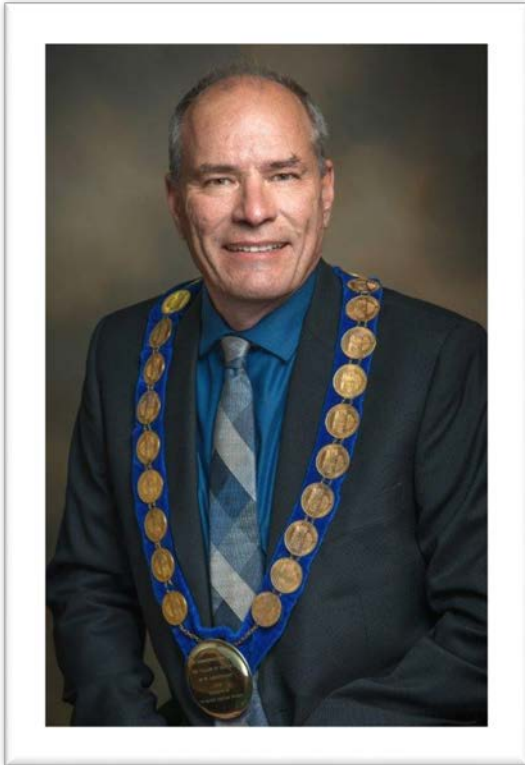
Photo Credit Jeremy Cook

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MAYOR'S MESSAGE



Mayor Martin Johansen

On behalf of your Town Council and our senior staff, I'm excited to present the 2018 Annual Report.

Oliver is a quaint community dedicated to the preservation of our agricultural bounty. In consideration that the South Okanagan is one of the fastest growing regions in BC, we are working hard to ensure Oliver is able to thrive in this time of growth. Focusing on a people first community where we celebrate diversity, adapt to climate change and embrace opportunities for improvement, we will ensure the Town remains well positioned for success.

This year, we delivered on strong financial management working to ensure every dollar spent was well utilized. Highlights for 2018 included Spartan St. sidewalk and curb extensions, Station St. and Fair-view Rd capital road works, Columbarium area at the Cemetery

and completion of a major water-main line looping and on-site Chlorine generation project. Another positive for Oliver was continued investment in the community where building construction value increased by \$2 million from the previous year and the Coast Hotel opened for business in July.

The irrigation canal remains a liability for Town of Oliver and the surrounding area. Although the design for a permanent repair is largely complete, a significant shortfall in funding is keeping the project on hold. A grant application has been submitted to the Federal Government Disaster Mitigation program; however, at the timing of this report, the status of the application is unknown. Council is committed to getting this project started in 2019 and is working diligently with all levels of government to identify sufficient funding to start construction.

Moving forward, we must continue to address emergent issues our community faces in a proactive, responsible way: housing affordability, climate change and safety.

As a municipality, we will continue to look for opportunities to contribute to housing affordability solutions by working with agencies, such as BC Housing and supporting incentive programs to encourage purpose built rental units to help people have a place to call home.

Did You Know?

Town Council held 75 meetings in 2018 at Town Hall. Meetings are held the 2nd and 4th Monday of the month. You can watch live using the Meeting Portal.



Flooding, wildfire and slope stability are becoming an all too familiar local reality. The effects of climate change require us to take a more progressive and proactive approach to ensuring the safety and economic stability of our community. We will continue to work towards environmental resiliency through a structural flood mitigation program where-by at risk infrastructure is identified and flood preparedness work is implemented.

Every resident and visitor should feel safe in our community. The Town of Oliver takes safety seriously and is working with key stakeholders to take a proactive approach to community safety and crime prevention in the local and surrounding area. The emphasis of this strategy

is to implement an approach driven by intervention as opposed to reaction. Improved public safety is a key deliverable and community initiatives will serve to compliment and enhance the effectiveness of municipal and provincial services.

For the upcoming year, Council will focus on the 2019-2022 strategic plan, while still remaining responsive to its citizens, businesses and community leaders. I want to thank Members of Council, senior management and town staff for their hard work and dedication. Together, we will continue to establish a community where the quality of life is unmatched in addition to being a spectacular place to call home.

Photo Credit Darren Robinson



COUNCIL

Aimee Grice



David Mattes



Larry Schwartzenberger



Petra Veintimilla



Rick Machial (Water)



Parminder Sidhu (Water)



Town Council consists of a Mayor and four Councillors, and two Water Councillors. Elected term of office is four years (2018-2022).

The *Community Charter* gives Council the authority to set budgets, levy taxes, and establish policies to guide the growth, development and operations of the Town for the benefit and protection of its citizens.

Water Councillors voting privileges are restricted to water matters, and are elected from the rural area outside the Town boundaries, which is serviced by the Oliver Water System (#1-#7).

THE POWERS OF MAYOR AND COUNCIL ARE EXERCISED THROUGH THE ADOPTION OF RESOLUTIONS OR ENACTING BYLAWS AT REGULARLY SCHEDULED MEETINGS. MEETINGS ARE HELD IN COUNCIL CHAMBERS LOCATED AT 6173 KOOTENAY STREET.



CHIEF ADMINISTRATIVE OFFICER'S MESSAGE



Cathy Cowan, Chief Administrative Officer

On behalf of the Town's staff, I am pleased to present the Town of Oliver 2018 Annual Report. As Chief Administrative Officer (CAO), I am responsible for overseeing a team of professionals that manage the day-to-day operations of the Town and the delivery of efficient and cost-effective services to the public. The CAO is also responsible for advising Mayor and Council on a wide variety of community and governance matters in an objective and unbiased manner, and to recommend and develop policies for Council's consideration.

This Annual Report highlights the work completed in 2018. It is one of the tools we use to communicate with current and future residents, businesses and visitors. We continue to work towards excellence in service delivery to ensure the community achieves value for its money.

Our work was driven primarily by Council's four priorities: Community Enhancement, Asset Management, Policing, and Municipal Governance and Performance. As with all of our activities, the Strategic Plan is the foundation for all that we do.

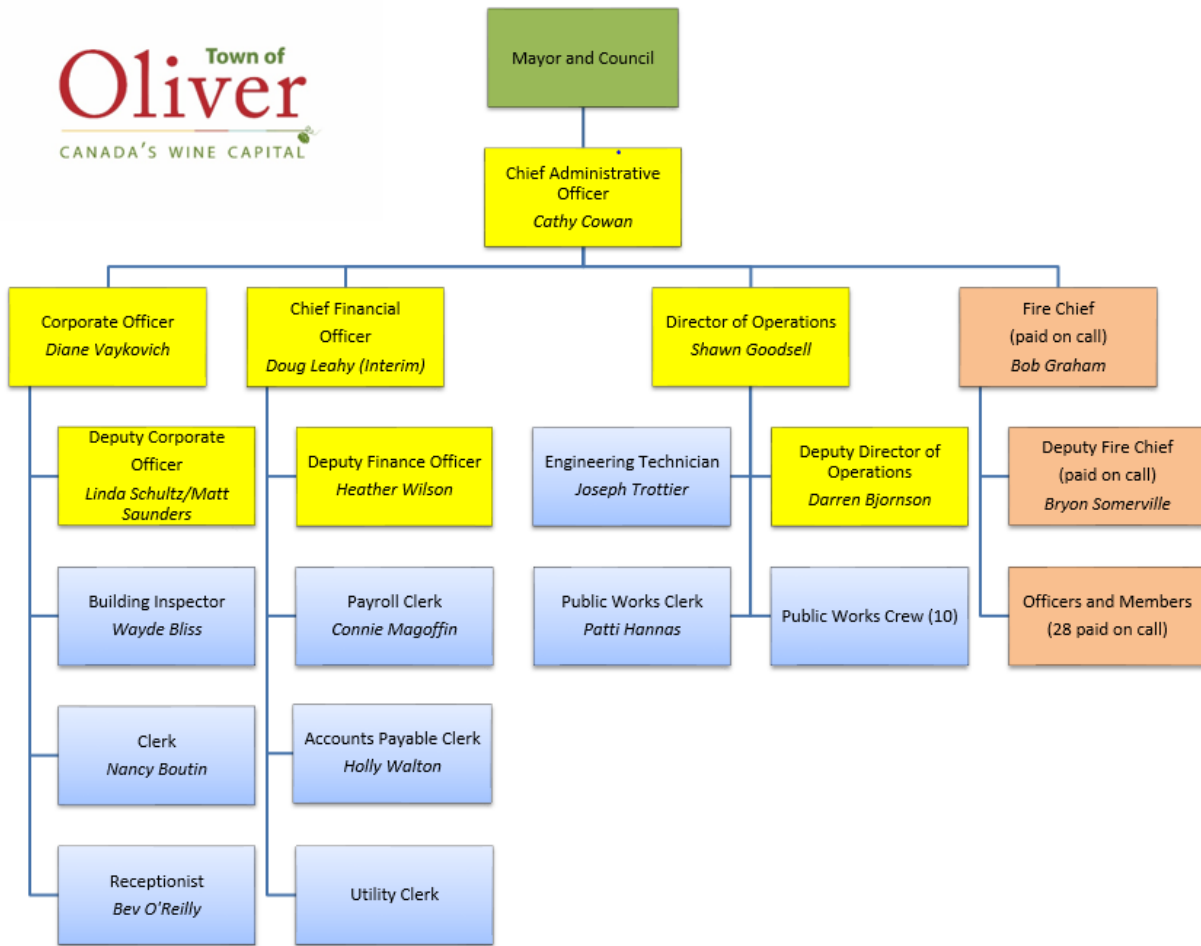
Whether staff perform high visible tasks such as snow removal and park maintenance, support tasks such as payroll and IT, leadership roles such as management or one of the many other jobs performed at the Town, all have contributed to the achievement of the 2018 goals.

While the Annual Report provides information on the accomplishments themselves, my message recognizes the commitment, talent, effort and outlook in staff that supported this achievement. The human assets of this organization are truly its greatest strength and this report would not be complete without a recognition and appreciation for the staff and all of the efforts in 2018. I am lucky to work with such a great team.

Sandbagging 2018



ORGANIZATIONAL STRUCTURE



Bandai Japan Visit 2018 – Linda Larson MLA

Mayor Ron Hovanes, Mayor Igarashi Bandai Japan



SPIRIT OF OLIVER – 2018 AWARDS

Jane Stelkia



Oliver Lions Club



Abby Teigen



Fiona Woods



Larry & Jan Shannon



SPIRIT OF OLIVER AWARD CATEGORIES

Community Roots - Jane Stelkia

Individuals or groups that may have settled in greater Oliver following the establishment of the Fairview Townsite and surrounding areas including Osoyoos Indian Band lands.

Group - Oliver Lions Club

Recognizes a community group that demonstrates an outstanding contribution to the community.

Youth - Abby Teigen

Recognizes an individual youth member who has demonstrated a commitment to our community and has made extraordinary volunteer contributions.

Individual Adult or Couple - Fiona Wood

Recognizes the volunteer work of an individual adult or couple who have contributed significantly through voluntary service involving a variety of projects, groups, and/or programs.

Community Builder - Jan & Larry Shannon

Recognizes an individual or group that through voluntary activities have left a legacy that builds and improves our community and will enhance the quality of life of children, youth and families.





Lack of card also credited to Helen Whispers, find photos on Pkay.com.





Station Street Reconstruction

STRATEGIC PRIORITIES

COMMUNITY ENHANCEMENT

To encourage and enhance the development of Oliver as an economic healthy community.

Enhance Oliver’s Assets

Council will adopt a business case to determine the location best suited for the Town office to effectively serve the public in 2018.

Re-establish Oliver’s Downtown Core as the Social, Cultural and Civic Heart of the Community

The Town wants to encourage revitalization to have a vibrant downtown core, Council will engage with the business community to encourage façade improvements in the Downtown Core.

The Town will work with the Chamber of Commerce and the business community to reduce vacancies in the Downtown Core.

Undertake minor improvements to Town owned lands on Main Street to make it a safe parking area, which will include signage, lighting, proper street access, improving site line on Main Street and gravel surfacing of parking area.

The Town will work with the arts and cultural community to continue to cultivate the Town’s artistic character by supporting artwork and performances in public places.

Revitalize Station Street

Install “Potential Future Development” signage, undertake minor improvements by removal of fencing, placement of picnic tables and continue to maintain the Town owned lot located at 6359 Station Street.

Explore opportunities for installation of Food Trucks on Town owned properties.

Undertake upgrades to Station Street from Fairview Road to Banks Road.

Undertake public engagement and complete design work for park development located at 256 Fairview Road.

Housing Strategy

The Town will undertake a review of the existing Town of Oliver Housing Strategy, undertake research on Tiny Home zoning and review Carriage House requirements currently in place



Coast Hotel Official Opening



| Priorities | Measurements & Accomplishments | | | | |
|---|--------------------------------|------|------|------|----------|
| | 2016 | 2017 | 2018 | 2019 | % |
| Develop and Parks and Trails Master Plan | | | √ | | Deferred |
| Undertake a Town Hall Location Business Case | | | √ | | 25% |
| Reduce Vacancies in the Downtown Core | Ongoing | | | | 75% |
| Enhance Town-Owned Lands in the Downtown Core | Ongoing | | | | 75% |
| Promote Hotel Development | Ongoing | | | | 100% |
| Encourage Façade Improvements | Ongoing | | | | 5% |
| Promote Cultural Vitality | Ongoing | | | | 5% |
| Revitalize Station Street | Ongoing | | | | 70% |
| Develop Centennial Park Business Case | | | √ | | 100% |
| Housing Strategy | | | √ | | New |

ASSET MANAGEMENT

The Town will sustain service through the operation, maintenance and renewal of existing infrastructure and enhance service to address growth and changing service requirements through the upgrading and expansion of existing infrastructure.

Service disruption and risk to public health and property is minimized. Capital financial plans and reserves are in place to adequately fund major maintenance and planned lifecycle replacement costs.

Develop a corporate asset management plan to establish an affordable, balanced and well maintained suite of infrastructure that supports the economic health of the community.

The Town will continue to seek alternative energy sources to decrease the possibility of service disruption and reduce energy costs.

Optimized Infrastructure and Facility Life

Continue to lobby the Provincial and Federal Governments for funding of the \$10.4 million upgrade to the Gallagher Lake Siphon

| Priorities | Measurements & Accomplishments | | | | |
|---------------------------------|--------------------------------|------|------|------|-----|
| | 2016 | 2017 | 2018 | 2019 | % |
| Develop Asset Management Policy | Ongoing | | | | 60% |
| Develop Asset Management Plans | | | √ | | 50% |
| Seek Alternative Energy Sources | | | √ | | 60% |



| | | | | | |
|---|---|---|---|---|----------|
| Develop Irrigation Canal Improvement Strategy | | √ | | | 100% |
| Study Traffic Calming Measures | | | √ | | 100% |
| Develop Implementation Sidewalk Strategy | | √ | | | 100% |
| Gallagher Lake Siphon Repair | | | | √ | 50% |
| Fairview Irrigation Pumphouse Improvements | | √ | | | 100% |
| Sewer Condition Assessment | | √ | | | 100% |
| Budgeting for Next Fiscal Year | | | | | 100% |
| Fairview Road / Spartan Street Sidewalk Project | √ | | | | 100% |
| Streetlight LED Upgrades | | √ | | | 100% |
| CPR Station Sprinkler System | | √ | | | Deferred |
| Town Hall Roof Replacement | | √ | | | 100% |
| Electric Charging Station | √ | | | | 100% |
| Airport Taxiway Expansion | | | | | 100% |
| Grave Marker Base Improvements | √ | | | | 100% |
| Sawmill Road / Station Street Road Design and Sewer Realignment | | √ | | | On Hold |
| New Intersection Alignment at McKinney and Black Sage Road | | | √ | | 25% |
| 7D Drainage Right of Way | √ | | | | 40% |
| Park Lighting Options | | √ | | | 100% |
| Vehicle Bridge Inspection | √ | | | | % |
| VFD Upgrades on Blowers | | √ | | | 55% |



Station Street Reconstruction 2018



POLICING

Oliver will work with the RCMP to meet community safety goals.

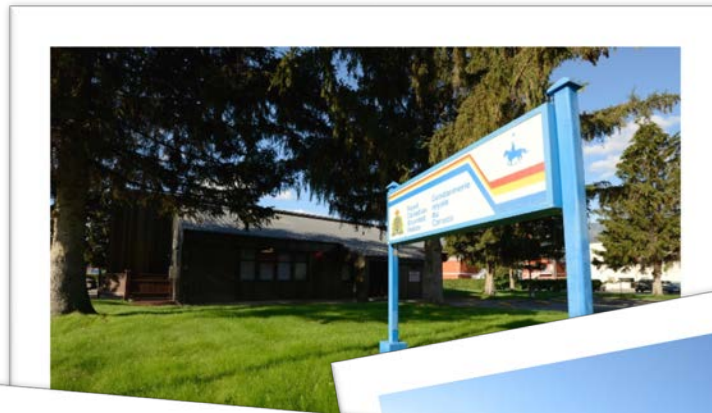
Create a Safe Community for Residents and Businesses

With Oliver service partner in policing, the RCMP, the Town will develop a crime enforcement strategy to create a safe community for residents and businesses.

Reduce the Impact of Police Service Costs on Residents when Emerging to 5,000 Population

Development of a Tax Strategy for when the Town of Oliver reaches the 5000 + 1 population and Oliver will be responsible for 70% of the policing costs.

| Priorities | Measurements & Accomplishments | | | | |
|---|--------------------------------|------|------|------|------|
| | 2016 | 2017 | 2018 | 2019 | % |
| Develop a Crime Enforcement Strategy | | √ | | | 100% |
| Develop Funding Strategy For RCMP Costs | | | √ | | 85% |



MUNICIPAL GOVERNANCE AND PERFORMANCE

The Town is open for business and will work to ensure the operations of the municipality are being delivered in the most efficient, effective and transparent manner.

Efficient and Effective Organization

The Town will undertake a Service Review of Development Services to ensure they are operating at maximum efficiency and are as cost effective as possible.

The Town will install streaming video to deliver live streams and archived records of Council meetings on line.

Enhanced Community Communication and Engagement

The Town will continue to build upon Social Media platforms to ensure the public is provided with up-to-date communication of operations and projects being undertaken through positive messaging.

The Town will build upon the Spirit of Oliver Recognition Program to celebrate on an annual basis the extraordinary community leaders and residents who volunteer their time for the betterment of the community.

The Town will engage with the provincial government and neighbouring governments to promote and enhance the economic outlook of the South Okanagan.

| Priorities | Measurements & Accomplishments | | | | |
|---|--------------------------------|------|------|------|------|
| | 2016 | 2017 | 2018 | 2019 | % |
| Official Community Plan Review and Update | | √ | | | 100% |
| Council Procedure Bylaw | √ | | | | 100% |
| Service Review Policy | √ | | | | 100% |
| Council Reporting Process | √ | | | | 100% |
| Operational Efficiencies—Development Services | | | √ | | 85% |
| Facilitate 2017 Strategic Plan / Provide Quarterly Reports to Council | | | √ | | 100% |
| Privacy Impact Assessments | Ongoing | | | | 75% |
| Food Security Plan | | | √ | | 100% |
| Vehicle Use/ GPS Fleet Policy | √ | | | | 100% |
| Technology Service Enhancements | Ongoing | | | | 100% |
| Building Regulation Bylaw Update | | √ | | | 45% |
| Various Bylaw Reviews and Updates | | √ | | | 50% |
| Corporate Services Budget Preparation | √ | | | | 100% |
| 2018 Municipal Election | | | √ | | 100% |
| Financial Software Update | Ongoing | | | | 100% |



| | | | | | |
|---|---------|---|---|--|------|
| Financial On-line Services | | | √ | | 33% |
| External Audit Services | √ | | | | 100% |
| Review Existing Financial Policies | | √ | | | 75% |
| Reserve Fund Policy | | | √ | | 75% |
| Annual Budgeting Process | | √ | | | 100% |
| Review Telephone System | √ | | | | 100% |
| Mobile Phone Agreement | √ | | | | 100% |
| Water Utility Billing Structure | √ | | | | 100% |
| Transfer of Tax Sale Property to the Town | √ | | | | 100% |
| Develop Communication Strategy | √ | | | | 50% |
| Recognition Program | | √ | | | 100% |
| Enhanced Inter-Governmental Engagement | Ongoing | | | | 85% |
| Communication Tools | √ | | | | 100% |

Food Secure Oliver

A Community- Driven Plan for Increasing Food Security in Oliver and Area C



www.oliver.ca/food-secure-oliver

OUR VISION

Healthy, locally sourced food is available to all and is at the heart of a diverse community culture and the local economy.

OUR GOALS



To find out more, sign-up for project updates, and to get involved, please contact the Town of Oliver:
Phone: 250-485-6200, Email: admin@oliver.ca



@TownofOliver



@TownofOliverBC



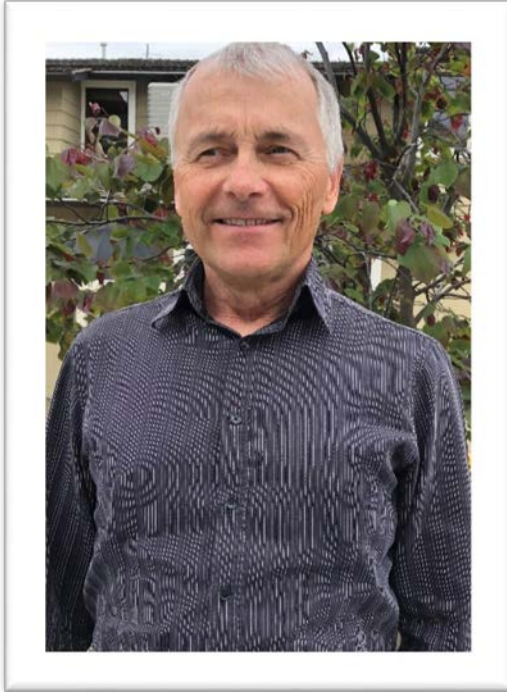


Canada's Wine Capital
Brand Refresh 2018

DEPARTMENTS



FINANCE DEPARTMENT (Chief Financial Officer's Report)



Doug Leahy, Chief Financial Officer

I am pleased to present the Annual Report for the fiscal year ending December 31, 2018. The purpose of this report is to publish the consolidated financial statements and Auditors' Report for the Town of Oliver pursuant to Sections 98 and 167 of the Community Charter. The preparation and presentation of the financial statements and related information in the 2018 Annual Report is the responsibility of the Finance Department of the Town. These statements have been prepared in accordance with generally accepted accounting principles and the recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants and the Provincial Ministry of Community, Sport and Cultural Development. The Town maintains a system of internal accounting controls designed to safeguard the assets of the corporation and provide reliable financial information.

The audit firm of KPMG LLP was appointed by Council and was responsible for expressing an opinion as to whether the consolidated financial statements, prepared by management, fairly presented the financial position of the Town of Oliver and the results of its 2018 operations. The 2018 financial statements were audited by KPMG LLP who expressed an unqualified opinion in their independent auditors' report dated April 23, 2018. The financial statements were also presented to and approved by Council on April 23, 2018.

Operating Results

The Consolidated Financial Statements presented include the 2018 results from the Town's General Fund, Utility Funds and Reserve and Trust Funds. From a financial perspective, the 2018 results are positive with an overall surplus achieved of \$2,183,342 (2017 surplus - \$1,035,240). Revenues increased approximately -\$1,117,000 when compared to 2017. The main reasons for this is:

- The Town recognized \$1,828,242 in transfers from other governments, for a number of capital projects being completed throughout 2018, thus resulting in an increase of \$897,938 (\$930,304 in 2017).
- In 2018 developer contributions decreased by -\$294,445, as development cost charge funding was used to offset the costs of two park capital projects in 2017.

Expenses decreased approximately \$31,000 when compared to 2017. This decrease consists of numerous minor variances within all of the Town's segments; however, the two largest variances were attributed to supplies and materials and professional and contract services. With an increase of \$93,272 and a decrease of \$46,891 respectively.



General Fund

The Town's General Fund is the primary fund for most municipal services including Fire, Planning, Transportation, Public Works and Solid Waste. The General Fund ended the year with a surplus of \$1,675,062 (2017 - \$712,017 surplus) primarily as a result of the increase in transfers from other governments revenues of \$897,938 when compared to 2017.

General Fund revenues for the year totaled \$5.07 million with operating costs of \$3.40 million and capital expenditures of \$1.13 million. The major projects for the year included: the Station Street Project (\$708,575), the Spartan Sidewalk & Curb Extension (\$256,350) and the Columbarium (\$49,988).

Utilities

The Town operates two major utilities which are funded by user fees and parcel taxes.

The Sewer Utility includes 49 kilometers of pipe for the collections and transmission of sewage to the Town's treatment plant and holding ponds, as well as 6 kilometers of drainage pipe to provide environmental and flood protection throughout the Town. During 2018, the utility collected and conveyed sewage from approximately 2,529 household and commercial customers with average daily flows of approximately 1,826 cubic meters per day. Sewer Utility revenues for the year totaled \$1.09 million which covered operating costs of \$1.01 million generating a surplus of \$74,000. Net capital additions of \$451,368 were incurred due to upgrades the Town's sewer collection infrastructure.

The water utility included 148 kilometers of pipe to deliver both potable and agricultural water to customers both inside and outside the Town's municipal boundaries. During 2018, the utility provided water to approximately 2,448 households, commercial and agricultural customers with average daily flows of approximately 4,978 cubic meters per day.

Water Utility revenues for the year totaled \$2.99 million which covered operating costs of \$2.55 million which generated a surplus of -\$434,542. Net capital additions of \$1,156,079 were also incurred which were for upgrades to the domestic water infrastructure.

Reserves

The Town holds a number of statutory reserve funds including the land sale reserve, parking reserve and development cost charges. During 2018, these statutory reserve balances increased from \$4.86 million to \$4.90 million primarily due to the increase in the water capital reserve fund. These funds are used to support the Town's future capital cost outlays and will be used to support infrastructure replacement projects necessitated by future development and the anticipated resulting population growth in the community.

The Town also holds numerous non-statutory, or operating reserves including the road capital reserve, snow removal reserve, equipment reserve and fire department reserves. These reserves are apportioned from general, water and sewer accumulated surpluses based on specific budget to actual results in the year. During 2018, these non-statutory reserve balances increased from \$3.93 million to \$4.32 million, due primarily to underspending in operations. These monies will be utilized to fund future capital works and assets.

Did You Know?

25% OF OUR UTILITY CUSTOMERS ARE NOW PAPERLESS RECEIVING THEIR BILLS ELECTRONICALLY.



Debt

Outstanding long-term debt at the end of 2018 is \$3.79 million or approximately \$769 per capita which is a slight decrease from 2017, as a result of repayments and the actuarial adjustment. The Town continues to use long and short-term borrowing from the MFA at favorable rates to advance water infrastructure projects.

Town staff with strong support of Town Council continue striving to generate cost savings and efficiencies within all aspects of the Town's operations. In particular, I would like to

acknowledge the staff in the Finance Department for their commitment to innovation, continuous improvement and service to the community.

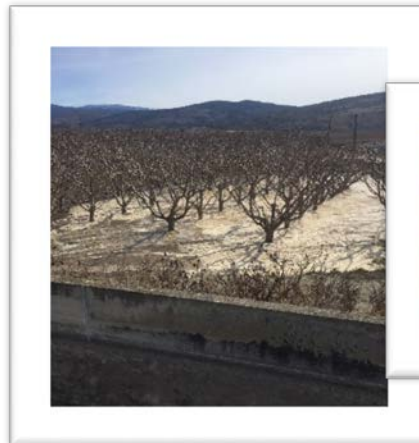
Respectfully submitted



Doug Leahy, CPA, CMA
Chief Financial Officer



2018 Spring Flooding Events at Fairview Mountain Golf Course and Road 5/Sunflower Roads



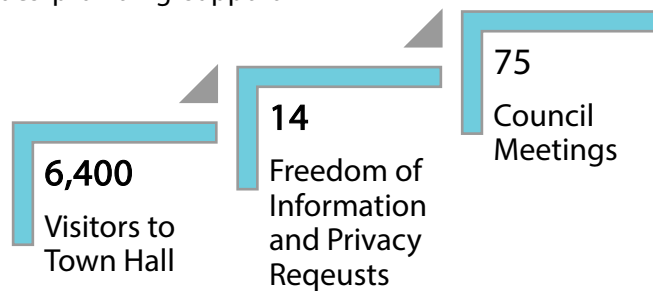
CORPORATE SERVICES

Corporate Services division includes Legislative Services, Administration, Risk Management, Emergency Management, and Bylaw Enforcement. A team of five full-time employees and a relief pool of two individuals provides excellence in customer service in response to queries from the public.

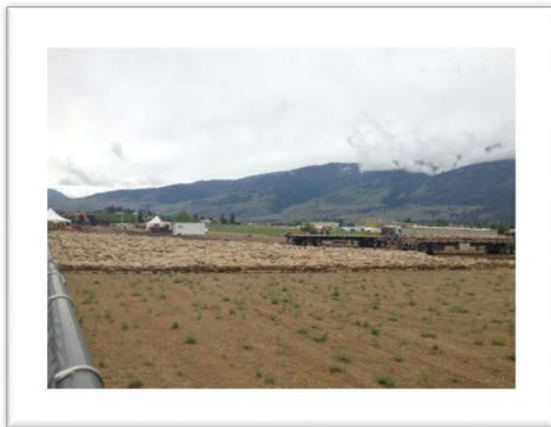
Legislative Services provides services to Town Council, Departments and the public, and is responsible for ensuring Town government and decision-making processes maintain transparency, accountability, integrity and accessibility. This includes providing support

for council meetings, community meetings, public hearings, and bylaw creation. The department is also responsible for the Town’s compliance with Freedom of Information and Protection of Privacy legislation, and managing risk, corporate records and elections.

In 2018 the Department launched a new live streaming service for Council meetings and conducted the local government election for the Town Council, two Water Councillors, and Regional District of Okanagan-Similkameen Area C Area Director.



Emergency Management



The south Okanagan experienced a significant rain event on April 22nd resulting in debris flows from Crown lands significantly damaging Fairview Mountain Golf Course lands and threats to the clubhouse. Hester Creek, Tinhorn Creek and Testalinden Creek flows were unable to manage the increased debris and flow of water which also damaged the Town’s rural water infrastructure. The Town received financial support from Disaster Financial Assistance to repair the rural water infrastructure.

Oliver’s Emergency Social Services team was deployed to provide support to residents evacuated from the Sportsman Bowl area in rural Area C. Oliver’s Airport was well utilized by BC Wildfire Services as a Man Camp, Helicopter Staging, and Sandbag building, see image.

To build Oliver’s emergency management capacity, two successful grant applications were awarded to the Town through UBCM Community Preparedness Fund; \$25,000 for Emergency Social Services and \$25,000 for Emergency Operations. These funds were used for JIBC training courses and purchase of supplies and equipment.



Bylaw Enforcement

The policy set to manage bylaw enforcement is by a complaint-based approach with the practice to educate, seek informal resolution and warnings. The Bylaw Enforcement section includes dealing with animal control, traffic, property standards, noise complaints, etc. Enforcement tools such as issuance of bylaw offence notices or tickets, will apply to enforce bylaws fairly and reasonably.

Complaints relating to untidy/unsightly premises, in particular weeds and puncturevine remained high in 2018. Proactive letters were sent to property owners of vacant lots encouraging proper maintenance, information on removing puncturevine and a list of contractors to assist in maintenance work.

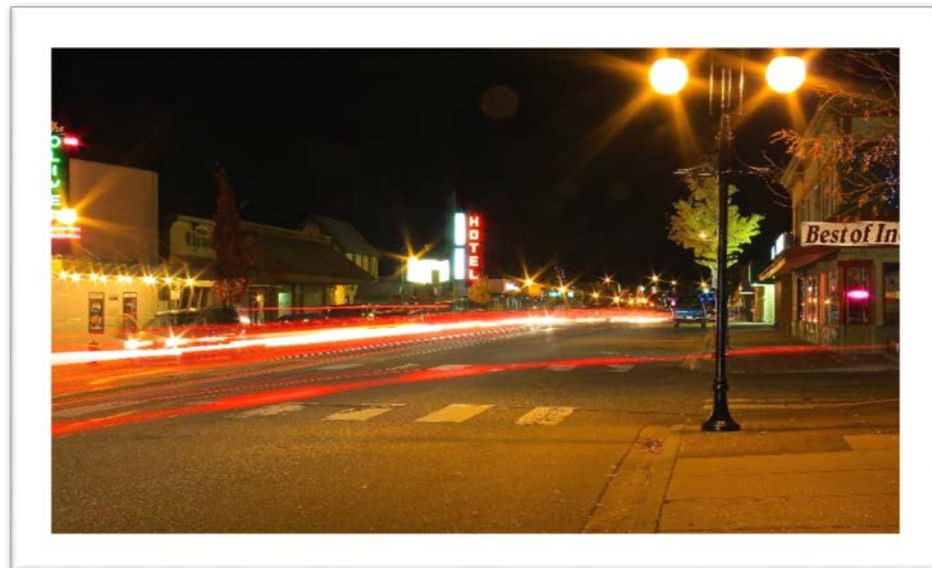
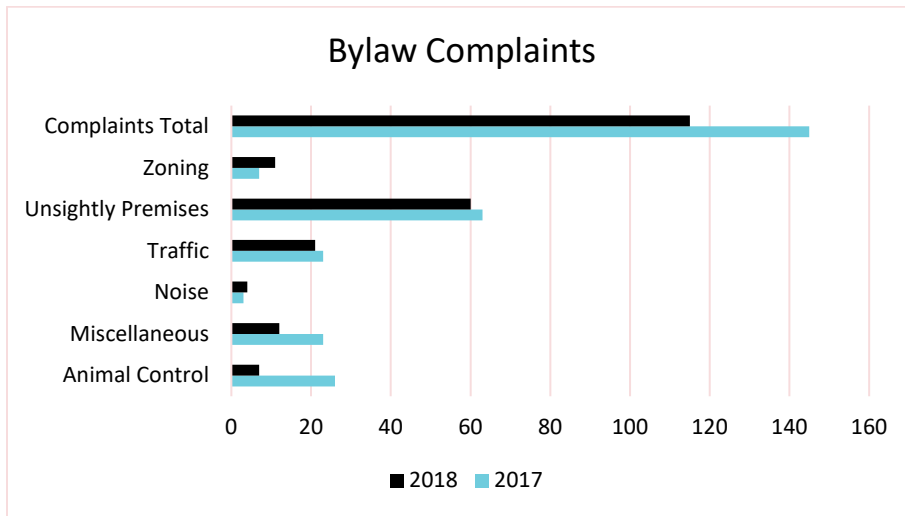


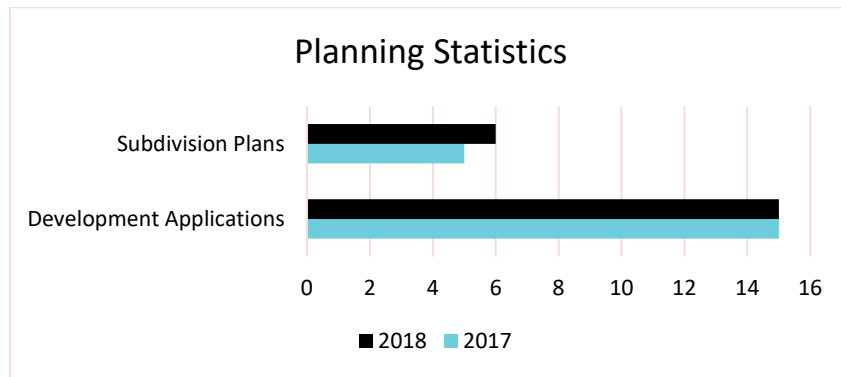
Photo Credit Jeremy Cook



DEVELOPMENT SERVICES

Development Services continued to be provided through a contract with the Regional District of Okanagan-Similkameen. Creating a great place for living, working and leisure. Town staff managed development approvals and building permit and inspection processes, and issuance of business licences.

In 2018, as part of Council’s Strategic Plan, a service review of Development Services was undertaken to ensure operation at maximum efficiency and cost effective as possible. Determining the processes within the department are fragmented it was recommended to recruit a Development Services Manager in 2019.



Building Inspection – Permits

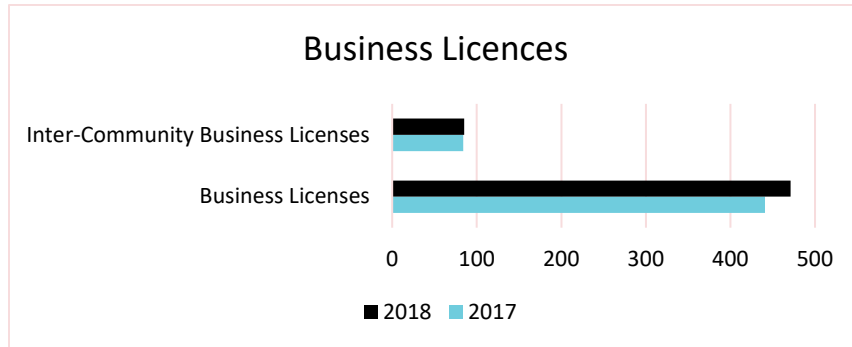
The Building Official is responsible for the review of building permits and inspection process. Total number of permits decreased from 101 to 73, however total value increased by \$1.4 million.

| | 2017 | 2018 |
|----------------------------------|-----------------|-----------------|
| Total Permits Issued | 101 | 73 |
| Total Value | \$15,606,319.00 | \$17,085,260.00 |
| New Residential Permits | 45 | 14 |
| Residential Value | \$11,902,700.00 | \$4,555,000.00 |
| Residential Improvements Permits | 33 | 35 |
| Residential Improvement Value | \$641,000.00 | 1,088,560.00 |
| Multi-Tenant Permits | 6 | 4 |
| Multi-Tenant Value | \$2,514,419.00 | 1,845,000.00 |
| Commercial Permits | 16 | 12 |
| Commercial Permit Value | \$546,000.00 | \$8,183,200.00 |
| Institutional Permits | 1 | 2 |
| Institutional Value | \$2,200.00 | \$40,500.00 |
| Industrial Permits Issued | 0 | 6 |
| Industrial Value | 0 | 1,373,000.00 |



Business Licencing – Permits

Business licences issued in the Town of Oliver over the past two years indicates a stable business climate in Oliver. The Inter-Community Business Licence program continues to be popular in the Southern Interior with 17 communities participating. In 2018 the City of Revelstoke was added to the program.



OLIVER FIRE – RESCUE



Bob Graham
Fire Chief



Bryon Somerville
Deputy Fire Chief

Oliver Fire-Rescue is a volunteer fire department. Its officer core consists of Fire Chief (Bob Graham) and Deputy Chief (Bryon Somerville), 4 captains (Steve Nemeth, Andrew Mason, Grant Stevely and Ash Regner). Also A-Training Captain (Scott Schaffrick) who leads a training team of 5 members who have all taken the Fire Instructor course, which allows the department to do all training in house; saving the Town of Oliver significant resources. The Department has 33 A-list members, which are active members, 10 B-list members who are former members who have retired but may be called on to assist larger or extended calls. The Fire Hall is located at 369 Similkameen Avenue and provides protection to the Town of Oliver, Oliver Rural Fire Protection District and Osoyoos Indian Band. Extrication services are provided to Mount Baldy and Willowbrook areas.

INCIDENTS

| | 2018 | 2017 |
|--------------|------------|------------|
| January | 12 | 14 |
| February | 10 | 18 |
| March | 16 | 11 |
| April | 24 | 11 |
| May | 18 | 12 |
| June | 23 | 17 |
| July | 11 | 18 |
| August | 20 | 22 |
| September | 13 | 23 |
| October | 12 | 13 |
| November | 14 | 15 |
| December | 16 | 15 |
| Total | 186 | 184 |



Fire Training Seminar 2018



The Department has been fully training members to obtain interior and exterior firefighting status according to the Playbook rules outlined by the Provincial Government and Fire Commissioner standards. The Playbook outlines the requirements to meet the three levels of service which are exterior (only fight fire from outside), interior (trained to fight fire on the inside) and full service (this is for full time paid departments). Through community events such as the cash raffle, and the Spring Training Seminar where firefighters come from all over BC for training, the Department has been able to create an extensive training facility on town-owned land at the Oliver Airport consisting of burn buildings, search buildings and vehicles for car fires.

Members have been trained to respond to a variety of calls including structure fires,

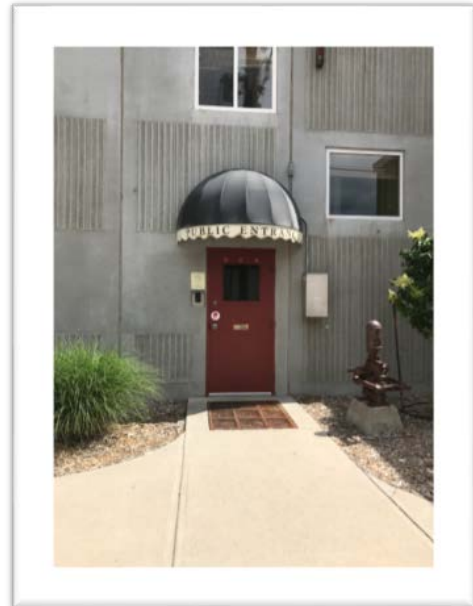
wildland fires, vehicle fires, motor vehicle rescues, swift water rescue, ice rescue, and confined space. All members have their first aid, air brakes, electrical awareness, flagging and hazmat awareness. Additional courses include Fire Instructor 1, Fire Officer 1, and ICS.

The Department is extremely proud of the extensive training and level of service that we are able to provide residents of Oliver and the surrounding areas. The Department is also all about our families and host a Kids Christmas Party, Slip n' Slide and Family BBQs. Community spirit is high through the Christmas Truck Drive, Parades, Extinguisher displays, Safety School Visits, Sponsorship of the Ambassador Program, Christmas Hampers, and functions such as Cops for Kids, Festival of the Grape, and Drive Thru Breakfasts to raise money for local charities.



OPERATIONS

The Operational Services Department, better known as Public Works, provides technical expertise for municipal infrastructure projects; maintains, operates and upgrades the municipal water, sewer utility, roads and other municipal infrastructure. Specifically, the Water Utility delivers domestic and irrigation water both inside the Municipality and a substantial portion of Rural Area “C” north and south of Oliver. The Sewer Utility provides wastewater collection and treatment services to a significant portion of the municipality with 100% of wastewater reclaimed for beneficial reuse in; some parks, Public Works yard, cemetery, Fairview Golf Course, hay crop (airport) and vineyards. In addition, Public Works maintains a network of roads, sidewalks and trails, the cemetery, several municipal buildings/properties, and some municipal parks. The Public Works Department also provides miscellaneous services to the Oliver Parks and Recreation Society, contractors and businesses.



Public Works Building Sawmill Road

In addition to the above functions, Public Works coordinates and assists in the delivery of Capital Projects, many of which are designed by engineering consultants hired by the Town. The department also helps oversee subdivision development and servicing, working with applications that come to the Town and providing our technical insight to town staff, developers and consultants.

In Town Services

| | | | |
|------------------|--------------------------------------|-------------------------|-------|
| Roads | • 40.6 km | Domestic Fire Hydrants | • 169 |
| Sidewalks | • Concrete 19.4 km • Paved 3.8 km | Reclaimed Fire Hydrants | • 4 |
| Sanitary Sewer | • 41.6 km | Catch Basins | • 552 |
| Irrigation Water | • 0.24 km | Storm Manholes | • 106 |
| Reclaimed Water | • 0.38 km | Storm Drywells | • 175 |
| Domestic Water | • 67.1 km | Sanitary Manholes | • 670 |



Public Works provides the following services through three of the Towns Budgets:

General Budget funding

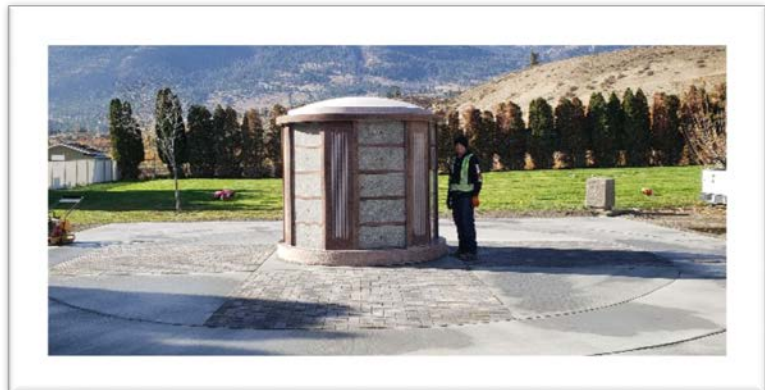
- road and sidewalk maintenance,
- storm collection maintenance,
- park related functions,
- cemetery services and maintenance,
- buildings/properties maintenance,
- snow removal,
- weed control,
- street sweeping, line painting & dust control,
- decorative and non-decorative lighting and banners,
- mapping and drawing updates,
- assist in asset management of infrastructure.
- Equipment and vehicles (fleet),
- Subdivision servicing reviews,
- Oversee major capital and operational projects,
- General clean-up and many other functions that give our Town an appealing look when viewed by others.

Water Budget Funding

- delivery of domestic water,
- delivery of irrigation water,
- irrigation canal maintenance,
- utility locates,
- maintenance on domestic & irrigation systems,
- water connection applications,
- water turn-on and turn-offs,
- Oversee major capital and operational projects
- on-call services.

Sewer Budget Funding

- maintenance of sewer collection systems,
- waste water treatment,
- delivery reclaimed water system,
- utility locates,
- sewer connection applications,
- Oversee major capital and operational projects,
- on-call services.



Columbarium Oliver Cemetery



With a small group, all employees must be able to function in most capacities of the Public Works Department to provide back up and a helping hand to ensure this department functions properly. We also have dedicated employees who provide on-call staffing for all Public Works related functions and emergencies outside of regular working hours. Public Works Employees are continually upgrading and training in all facets of the departments related areas to insure they are current with the new activities, safety regulations and have current certifications in their fields for municipal, provincial and federal regulators.

The Public Works Department coordinated and monitored various projects and contractors that were working for the Town on the Capital and Operational projects in 2018. We started and completed the following projects in combination with our dedicated staff, consultants and hired contractors.

Public Works Highlights of 2018 – General Fund

- Asset Management plan continuation
- Spartan Street Sidewalk Extension PH 2
- Station Street Road & Boulevard Upgrades
- Replacement of fleet vehicle
- Installation of New Streetlights on Airport Road
- New light pole replacements completed on Main Street
- Design & Installation of New Columbarium Area at Cemetery
- Veteran Section Base Improvements at the Cemetery
- Crack sealing of 13,000 lineal meters on Town roads & Airport Runway (north end)
- Finished traffic calming study
- Park Improvements; Gala Park & Kiwanis Park pathway
- Subdivision servicing reviews
- Started planning for New Park



Gala Park Improvements

In Town Services

| | |
|------------------------|---|
| Streetlights | <ul style="list-style-type: none"> • Town = 200 -- Fortis = 297 • Total = 497 |
| Reservoirs | <ul style="list-style-type: none"> • 2 |
| Pump Houses | <ul style="list-style-type: none"> • 3 |
| Pumps | <ul style="list-style-type: none"> • Water = 3 • Sanitary = 3 |
| Sanitary Lift Stations | <ul style="list-style-type: none"> • 6 |



Highlights of 2018—Water Utility

- Oversee Tinhorn and Hester Creek debris flooding
- Restoration on 2017 Flooding Events
- Started Black Sage Pumphouse Electrical improvements & VFD Upgrade
- Completed a Seismic/Structural Assessment on Flume 3 - Canal
- Canal floor improvements between Road 2 & Road 3
- Finished Watermain Line looping – “Head of the Lake” project
- Finished Fairview Irrigation Pumphouse revolving screen replacement
- Completed Major Water Valve Upgrade at Primrose & Road 2
- Started Radio Upgrades for Reservoir #4
- Started replacement of Flow Meter at Mud Lake Pumphouse
- Annual Water Flushing of Domestic Water System
- Radio Modem upgrades @ Hester Pumphouse
- Completed Reservoir #6a Pipe Outfall
- Installed and Starting Using New Algae Control System for Canal
- Working on New Water Capital Plan
- Station Street Watermain & Services Upgrades

Highlights of 2018—Sewer Utility

- Station Street & Fairview Rd. Sewer Mainline Upgrade
- Seismic Assessment of Dam & Cells at Waste Water Treatment Facility
- Replacement of 20 HP Lift Pump at Rotary Beach Lift Station
- Rockcliffe Lift Station Radio Modem Upgrade
- Annual Equalization Basin Cleaning
- Replacement of Odour Control Unit Media at Screen Room Facility
- Worked on a Liquid Waste Management Plan



| | |
|------------------|-------------------------------------|
| Domestic Water | • 43.5 km |
| Irrigation Water | • 43.7 km |
| Fire Hydrants | • Reclaimed = 1 • Domestic = 41 |
| Rural Pumphouses | • 10 |
| Pumps | • Domestic = 5 • Irrigation = 17 |
| Irrigation Pumps | • 17 |
| Reservoirs | • Domestic = 2 • Irrigation = 2 |

Rural Services



CANADA'S WINE CAPITAL

Oliver is located in the south Okanagan Valley between Mount Kobau and Mount Baldy. The municipality spans over 584 hectares and is surrounded by over 35 wineries.

Municipal Facts

Employees

27.6 full time equivalent
 34 volunteer firefighters
 7 Council

Budgets

\$8.3 Million operating
 \$3.8 Million capital

Population

4928 2016 Canadian Census

Incorporated

December 31, 1945



| Gross Assessment, Less Exemptions | 2018 | 2017 | 2016 | 2015 |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|
| Land | 348,389,227 | 288,232,633 | 285,346,500 | 284,17,963 |
| Improvements | 504,112,673 | 452,322,761 | 414,806,741 | 396,799,212 |
| Total | 852,501,900 | 740,555,394 | 700,153,241 | 680,937,175 |

| Tax Rates (per \$1,000 of assessed value) | 2018 | 2017 | 2016 | 2015 |
|---|-------|-------|-------|-------|
| Residential | 6.01 | 6.21 | 6.56 | 6.61 |
| Industry – Light | 15.44 | 15.71 | 16.65 | 16.84 |
| Business | 14.03 | 14.44 | 15.32 | 15.60 |



MANAGEMENT RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared by management in accordance with Canadian public sector standards and the integrity and objectivity of these statements are management’s responsibility. Management is also responsible for all of the notes to the consolidated financial statements and schedules, and for ensuring that this information is consistent where appropriate, with the information contained in the consolidated financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

Mayor and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. Mayor and Council reviews internal consolidated financial statements on a regular basis and meet with management and the external auditors to review the external audited consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The external auditors KPMG LLP, conduct an independent examination, in accordance with Canadian auditing standards and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of the Town of Oliver and meet when required.

Canadian Award for Financial Reporting

The Canadian Association for Financial Reporting Achievement is presented by Government Finance Officers Association to those individuals who have been instrumental in their government unit’s achieving a Canadian Award for Financial Reporting. ACAnFR is presented to those government units whose annual reports are judged to adhere to program standards

On behalf of the Town of Oliver



Cathy Cowan
Chief Administrative Officer



Doug Leahy
Chief Financial Officer

May 2019





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 Credit Union Building
 Vernon BC
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INDEPENDENT AUDITORS' REPORT

To Mayor and Council of the Town of Oliver

Opinion

We have audited the consolidated financial statements of the Town of Oliver (the Town), which comprise:

- the consolidated statement of financial position as at December 31, 2018
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Town as at December 31, 2018, and its consolidated results of operations, its consolidated changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "*Auditors' Responsibilities for the Audit of the Financial Statements*" section of our auditors' report.

We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.





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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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:

- 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 Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

KPMG LLP

Chartered Professional Accountants

April 23, 2019

Vernon, Canada



TOWN OF OLIVER
Consolidated Financial Statements
For the year ended December 31, 2018

December 31, 2018
Consolidated Financial Statements
For the year ended December 31, 2018

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Independent Auditors' Report

To the Mayor and Council of the Town of Oliver

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Chartered Professional Accountants

Vernon, Canada

Town of Oliver
Consolidated Statement of Financial Position

| December 31 | 2018 | 2017 |
|---|----------------------|----------------------|
| Financial assets | | |
| Cash and cash equivalents (Note 5) | \$ 7,320,843 | \$ 8,159,716 |
| Investments | 2,030,343 | 1,989,899 |
| Accounts receivable (Note 7) | 1,573,824 | 929,882 |
| | <u>10,925,010</u> | <u>11,079,497</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities (Note 9) | 1,184,403 | 1,235,327 |
| Deferred revenue (Note 10) | 588,824 | 1,101,570 |
| Deferred development cost charges (Note 11) | 1,642,159 | 1,548,796 |
| Debt (Note 12) | 3,790,882 | 4,223,646 |
| | <u>7,206,268</u> | <u>8,109,339</u> |
| Net financial assets | <u>3,718,742</u> | <u>2,970,158</u> |
| Non-financial assets | | |
| Prepaid expenses | 7,312 | 7,377 |
| Inventory | 58,245 | 40,209 |
| Tangible capital assets (Note 13) | 52,356,360 | 50,939,573 |
| | <u>52,421,917</u> | <u>50,987,159</u> |
| Accumulated surplus (Schedule 2) | <u>\$ 56,140,659</u> | <u>\$ 53,957,317</u> |

Contingent liabilities (Note 21)

On behalf of the Town of Oliver

Chief Financial Officer

Town of Oliver

Consolidated Statement of Operations and Accumulated Surplus

| For the year ended December 31 | 2018 Budget | 2018 Actual | 2017 Actual |
|---|----------------------|-----------------------------|----------------------|
| Revenue | | | |
| User fees | \$ 3,545,283 | \$ 3,470,324 | \$ 3,339,848 |
| Property taxation (Note 14) | 2,288,641 | 2,366,639 | 2,161,181 |
| Government transfers (Note 15) | 2,232,901 | 1,841,815 | 944,577 |
| Concessions and franchise | 358,405 | 346,106 | 372,242 |
| Gain on disposal of tangible capital assets | - | - | 437,983 |
| Other revenue from own sources (Note 16) | 420,325 | 340,556 | 337,346 |
| Sale of services | 158,687 | 236,554 | 210,252 |
| Investment income | 40,000 | 239,594 | 211,342 |
| Development cost charges | 23,000 | - | 5,555 |
| Contributions from developers and others | 314,500 | 307,456 | 12,082 |
| | <u>9,381,742</u> | <u>9,149,044</u> | <u>8,032,408</u> |
| Expenses (Schedule 3) | | | |
| Water services | 2,686,349 | 2,553,878 | 2,543,929 |
| Transportation services | 1,500,190 | 1,285,093 | 1,305,771 |
| General government services | 1,156,145 | 1,031,704 | 1,073,445 |
| Sewer services | 1,084,674 | 1,013,034 | 1,093,452 |
| Development services | 419,092 | 386,543 | 352,124 |
| Protective services | 395,346 | 367,189 | 369,432 |
| Environmental and public health services | 342,000 | 328,261 | 259,015 |
| | <u>7,583,796</u> | <u>6,965,702</u> | <u>6,997,168</u> |
| Annual surplus | 1,797,946 | 2,183,342 | 1,035,240 |
| Accumulated surplus, beginning of year | <u>53,957,317</u> | <u>53,957,317</u> | <u>52,922,077</u> |
| Accumulated surplus, end of year | <u>\$ 55,755,263</u> | <u>\$ 56,140,659</u> | <u>\$ 53,957,317</u> |

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

Town of Oliver

Consolidated Statement of Changes in Net Financial Assets

| For the year ended December 31 | 2018 Budget | 2018 Actual | 2017 Actual |
|--|----------------|------------------------|----------------|
| Annual surplus | \$ 1,797,946 | \$ 2,183,342 | \$ 1,035,240 |
| Acquisition of tangible capital assets | (3,804,500) | (2,739,662) | (763,228) |
| Amortization of tangible capital assets (Schedule 1) | 1,300,805 | 1,322,875 | 1,341,367 |
| Gain on disposal of tangible capital assets | - | - | (437,983) |
| Proceeds on disposal of tangible capital assets | - | - | 527,490 |
| Change in inventory and prepaid expenses | - | (17,971) | 80,287 |
| (Decrease) Increase in net financial assets | (705,749) | 748,584 | 1,783,173 |
| Net financial assets, beginning of year | 2,970,158 | 2,970,158 | 1,186,985 |
| Net financial assets, end of year | \$ 2,264,409 | \$ 3,718,742 | \$ 2,970,158 |

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

Town of Oliver
Consolidated Statement of Cash Flows
For the year ended December 31

| | 2018 | 2017 |
|---|---------------------|---------------------|
| Operating transactions | | |
| Annual surplus | \$ 2,183,342 | \$ 1,035,240 |
| Items not involving cash | | |
| Amortization | 1,322,875 | 1,341,367 |
| Gain on disposal of tangible capital assets | - | (437,983) |
| Actuarial adjustments on debt | (58,351) | (48,532) |
| (Increase) decrease in | | |
| Accounts receivable | (643,942) | 34,200 |
| Prepaid expenses | 65 | 25,288 |
| Inventory | (18,036) | 54,999 |
| Increase (decrease) in | | |
| Accounts payable and accrued liabilities | (50,924) | 181,963 |
| Deferred revenue | (512,746) | 8,218 |
| Deferred development cost charges | 93,363 | 102,017 |
| | <u>2,315,646</u> | <u>2,296,777</u> |
| Capital transactions | | |
| Acquisition of tangible capital assets | (2,739,662) | (763,228) |
| Proceeds on disposal of tangible capital assets | - | 527,490 |
| | <u>(2,739,662)</u> | <u>(235,738)</u> |
| Investment transaction | | |
| (Additions to) proceeds from investments | <u>(40,444)</u> | 277,705 |
| Financing transactions | | |
| Repayment of debt | (374,413) | (369,264) |
| Repayment of obligations under capital lease | - | (4,120) |
| | <u>(374,413)</u> | <u>(373,384)</u> |
| Net change in cash and cash equivalents | <u>(838,873)</u> | 1,965,360 |
| Cash and cash equivalents, beginning of year | <u>8,159,716</u> | 6,194,356 |
| Cash and cash equivalents, end of year | <u>\$ 7,320,843</u> | <u>\$ 8,159,716</u> |
| Supplementary cash flow information | | |
| Interest paid | \$ 196,257 | \$ 208,565 |

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

Town of Oliver

Notes to Consolidated Financial Statements

December 31, 2018

Notes to the consolidated financial statements are an integral part of the statements. They explain the significant accounting and reporting policies and principles underlying these statements. They also provide relevant supplementary information and explanations which cannot be conveniently expressed in the financial statements.

1. Nature of Business

The Town was incorporated as a District Municipality in 1925 under the Municipal Act (now a combination of the Community Charter and the Local Government Act), a statute of the Province of British Columbia. Effective April 1, 2008, the articles of incorporation of the Municipality were changed by an Order in Council of the provincial government to reflect a change in its name to the Town of Oliver. Its principal activities include the provision of local government services to the residents of the incorporated area. These services include community planning, protective, transportation, recreational, solid waste, water, sewer and drainage services.

2. Management Responsibility

The consolidated financial statements are the responsibility of and prepared by management in accordance with Canadian public sector accounting standards and prescribed by the Public Sector Accounting Board (“PSAB”) of the Canadian Institute of Chartered Professional Accountants. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

3. Summary of Significant Accounting Policies

The following is a summary of the Town's significant accounting policies:

Basis of Presentation and Principles of Consolidation

The Town's resources and operations are segregated into General, Water, Sewer, Statutory Reserves and Non-statutory Reserve Funds for accounting and financial reporting purposes. The financial statements include all of the accounts of these funds. All inter-fund transactions and balances have been eliminated on consolidation.

Basis of Accounting

The Town's consolidated financial statements are prepared using the accrual basis of accounting.

Budget Figures

The budget figures are from the 5-Year Financial Plan Bylaw that was adopted on March 12, 2018 (Note 22).

Cash and Cash Equivalents

Cash and equivalents consist of cash, bank balances, highly liquid money market investments and short-term investments with maturities of less than 90 days at acquisition.

Portfolio Investments

Portfolio investments are recorded at cost unless there has been a decline in the market value which is other than temporary in nature, in which case, the investments are written down to market value.

Town of Oliver
Notes to Consolidated Financial Statements
December 31, 2018

3. Summary of Significant Accounting Policies (continued)

Investments

Investments are deposited with the Municipal Finance Authority and are held in short term bonds and money market fund. All investments are recorded at cost.

Inventory

Inventory is valued at the lower of cost, determined principally on a weighted average and specific item basis, or replacement cost.

Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. the Town:
 - a. is directly responsible; or
 - b. accepts responsibility; and
- iv. a reasonable estimate of the amount can be made. The liability includes costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

Management has assessed its potential liabilities under the new standard including sites that are no longer in productive use and sites which the Town accepts responsibility. No such sites have been identified, therefore no liability has been recognized.

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 consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.

Trust Funds

Trust funds, held in trust by the Town and their related operations, are not included in these consolidated financial statements. The financial activity and position of the trust funds are reported separately.

Town of Oliver
Notes to Consolidated Financial Statements
December 31, 2018

3. Summary of Significant Accounting Policies (continued)

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives according to an estimated useful life as follows:

| General Capital Fund | Estimated Useful Life |
|----------------------------------|------------------------------|
| Land | Indefinite |
| Buildings | 20 to 100 years |
| Equipment | 5 to 50 years |
| Vehicles | 10 to 20 years |
| Roads | 40 years |
| Water System Capital Fund | |
| Water infrastructure | 20 to 80 years |
| Sewer System Capital Fund | |
| Sewer infrastructure | 20 to 80 years |
| Storm system | 30 to 80 years |

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

The Town has numerous works of art located throughout the Town which are not reflected in these consolidated financial statements.

Work in Progress

Work in progress represents capital projects under construction but not yet completed and are valued at cost. Amortization commences once the individual projects are completed.

Debt

Outstanding debt is reported net of applicable sinking fund balances.

Debt Charges

Interest on debt is charged to current operations. Interest charges are accrued for the period from the date of the latest interest payment to the end of the year.

Reserve Funds

Non-statutory reserves represent an appropriation of surplus for specific purposes. Statutory reserves are restricted by the Community Charter and the associated municipal bylaws that established the reserves (Schedule 2).

Town of Oliver
Notes to Consolidated Financial Statements
December 31, 2018

3. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Taxation revenues are recorded on the accrual basis and recognized when earned. Sale of services and user fee revenues are recognized when the service or product is provided by the Town. Concession and franchise and other revenue are recorded as it is earned and measurable. Transfers from other governments are recognized as revenue in the period that the transfer is authorized, eligibility criteria, if any, have been met by the Town, and a reasonable estimate of the amount to be received can be made unless the transfer agreements contain stipulations that create a liability in which case the revenue is recognized over the period that the liability is extinguished. Contributions from developers and others are recognized as revenue during the period in which the related costs are incurred. Investment income is recorded on the accrual basis and recognized when earned. Amounts that have been received in advance of services being rendered are recorded as deferred revenue until the Town discharges the obligation that led to the collection of funds.

Expenses

Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of provision for contingencies and tangible capital assets estimated useful life and related amortization expense. Actual results could differ from management's best estimates as additional information becomes available. Adjustments, if any, will be reflected in the financial statements in the period that the change in estimate is made, as well as the period of settlement if the amount is different.

Town of Oliver
Notes to Consolidated Financial Statements
December 31, 2018

4. Future Accounting Changes

PS 2601 - Foreign Currency Translation

This section revises and replaces the existing Section PS 2600 *Foreign currency translation*. This section applies to fiscal years beginning on or after April 1, 2019, with early adoption permitted.

PS 3041 - Portfolio Investments

This section revises and replaces the existing Section PS 3040 *Portfolio investments*. This section applies to fiscal years beginning on or after April 1, 2019, with early adoption permitted.

PS 3430 - Restructuring Transactions

This Section establishes standards on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities. This section applies to fiscal years beginning on or after April 1, 2018, with early adoption permitted.

PS 3450 - Financial Instruments

This section establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. This section applies to fiscal years beginning on or after April 1, 2019, with early adoption permitted.

PS 3280 - Asset Retirement Obligations

This Section establishes standards on how to account for and report a liability for asset retirement obligations. An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset. A present value technique is often the best method with which to estimate the liability. This section applies to fiscal years beginning on or after April 1, 2021, with early adoption permitted.

PS 3400 - Revenue

This Section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. It applies to fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted. The Section may be applied retroactively or prospectively.

The Town does not intend on early adopting any of the above future accounting changes.

Town of Oliver
Notes to Consolidated Financial Statements
December 31, 2018

5. Cash and Cash Equivalents

Cash and cash equivalents are recorded at cost. Cash and cash equivalents are comprised of the following:

| | <u>2018</u> | <u>2017</u> |
|------------------------------------|---------------------|---------------------|
| Cash | \$ 2,320,843 | \$ 1,659,716 |
| Guaranteed Investment Certificates | <u>5,000,000</u> | <u>6,500,000</u> |
| | <u>\$ 7,320,843</u> | <u>\$ 8,159,716</u> |

6. Operating Line of Credit

The Town has an operating line of credit with Valley First Credit Union for an authorized amount of \$100,000, bearing interest at the bank's prime rate. At December 31, 2018, the balance outstanding on the operating line of credit was \$nil (2017 - \$nil).

7. Accounts Receivable

Accounts receivable are recorded net of allowances and are comprised of the following:

| | <u>2018</u> | <u>2017</u> |
|----------------------------|---------------------|-------------------|
| Utilities | \$ 694,283 | \$ 406,932 |
| Trade receivables | 631,540 | 286,807 |
| Property tax | 172,703 | 186,991 |
| Due from other governments | <u>75,298</u> | <u>49,152</u> |
| | <u>\$ 1,573,824</u> | <u>\$ 929,882</u> |

Town of Oliver
Notes to Consolidated Financial Statements
December 31, 2018

8. Municipal Finance Authority Debt Reserve

The Town issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are withheld as cash deposits by the Municipal Finance Authority as a debt reserve fund.

The Town also executes demand notes in connection with each debenture whereby the Town may be required to loan certain amounts to the Municipal Finance Authority. These demand notes are contingent in nature and are not included in the financial statements.

The details of the cash deposits and demand notes at year end are as follows:

| | Demand Notes | Cash Deposits | 2018 | 2017 |
|--------------|-------------------|------------------|-------------------|-------------------|
| General Fund | \$ 7,847 | \$ 3,259 | \$ 11,106 | \$ 10,993 |
| Water Fund | 331,953 | 83,118 | 415,071 | 412,184 |
| | \$ 339,800 | \$ 86,377 | \$ 426,177 | \$ 423,177 |

9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are comprised of the following:

| | 2018 | 2017 |
|--------------------|---------------------|---------------------|
| Trade payables | \$ 437,816 | \$ 536,190 |
| Security deposits | 527,363 | 490,618 |
| Wages and benefits | 138,859 | 155,355 |
| Project holdbacks | 53,136 | 19,206 |
| Accrued interest | 27,229 | 33,958 |
| | \$ 1,184,403 | \$ 1,235,327 |

Town of Oliver
Notes to Consolidated Financial Statements
December 31, 2018

10. Deferred Revenue

The Town records deferred revenue for the funds received in advance of services not yet rendered and is recognized into revenue during the period in which the services are provided. Due to the restrictive nature of these funds, they are shown as liabilities.

| | Balance, beginning of year | Received or receivable | Revenue earned | Balance, end of year |
|------------------------|----------------------------------|---------------------------|---------------------|-------------------------------------|
| Government grants | 583,844 | 6,500 | (584,150) | 6,194 |
| Prepaid airport leases | 257,746 | - | (9,565) | 248,181 |
| Prepaid taxes | 259,980 | 263,722 | (259,980) | 263,722 |
| Tax Levy Collections | - | 70,727 | - | 70,727 |
| | <u>\$ 1,101,570</u> | <u>\$ 340,949</u> | <u>\$ (853,695)</u> | <u>\$ 588,824</u> |

The cost of the land held for leasing purposes related to the above prepaid airport leases is \$88,208 (2017 - \$88,208).

11. Deferred Development Cost Charges ("DCC")

Pursuant to the provisions of the Local Government Act, DCC's are held in separate reserve funds for the purpose for which the charges have been imposed. When the related costs are incurred, the DCC's are recognized as revenue. Due to the restrictive nature of these funds, they are shown as liabilities.

| | <u>2018</u> | <u>2017</u> |
|-------------------------------|----------------------------|---------------------|
| Balance, beginning of year | \$ 1,548,796 | \$ 1,446,779 |
| Contributions from developers | 355,984 | 84,830 |
| Interest on investments | 37,379 | 22,742 |
| Capital works contribution | <u>(300,000)</u> | <u>(5,555)</u> |
| | <u>\$ 1,642,159</u> | <u>\$ 1,548,796</u> |

The balance of deferred development cost charges can be itemized as follows:

| | | |
|------------------|----------------------------|---------------------|
| Park DCC | \$ 894,422 | \$ 760,718 |
| Road DCC | 517,646 | 695,511 |
| Water system DCC | 156,055 | 86,339 |
| Sewer DCC | <u>74,036</u> | <u>6,228</u> |
| | <u>\$ 1,642,159</u> | <u>\$ 1,548,796</u> |

Town of Oliver
Notes to Consolidated Financial Statements
December 31, 2018

12. Debt

| | Balance, beginning of year | Proceeds | Sinking fund payments | Actuarial adjustments | Balance, end of year | Current interest rate (%) |
|----------------------------------|----------------------------------|-------------|-----------------------------|--------------------------|----------------------------|---------------------------------|
| General capital fund | | | | | | |
| MFA issue #104 | \$ 155,446 | \$ - | \$ 8,098 | \$ 3,428 | \$ 143,920 | 5.15 |
| Water system capital fund | | | | | | |
| MFA issue #85 | 105,799 | - | 6,891 | 6,103 | 92,805 | 4.98 |
| MFA issue #85 | 44,201 | - | 2,879 | 2,550 | 38,772 | 4.98 |
| MFA issue #85 | 84,335 | - | 5,493 | 4,865 | 73,977 | 4.98 |
| MFA issue #85 | 4,515 | - | 294 | 260 | 3,961 | 4.98 |
| MFA issue #95 | 80,298 | - | 5,984 | 2,887 | 71,427 | 1.80 |
| MFA issue #104 | 1,209,368 | - | 63,003 | 26,671 | 1,119,694 | 5.15 |
| MFA issue #111 | 1,485,492 | - | 164,990 | - | 1,320,502 | 3.55 |
| MFA issue #121 | 285,412 | - | 43,311 | 9,383 | 232,718 | 2.90 |
| MFA issue #139 | 768,780 | - | 73,470 | 2,204 | 693,106 | 1.38 |
| | 4,068,200 | - | 366,315 | 54,923 | 3,646,962 | |
| Total debt | \$ 4,223,646 | \$ - | \$ 374,413 | \$ 58,351 | \$ 3,790,882 | |

The requirements for future repayments of principal on existing debt for the next five years are as follows:

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------|------------|------------|------------|------------|------------|
| General Fund | \$ 8,098 | \$ 8,098 | \$ 8,098 | \$ 8,098 | \$ 8,098 |
| Water Fund | 371,843 | 377,555 | 383,459 | 389,560 | 352,555 |
| | \$ 379,941 | \$ 385,653 | \$ 391,557 | \$ 397,658 | \$ 360,653 |

The gross interest paid in 2018 was \$204,789 (2017 - \$207,397) and interest payable at December 31, 2018 was \$27,229 (2017 - \$33,958).

Town of Oliver
Notes to Consolidated Financial Statements
December 31, 2018

13. Tangible Capital Assets

Tangible capital assets consist of the following:

| | 2018 | 2017 |
|-----------------------------------|--------------------------|--------------------------|
| | Net | Net |
| | book value | book value |
| General Capital Fund | | |
| Land | \$ 10,813,391 | \$ 10,813,391 |
| Buildings | 1,324,295 | 1,392,761 |
| Equipment | 572,413 | 455,551 |
| Vehicles | 780,769 | 862,126 |
| Roads | 8,870,015 | 8,183,788 |
| Work in progress | - | 188,804 |
| | 22,360,883 | 21,896,421 |
| Water System Capital Fund | | |
| Water infrastructure | 21,788,518 | 20,856,095 |
| Work in progress | - | 237,104 |
| | 21,788,518 | 21,093,199 |
| Sewer System Capital Fund | | |
| Sewer infrastructure | 7,719,362 | 7,447,505 |
| Storm infrastructure | 487,597 | 497,876 |
| Work in progress | - | 4,572 |
| | 8,206,959 | 7,949,953 |
| Total tangible capital assets | \$ 52,356,360 | \$ 50,939,573 |

The net book value of tangible capital assets not being amortized and under construction is \$nil (2017 - \$430,480). Contributed tangible capital assets received in the year from developers and recorded on the financial statements is \$nil (2017 - \$nil).

Town of Oliver
Notes to Consolidated Financial Statements
December 31, 2018

14. Property Taxation

Property taxation revenue is comprised of the following amounts raised, less collections on behalf of other governments:

| | <u>2018</u> | <u>2017</u> |
|---|---------------------|---------------------|
| General municipal purposes | \$ 2,366,639 | \$ 2,161,181 |
| Collections for other governments: | | |
| School District #53 (Okanagan-Similkameen) | 2,127,982 | 2,059,425 |
| Regional District of the Okanagan-Similkameen | 1,506,598 | 1,231,973 |
| Policing | 291,484 | 270,502 |
| Okanagan-Similkameen Regional Hospital District | 298,082 | 285,128 |
| Okanagan Regional Library | 190,682 | 182,272 |
| British Columbia Assessment Authority | 47,761 | 45,793 |
| Sterile Insect Release Board | 4,442 | 3,976 |
| Municipal Finance Authority | 210 | 185 |
| | <u>4,467,241</u> | <u>4,079,254</u> |
| Paid to other governments: | | |
| School District #53 (Okanagan-Similkameen) | (2,127,982) | (2,059,425) |
| Regional District of the Okanagan-Similkameen | (1,506,598) | (1,231,973) |
| Policing | (291,484) | (270,502) |
| Okanagan-Similkameen Regional Hospital District | (298,082) | (285,128) |
| Okanagan Regional Library | (190,682) | (182,272) |
| British Columbia Assessment Authority | (47,761) | (45,793) |
| Sterile Insect Release Board | (4,442) | (3,976) |
| Municipal Finance Authority | (210) | (185) |
| | <u>(4,467,241)</u> | <u>(4,079,254)</u> |
| | <u>\$ 2,366,639</u> | <u>\$ 2,161,181</u> |

15. Government Transfers

The Town received and recorded as revenue the following transfers:

| | <u>2018</u> | <u>2017</u> |
|----------------------------|---------------------|-------------------|
| Operating Transfers | | |
| Provincial | \$ 642,412 | \$ 582,680 |
| Federal | 13,573 | 12,452 |
| | <u>655,985</u> | 595,132 |
| Capital Transfers | | |
| Federal | 1,185,830 | 349,445 |
| | <u>\$ 1,841,815</u> | <u>\$ 944,577</u> |

Town of Oliver
Notes to Consolidated Financial Statements
December 31, 2018

| 16. Other Revenue From Own Sources | 2018 | 2017 |
|---|-------------------|-------------------|
| Cemetery fees | \$ 66,299 | \$ 51,573 |
| Development permits | 138,084 | 154,737 |
| Licences and permits | 24,507 | 19,555 |
| Penalties and interest on taxes | 66,403 | 66,229 |
| Miscellaneous | 45,263 | 45,252 |
| | \$ 340,556 | \$ 337,346 |

17. Trust Funds

Funds held in trust and administered by the Town, which are not included in these consolidated financial statements, are as follows:

Cemetery Care Fund:

| Assets | 2018 | 2017 |
|---------------------------------|-------------------|-------------------|
| Cash and short term deposits | \$ 411,495 | \$ 394,531 |
| Reserve Fund | | |
| Balance, beginning of year | \$ 394,531 | \$ 382,077 |
| Interest earned | 7,546 | 5,896 |
| Net contributions (withdrawals) | 9,418 | 6,558 |
| Balance, end of year | \$ 411,495 | \$ 394,531 |

18. Letters of Credit

The Town is holding letters of credit in the amount of \$497,822 (2017 - \$1,050,825), which are received as security related to performance deposits. These amounts are not reflected in the consolidated financial statements but are available to satisfy any liabilities arising from the non-performance by depositors.

19. Expenses by Object

Total consolidated expenses by object are itemized in Schedule 3.

Town of Oliver
Notes to Consolidated Financial Statements
December 31, 2018

20. Contingent Liabilities

Regional District of Okanagan-Similkameen

Regional District 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 Regional District including the Town of Oliver. The loan agreements with the Regional District of Okanagan-Similkameen and the Municipal Finance Authority provide that if at any time the scheduled payments provided for in the agreements are not sufficient to meet the Authority's obligation with respect to such borrowing, the resulting deficiency becomes the liability of the member municipalities.

Pension Liability

The Town 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 administering the plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2017 the Plan has approximately 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local government.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going-concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The Town paid \$156,855 (2017 - \$158,252) for employer contributions while employee contributions were \$142,445 (2017 - \$140,970) to the Plan in fiscal 2018.

The next valuation will be as at December 31, 2018, with results available in 2019.

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

Town of Oliver
Notes to Consolidated Financial Statements
December 31, 2018

21. Segmented Information

Oliver is a diversified municipal government that provides a wide range of services to its citizens. The Town's operations and activities are organized and reported by funds and departments. The General Fund reports on operations, funded primarily by property taxes, which include services provided by the Town such as general government services, protective services, development services, transportation services and public works, and environmental health and public health services. The utility operations are comprised of the water and sewer system, each accounting for its own operations and programs within their own funds.

General government services

General government operations are primarily funded by property taxation and business tax revenues. The expenses within the department are for legislative, general administration and finance functions within the Town. The general revenue reported under the department includes revenues associated with taxation, business tax revenues and payments in lieu of taxes. These revenues have not been apportioned to other departments supported by the General Fund.

Protective services

Protective services are comprised of fire protection services. The fire department is responsible for effective fire protection and public safety services to the Town. This includes fire prevention, fire safety inspections, fire control and/or suppression.

Development services

The Planning and Development services department is responsible for land use and sustainable planning, general development services, building inspection and bylaw enforcement. This department addresses community and assists with infrastructure planning, zoning, inspection services, building permits, business licences, development permits and subdivision services.

Transportation services and public works

The Transportation services and Public Works department is responsible for the operation, maintenance and repairs of town streets, sidewalks, water and sewer systems, storm drainage system, parks and open spaces, cemetery, public facilities and the vehicle fleet as well as providing waste collection from parks, snow removal and ice control services.

Environmental and public health services

Environmental and Public Health services are comprised of solid waste, yard waste and recycling services.

(continued)

Town of Oliver
Notes to Consolidated Financial Statements
December 31, 2018

21. Segmented Information (continued)

Water

This segment includes all of the operating activities related to the treatment and distribution of water throughout the Town.

Sewer

This segment includes all of the operating activities related to the collection and treatment of wastewater throughout the Town.

22. Budget

The budget amounts which are presented for comparative purposes reflect the statutory budget as adopted by Council on March 12, 2018, adjusted for amortization and other items for comparability with the actual results.

The following reconciles the balanced statutory budget and the budgeted surplus reported on the consolidated statement of operations and accumulated surplus.

| | | |
|--|-----------|------------------|
| Surplus as per 5 Year Financial Plan Bylaw 1366 | \$ | - |
| Add: Tangible capital expenditures: | | |
| General government services | | 108,500 |
| Protective services | | 87,500 |
| Transportation services | | 1,006,000 |
| Sewer services | | 848,500 |
| Water services | | 1,754,000 |
| Budgeted reduction in debt principal | | 374,419 |
| | | <u>4,178,919</u> |
| Less: Amortization expense | | 1,300,805 |
| Borrowing proceeds | | - |
| Transfers from accumulated surplus and reserve funds | | 1,080,168 |
| | | <u>2,380,973</u> |
| Budget surplus as per the consolidated statement of operations and accumulated surplus | <u>\$</u> | <u>1,797,946</u> |

Town of Oliver
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
December 31, 2018

| | Cost | | | Accumulated Amortization | | | | 2018 Net book value | 2017 Net book value |
|----------------------------------|--------------------|---------------------------------|----------------------------------|--------------------------|----------------------------------|----------------------|--------------------|------------------------|------------------------|
| | Opening balance | Add: additions/ transfers | Less: disposals/ transfers | Opening balance | Less: disposals/ transfers | Add: amortization | Closing balance | | |
| General Capital Fund | | | | | | | | | |
| Land | 10,813,391 | - | - | 10,813,391 | - | - | - | 10,813,391 | 10,813,391 |
| Buildings | 3,055,354 | - | - | 3,055,354 | 1,662,593 | - | 68,466 | 1,324,295 | 1,392,761 |
| Equipment | 1,190,078 | 195,904 | - | 1,385,982 | 734,527 | - | 79,042 | 572,413 | 455,551 |
| Vehicles | 2,523,384 | 28,015 | 24,193 | 2,527,206 | 1,661,258 | 24,193 | 109,372 | 780,769 | 862,126 |
| Roads | 15,294,263 | 1,097,100 | - | 16,391,363 | 7,110,475 | - | 410,873 | 8,870,015 | 8,183,788 |
| Work in progress | 188,804 | - | 188,804 | - | - | - | - | - | 188,804 |
| | 33,065,274 | 1,321,019 | 212,997 | 34,173,296 | 11,168,853 | (24,193) | 667,753 | 22,360,883 | 21,896,421 |
| Water System Capital Fund | | | | | | | | | |
| Infrastructure | 28,347,283 | 1,393,184 | - | 29,740,467 | 7,491,188 | - | 460,761 | 21,788,518 | 20,856,095 |
| Work in progress | 237,104 | - | 237,104 | - | - | - | - | - | 237,104 |
| | 28,584,387 | 1,393,184 | 237,104 | 29,740,467 | 7,491,188 | - | 460,761 | 21,788,518 | 21,093,199 |
| Sewer System Capital Fund | | | | | | | | | |
| Infrastructure | 11,065,228 | 455,939 | - | 11,521,167 | 3,617,723 | - | 184,082 | 7,719,362 | 7,447,505 |
| Storm system | 776,457 | - | - | 776,457 | 278,581 | - | 10,279 | 487,597 | 497,876 |
| Work in progress | 4,572 | - | 4,572 | - | - | - | - | - | 4,572 |
| | 11,846,257 | 455,939 | 4,572 | 12,297,624 | 3,896,304 | - | 194,361 | 8,206,959 | 7,949,953 |
| | 73,495,918 | 3,170,142 | 454,673 | 76,211,387 | 22,556,345 | (24,193) | 1,322,875 | 52,356,360 | 50,939,573 |

Town of Oliver**Schedule 2 - Consolidated Schedule of Accumulated Surplus****December 31, 2018**

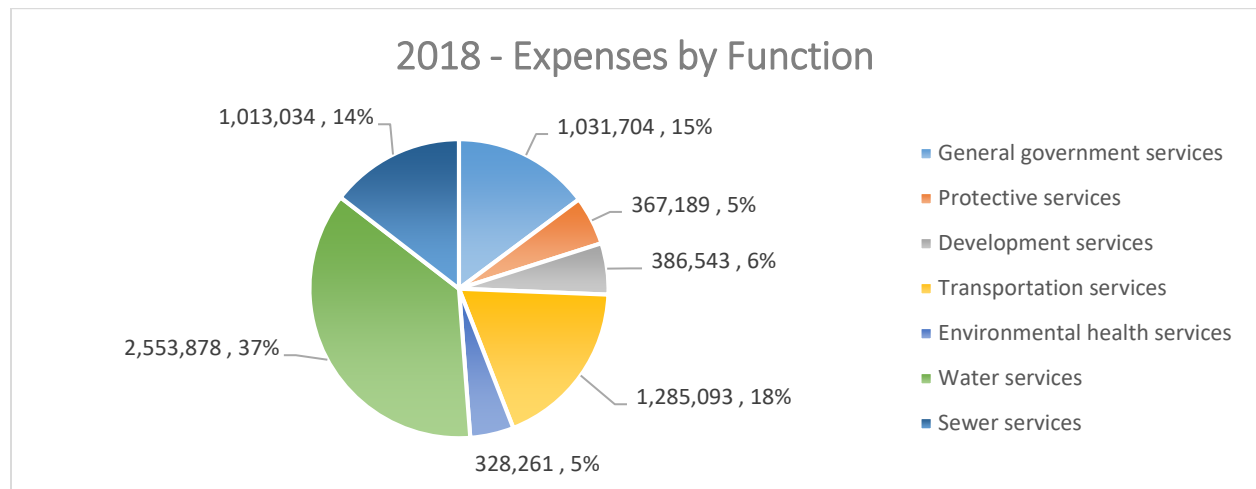
| | Balance, beginning of year | Transfer to | Transfer from | Interest | Balance, end of year |
|---|---|------------------------|--------------------------|-------------------|-------------------------------------|
| Statutory Reserves | | | | | |
| Sewer equipment reserve | \$ 906,597 | \$ 216,717 | \$ (461,832) | \$ 18,768 | \$ 680,250 |
| Water capital reserve | 1,503,961 | 425,199 | (309,899) | 38,016 | 1,657,277 |
| Downtown parking fund | 16,294 | - | (4,537) | 334 | 12,091 |
| Land sale reserve | 884,015 | - | - | 21,040 | 905,055 |
| | <u>3,310,867</u> | <u>641,916</u> | <u>(776,268)</u> | <u>78,158</u> | <u>3,254,673</u> |
| Non Statutory Reserves | | | | | |
| Airport planning | 69 | - | - | 1 | 70 |
| Cemetery maintenance | 6,900 | - | - | 164 | 7,064 |
| Equipment reserve | 223,854 | 119,072 | (36,928) | 6,305 | 312,303 |
| Fire department - joint reserve | 537,426 | 18,420 | (25,546) | 12,706 | 543,006 |
| Fire department - town reserve | 25,328 | - | - | 603 | 25,931 |
| Food for thought | 18,172 | - | (901) | 422 | 17,693 |
| General reserve | 1,721,898 | 271,930 | - | - | 1,993,828 |
| Lagoon desludge reserve | 298,743 | 15,000 | - | 7,288 | 321,031 |
| Lift station contingency reserve | 106,990 | 4,000 | - | 2,594 | 113,584 |
| Library furnishings reserve | 7,701 | - | - | 183 | 7,884 |
| Local improvement fund | 24,596 | - | - | 586 | 25,182 |
| Payroll payable reserve | 100,266 | - | (23,098) | 2,112 | 79,280 |
| Pump repair contingency | 69,168 | 4,000 | - | 1,694 | 74,862 |
| Road capital reserve | 206,974 | - | (33,718) | 4,525 | 177,781 |
| Sawmill road trust fund | 4,120 | 661 | - | 106 | 4,887 |
| Snow removal reserve | 51,754 | 17,700 | - | 1,440 | 70,894 |
| Solid waste reserve | 410,436 | - | (24,419) | 9,478 | 395,495 |
| Tucelnuit water trust fund | 53,308 | 3,344 | - | 1,309 | 57,961 |
| Water capital charge fund | 62,820 | - | - | 1,495 | 64,315 |
| Policing Reserve | - | 27,133 | - | 323 | 27,456 |
| | <u>3,930,523</u> | <u>481,260</u> | <u>(144,610)</u> | <u>53,334</u> | <u>4,320,507</u> |
| Investment in Non-Financial Assets | | | | | |
| Investment in capital assets | 46,715,927 | 3,172,427 | (1,322,875) | - | 48,565,479 |
| | <u>\$ 53,957,317</u> | <u>\$ 4,295,603</u> | <u>\$ (2,243,753)</u> | <u>\$ 131,492</u> | <u>\$ 56,140,659</u> |

Town of Oliver
Schedule 3 - Consolidated Schedule of Segment Disclosure
December 31, 2018

| | General Fund | | | | | | Water services | Sewer services | 2018 Total | 2017 Total |
|------------------------------------|-----------------------------|---------------------|----------------------|--|--|------------------|------------------|------------------|------------------|------------------|
| | General government services | Protective services | Development services | Transportation services and public works | Environmental and public health services | Total | | | | |
| Revenue | | | | | | | | | | |
| User fees | - | - | - | - | 231,649 | 231,649 | 2,409,006 | 829,669 | 3,470,324 | 3,339,848 |
| Property taxation | 1,702,858 | - | - | - | - | 1,702,858 | 426,433 | 237,348 | 2,366,639 | 2,161,181 |
| Government transfers | 917,256 | - | - | 7,006 | - | 924,262 | 917,553 | - | 1,841,815 | 944,577 |
| Concessions and franchise | 49,706 | 227,273 | - | - | 69,127 | 346,106 | - | - | 346,106 | 372,242 |
| Gain on disposal | - | - | - | - | - | - | - | - | - | 437,983 |
| Other revenue from own sources | 69,292 | 6,092 | 162,723 | 66,299 | 5,117 | 309,523 | 23,475 | 7,558 | 340,556 | 337,346 |
| Sale of services | 142,217 | - | - | - | - | 142,217 | 74,582 | 19,755 | 236,554 | 210,252 |
| Investment income | 184,671 | - | - | - | - | 184,671 | 54,923 | - | 239,594 | 211,342 |
| Development cost charges | - | - | - | - | - | - | - | - | - | 5,555 |
| Contributions | 7,456 | - | - | 300,000 | - | 307,456 | - | - | 307,456 | 12,082 |
| | 3,073,456 | 233,365 | 162,723 | 373,305 | 305,893 | 4,148,742 | 3,905,972 | 1,094,330 | 9,149,044 | 8,032,408 |
| Expenses | | | | | | | | | | |
| Salaries and benefits | 648,216 | 162,701 | 201,027 | 443,645 | 2,626 | 1,458,215 | 869,171 | 370,614 | 2,698,000 | 2,702,083 |
| Amortization | 148,206 | 52,652 | - | 466,895 | - | 667,753 | 460,761 | 194,361 | 1,322,875 | 1,341,367 |
| Materials and supplies | 219,537 | 80,293 | - | 274,062 | - | 573,892 | 376,475 | 212,289 | 1,162,656 | 1,076,367 |
| Professional and contract services | 112,806 | 18,034 | 181,825 | 91,493 | 308,316 | 712,474 | 83,048 | 20,169 | 815,691 | 862,582 |
| Telephone and utilities | 38,844 | 17,061 | 1,912 | 66,874 | - | 124,691 | 319,121 | 113,807 | 557,619 | 581,505 |
| Interest | (1,803) | 11,810 | - | - | - | 10,007 | 186,250 | - | 196,257 | 208,565 |
| Insurance and licences | 54,053 | 23,913 | - | 35,043 | - | 113,009 | 31,298 | 11,007 | 155,314 | 170,576 |
| Civic grants | 32,555 | - | - | - | - | 32,555 | - | - | 32,555 | 32,447 |
| Advertising | - | 725 | 1,779 | - | 17,319 | 19,823 | 4,912 | - | 24,735 | 19,304 |
| Leases | - | - | - | - | - | - | - | - | - | 2,372 |
| Allocations | (220,710) | - | - | (92,919) | - | (313,629) | 222,842 | 90,787 | - | - |
| | 1,031,704 | 367,189 | 386,543 | 1,285,093 | 328,261 | 3,398,790 | 2,553,878 | 1,013,034 | 6,965,702 | 6,997,168 |
| Surplus (deficit) | 2,041,752 | (133,824) | (223,820) | (911,788) | (22,368) | 749,952 | 1,352,094 | 81,296 | 2,183,342 | 1,035,240 |

REPORTING EXPENSES BY FUNCTION

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|
| General government services | 1,031,704 | 1,073,445 | 994,988 | 1,076,853 | 1,127,221 |
| Protective services | 367,189 | 369,432 | 363,076 | 395,554 | 330,478 |
| Development services | 386,543 | 352,124 | 381,880 | 217,956 | 223,518 |
| Transportation services | 1,285,093 | 1,305,771 | 1,296,096 | 1,358,726 | 1,327,662 |
| Environmental health services | 328,261 | 259,015 | 249,409 | 239,482 | 231,048 |
| Water services | 2,553,878 | 2,543,929 | 2,752,479 | 2,426,483 | 2,361,492 |
| Sewer services | 1,013,034 | 1,093,452 | 896,922 | 934,510 | 878,556 |
| | 6,965,702 | 6,997,168 | 6,934,850 | 6,649,564 | 6,479,975 |



REPORTING EXPENSES BY OBJECT

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Advertising | 24,735 | 19,304 | 24,625 | 22,787 | 26,953 |
| Allocations | - | - | - | - | - |
| Amortization | 1,322,876 | 1,341,366 | 1,320,155 | 1,285,511 | 1,251,078 |
| Civic grants | 32,555 | 32,447 | 28,673 | 58,269 | 37,044 |
| Insurance and licences | 155,314 | 170,576 | 152,778 | 159,782 | 150,244 |
| Interest | 196,257 | 208,565 | 214,978 | 234,456 | 258,677 |
| Leases | - | 2,372 | 4,946 | 6,019 | 6,279 |
| Materials and supplies | 1,162,656 | 1,076,367 | 1,112,754 | 948,059 | 915,889 |
| Professional and contract services | 815,691 | 862,583 | 659,914 | 622,057 | 576,025 |
| Telephone and utilities | 557,619 | 581,504 | 558,791 | 511,008 | 497,269 |
| Wages and benefits | 2,697,999 | 2,702,082 | 2,571,950 | 2,632,027 | 2,625,601 |
| | 6,965,702 | 6,997,166 | 6,649,564 | 6,479,975 | 6,345,059 |



TAXABLE PROPERTY ASSESSMENTS

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|-----------------------|-------------|-------------|-------------|-------------|-------------|
| Residential | 740,359,211 | 636,801,757 | 601,108,482 | 586,342,686 | 560,962,862 |
| Utilities | 1,697,300 | 1,615,700 | 1,571,400 | 1,492,900 | 1,510,400 |
| Light Industry | 9,185,400 | 5,614,000 | 4,722,800 | 6,260,600 | 6,455,700 |
| Business | 98,413,550 | 94,008,450 | 90,075,900 | 84,352,600 | 83,564,050 |
| Recreation/Non-Profit | 2,335,000 | 1,985,000 | 2,125,500 | 1,934,000 | 2,143,000 |
| Farm | 511,439 | 530,487 | 549,159 | 554,389 | 571,938 |
| | 852,501,900 | 740,555,394 | 700,153,241 | 680,937,175 | 655,207,950 |

MUNICIPAL TAX RATES (Includes Fire) – (per \$1,000 of assessed value)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|-----------------------|---------|---------|---------|---------|---------|
| Residential | 1.6654 | 1.7562 | 1.7621 | 1.8150 | 1.7486 |
| Utilities | 10.6899 | 11.2734 | 11.3113 | 11.6509 | 11.2246 |
| Light Industry | 4.0801 | 4.3027 | 4.3172 | 4.4467 | 4.2840 |
| Business | 4.0801 | 4.3027 | 4.3172 | 4.4467 | 4.2840 |
| Recreation/Non-Profit | 1.6654 | 1.7562 | 1.7621 | 1.8150 | 1.7486 |
| Farm | 1.6654 | 1.7562 | 1.7621 | 1.8150 | 1.7486 |

MUNICIPAL TAX MULTIPLES

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|-----------------------|--------|--------|--------|--------|--------|
| Residential | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| Utilities | 6.4188 | 6.4192 | 6.4192 | 6.4192 | 6.4192 |
| Light Industry | 2.4500 | 2.4500 | 2.4500 | 2.4500 | 2.4500 |
| Business | 2.4500 | 2.4500 | 2.4500 | 2.4500 | 2.4500 |
| Recreation/Non-Profit | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| Farm | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |

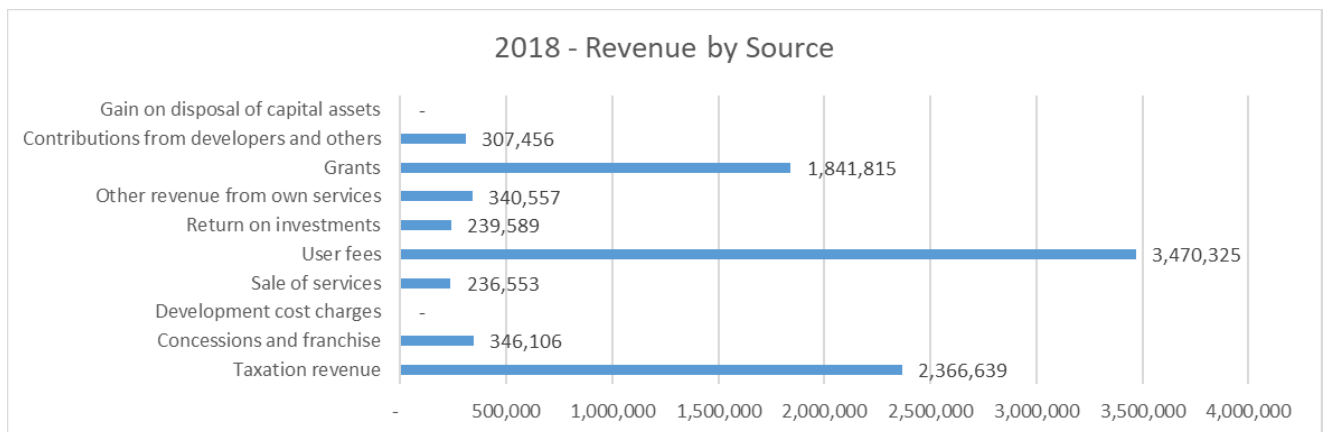


CAPITAL EXPENSES

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|------------------|----------------|------------------|------------------|------------------|
| Land | 44,518 | (30,060) | 374,177 | 2,985 | - |
| Buildings | 30,900 | 21,292 | 78,872 | 134,285 | 93,077 |
| Equipment | 226,337 | 109,206 | - | 51,660 | 72,622 |
| Vehicles | 134,331 | (118,780) | 50,082 | 252,086 | 497,200 |
| Road infrastructure | 908,296 | 163,532 | 641,249 | 193,614 | 604,726 |
| Storm system infrastructure | - | - | - | - | - |
| Water infrastructure | 1,156,079 | 437,353 | 827,583 | 1,934,706 | 2,671,162 |
| Sewer infrastructure | 479,537 | (22,580) | 426,384 | 430,233 | 748,235 |
| | 2,979,998 | 559,963 | 2,398,347 | 2,999,569 | 4,687,022 |
| TOTAL CAPITAL SPENDING PER CAPITA | 605 | 114 | 487 | 622 | 972 |
| Per capita figures | 4,928 | 4,928 | 4,928 | 4,824 | 4,824 |

REVENUE BY SOURCE

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|------------------|------------------|------------------|------------------|------------------|
| Taxation revenue | 2,366,639 | 2,161,181 | 2,029,618 | 1,954,297 | 1,945,492 |
| Concessions and franchise | 346,106 | 372,242 | 330,196 | 318,199 | 252,107 |
| Development cost charges | - | 5,555 | 376,107 | 3,341 | 167,732 |
| Sale of services | 236,553 | 210,252 | 213,916 | 203,638 | 354,166 |
| User fees | 3,470,325 | 3,339,847 | 3,208,024 | 3,147,590 | 3,123,311 |
| Return on investments | 239,589 | 211,348 | 122,451 | 136,123 | 194,840 |
| Other revenue from own services | 340,557 | 337,345 | 236,624 | 238,285 | 224,191 |
| Grants | 1,841,815 | 944,577 | 844,870 | 1,327,663 | 921,485 |
| Contributions from developers and others | 307,456 | 12,082 | 31,614 | 98,107 | 1,607,837 |
| Gain on disposal of capital assets | - | 437,983 | 157,384 | 4,562 | 162,562 |
| | 9,149,040 | 8,032,412 | 7,550,804 | 7,431,805 | 8,953,723 |
| TOTAL REVENUE PER CAPITA | 1,857 | 1,630 | 1,532 | 1,541 | 1,856 |
| Per capita figures | 4,928 | 4,928 | 4,928 | 4,824 | 4,824 |

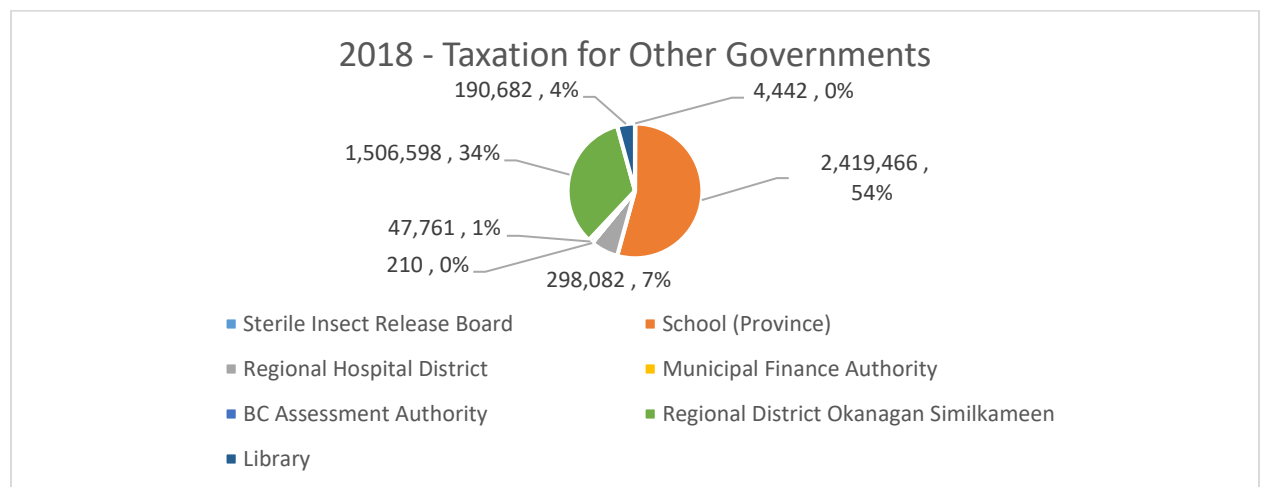


MUNICIPAL PROPERTY TAX REVENUE

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|------------------|------------------|------------------|------------------|------------------|
| Residential | 1,173,043 | 1,017,185 | 961,505 | 933,397 | 936,422 |
| Utilities | 16,944 | 16,066 | 15,248 | 15,733 | 15,702 |
| Light Industry | 36,488 | 22,284 | 25,556 | 26,982 | 26,065 |
| Business | 385,180 | 369,935 | 340,666 | 344,168 | 326,402 |
| Recreation/Non-Profit | 3,444 | 2,852 | 2,832 | 3,163 | 3,207 |
| Farm | 754 | 762 | 812 | 844 | 795 |
| 1% Utility Tax | 87,004 | 89,875 | 92,391 | 89,257 | 87,675 |
| Parcel Taxes | 663,781 | 642,222 | 590,608 | 540,753 | 549,224 |
| Total Taxes | 2,366,638 | 2,161,181 | 2,029,618 | 1,954,297 | 1,945,492 |
| Total Taxes Collected | 2,334,163 | 2,101,913 | 1,983,067 | 1,899,533 | 1,901,461 |
| Percentage of Taxes Collected | 98.63% | 97.26% | 97.71% | 97.20% | 97.74% |
| % of Residential Taxes to Total Municipal Taxes | 49.57% | 47.07% | 47.37% | 47.76% | 48.13% |

TAXATION FOR OTHER GOVERNMENTS

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|------------------|------------------|------------------|------------------|------------------|
| Sterile Insect Release Board | 4,442 | 3,976 | 4,668 | 4,568 | 4,508 |
| School (Province) | 2,419,466 | 2,329,927 | 2,456,886 | 2,408,432 | 2,419,353 |
| Regional Hospital District | 298,082 | 285,128 | 267,576 | 249,520 | 236,301 |
| Municipal Finance Authority | 210 | 185 | 170 | 165 | 168 |
| BC Assessment Authority | 47,761 | 45,793 | 54,638 | 54,983 | 56,083 |
| Regional District Okanagan Similkameen | 1,506,598 | 1,231,973 | 1,093,615 | 990,071 | 941,102 |
| Library | 190,682 | 182,272 | 178,199 | 185,201 | 170,252 |
| Total Taxes | 4,467,241 | 4,079,254 | 4,055,752 | 3,892,940 | 3,827,767 |
| Total Taxes Collected | 6,833,879 | 6,240,435 | 6,085,370 | 5,847,237 | 5,773,259 |
| Percentage of Taxes Collected | 98.58% | 97.14% | 97.60% | 97.06% | 97.63% |



AVERAGE RESIDENTIAL TAXES – Single Family Home

| Assessment | 2018 | 2017 | 2016 | 2015 | 2014 |
|------------------------------|----------------|----------------|----------------|----------------|----------------|
| Land | 144,324 | 117,914 | 123,541 | 125,192 | 134,219 |
| Building | 215,291 | 197,566 | 159,316 | 161,769 | 163,686 |
| Total Assessed Values | 359,615 | 315,479 | 282,857 | 286,961 | 297,905 |

Municipal Taxes

| | | | | | |
|--------------------------------|------------|------------|------------|------------|------------|
| General | 517 | 463 | 418 | 406 | 405 |
| Fire | 57 | 57 | 54 | 54 | 57 |
| Total General Municipal | 573 | 520 | 472 | 460 | 462 |

Collections for Other Governments

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| RDOS -Recreation | 262 | 242 | 191 | 193 | 202 |
| RDOS -Landfill/General/OBWB/Heritage | 131 | 108 | 98 | 90 | 90 |
| RDOS -911 | 16 | 15 | 11 | 12 | 9 |
| RDOS -S.I.R. | 7 | 6 | 6 | 6 | 6 |
| RDOS -Frank Venables | 73 | 63 | 41 | 25 | 12 |
| Total Regional District | 488 | 433 | 347 | 326 | 318 |
| Library | 73 | 68 | 64 | 60 | 57 |
| Hospital/BCAA/MFA | 127 | 118 | 103 | 99 | 98 |
| School | 824 | 794 | 747 | 742 | 738 |
| Police | 106 | 99 | 90 | 88 | 83 |
| Total Collections for Other Governments | 1,619 | 1,511 | 1,351 | 1,315 | 1,294 |
| Gross Property Taxes | 2,192 | 2,031 | 1,823 | 1,775 | 1,755 |

Utilities

| | | | | | |
|-----------------------------|------------|------------|------------|------------|------------|
| Garbage | 89 | 86 | 86 | 83 | 83 |
| Recycling | 26 | 24 | 24 | 37 | 37 |
| Sewer (user and parcel tax) | 378 | 349 | 328 | 328 | 323 |
| Total Utilities | 493 | 459 | 438 | 448 | 443 |

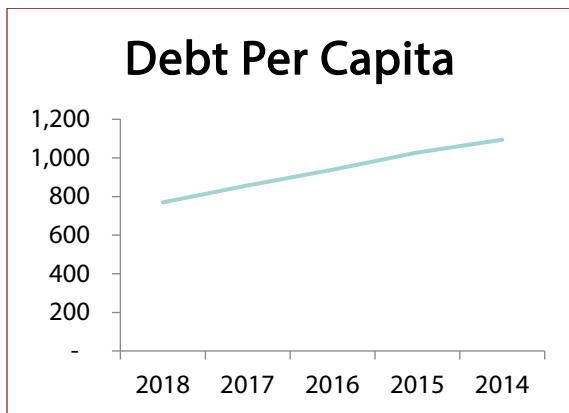


LONG TERM DEBT BY FUND

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---------|------------------|------------------|------------------|------------------|------------------|
| General | 143,920 | 155,446 | 177,383 | 202,630 | 224,983 |
| Sewer | - | - | - | - | - |
| Water | 3,646,962 | 4,068,200 | 4,443,451 | 4,752,597 | 5,052,282 |
| | <u>3,790,882</u> | <u>4,223,646</u> | <u>4,620,834</u> | <u>4,955,227</u> | <u>5,277,265</u> |

The long-term debt of the municipality is funded 3.7% from general taxation, 6.1% from parcel taxes and 90.1% from utility user fees.

| | | | | | |
|-----------------|-------|-------|-------|-------|-------|
| Population | 4,928 | 4,928 | 4,928 | 4,824 | 4,824 |
| Debt Per Capita | 769 | 857 | 938 | 1,027 | 1,094 |



Notes:

General debt is all fire trucks, therefore funding is through property taxes

Sewer debt is 100% funded by user fees

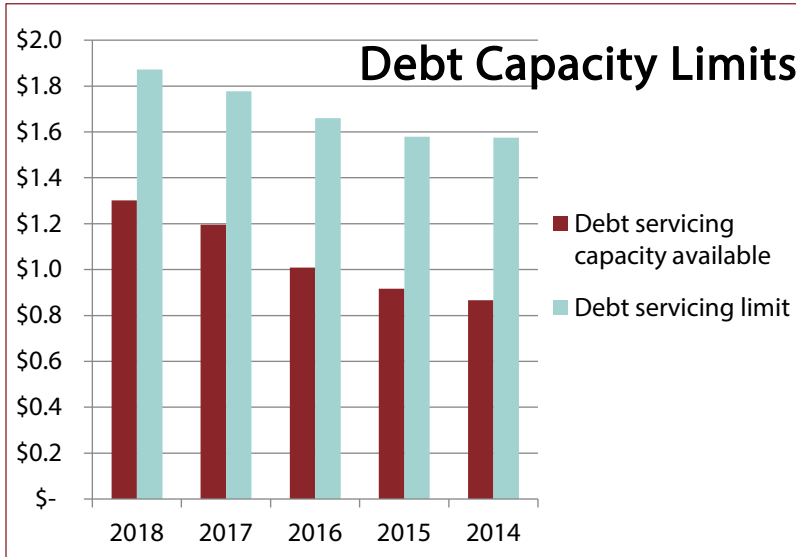
Water debt: 6.3% funded through water parcel taxes (tucelnuit water extension & Sawmill road extension & parcel taxes)
93.7% is funded through water user fees.



DEBT CAPACITY LIMITS

| Debt Servicing | 2018 | 2017 | 2016 | 2015 | 2014 |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Debt servicing limit | 1,871,885 | 1,777,466 | 1,660,049 | 1,578,956 | 1,575,566 |
| Debt servicing capacity available | 1,301,215 | 1,195,516 | 1,008,792 | 916,640 | 866,050 |

This table reflects the maximum debt servicing capacity as well as the remaining borrowing power available to the Town to fund capital projects.



STATEMENT OF RESERVE AND SURPLUS

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|------------|------------|------------|------------|------------|
| Statement of Annual & Accumulated Surplus | | | | | |
| Accumulated surplus, beginning | 52,635,054 | 51,599,814 | 50,698,574 | 49,746,744 | 47,138,080 |
| Annual surplus | 2,183,342 | 1,035,240 | 901,240 | 951,830 | 2,608,664 |
| Accumulated surplus, ending | 54,818,396 | 52,635,054 | 51,599,814 | 50,698,574 | 49,746,744 |
| Statement of Annual & Accumulated Surplus | | | | | |
| Statutory reserves | 2,726,768 | 2,549,115 | 1,801,745 | 1,488,791 | 1,499,671 |
| Operating reserves | 4,848,412 | 4,692,276 | 2,792,446 | 3,180,595 | 3,636,864 |
| Surplus | 1 | 814,160 | 397,389 | 617,077 | 661,080 |
| Equity in tangible capital assets | 48,565,478 | 46,961,657 | 46,850,843 | 45,809,494 | 44,566,206 |
| | 56,140,659 | 55,017,208 | 51,842,423 | 51,095,957 | 50,363,821 |
| Net Financial Debt | | | | | |
| Financial assets | 10,925,010 | 9,426,042 | 8,343,656 | 8,385,755 | 8,847,897 |
| Financial liabilities | 7,206,268 | 8,239,057 | 8,376,547 | 8,622,661 | 9,172,959 |
| Net financial debt | 3,718,742 | 1,186,985 | (32,891) | (236,906) | (325,062) |
| Non-financial assets | 52,421,917 | 51,735,092 | 51,632,705 | 50,935,480 | 50,071,806 |
| Accumulated surplus, ending | 56,140,659 | 52,922,077 | 51,599,814 | 50,698,574 | 49,746,744 |
| TOTAL RESERVES AND SURPLUSES | 7,575,181 | 8,055,551 | 4,991,580 | 5,286,463 | 5,797,615 |
| ACCUMULATED SURPLUS (FINANCIAL EQUITY) PER CAPITA | | | | | |
| | 1,537 | 1,635 | 1,013 | 1,096 | 1,202 |
| Per capita figures | 4,928 | 4,928 | 4,928 | 4,824 | 4,824 |



STATEMENT OF RESERVES (Detail)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Statutory Reserves (Detail) | | | | | |
| Water capital reserve | 1,657,277 | 1,503,962 | 1,277,150 | 1,149,400 | 1,169,743 |
| Water capital charge reserve | 64,315 | 62,820 | 60,666 | 59,804 | 57,213 |
| Land sale reserve | 905,054 | 884,015 | 378,091 | 199,250 | 192,656 |
| Downtown parking reserve | 12,091 | 16,294 | 15,736 | 15,512 | 15,223 |
| Tucelnuit water trust reserve | 57,961 | 53,308 | 43,708 | 39,472 | 40,336 |
| Local improvement reserve | 25,182 | 24,596 | 23,752 | 23,415 | 22,978 |
| Sawmill road trust reserve | 4,888 | 4,120 | 2,642 | 1,938 | 1,522 |
| | <u>2,726,768</u> | <u>2,549,115</u> | <u>1,801,745</u> | <u>1,488,791</u> | <u>1,499,671</u> |
| Operating Reserves (Detail) | | | | | |
| 362nd Avenue | - | - | - | - | - |
| General Reserve | 1,993,827 | 1,721,898 | 242,609 | 397,383 | 617,077 |
| Airport planning | 70 | 69 | 67 | 11,675 | 16,900 |
| Bandai student exchange | - | - | - | 1,446 | 7,406 |
| Cemetery maintenance | 7,064 | 6,900 | 6,668 | 6,613 | 6,541 |
| Equipment reserve | 312,303 | 223,854 | 39,188 | - | 88,197 |
| Joint fire department | 543,006 | 537,426 | 403,915 | 403,019 | 458,829 |
| Town fire department | 25,931 | 25,328 | 28,240 | 28,303 | 28,651 |
| Food for thought | 17,693 | 18,172 | 15,290 | 11,484 | 13,514 |
| Lagoon desludge | 321,031 | 298,743 | 258,881 | 241,874 | 224,421 |
| Library furnishings | 7,884 | 7,701 | 7,500 | 7,500 | 7,500 |
| Lift station contingency | 113,584 | 106,990 | 95,436 | 90,684 | 85,746 |
| Payroll burden | - | - | - | 6,856 | 23,922 |
| Payroll payable | 79,280 | 100,266 | 73,532 | 94,209 | 95,680 |
| Pump repair contingency | 74,861 | 69,168 | 58,894 | 54,442 | 91,648 |
| Road capital | 177,780 | 206,974 | 306,732 | 404,796 | 416,200 |
| Sewer equipment | 680,250 | 906,598 | 922,545 | 1,131,407 | 1,010,705 |
| Sister city | - | - | - | 1,221 | 1,221 |
| Snow removal | 70,897 | 51,754 | 25,854 | 33,674 | 29,235 |
| Solid waste | 395,495 | 410,435 | 307,095 | 254,009 | 224,985 |
| Strategic community | - | - | - | - | 188,486 |
| Policing Reserve | 27,456 | - | - | - | - |
| | <u>4,848,412</u> | <u>4,692,276</u> | <u>2,792,446</u> | <u>3,180,595</u> | <u>3,636,864</u> |



SCHEDULE OF TAX EXEMPTIONS PROVIDED BY COUNCIL

(Municipal Portion Only – Established by Bylaw 1103, 2004)

| Civic Address | Owner/Lessee | Exempted |
|--------------------------|--|-----------|
| 9915 Church Ave. | United Church of Canada | 420.14 |
| 9927 Church Ave. | J. Stowell/A Gayton (United Church Trustees) | 841.12 |
| 34660 Nicola St. | Synod Diocese of Kootenay | 256.11 |
| 10450 Similkameen Avenue | Seventh-Day Adventist Church | 1,042.41 |
| 9516 Skagit Ave. | St Pauls Lutheran Church Society | 2,523.03 |
| 35060 Spartan St. | The Roman Catholic Bishop of Nelson | 2,919.85 |
| 36672 Park Dr. | Pentecostal Assemblies | 1,710.49 |
| 35025 Princess Pl. | Covenant Word of Life | 1,004.74 |
| 6239 Station St | Altea Holdings (Lessee - Okanagan Regional Library) | 3,398.05 |
| 36217 Main St. | Canadian Legion #97 Oliver Branch | 2,148.54 |
| 35016 Main St. | Town of Oliver (Lessee-Oliver Heritage Society) | 2,367.03 |
| 35033 Kootenay St. | Southern Gate Masonic Hall Society | 2,393.59 |
| 9725 Bank Ave. | Benevolent & Protective Order Elks | 2,124.98 |
| 35825 Kootenay St. | Benevolent & Protective Order Elks | 350.55 |
| 9728 School Ave. | Town of Oliver (Lessee-Oliver Heritage Society) | 4,486.66 |
| 34632 Kootenay St. | Oliver Ladies Hospital Auxiliary | 2,046.39 |
| 34624 Kootenay St. | Oliver Ladies Hospital Auxiliary | 3,794.45 |
| 34859 Station St. | Town of Oliver Food bank | 1,656.92 |
| 146 Spruce Ave. | Desert Valley Enterprises (Lessee - Red Cross Society) | 747.64 |
| 5825 Main St | South Okanagan Integrated Community Services Society | 795.09 |
| 34274 Airport St. | Oliver Community Arts Council Society | 6,412.38 |
| 34207 Airport St. | South Okanagan Flying Club Society | 1,501.51 |
| 34440 Cessna St. | 232 Air Cadet Squadron | 2,693.64 |
| 34207 Airport St. | Oliver/Osoyoos Search and Rescue Society | 1,340.31 |
| 36205 Station St. | Town of Oliver (Lessee-Oliver Tourism Assn) | 6,619.44 |
| 34835 Kootenay St. | Oliver Kiwanis St Citizens Housing | 428.44 |
| 34819 Kootenay St. | Oliver Kiwanis St Citizens Housing | 417.40 |
| 5992 Sawmill Rd. | Oliver Kiwanis St Citizens Housing | 6,306.73 |
| 34452 Airport St. | Town of Oliver (Seniors Centre) | 15,852.01 |
| 799 McKinney Rd. | Okanagan Portugese Club | 4,018.88 |
| 7535 McKinney Rd. | Oliver Curling Club Society | 14,265.06 |
| | | 96,883.60 |



TAX REVENUE

- BUSINESS, LIGHT INDUSTRY & UTILITY CORPORATE CUSTOMERS

(Top 20 – Municipal Level – Includes Fire)

| Property Owner | Category | Municipal Tax | % Paid by |
|--|----------------|---------------|-----------|
| | | Levy | Top 20 |
| CT REIT (OLIVER) INC NO. BC0868013 | Business | 85,263.77 | 19.44% |
| ANTHEM OLIVER PLACE MALL LP | Business | 36,444.86 | 8.31% |
| BC TREE FRUITS CO-OP | Business | 22,075.70 | 5.03% |
| DESERT HOLDINGS LTD | Business | 9,095.26 | 2.07% |
| FOURPHARM VENTURES | Business | 9,090.36 | 2.07% |
| FORTISBC INC | Utilities | 7,244.59 | 1.65% |
| DESERT VALLEY ENTERPRISES LTD. INC.NO. BC0426791 | Business | 6,837.05 | 1.56% |
| DESERT VALLEY ENTERPRISES LTD | Light Industry | 6,574.87 | 1.50% |
| BOUCHARD ENTERPRISES LTD | Business | 6,561.59 | 1.50% |
| POZNIKOFF, NICK And POZNIKOFF, LINDA | Business | 6,519.40 | 1.49% |
| INTERIOR SAVINGS CREDIT UNION | Business | 6,109.12 | 1.39% |
| BURROWING OWL VINEYARDS LTD. | Business | 5,548.06 | 1.26% |
| 612062 ONTARIO LTD dba 7-ELEVEN INC C/O ADVANTAGE IQ | Business | 4,512.09 | 1.03% |
| VERTA HOLDINGS LTD | Business | 4,424.50 | 1.01% |
| 1963589 ALBERTA LTD. INC. NO. A0099076 | Business | 4,352.14 | 0.99% |
| 465705 BC LTD | Light Industry | 4,297.16 | 0.98% |
| TRANSWEST HELICOPTERS INC | Business | 4,240.96 | 0.97% |
| VAN DEN MUNCKHOF, GERARD | Light Industry | 4,180.19 | 0.95% |
| NATIONAL TRUST CO INC. C/O CIBC LEASE ADMINISTRATION | Business | 4,048.65 | 0.92% |
| ECHLIN, JOHN And ECHLIN, SUSANNE | Business | 3,838.57 | 0.88% |
| Total Municipal Tax Revenue - Top Twenty | | \$ 241,258.89 | 55.01% |
| Total Tax Revenue | | \$ 438,612.00 | |



TAX REVENUE – RESIDENTIAL TOP TWENTY

(Top 20 – Municipal Level – Includes Fire)

| Property Owner | Municipal Tax Levy | % Paid by Top 20 |
|--|-----------------------|---------------------|
| BENCHMARK LIFESTYLES INC. NO BC0564042 | 7,915.23 | 0.67% |
| TRADEWINDS ESTATES LTD | 5,663.31 | 0.48% |
| OLIVER KIWANIS HOUSING | 5,246.69 | 0.45% |
| MAJESTIC PLACE III LTD INC. NO A73266 | 4,444.56 | 0.38% |
| SEDER, VICTOR ALAN And SEDER, LESLIE LEE | 4,316.15 | 0.37% |
| PROTEA PROPERTIES LTD. INC NO BC0400030 | 3,048.24 | 0.26% |
| FENZ, VINCENT And BLAKELY, BONITA | 2,993.02 | 0.26% |
| DESERT GEM RV AND RESORT INC #BC0815426 | 2,644.00 | 0.23% |
| BLOCKA, JANICE | 2,571.45 | 0.22% |
| LEWIS, KAREN LOIS | 2,546.63 | 0.22% |
| KAMLOOPS NATIVE HOUSING SOCIETY | 2,458.89 | 0.21% |
| 1047706 BC LTD | 2,054.93 | 0.18% |
| SIDHU, JASWINDERPAUL & HARBHAJAN And SIDHU, KANWALPRIT SINGH | 1,990.82 | 0.17% |
| GLOVER, BERNARD | 1,951.56 | 0.17% |
| SMITH, WILLIAM JAMES And SMITH, VIVIAN JEAN | 1,782.86 | 0.15% |
| FRIESEN, ALVIN And FRIESEN, DOROTHY | 1,663.74 | 0.14% |
| PLESCA, ION And PLESCA, KAY SUSAN | 1,660.96 | 0.14% |
| OLIVER KIWANIS SR CITIZENS HOUSING SOCIETY | 1,659.40 | 0.14% |
| HODGE, JAMES ROBERT And HODGE, CATHERINE RUTH | 1,633.55 | 0.14% |
| RANDHAWA, KULDIP SINGH | 1,612.32 | 0.14% |
| Total Municipal Revenue - Top Twenty Residential Assessments | \$ 59,858.31 | 5.10% |

Total Residential Revenue \$1,173,043.00



SCHEDULE OF PAYMENTS MADE TO SUPPLIERS FOR GOODS AND SERVICES - (Greater than \$25,000)

| Supplier Name | | Amount |
|---|----|--------------|
| 0756766BC LTD | \$ | 39,905.78 |
| AARDVARK PAVEMENT MARKING SERVICES | | 29,180.66 |
| ACKLANDS GRAINGER INC | | 31,554.74 |
| ADVANCED BIOTECH LLC | | 30,105.60 |
| ANDREW SHERET LTD | | 50,429.82 |
| BC ASSESSMENT AUTHORITY | | 47,992.68 |
| CUPE LOCAL 608 | | 28,374.19 |
| CANSEL SURVEY EQUIPMENT | | 27,988.66 |
| CAPRI INSURANCE SERVICES LTD | | 95,603.00 |
| COLLABRIA (or 008239) | | 45,241.72 |
| COOL CREEK ENERGY LTD. (50751 & 50753) | | 70,173.64 |
| CORIX CONTROL SOLUTIONS LIMITED PARTNERSHIP | | 143,517.46 |
| CUETS FINANCIAL (or 638312) | | 41,522.63 |
| ELECTRIC MOTOR & PUMP SERVICE LTD. | | 27,286.56 |
| FORTIS BC-ELECTRICITY (or 627679) | | 137,351.27 |
| FORTIS BC-ELECTRICITY (or 627620) | | 384,276.45 |
| FRED SURRIDGE LTD | | 46,856.55 |
| GRIZZLY EXCAVATING LTD | | 1,209,771.44 |
| GROUP SOURCE | | 63,805.15 |
| HUBER BANNISTER CHEVROLET LTD | | 27,314.53 |
| ICBA BENEFIT SERVICES LTD | | 67,724.68 |
| INSURANCE CORPORATION OF B.C. | | 36,197.00 |
| INTERIOR READY MIX LTD | | 26,035.12 |
| INTERIOR INSTRUMENTS | | 35,088.10 |
| MATTES DAVID | | 53,144.52 |
| MEARL'S MACHINE WORKS LTD | | 38,297.93 |
| MIKE JOHNSON EXCAVATING LTD | | 500,311.06 |
| MUNDAY MEDIA & DESIGN | | 49,750.13 |
| MUNICIPAL INSURANCE ASSOCIATION OF BRITISH | | 36,973.37 |
| NELSON GRANITE | | 27,825.00 |
| NORTHERN COMPUTER | | 102,573.76 |
| OKANAGAN UNDERGROUND SERVICES LTD. | | 121,121.14 |
| OKANAGAN REGIONAL LIBRARY | | 190,681.84 |
| OLIVER TOURISM ASSOCIATION | | 46,410.88 |
| OLIVER LANDING DEVELOPMENT CORPORATION | | 96,163.00 |
| OSOYOOS INDIAN BAND | | 86,641.10 |
| PJR CONTRACTING LTD | | 31,611.83 |



SCHEDULE OF PAYMENTS MADE TO SUPPLIERS FOR GOODS AND SERVICES, continued - (Greater than \$25,000)

| | |
|---|-------------------------------|
| WASTE CONNECTIONS OF CANADA INC | 229,859.85 |
| RECEIVER GENERAL FOR CANADA (or 638312) | 594,501.36 |
| REGIONAL DISTRICT OF OKANAGAN-SIMILKAMEEN | 2,524,961.17 |
| ROCKY MOUNTAIN PHOENIX INC | 25,050.62 |
| SCHWEITZER GARY | 27,300.00 |
| SUCK IT UP ENVIRONMENTAL | 90,234.38 |
| TELUS CORPORATION | 31,504.77 |
| TOPS TELECOMMUNICATIONS INC | 26,442.62 |
| TRUE CONSULTING GROUP | 840,908.03 |
| VADIM COMPUTER MANAGEMENT GROUP | 32,514.28 |
| WOLSELEY WATERWORKS GROUP | 47,356.46 |
| YOUNG ANDERSON BARRISTERS & SOLICITORS | 64,656.87 |
| Payments to Suppliers over \$25,000 | \$ 8,660,093.40 |
| Payments to Suppliers Under \$25,000 | \$ 1,276,422.37 |
| Total Payments made to Suppliers | \$ <u>9,936,515.77</u> |



SCHEDULE OF PAYMENTS MADE FOR REMUNERATION AND EXPENSES

| Name | Position | Remuneration | Expenses | Total Remuneration |
|-------------------|-------------------------------|----------------------|---------------------|----------------------|
| BJORNSON, Darren | Deputy Director of Operations | \$ 92,153.19 | \$ 110.82 | \$ 92,264.01 |
| BLISS, Wayde | Building Inspector | \$ 75,100.29 | \$ 1,996.62 | \$ 77,096.91 |
| COWAN, Cathy | Chief Administrative Officer | \$ 142,183.50 | \$ 5,512.99 | \$ 147,696.49 |
| GOODSELL, Shawn | Director of Operations | \$ 105,620.79 | \$ 450.32 | \$ 106,071.11 |
| SCHORI, Martin | Utility Operator 3 | \$ 85,087.73 | \$ 409.57 | \$ 85,497.30 |
| SCHULTZ, Linda | Deputy Corporate Officer | \$ 76,918.73 | \$ 590.82 | \$ 77,509.55 |
| VAYKOVICH, Diane | Corporate Officer | \$ 97,362.24 | \$ 3,949.47 | \$ 101,311.71 |
| WANNOP, Devon | Chief Financial Officer | \$ 99,495.00 | \$ 10,991.92 | \$ 110,486.92 |
| WILSON, Heather | Deputy Finance Officer | \$ 83,658.86 | \$ 3,346.10 | \$ 87,004.96 |
| ZANDVLIET, Adrian | Utility Operator 3 | \$ 79,324.88 | \$ 70.00 | \$ 79,394.88 |
| | | \$ 936,905.21 | \$ 27,428.62 | \$ 964,333.83 |

Consolidated total of remuneration paid to employees under \$75,000 individually is \$1,268,099.97.

The consolidated total of items a), b) and c) will not agree to operational statements as wages are not shown as individual amounts.

Employer portion of EI & CPP paid to Canada Revenue Agency in 2018 = \$109,662.77

There were no severance agreements under which payment commenced between the Town of Oliver and its non-unionized employees during the fiscal year of 2018.

| Elected Official Name | Position | Remuneration | Benefits | Expenses | Total |
|-------------------------|------------------|---------------------|--------------------|---------------------|----------------------|
| DOERR, Maureen | Councillor | \$ 12,402.90 | | \$ 449.09 | \$ 12,851.99 |
| GRICE, AIMEE | Councillor | \$ 2,480.58 | | \$ 469.92 | \$ 2,950.50 |
| HOVANES, Ron | Mayor | \$ 23,255.60 | | \$ 9,095.15 | \$ 32,350.74 |
| JOHANSEN, Martin | Mayor | \$ 4,651.13 | | \$ 524.25 | \$ 5,175.38 |
| MACHIAL, Rick | Water Councillor | \$ 5,580.83 | | \$ 48.99 | \$ 5,629.82 |
| MATTES, David | Councillor | \$ 14,883.48 | | \$ 1,320.46 | \$ 16,203.94 |
| MILLER, Andre | Water Councillor | \$ 4,650.69 | | \$ 2,908.09 | \$ 7,558.78 |
| SCHWARTZENBERGER, Larry | Councillor | \$ 14,883.48 | | \$ 4,870.37 | \$ 19,753.85 |
| SIDHU, Parminder | Water Councillor | \$ 930.14 | | \$ 258.17 | \$ 1,188.30 |
| VEINTIMILLA, Petra | Councillor | \$ 11,252.46 | \$ 3,652.70 | \$ 5,786.92 | \$ 20,692.08 |
| | | \$ 94,971.27 | \$ 3,652.70 | \$ 25,731.42 | \$ 124,355.39 |

NUMBER OF EMPLOYEES

| Department | 2018 | 2017 | 2016 | 2015 | 2014 |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Administration | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| Finance | 4.6 | 4.6 | 4.6 | 4.0 | 4.0 |
| Development Services | - | - | - | - | - |
| Operations | | | | | |
| Public Works | 12.0 | 12.0 | 12.0 | 12.0 | 11.0 |
| Sewer | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Water | 4.0 | 4.0 | 4.0 | 4.6 | 4.6 |
| Total Number of Employees | 27.6 | 27.6 | 27.6 | 27.6 | 26.6 |



