

Telkwa

Annual Report
2019

Where Rivers Meet and Friends Gather

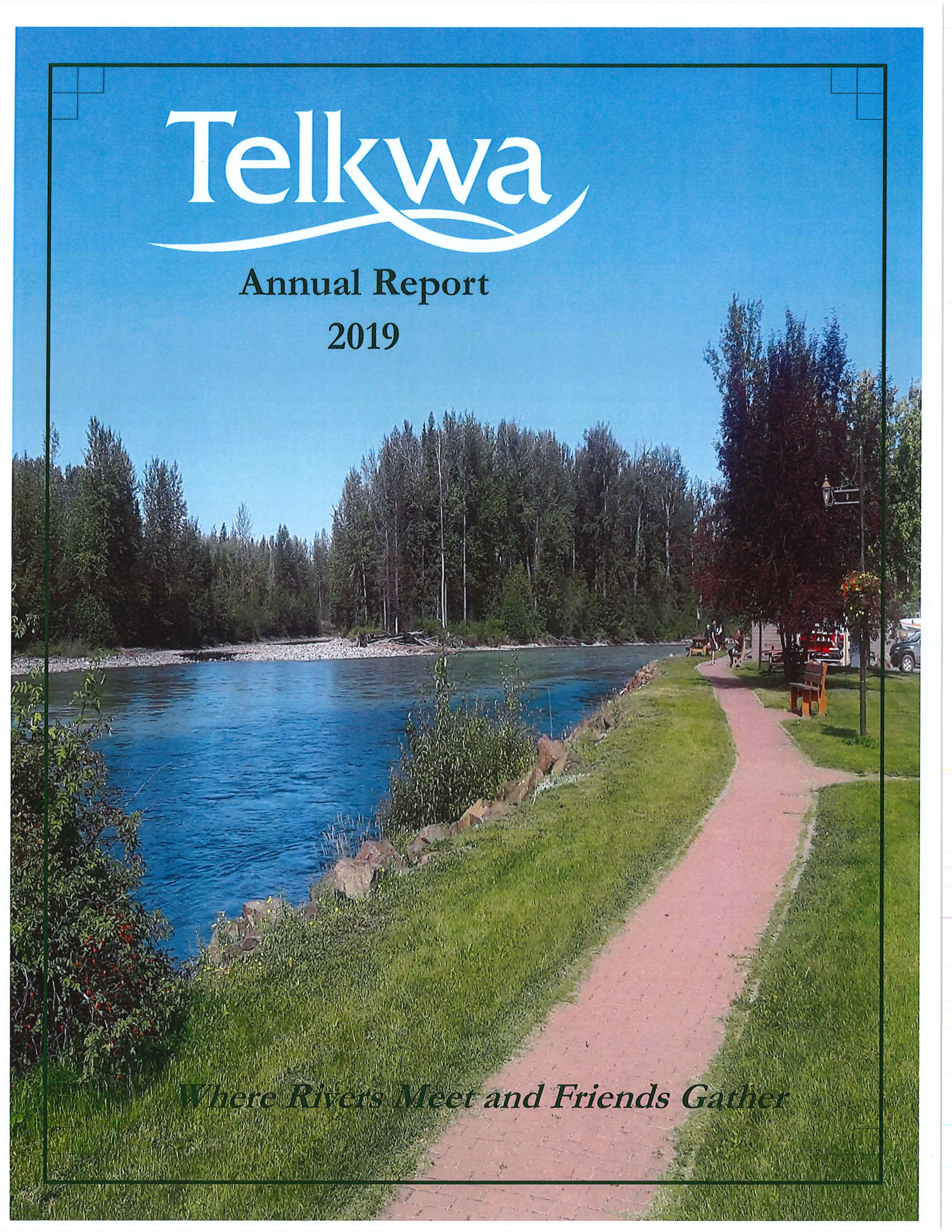


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A Message from the Mayor: Brad Layton



The Year in Review 2019

Hello to my fellow residents of Telkwa,

2019 was the first full year of my term as Mayor of our beautiful Village. I would like to thank staff and Council for their dedication and hard work in our community; I would also like to thank the volunteers within our community because without the help and community spirit they bring, we would be a lesser place; a special thanks to our volunteer Fire Department members for diligently training and responding to our needs in the community and surrounding area; and last but not least, a thanks to the residents for making our Village the great place it is.

2019 was a very good year for us with the 100% funded \$3,603,000 Trobak Water Reservoir Project being constructed. Work started on the project in the fall of 2018 and was completed to the point of being able to use the facility in late 2019. Final cosmetics and milestone completion will be completed in the spring of 2020. The Village applied for funding for rehabilitation and upgrades to our Waste Water Treatment Plant and Sanitary Collection System and although the announcement wasn't made in 2019, I am happy to say that we received 100% funding in the amount of approximately \$2.4 million this spring of 2020 (through the Investing in Canada Infrastructure Program - Rural and Northern Communities).

The Village continues in a collaborative effort with Cycle 16 for the proposed connector trail between Smithers and Telkwa for walking and biking.

Telkwa Coal continued work on its Environmental Assessment for the planned Tenas Metallurgic Coal Project and Council proactively worked to address housing and development issues that we will be facing if the Project goes ahead in 2020-2021.

Council continued lobbying with government representatives on the need for realigning and replacement of the Bailey Bridge, crossing the Bulkley River with a two-lane bridge and an elevated rail crossing. The crossing has been identified as one of the top 30 priority crossings in western Canada. Council will continue to pursue the replacement bridge and advocate for a crossing that does not put residents at risk.

Council and staff continued strong advocacy for the North West Resource Benefits Alliance on the regional level to try to bring back some resource dollars to our community. Telkwa continued to be a strong voice at the Regional District and will remain so for my term. With the surprising announcement of the Northern Capital and Planning grant of \$3.6 million in the early spring of 2019 and an additional \$1 million in early spring 2020, Telkwa is positioned to leverage this funding to start addressing our infrastructure needs in the coming years.

I look forward to 2020.

Mayor Brad Layton
Village of Telkwa

A Fond Farewell and a Warm Welcome



Councillor Meerdink

2019 By-Election



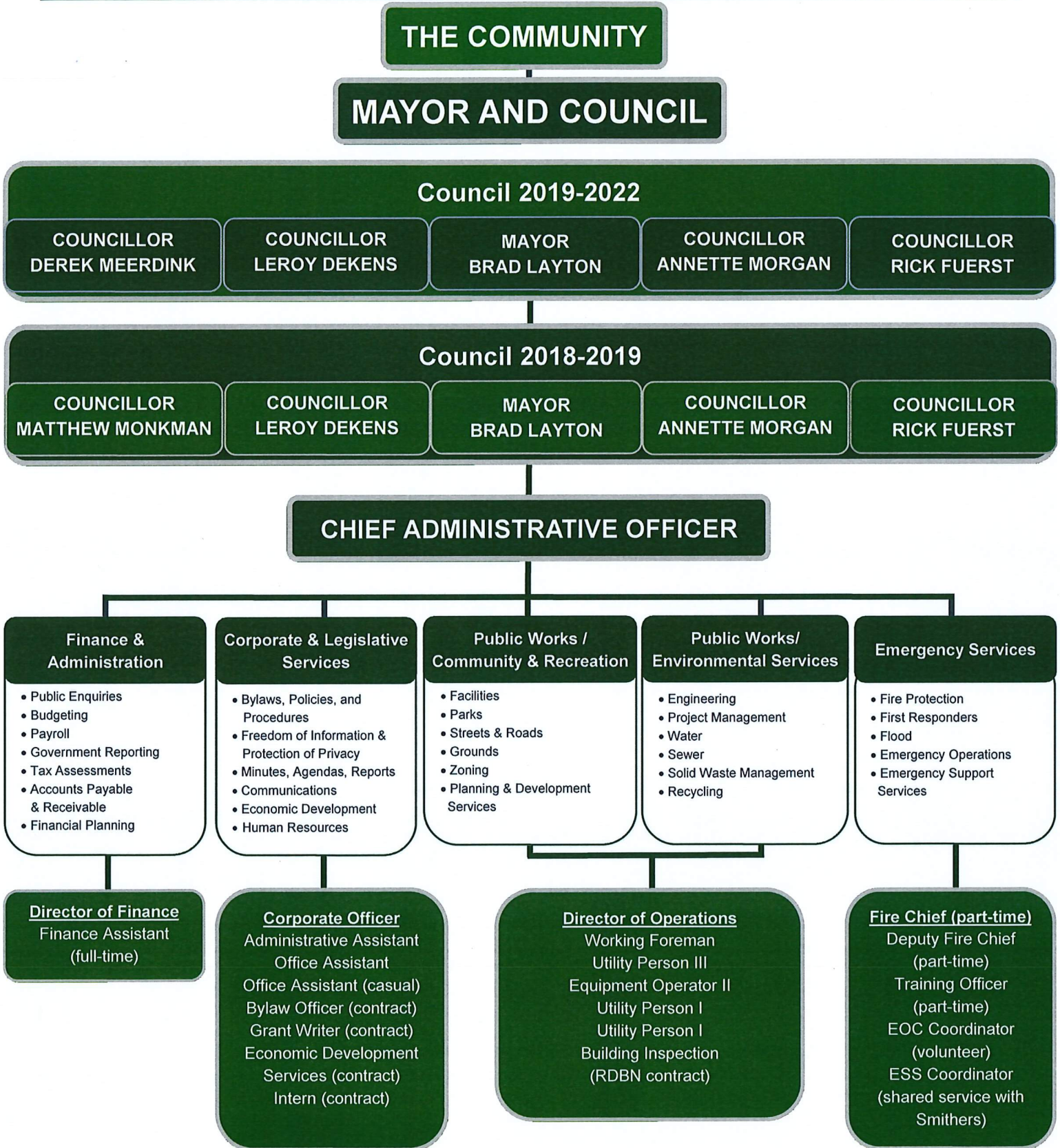
Councillor Monkman

The Village of Telkwa extended a very special “Thank You” to its outgoing member of Council, Councillor Matthew Monkman.

The Chief Administrative Officer, Debbie Joujan, introduced and welcomed Telkwa’s newest Councillor, Derek Meerdink, acclaimed in the fall 2019 By-Election.

The Oath of Office took place on Tuesday,
December 10, 2019.

2019 Organizational Chart



Community Profile

Nestled on the banks of the world-renowned Bulkley and Telkwa Rivers, our picturesque, historical village borders Tyhee Lake Provincial Park. Surrounded by snow-capped mountain ranges and a myriad of lakes and streams, Telkwa's spectacular natural setting offers extensive outdoor adventure and recreational opportunities. Whether you love to hike to an alpine lake, raft through white water rapids, ski down fresh powder slopes or battle the will of large steelhead, Telkwa has something for you. Local sightseeing and adventure tour operators offer world-class hunting, sport fishing, hiking, canoeing, rafting, kayaking, bird watching and wilderness photography explorations. The adventures continue in the winter with phenomenal ice climbing; cross-country, backcountry and downhill skiing; snowmobiling, and snowshoeing.

We invite you to explore our friendly village. You can choose from a variety of accommodation styles depending on your preference, from staying at the provincial campsite with kid-friendly beaches, to staying at B&B's or lodges in the area. If you are just visiting for the day, you can enjoy our beautiful riverfront walks and numerous trails, watch fisherman try their luck, or float down the river and watch for wildlife. Whatever you decide to do during your visit to Telkwa, you will be sure to enjoy your time spent with us. To discover a piece of British Columbia's history, stop at the Village of Telkwa Museum and Visitor Information Centre at 1621 Highway 16 or the Village Municipal Office at 1415 Hankin Avenue. For more information on Telkwa, please visit www.telkwa.ca.

There are always terrific real estate and/or investment opportunities available for those interested in returning and becoming a part of our community!



Community Profile: Our History

It was in 1906 that the valley's first European settlers put down stakes at a place that First Nations people referred to as "Where the Rivers Meet". The first town site in the area, Aldermere, was originally established on the bluff above the Bulkley River located on the Telegraph Trail system. Aldermere was the first town site in the area and a central restocking spot for prospectors following the call of the Gold Rush. As the Grand Trunk Pacific Railway began constructing the western section of their railway in 1907, many businesses and settlers began to move down the hill to the present site of Telkwa to be closer to the anticipated railway and a water supply with easier access. Today, over 100 years later, the community of Telkwa continues to be called "home" by its nearly 1,400 residents. An extensive walking trail system winds through the original town site of Aldermere and embraces Telkwa's parks and historical buildings, including the restored 1910 St. Stephen's Anglican Church and the Pioneer Museum. Many of Telkwa's historical buildings, including the library, remain as testaments to our past and can be seen with a self-guided walking tour.



We would like to acknowledge that we are on the traditional territory of the Gitdumden Clan of the Wet'suwet'en people, a Carrier people of the Athabaskan language group who live on the Bulkley River and around Broman Lake and Francois Lake in the northwestern Central Interior of British Columbia.

Purpose of the Annual Report

Consistent with the *Community Charter* of British Columbia principle that municipalities are accountable to the public, Section 98 of the *Community Charter* requires municipalities to prepare an Annual Report regarding the financial and operational information of the community.

Annual reporting provides a further opportunity for the public to access information on how their tax dollars are spent from year to year and, additionally, provides a greater understanding of municipal services, responsibilities and priorities.

As part of Annual Reports, municipalities are required to include a progress report respecting the previous year in relation to objectives and measures established for that year. The Report also sets out current and future year objectives and the measures that will be used in determining progress towards those objectives. The philosophy behind annual reporting requirements is that providing citizens with better information, makes for better government.

The Annual Report gives local governments the opportunity to inform residents of what they are planning to do, how they intend to do it, and how it is progressing.

Corporate Goals

Council and staff of the Corporation of the Village of Telkwa will:

- balance the needs and resources of our community through effective planning, policy and program development;
- commit to sound, well-planned, and long lasting municipal infrastructure;
- develop, maintain, and enhance Telkwa as a diverse, vibrant, unique and attractive community;
- balance economic development and diversification with social amenities and environmental responsibilities;
- strive for excellence, effectiveness, and efficiency in the delivery of services;
- commit to marketing Telkwa and promoting the spirit and pride of the community; and
- work cooperatively with the community, the Regional District of Bulkley-Nechako, other municipalities, First Nations and other levels of government in order to achieve the maximum benefit for our community.



Marty Clemens Photography 2019

HOME OWNER GRANTS

459

HOG claimed



1055

Person Hours

FIRE RESCUE

97

Responses

25

Members

POPULATION

1,327

84 7

Regular

Seasonal

Business Licences Issued

PARKS

5

ha. of parks maintained



6.2

km. of hiking trails in and around the Village

DOG LICENCES

80



Dog Licenses Issued

BUSINESS

LOVE
TELKWA

36

Active Love Telkwa Profiles

DEVELOPMENT

\$626,200

Total Development



15

Building Permits



80

Bylaw Complaints

BYLAW

GRANTS

\$7.7mil

Grant Funding Obtained

Telkwa

Incorporated in

1952

2019 Progress Report: Parks and Trails

Service	Objective	Outcome
Parks	<p>Continue routine maintenance programs:</p> <ul style="list-style-type: none"> - to ensure park spaces are well groomed and maintained to provide appealing and useable spaces for community recreation - complete playground inspection training and inspection certification from BC Parks and Recreation Association to ensure ongoing safety of equipment for the enjoyment of young residents <p><i>Kevin Materi - Utility III obtained Certified Playground Inspector Certification from RFABC</i></p>	<p>COMPLETED & ONGOING</p> <p>COMPLETED</p>
Soccer Fields	<p>Continued Revitalization of grassed playing surface:</p> <ul style="list-style-type: none"> - to provide a quality field for public use, resulting in increased attraction and usage for events and supporting additional healthy living recreational options 	COMPLETED & ONGOING
Ball Diamonds	<p>Employed a noxious weed control program to improve playable surface.</p> <p>Reseeded playing surfaces - completed some fencing and dugout repairs.</p> <p>Continue maintenance and upkeep of ball diamonds at the Village of Telkwa Barbeque Grounds:</p> <ul style="list-style-type: none"> - to provide quality ball diamonds for the public, resulting in increased attraction and usage for sporting events while providing additional healthy living recreational options 	COMPLETED & ONGOING
Tennis Courts	<p>Continue maintenance and upkeep of tennis courts:</p> <ul style="list-style-type: none"> - to provide quality courts for community recreation 	GENERAL MAINTENANCE ONGOING
Trees	<p>BC Hydro ReGreening Grant:</p> <ul style="list-style-type: none"> - obtaining funding from the BC Hydro ReGreening grant to supply and plant trees at the Telkwa Cemetery 	COMPLETED
Ice Rinks	<p>Raise funds for the installation of a storage facility:</p> <ul style="list-style-type: none"> -at the Woodland Park Rink to house maintenance equipment on site for easier access to volunteers. 	COMPLETED
Multi-Use Pathway	<p>Continue support of the Cycle 16 Multi-Use Pathway from Smithers to Telkwa:</p> <ul style="list-style-type: none"> - to support and promote healthy living opportunities 	COMPLETED Phase 1 Preliminary Design
Trails Planning Strategy	<p>Complete trails planning strategy:</p> <ul style="list-style-type: none"> - liaise with volunteers on update of trail mapping and tourism guide 	ONGOING General maintenance
Asset Management Planning	<p>Asset Management Planning for infrastructure:</p> <ul style="list-style-type: none"> - work with consultants to map and identify town Infrastructure and create an Asset Management Plan - host a Town Hall meeting to inform and engage residents in Asset Management planning 	COMPLETED

2019 Progress Report

Facilities

Service	Objective	Outcome
Municipal Office	Investigate and pursue rental opportunities for upstairs offices	Upstairs office space rented to Telkwa Coal.
Municipal Office	Provide space in foyer for historical displays in cooperation with the Telkwa Museum and to host art displays featuring work by local artists	COMPLETED & ONGOING
Municipal Office	<p>B.C. Building Code Review</p> <p>Work in 2020 to provide fire separation to comply with B.C. Building Code between Main Office and open warehouse space.</p> <p>Renovations: - design and tender of main fire separation in the middle of the building to comply with BC Building Code requirements.</p>	<p>COMPLETED</p> <p>DEFERRED TO 2020</p>
Community Hall	Increase use of Community Hall for community events and private rentals	COMPLETED & ONGOING



Photo: Debbie Joujan

2019 Progress Report

Water and Sewer

Service	Objective	Outcome
Waste Water Treatment Plant	Applied for ICIP - Rural & Northern Communities Infrastructure Grant for upgrading work, awaiting grant announcement from Government.	ONGOING
Water	Valve Exercising Program	75% of work completed in 2018. 15% completed in 2019.
Trobak Hill Reservoir	<p>Complete construction phase of the Trobak Water Reservoir:</p> <ul style="list-style-type: none"> - bring new Water Reservoir online - commence utilization of new reservoir 	<p>Work on the reservoir saw the reservoir put into service in December 2019.</p> <p>All Tower Neighbourhood mainline upgrading completed in 2019. Surface restoration</p>



Photos: Debbie Joujan

Construction of the Trobak Water Tower Reservoir 2019

2019 Progress Report

Water and Sewer (Continued)

Sewer	Preventing infiltration of groundwater into sewer lines	COMPLETED
Sewer	Mainline cleaning and implementation of video program	Cleaned and Videoed Sewerline above the lagoon to the gravity discharge manhole.
Lagoons	Duplexing of Air Blower systems	In progress. Expected completion in 2020
Storm Water Management	Local upgrades of culverts and ditching	Regular maintenance activities undertaken.
Fire Hydrant Maintenance	Maintenance and modernization plan: - to update McAvity fire hydrants each year for six years	Replaced one aging hydrant and installed two new hydrants in conjunction with the Tower Neighbourhood Watermain improvements. Visual inspections of all hydrants completed. Regular grass and snow clearing maintenance.

Roads

Service	Objective	Outcome
Dust Suppression	Application of Dust Suppression on all gravel roads throughout the municipality	COMPLETED Early in 2019
Service	Objective	Outcome
Recycling	Service Suspended due to Fire at the Recycling Depot in May 2019	Recycling activities were temporarily suspended with fire at Recycle Depot. Discussions ongoing for the restart of the recycling program.
Garbage Pick-Up	Continue weekly garbage pick-up for the community as a service.	ONGOING (8 additional small and 10 medium garbage cans sold in 2019)

2019 Progress Report

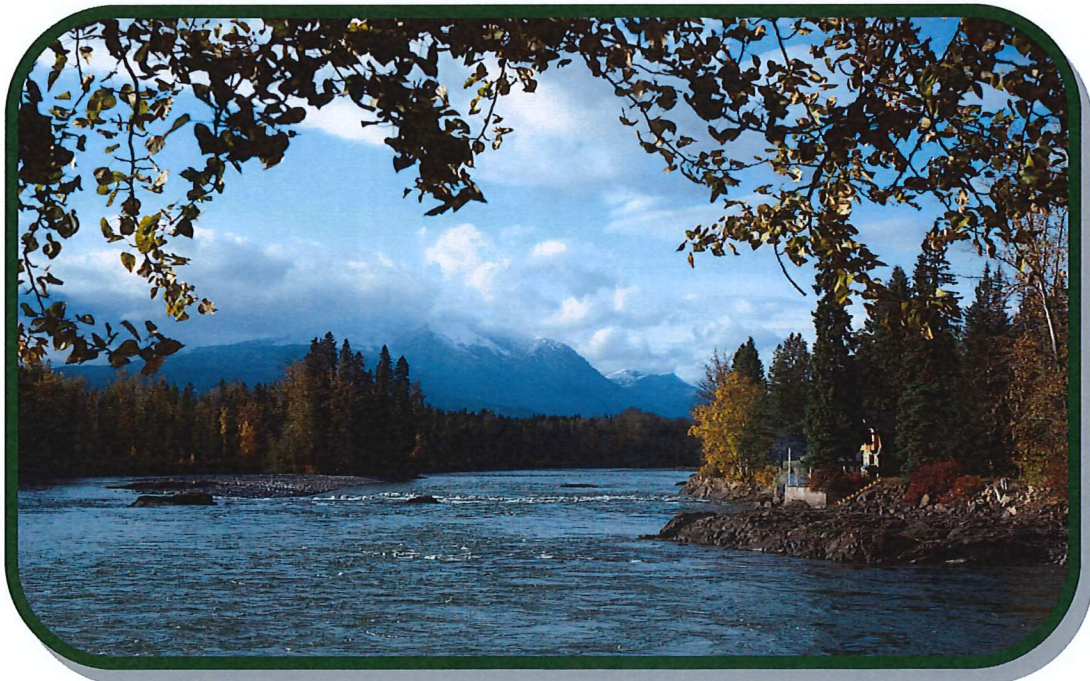
Health & Safety

Service	Objective	Outcome
Health and Safety Program	Review Health & Safety Program Launch a Computerized Records Tracking and Reporting System: <ul style="list-style-type: none"> - to ensure staff compliance with Health & Safety Policies and training - to ensure Health & Safety requirements are met and kept up-to-date 	COMMENCED & ONGOING
Transit	Advocate for viable Highway 16 transit solution to replace Greyhound Services: <ul style="list-style-type: none"> - liaise with regional representatives to continue support and enhance local and regional transit systems 	ONGOING
Emergency Operations Centre Equipment and Training	Obtain grant funding: <ul style="list-style-type: none"> - to obtain funding for Emergency Operations Centre operations and equipment in partnership with Town of Smithers - update and improve equipment for Telkwa and Smithers Fire Departments - seek funding in partnership with Town of Smithers for Emergency Operations Centre training - increase training for Telkwa and Smithers First Responders and staff 	Successfully secured grant funding in the amount of \$25,000 each under the Community Emergency Preparedness Fund for this partnership program with the Town of Smithers.
Emergency Support Services Coordinator	- Partnership with Town of Smithers in joint contract for Emergency Support Services Coordinator	COMPLETED & ONGOING
Emergency Support Services	Emergency Support Services: <ul style="list-style-type: none"> - increase and improve Emergency Support Services program locally and throughout the Region - work towards purchasing a mobile response trailer for Bulkley Valley Emergency Support Services (BVESS) - increase Emergency Preparedness 	COMPLETED
Evacuation Route Planning	Obtain grant funding for the creation of an Evacuation Route Plan: <ul style="list-style-type: none"> - post a Request for Proposals in relation to Evacuation Route Planning 	SUCCESSFULLY COMPLETED

2019 Progress Report

Health & Safety (continued)

Service	Objective	Outcome
Emergency Operations Centre Training	Facilitate training for staff: - increase volunteer awareness and recruitment - continue to train volunteers for upcoming events that may affect the community - send volunteers to attend the National Emergency Support Services Training (NESST) Conference in Prince George	Training of Village staff completed through the Justice Institute of British Columbia and Holistic Emergency Preparedness and Response
Air Quality	Provide up-to-date information and education to public on air quality concerns, advisories, etc.	Two additional Purple Air Monitors obtained in late 2019 to be installed in 2020



Marty Clemens Photography 2019

2019 Progress Report

Economic Development

Service	Objective	Outcome
Love Telkwa	Secure funding through Northern Development Initiative Trust (NDIT) for continued focus of new branding and business development, attraction, and promotion through Love Telkwa initiative: - to support and encourage business development and retention within the Village	COMPLETED & ONGOING
Growth and Development	Source funding and resources: - to encourage growth and development - participate in the Regional Economic Development Working Group	COMPLETED & ONGOING
Support Local Business	Support new and existing businesses: - by addressing investment enquiries, assisting with investment profile updates, and providing ongoing support as and when required - provide easy access to educational and informational links for local business development and expansion - run a Village-wide poll to determine the Business of the Year award.	COMPLETED & ONGOING
Local Business Façade Improvement	Secure funding through Northern Development Initiative Trust (NDIT): - to continue with the Façade Improvement Program, provide information and eligibility requirements, and offer further intake to promote business improvement opportunities	COMPLETED
Expand Economic Development Opportunities	Collaborate with regional and provincial entities: - liaise with Provincial/Regional Economic Operations Representatives to increase local and regional growth	COMPLETED & ONGOING
Economic Development Services	Submit a grant application for funding from Northern Development Initiative Trust (NDIT): - for Economic Development Services (sought on an annual basis) to procure an Economic Development Services Provider - investigate, pursue, promote, and support economic development opportunities - develop an Economic Development Strategic Plan	COMPLETED & ONGOING
Tourism and Marketing	Undertake virtual Business Walk of local business	DEFERRED

2019 Progress Report

Economic Development (continued)

Service	Objective	Outcome
Grant Writing Services	Procure Grant Writing Services: - submit a grant application for funding from Northern Development Initiative Trust to hire a Community Grant Writer - to assist local service clubs, community groups and societies with seeking out and applying for funding opportunities	COMPLETED

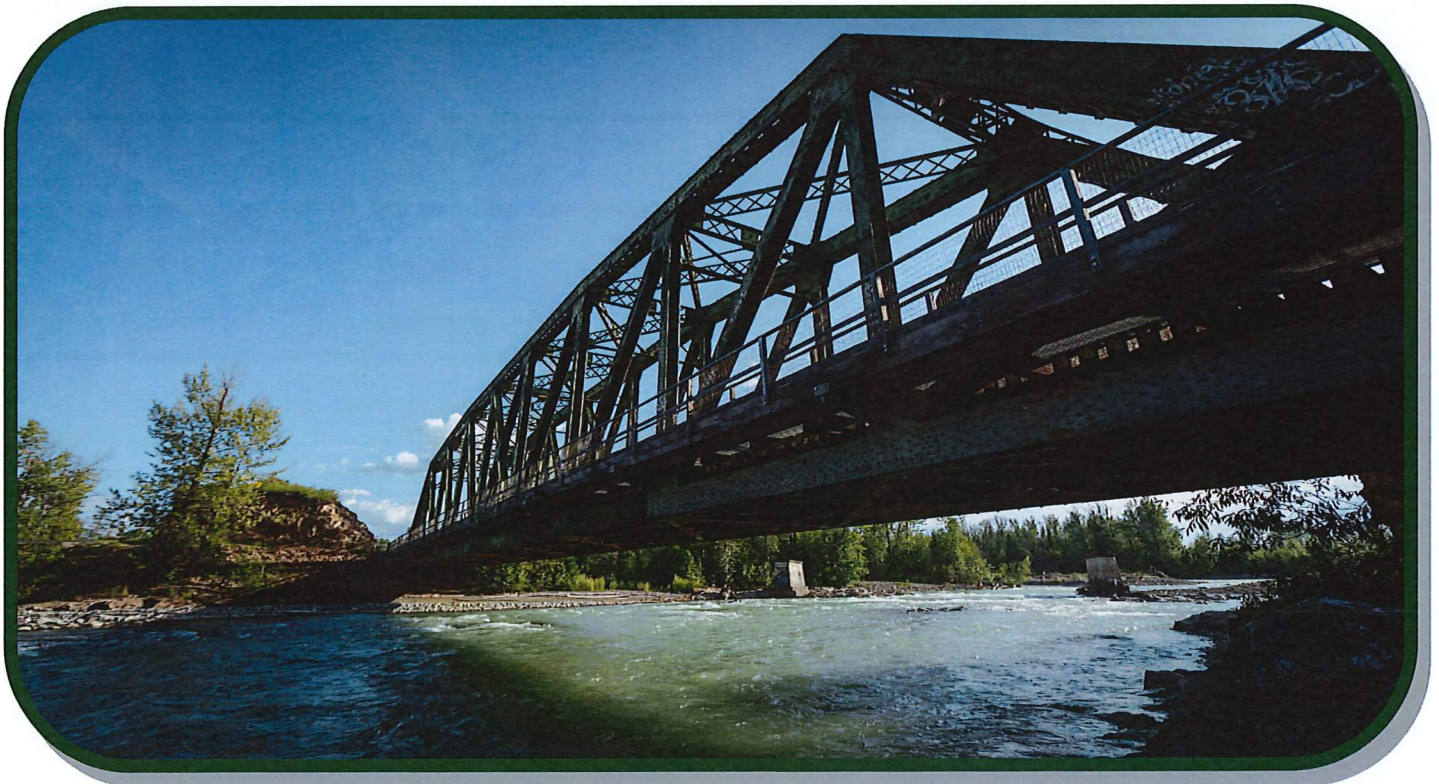
Administration

Service	Objective	Outcome
Records Management System	Continue improvements to the records management system: - to improve efficiency, increase transparency and access to information, and implement a more effective organization-wide records management and retention system	IN PROGRESS & ONGOING
Policies, Procedures, and Bylaw Updates	Continue to review and update: - to ensure policies, procedures and bylaws are current and in correlation with the Village of Telkwa Official Community Plan and the Integrated Community Sustainability Plan.	ONGOING
Local Government Management Intern	Submit a grant application for funding from Northern Development Initiative Trust (NDIT): - for a Local Government Management Intern for 2020 (eligible every two years)	COMPLETED Grant funding successfully obtained.
Local Government Management Intern	Local Government Management Intern: - Interview candidates and hire a Local Government Management Intern to assist in the office through NDIT grant.	COMPLETED
Website	Revise and Update Website: - to provide information that can easily be accessed by the public	COMPLETED & ONGOING

2019 Progress Report

Sustainability

Service	Objective	Outcome
Floodplain Management	Completion and distribution of mapping and reports	COMPLETED
Strategic Planning	<p>Conduct a Strategic Planning Open House and online survey to gauge community priorities for the Village:</p> <ul style="list-style-type: none"> - use the information collected in the Open House and survey to provide community input into Strategic Planning sessions with Village of Telkwa Council for consideration in preparation of Council Strategic Plan and Update - Complete Council Strategic Plan 	<p>COMPLETED (Working Document)</p>



Marty Clemens Photography 2019

2019 Progress Report

Sustainability (continued)

Service	Objective	Outcome
Planning and Development	Enter an agreement with Regional District of Bulkley-Nechako for Planning and Development Services: - Seek Funding from Northern Development Initiative Trust (NDIT) Community Planning for Housing Program in partnership with the District of Houston to increase planning capacity	COMPLETED
	- apply for funding from UBCM's Housing Needs Report Program to undertake the development of a Housing Needs Report	COMPLETED
Zoning Bylaw Review	Obtain additional funding for a Zoning Bylaw Review	COMPLETED
Zoning Bylaw Review	Review and update of current Zoning Bylaw	IN PROGRESS RFP CLOSES MAY 2020
Water Conservation	Continue education and promotion of the newly updated Water Conservation Plan Policy: - continue to enforce water use restrictions as a means of conserving treated water in the Village	ONGOING Water Conservation Plan Bylaw continuing to enforce Water Use Restrictions. Promotion of water conserving measures ongoing. Participation in BC Water Week to increase community understanding of water treatment and distribution measures.
Northwest Regional Benefits Alliance	Northwest Regional Benefits Alliance partnership agreement: - continue to pursue a regional revenue sharing agreement with the Province of British Columbia - meet with Provincial representatives at UBCM - investigate increased revenue opportunities	COMPLETED & ONGOING
Recycling and Solid Waste Management	Service Suspended due to fire in May 2019	ONGOING Investigations for viable site in progress

2019 Progress Report

Community

Service	Objective	Outcome
Community Grant Writer Services	<p>Submit a grant application for funding from Northern Development Initiative Trust to hire a community Grant Writer (sought on an annual basis):</p> <ul style="list-style-type: none"> - funding utilized for a Grant Writer to assist local service clubs and other non-profit organizations access funding opportunities 	<p>COMPLETED</p> <p>Contracted a local Grant Writer to work with local businesses, service clubs and non-profit organization in the Village.</p>
Communications	<p>To inform residents of public meetings, activities, events and projects:</p> <ul style="list-style-type: none"> - to encourage participation in the legislative process - increase use of social media, newsletters and website <p>Community Bulletin Board:</p> <ul style="list-style-type: none"> - identify a new location for the installation of a community bulletin board <p>Village of Telkwa Website:</p> <ul style="list-style-type: none"> - creation of new Village of Telkwa Website 	<p>ONGOING</p> <p>COMPLETED</p> <p>COMPLETED</p>
Community Recreation	<p>Obtain grant funding for additional recreation opportunities:</p> <ul style="list-style-type: none"> - Wrestling program - increase programming 	<p>COMPLETED & ONGOING</p>
Telkwa BBQ Grounds, Parks and Community Hall	<p>Increase use/events at Telkwa's public locations</p>	<p>ONGOING</p>
Community Representation	<p>Advocate for the needs of the Village of Telkwa with Provincial and Federal entities:</p> <ul style="list-style-type: none"> - collaborate with the following groups to strengthen relationships and explore mutually beneficial partnership opportunities: <ul style="list-style-type: none"> • Community Groups • Neighbouring communities • Regional District • Local First Nations 	<p>ONGOING</p>

2019 Progress Report

Community (continued)

Service	Objective	Outcome
Collaboration	Collaborate with neighbouring communities, regional districts, and First Nations Peoples: - to strengthen relationships and explore mutually beneficial partnership opportunities.	COLLABORATION ONGOING Several partnerships ongoing such as: Smithers/Telkwa Emergency Operations, Training and Equipment; joint Emergency Support Services (ESS) Coordinator; contracting Building Inspection Services and Planning Services with the Regional District of Bulkley-Nechako, and Office of the
Community to Community	Community to Community Collaboration: - to further develop and expand existing relationship building with First Nations peoples	COMPLETED ONGOING DISCUSSIONS AND COLLABORATION
Telkwa Reading Centre (“Reading Room”)	Assist with informing the public of the Reading Centre facility activities and programs: - Promote 100-year celebrations	ONGOING COMPLETED



Planning for 2020

(In keeping with the Village of Telkwa Strategic Planning, Official Community Plan, and Integrated Community Sustainability Plan)

Parks and Trails

- ⇒ Parks:
 - Seek funding through the Community Re-Greening Program offered through BC Hydro
 - Continue routine maintenance programs to ensure park spaces are well groomed and maintained to provide appealing and usable spaces for community recreation
 - Complete playground equipment repairs to ensure ongoing safety of equipment for the enjoyment of young residents
 - Secure funding for completion of a Parks Master Plan
 - Post Request for Proposals (RFP) for preparation of the Parks Master Plan
 - Hire a consultant to undertake community engagement and prepare the Plan
 - Presentation of completed Parks Master Plan to Council and the public
- ⇒ Soccer Fields:
 - Continue revitalization of existing soccer field to provide a quality field for public use resulting in increased attraction and usage for sporting events and supporting additional healthy living recreational options
- ⇒ Ball Diamonds:
 - Continue maintenance and upkeep of ball diamonds at the Village of Telkwa Barbecue Grounds
- ⇒ Tennis Courts:
 - Continue maintenance and upkeep of tennis courts for community recreation
- ⇒ Ice Rinks:
 - Install a storage facility at the Woodland Park Rink to house maintenance equipment on site for easier access to volunteers
- ⇒ Trees:
 - Obtain funding from the BC Hydro Re-Greening grant to supply and plant trees within the Village of Telkwa (exact location to be determined)
- ⇒ Multi-Use Trail (Pathway):
 - Continue support of the Cycle 16 Multi-Use Trail (Pathway) from Smithers to Telkwa
 - Partner with Cycle 16 on submission of a grant application to obtain funding to be utilized for the purpose of public engagement, education and support for the Multi-Use Trail
- ⇒ Trails:
 - Liaise with volunteers on update of trail mapping and tourism guide
 - Continue maintenance and upkeep of trails
- ⇒ Regional Parks and Recreation Service Area Agreement

Planning for 2020

(In keeping with the Village of Telkwa Strategic Planning, Official Community Plan, and Integrated Community Sustainability Plan)

Water and Sewer

- ⇒ Trobak Hill Reservoir Project:
 - Complete construction phase of the Trobak Water Reservoir site works
 - Hold a ribbon-cutting ceremony to celebrate the official completion of the Trobak Hill Reservoir Project
- ⇒ Wastewater Treatment Plant:
 - Seek grant funding for Village of Telkwa Wastewater Treatment Plant (WWTP) and Sanitary Collection System Rehabilitation Project
 - Post Request for Proposals (RFP) for design phase of the project
 - Award design phase contract to consultant
 - SCADA Waste Water Flow Meter Upgrade
 - Mainline cleaning and implementation of video program
- ⇒ Tower Neighbourhood Watermain Looping:
 - Proceed with posting Request for Proposals (RFP) for engineering design, tendering, and construction management for the Tower Neighbourhood Looping Project for new looping watermain (including installation of approximately 420m of pipe - new watermain and new service tie-ins to houses and the Telkwa Elementary School) to provide system redundancy as well as potential additional fire flow capacity
 - Tender construction contract and complete the project
- ⇒ Riverside Street Watermain Upgrade:
 - Proceed with posting Request for Proposals (RFP) for engineering design, tendering, and construction management for the Riverside Street Watermain Project for replacement of approximately 160 linear metres of pipe between the Bulkley River Bridge and Hankin Ave.
 - Tender construction contract and complete the project
- ⇒ First Street Watermain Upgrading Project:
 - Proceed with posting Request for Proposals (RFP) for engineering design, tendering, and construction management of the First Street Watermain Upgrading Project for replacing/upgrading approximately 265 linear metres of pipe between Trail Avenue and Telkwa House Senior Housing
 - Tender construction contract and complete the project
- ⇒ Watermain Valve Exercising Program:
 - Completion of the remaining work commenced in 2019
 - Exercise watermain valves and identify parts of Water Distribution System that would

Planning for 2020

(In keeping with the Village of Telkwa Strategic Planning, Official Community Plan, and Integrated Community Sustainability Plan)

Water and Sewer (Continued)

- ⇒ Water Treatment Plant:
 - Adapt Plant operation to optimize addition of Trobak Reservoir to the system
 - Replace Programmable logic controller
 - Upgrade Ultraviolet Disinfection System
- ⇒ Fire Hydrant Maintenance:
 - Fire hydrant inspections
- ⇒ Lagoons:
 - Completion of duplexing of the air blower systems
 - Proceed with posting Request for Proposals (RFP) for the Grit Chamber Upgrade Project at the lagoons
 - Complete grit chamber engineering

Waste Management

- ⇒ Garbage:
 - Investigation and purchase of a used garbage truck to replace Village's existing garbage truck
 - Continue with regularly scheduled garbage pick-up services
- ⇒ Recycling:
 - Continue to liaise with the Province, RecycleBC, the Town of Smithers and the Regional District of Bulkley-Nechako to find a suitable solution to the lack of a recycling facility, due

Facilities

- ⇒ Municipal Office:
 - Seek funding to undertake a full building assessment
 - Send out Request for Quotations (RFQ) on design options for municipal office and underutilized sections of the building
- ⇒ Community Hall:
 - Hot water tank replacement

Planning for 2020

(In keeping with the Village of Telkwa Strategic Planning, Official Community Plan, and Integrated Community Sustainability Plan)

Roads

- ⇒ Dust Control:
 - Continue routine dust control on Telkwa roadways for safety of road users and residents
- ⇒ Snow Removal:
 - Continue regularly scheduled snow removal and maintenance as and when required
- ⇒ Gravel Pit and Rock Quarry:
 - Renew gravel pit and rock quarry permits and investigate production of road gravel

Health & Safety

- ⇒ Computerized Records Tracking and Reporting System:
 - To ensure staff compliance with Health and Safety policies and training
 - To ensure Health & Safety requirements are met and kept up to date
- ⇒ Evacuation Route Planning:
 - Hire a consultant to complete an Evacuation Route Plan
 - Present Evacuation Route Plan to Council and the public
- ⇒ Emergency Support Services:
 - Partnership with Town of Smithers in joint contract for Emergency Support Services program
 - Improve Emergency Support Services program locally and throughout the Region
- ⇒ Regional Mass Communication System:
 - Liaise with Regional District of Bulkley-Nechako and municipalities in the Region on the development of a regional mass communication system
 - Launch the Bulkley Nechako Emergency & Public Alerts Program
- ⇒ Emergency Operations Program:
 - Obtain funding for Emergency Operations Centre operations and equipment

Planning and Development

- ⇒ Continue with agreement with the Regional District of Bulkley-Nechako for Planning and Development Services
- ⇒ Post Request for Proposals (RFP) and hire consultant for development of a Housing Needs Report
- ⇒ Hire a consultant to review and update the current Zoning Bylaw

Planning for 2020

(In keeping with the Village of Telkwa Strategic Planning, Official Community Plan, and Integrated Community Sustainability Plan)

Economic Development

- ⇒ Support Local Business:
 - Undertake a local downtown Business Walk
 - Support new and existing businesses by addressing investment enquiries, assisting with investment profile updates, and providing ongoing support as and when required
 - Provide easy access to educational and informational links for local business development and expansion
 - Run a Village-wide poll to determine the Business of the Year award
- ⇒ Love Telkwa:
 - Secure funding through Northern Development Initiative Trust (NDIT) for continued focus of new branding and business development, attraction, and promotion through the Love Telkwa initiative
- ⇒ Local Business Façade Program:
 - Secure funding from Northern Development Initiative Trust (NDIT) to continue with the Façade Improvement Program, provide information and eligibility requirements, and offer further intake to promote business improvement opportunities
- ⇒ Economic Development Services:
 - Submit a grant application for funding to Northern Development Initiative Trust (NDIT) for Economic Development Services (sought on an annual basis)
 - Liaise with Provincial/Regional Economic Operations Representatives to increase local and regional growth
 - Procure an Economic Development services provider
 - Investigate, pursue, promote, and support Economic Development opportunities
 - Develop an Economic Development Plan
- ⇒ Procure Grant Writing Services:
 - Submit a grant application for funding from Northern Development Initiative Trust to hire a Community Grant Writer
 - Assist local service clubs, community groups and societies with seeking out funding opportunities and applying for grant funding
- ⇒ Growth and Development:
 - Source funding and resources to encourage growth and development
 - Participate in the Regional Economic Development Working Group
- ⇒ Tourism and Marketing:
 - Undertake Business Walk of local downtown businesses

Planning for 2020

(In keeping with the Village of Telkwa Strategic Planning, Official Community Plan, and Integrated Community Sustainability Plan)

Administration

- ⇒ Records Management System:
 - Continue improvements to the records management system to improve efficiency, increase transparency and access to information and implement a more effective organization-wide records management and retention system
- ⇒ Policies, Procedures and Bylaw Updates:
 - Continue to review and update to ensure policies, procedures, and bylaws are current and in correlation with the Village of Telkwa Official Community Plan and the Integrated Community Sustainability Plan
- ⇒ Local Government Management Intern:
 - Interview and select a Local Government Intern for 2020. (Made possible through a grant secured through Northern Development Initiative Trust. Municipalities are eligible to apply for the grant every two years)

Sustainability

- ⇒ Floodplain Mitigation:
 - Secure funding for structural flood mitigation
 - Post Request for Proposals (RFP), select consultant and commence the Bulkley River Flood Protection Project
- ⇒ Water Conservation:
 - Continue education and promotion of the updated Water Conservation Plan Policy
 - Continue to enforce Water Use Restrictions as a means of conserving treated water in the Village
- ⇒ Northwest Regional Benefits Alliance Partnership Agreement:
 - Continue to pursue a regional revenue sharing agreement with the Province of British Columbia
 - Meet with Provincial representatives at UBCM
- ⇒ Investigate increased revenue opportunities
- ⇒ Prioritization of Asset Management Plan projects
- ⇒ Low-Income Housing:
 - Liaise with the Province of British Columbia (BC Housing), the Village of Telkwa and the Telkwa Seniors Housing Society on a housing project for construction of 12 new low-income housing units

Planning for 2020

(In keeping with the Village of Telkwa Strategic Planning, Official Community Plan, and Integrated Community Sustainability Plan)

Community

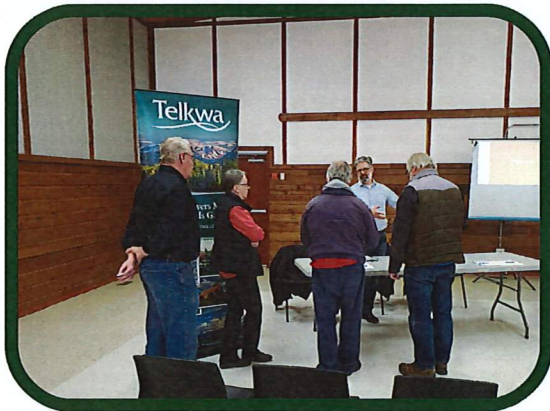
- ⇒ Communications:
 - Inform residents of public meetings, activities, events and projects, and encourage participation in the legislative process
 - Update the Village of Telkwa website
 - Increase use of social media, newsletters, and website
- ⇒ Community Recreation:
 - Obtain grant funding for additional recreational opportunities
 - Continue to increase programming
 - Pursue development of new or expanded recreational ideas
- ⇒ Telkwa BBQ Grounds and Parks:
 - Continue to increase use and events
- ⇒ Community Hall:
 - Continue to increase use of the Community Hall for community events and private rentals
- ⇒ Community Representation:
 - Council to attend Union of British Columbia Municipalities (UBCM) annual convention to meet with the Premier, Cabinet Ministers, Agencies, Commissions and Corporations to advocate for the interests of the Village of Telkwa
- ⇒ Collaborate with the following groups to strengthen relationships and explore mutually beneficial partnership opportunities:
 - Community groups
 - Neighbouring communities
 - Regional Districts
 - Electoral Areas
 - Local First Nations
- ⇒ Telkwa Reading Centre (“Reading Room”):
 - Assist with informing the public of the Reading Centre facility, activities and programs
- ⇒ Telkwa Elementary School:
 - Work together with teacher and students of the Grade 3/4 Class from Telkwa Elementary School on the creation of a Pollinator Garden outside of the Telkwa Reading Room (Reading Centre)

2019 Community Highlights

**Flood Mitigation
Open House**
February 12, 2019



**Asset Management
Town Hall**
April, 2019



2019 Community Highlights



Smithers Trade Expo
May 3-4, 2019



Water Week
May 5-11, 2019



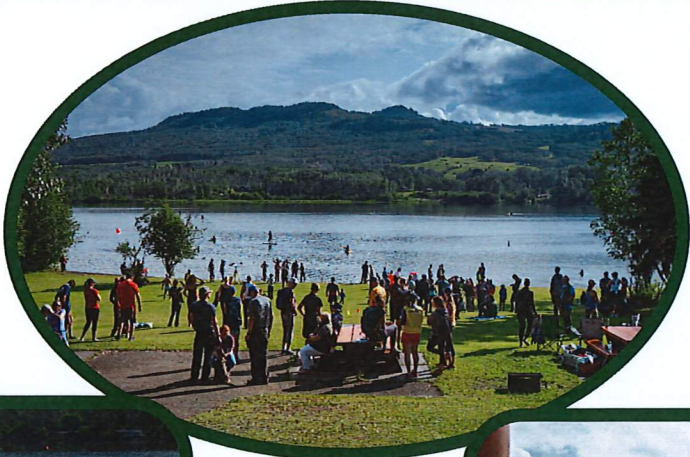
2019 Community Highlights



**LGMA
Centennial Tree
Planting**

Tyhee Lake Triathlon

July 14, 2019



2019 Community Highlights

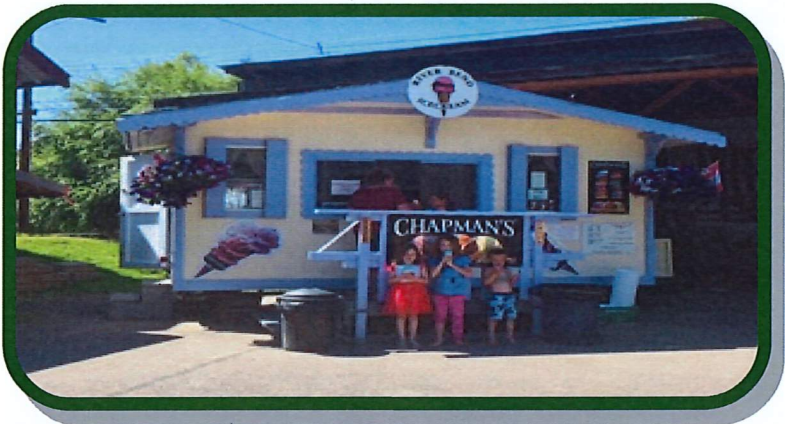


Canada Day Celebration

July 1, 2019



Summer 2019



2019 Community Highlights

**107th Annual Telkwa
BBQ and Demolition
Derby**

**Hosted by the BV
Kinsmen**

August 30th -September 1st,
2019



2019 Community Highlights



Apple Festival September 14-22, 2019

Marty Clemens Photography 2019



Telkwa Reading Centre's Centennial Celebrations September 14, 2019

Photos: Jeannette Dash

2019 Community Highlights



Halloween Fireworks
Hosted by Telkwa Volunteer
Fire Department
October 31, 2019



Photo: Sonja Dekker

Remembrance Day at the Senior's
Centre Community Park



Triple Ventures wins the Telkwa
Business Leadership Award
November 2019

On behalf of Mayor Brad Layton, Chamber President Greg Wacholtz presented the Telkwa Business Leadership Award to Triple Ventures.

2019 Community Highlights



In Augural Meeting of Council

December 10, 2019
(following fall by-election)

Left to Right: (Back) Councillor Leroy Dekens, Councillor Rick Fuerst (Front) Councillor Annette Morgan, Mayor Brad Layton, Councillor Derek Meerdink

Love Telkwa Winter Light-Up November 29, 2019



Fire Chief's Report

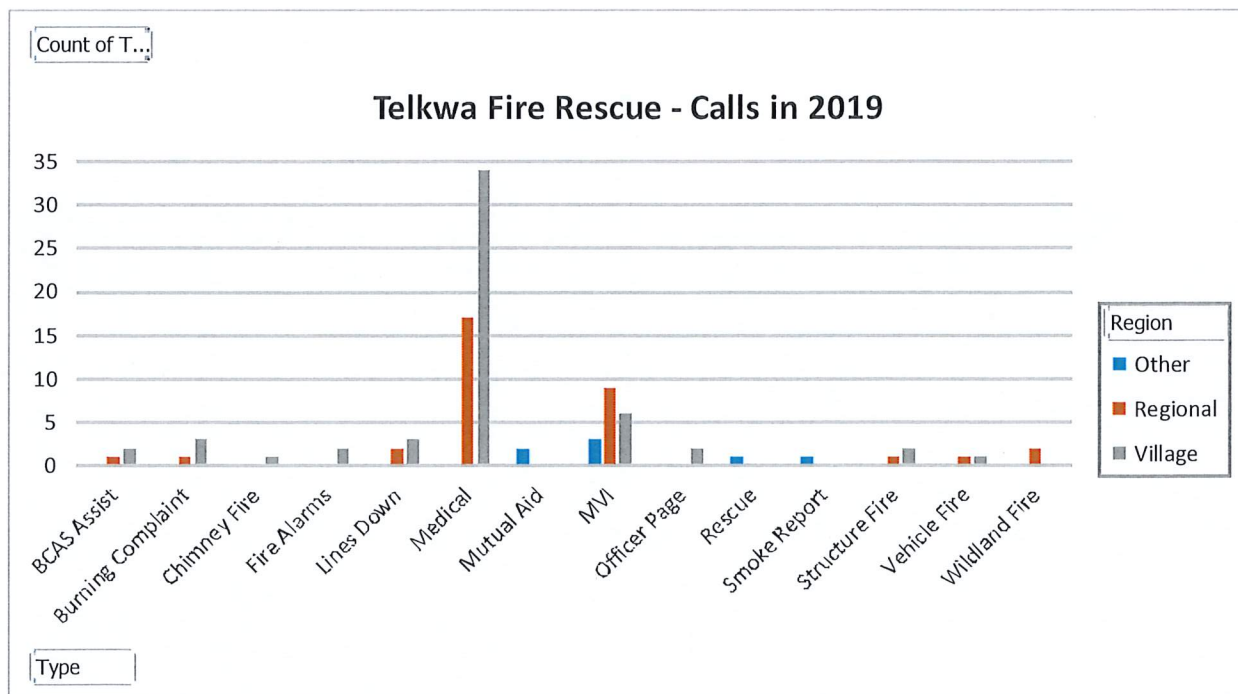
Telkwa Fire Rescue is responsible for providing medical First Responder, structural and wild-land fire-fighting; Swiftwater, ice and road rescue services. We also provide public safety and fire investigation services for the Village of Telkwa and within portions of Area A of the Regional District. As members of the community, the volunteers are a dedicated group spending hundreds of hours training year-round to ensure their skills are maintained, allowing them to provide these services to help the community.

During 2019 there were 25 active members in Telkwa Fire Rescue, responding to a total of 97 calls, with members logging a total of 1055 hours on those calls (Table 1). The majority (58%) of our calls were within the Village, with about 1/3 of the calls within the Regional District. We had six new members join in 2019, with three members resigning from the Department. Randy Cunningham, who had been with the department since 1993, resigned in June; while John Sutherland, who joined in January 2006, left in September. Both of these members provided valuable leadership and dedication to the department and we thank them for their long-term service to the community.

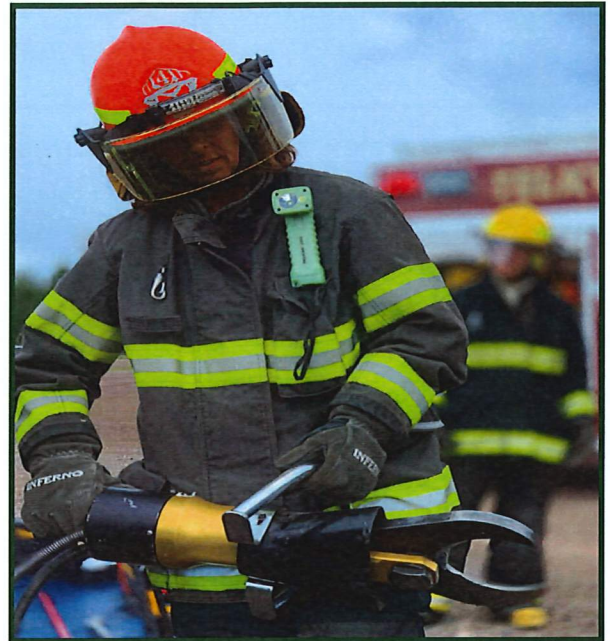
Table 1. Number of calls and person hours in 2019.	
	2019
Number of Calls	97
Person Hours	1055
# Calls in Village	56
# Calls in Region	33
# Calls in Other	7

Figure 1 outlines the types of calls responded to in 2019, with medical calls being the most common, followed by MVIs (Motor Vehicle Incidents). A total of 8 calls were related to fires and we assisted Smithers Fire Rescue twice in 2019, while they assisted us in two structure fire calls.

Figure 1. Number and types of calls responded in 2019.



Fire Chief's Report



Photos: Adam Ethier

Bylaw Officer's Report

The Bylaw Officer is charged with responding to complaints and concerns regarding bylaws, and enforcing bylaws and regulations with the Village limits.

In 2019, 51 complaints and infractions were responded to and dealt with, as follows:

- 39 - Dog Complaints
- 2 - Noise Complaints
- 2 - Traffic/Vehicle Infractions
- 1 - Unsightly Premises
- 6 - Other

Most incidents were easily resolved with conversation, more serious matters sometimes required a written response. A few matters were forwarded to the RCMP.

Sincerely, Jason Fennema



Village of Telkwa
Dog of the Year
Contest 2019

Jen Bruns with 2019 winner Lupine

Finance Department Report

The Finance Department is responsible for monitoring the financial system in order to ensure that municipal finances are maintained in an accurate and timely manner. The Department manages financial policies, investment strategies, and prepares a variety of financial reports for Council, other municipal departments and related agencies. The Finance Department must work within the *Financial Management Act*, municipal policies and procedures, and be in compliance with legislation.

2020 Objectives:

- Present 2020-2024 Financial Plan including Five Year Capital Plan and 2020 Special Projects Plan to Council
- Monthly Financial Reports to Department Heads
- Financial Reports to Council
- 2020 Property Tax Rates and 2020 Tax Notice Preparations
- Ongoing Bylaw Preparation as required
- Ongoing Grant reporting and Grant Claims as required
- Continued pursuit of funding mechanisms through grant and partnership opportunities



Marty Clemens Photography

2019 Budget Summary

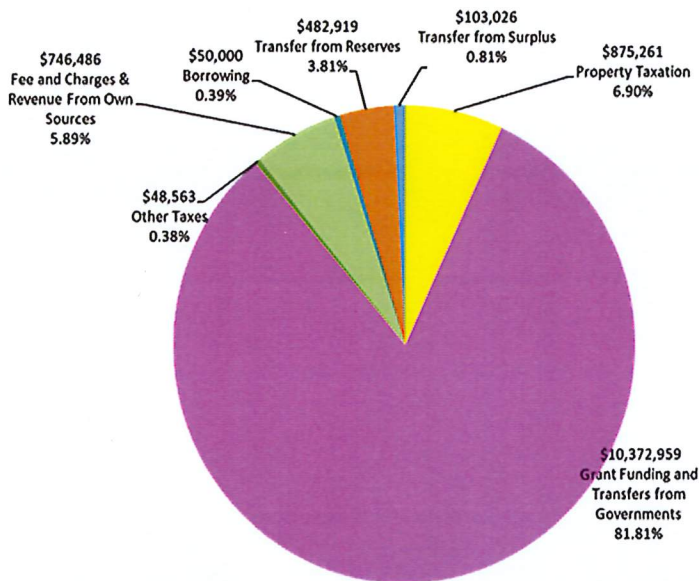
VILLAGE OF TELKWA

2019 BUDGET SUMMARY

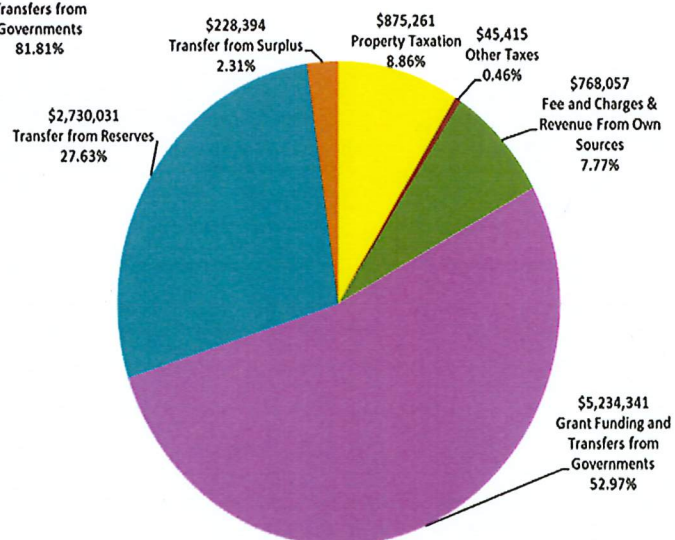
The Village of Telkwa is required to prepare an annual budget each year which reflects the operational and capital projects anticipated for the year. In order to complete projects, Council determines priorities, allocates existing funding, and seeks potential grant opportunities to augment current funds. In order to keep the municipal tax mill rates low, the Village depends on grants from the Federal and/or Provincial governments to assist with additional project financing. Projects that do not receive grant funding may be deferred. For a detailed look at the 5-Year Financial Plan, go to www.telkwa.ca.

2019 Budgets compared to 2020 Budgets

2019 Budget

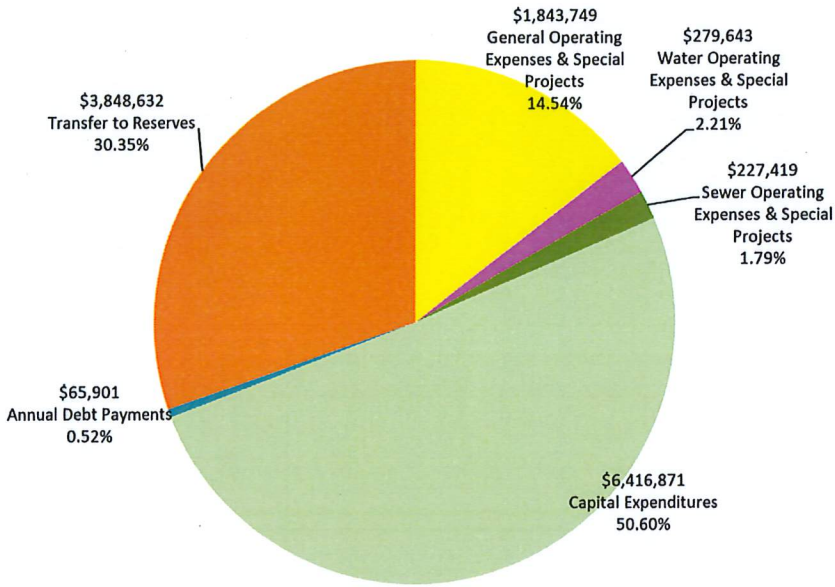


2020 Budget



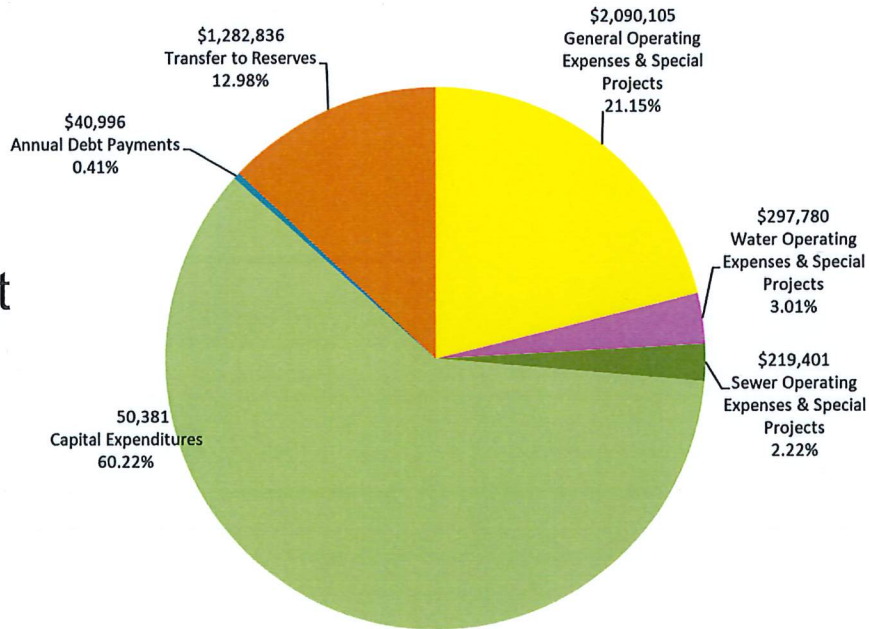
2019 Budget Summary (continued)

Consolidated Expenses (all Funds)



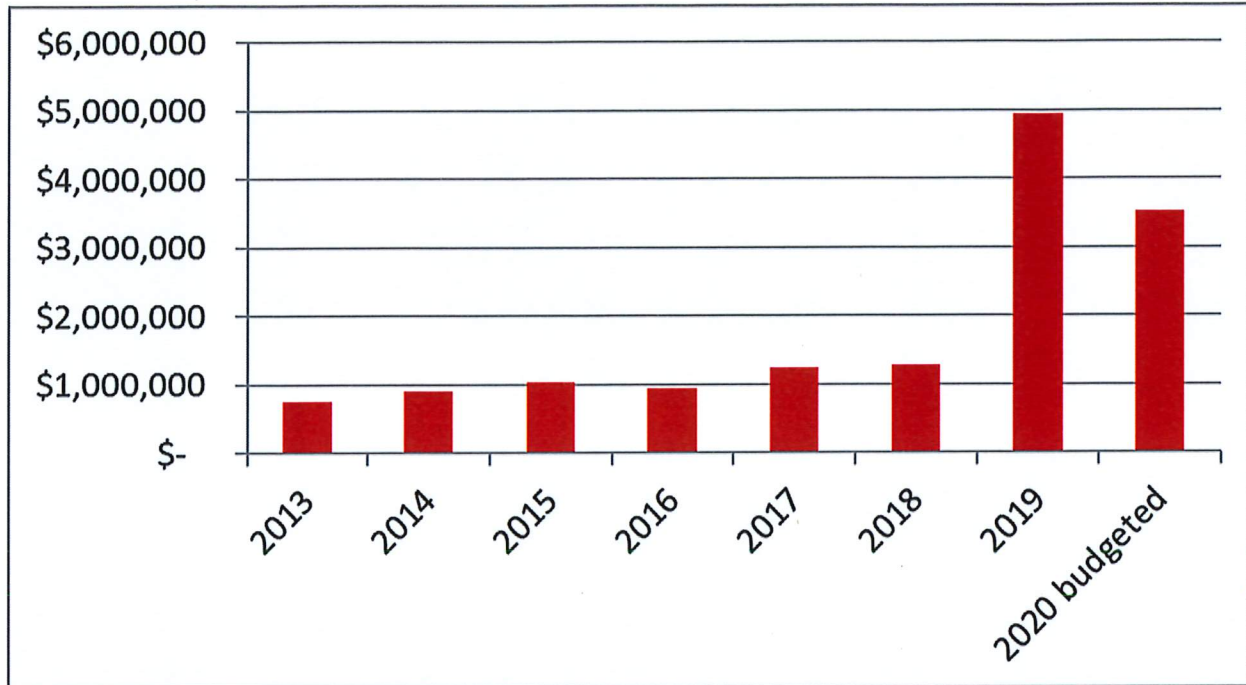
2019 Budget

2020 Budget



2019 Budget Summary (continued)

Village of Telkwa Reserves



Municipal Property Taxation Rates

(all municipal tax rates combined)

Property Class	2018 Tax Rates (per 1,000 assessment)	2019 Tax Rates (per 1,000 assessment)	2020 Tax Rates (per 1,000 assessment)
Residential (1)	5.9556	5.8881	5.18574
Utilities (2)	30.25	30.14	30.1055
Light Industry (5)	18.25	18.06	19.98845
Business & Other (6)	12.64	12.07	12.04605
Farm (9)	0.65	0.61	0.40136

Property Tax Exemptions

2019 Statement of Property Tax Exemptions

In accordance with Section 224 and 227 (1) of the Community Charter, the Village of Telkwa adopted 2019 Property Tax Exemption Bylaw No 688, 2018. This Bylaw provided Property Tax Exemptions to the following properties in 2019:

Legal Description Civic Address	Organization	Property Roll Number & assessment class	Value of 2019 Permissive Exemptions
Lot 26-30 Block 13 Plan 817, Section 35 Land District 14 1621 Highway 16	Telkwa Museum Society St. Stephen's Church	Roll: 121801 CI 6	Total: \$ 2,047 Telkwa: \$ 1,148
Lot 9 Plan PRP14038 Section 34 1170 Highway 16	Faith Reform Church	Roll: 127100 CI 8	Total: \$16,248 Telkwa: \$ 8,368
Lot 14 Plan 3212 Block 817 Section 35 Land District 14 1348 Highway 16	Christian Reform Church	Roll: 143020 CI 8	Total: \$ 7,066 Telkwa: \$ 3,642
Lot A Plan 12145 Section 35 Land District 14 1620 Highway 16	Telkwa Museum Society	Roll: 121801 CI 6 and CI 8	Total: \$ 1,151 Telkwa: \$ 626
Lot 32 Plan 1322 Section 35 District 14 1388 Birch Street	Telkwa & District Senior's Citizen's Society	Roll: 288001 CI 6	Total: \$ 2,844 Telkwa: \$ 1,594
Lot 415 Lease #3047049 Boardwalk Licence #198141	Village of Telkwa	Roll: 405000 CI 6	Total: \$ 373 Telkwa: \$ 210
Lot 1 Plan 9594 Section 35 Land District 14 Except EPP7701 Lot A	Telkwa Seniors Housing Society	Roll: 121910 CI 1	Total: \$ 928 Telkwa: \$ 522

Property Tax Exemptions

Council Disqualifications and Remuneration

THE CORPORATION OF THE VILLAGE OF TELKWA

Declaration of Disqualifications

In accordance with Part 4 Division 5 of the *Community Charter*, the Village of Telkwa must include in the Annual Report any Declarations of Disqualification made against individual Council members in the previous year.

There were no Declarations of Disqualifications to report in 2019 for Council of the Corporation of the Village of Telkwa.

Remuneration

THE CORPORATION OF THE VILLAGE OF TELKWA

Council Remuneration 2019

Name	Position	Stipend	Expenses
Layton, Bradley	Mayor	\$11,092	\$ 4,505
Fuerst, Richard	Deputy Mayor	\$ 7,394	\$ 1,340
Dekens, Leroy	Councillor	\$ 6,162	\$ 2,577
Monkman, Matthew	Councillor	\$ 4,622	\$ 0
Morgan, Annette	Councillor	\$ 6,162	\$ 6,455
TOTALS		<u>\$35,432</u>	<u>\$14,877</u>

VILLAGE OF TELKWA

Financial Statements

December 31, 2019

VILLAGE OF TELKWA

Financial Statements

December 31, 2019

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AUDITOR'S REPORT

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Page 3	Consolidated Statement of Cash Flows
Page 4	Consolidated Statement of Net Financial Assets

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Statements and Schedules to Consolidated Financial Statements

SCHEDULE A Schedule of Changes in Tangible Capital Assets and Accumulated Amortization

SCHEDULE B Statement of Operations - by Segment

SCHEDULE C Schedule of Taxation, Service Charges and User Fees

Supplementary Information

SCHEDULE D Statement of Financial Position - by Fund

SCHEDULE E Statement of Operations - by Fund

SCHEDULE F Statement of Changes in Equity in Tangible Capital Assets

SCHEDULE G Statement of Changes in Capital Reserve Funds

SCHEDULE H Statement of Changes in Northern Capital and Planning Reserve

EDMISON MEHR
CHARTERED PROFESSIONAL ACCOUNTANTS

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JEANNE M. MACNEIL, B.Comm, CPA, CA

INDEPENDENT AUDITOR'S REPORT

To the Councillors of
Village of Telkwa
Telkwa, BC

Opinion

We have audited the accompanying financial statements of the Village of Telkwa, which comprise the Consolidated Statement of Financial Position as at December 31, 2019, and the Consolidated Statements of Operations, Cash Flows, and Net Financial Assets for the year then ended, and a summary of significant accounting policies and other explanatory information. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Village of Telkwa 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.

Emphasis of Matter

Without modifying our conclusions, we draw attention to Note 16 to the financial statements, which describes the situation in the context of Covid-19 global pandemic declared by the World Health Organization.

Responsibilities of Management and Those Charged with Governance for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Village of Telkwa'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 Village or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Village of Telkwa's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

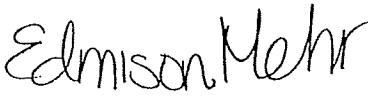
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian auditing standards, we exercise professional judgement and maintain professional skepticism through 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 controls.
- 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 purposes of expressing an opinion on the effectiveness of the Village of Telkwa'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 Village of Telkwa's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Village of Telkwa to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Smithers, BC
June 9, 2020


Edmison Mehr

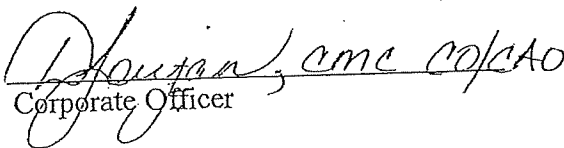
VILLAGE OF TELKWA

**Consolidated Statement of Financial Position
December 31, 2019**

	<u>2019</u>	<u>2018</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents, note 2	\$ 2,470,135	1,877,654
Investments, note 2	3,876,738	270,020
Taxes Receivable, note 3	60,396	88,976
Accounts Receivable, note 4	920,299	651,891
Due from Federal Government - GST	109,342	83,662
Investment in Community Forest, note 13	<u>1</u>	<u>1</u>
	<u>7,436,911</u>	<u>2,972,204</u>
 LIABILITIES		
Accounts Payable and Accrued Liabilities, note 5	801,083	348,772
Deferred Revenue, note 6	611,890	619,394
MFA Equipment Loan, note 7	38,762	105,187
	<u>1,451,735</u>	<u>1,073,353</u>
Contingent Liabilities, note 11		
Subsequent events, note 16		
 NET FINANCIAL ASSETS	<u>5,985,176</u>	<u>1,898,851</u>
 NON FINANCIAL ASSETS		
Inventory, note 8	8,804	8,466
Prepaid expenses	23,174	22,926
Tangible Capital Assets (Schedule A), note 9	<u>14,725,661</u>	<u>11,801,419</u>
	<u>14,757,639</u>	<u>11,832,811</u>
 ACCUMULATED SURPLUS, note 10	<u>\$ 20,742,815</u>	<u>13,731,662</u>



Mayor



Corporate Officer

VILLAGE OF TELKWA
Consolidated Statement of Operations
For the Year Ended December 31, 2019

	<u>2019</u> <u>Actual</u>	<u>2019</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>
REVENUE			
Taxation (Schedule C)	\$ 928,721	923,824	865,884
Service charges/user fees (Schedule C)	719,461	723,986	726,249
Unconditional transfers - Province of BC	448,797	429,244	429,244
Conditional transfers - Federal Government	3,160,337	5,832,821	-
Conditional transfers - Provincial Government	3,709,787	3,791,637	554,264
Conditional transfers - Regional District	185,144	136,916	159,745
Grants - other	145,640	57,150	74,157
Other income	5,000	5,000	5,000
Investment interest	59,992	-	4,334
Wetzin'Kwa Community Forest grant	40,000	20,000	35,000
Gas tax agreement, note 12	227,239	461,948	96,619
	<u>9,630,118</u>	<u>12,382,526</u>	<u>2,950,496</u>
EXPENDITURES			
General Government Services	748,633	710,000	697,608
Protective Services	347,651	258,346	394,176
Transportation Services	520,308	571,553	645,870
Environmental Health	55,752	125,926	102,689
Development	98,238	97,928	45,478
Recreation and Cultural Services	138,671	149,519	201,495
Utility Services (Water, Sewer)	709,712	452,062	592,139
	<u>2,618,965</u>	<u>2,365,334</u>	<u>2,679,455</u>
ANNUAL SURPLUS	<u>7,011,153</u>	<u>10,017,192</u>	<u>271,041</u>
Accumulated Surplus Balances, beginning of year	<u>13,731,662</u>	<u>13,731,662</u>	<u>13,460,621</u>
Accumulated Surplus Balances, end of year	<u>\$ 20,742,815</u>	<u>23,748,854</u>	<u>13,731,662</u>

VILLAGE OF TELKWA
Consolidated Statement of Cash Flows
December 31, 2019

	<u>2019</u>	<u>2018</u>
Cash provided by (used for):		
OPERATIONS		
Annual Surplus	\$ 7,011,153	271,041
Non Cash Items included in Annual Surplus		
Amortization	547,219	487,669
 Changes in Non-Cash Operating Items		
Decrease in Taxes Receivable	28,580	26,332
(Increase) in Accounts Receivable	(268,408)	(180,702)
(Increase) in Due from Federal Government - GST	(25,680)	(21,358)
Increase in Accounts Payable	452,311	19,365
(Decrease) in Deferred Revenue	(7,504)	(151,239)
(Increase) decrease in inventory	(338)	373
(Increase) in prepaid expenses	(248)	(3,885)
	<u>7,737,085</u>	<u>447,596</u>
 CAPITAL		
Acquisition of tangible capital assets	<u>(3,471,461)</u>	<u>(504,333)</u>
 INVESTING	<u>-</u>	<u>-</u>
 FINANCING		
MFA equipment loan principle repayments	<u>(66,425)</u>	<u>(62,779)</u>
 Increase (decrease) in Cash and Investments	4,199,199	(119,516)
Cash and Investments, Beginning of Year	<u>2,147,674</u>	<u>2,267,190</u>
 Cash and Investments, End of Year	<u>\$ 6,346,873</u>	<u>2,147,674</u>
 Cash and Investments is composed of:		
Cash and cash equivalents	\$ 2,470,135	1,877,654
Investments	3,876,738	270,020
	<u>\$ 6,346,873</u>	<u>2,147,674</u>
 Additional Information		
Debt Interest Payments	<u>\$ 1,034</u>	<u>3,136</u>

VILLAGE OF TELKWA

Consolidated Statement of Net Financial Assets

For the Year Ended December 31, 2019

	<u>2019</u>	<u>2019</u>	<u>2018</u>
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Annual Income (Deficit)	\$ 7,011,153	10,017,192	271,041
Acquisition of tangible capital assets	(3,471,461)	(6,398,371)	(504,333)
Amortization of tangible capital assets	547,219	-	487,669
(Gain) loss on disposal of tangible capital assets	-	-	-
Proceeds on sale of tangible capital assets	-	-	-
	<u>4,086,911</u>	<u>3,618,821</u>	<u>254,377</u>
Net change in prepaid expenses	(338)	-	(3,885)
Net change in inventory of supplies	(248)	-	373
	<u>(586)</u>	<u>-</u>	<u>(3,512)</u>
Change in Net Financial Assets (Net Debt)	4,086,325	3,618,821	250,865
Net Financial Assets, beginning of year	<u>1,898,851</u>	<u>1,898,851</u>	<u>1,647,986</u>
Net Financial Assets, end of year	\$ <u>5,985,176</u>	<u>5,517,672</u>	<u>1,898,851</u>

VILLAGE OF TELKWA

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

GENERAL

The Village of Telkwa was incorporated as a municipality in 1952 under the Municipal Act, a Statute of the Province of British Columbia. The principal activities of the Village include the provision of local government services to the residents of the incorporated area. These services include administrative, protective, transportation, recreation, economic development, water, sewer, and fiscal services.

1. SIGNIFICANT ACCOUNTING POLICIES:

The consolidated financial statements of the Village of Telkwa are prepared in accordance with the Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants.

(a) Principals of consolidation:

The consolidated financial statements reflect the combined results and activities of the Village of Telkwa. The statements exclude trust assets that are administered by the Village for the benefit of external parties. Interfund transactions have been eliminated on consolidation.

(b) Fund accounting:

The resources and operations of the Village have been segregated for accounting and financial reporting purposes into the following funds.

Operating Funds: Operating funds report the General, Water, and Sewer operations

Capital Funds: Capital funds report the acquisition and disposal of property and equipment and their related financing.

Statutory Reserve Funds: Statutory Reserve funds report the assets held for specific future requirements, which are subject to special restrictions.

(c) Cash and Cash Equivalents

Cash consists of cash and cash equivalents that are defined as highly liquid investments of three months or less at the acquisition date.

(d) Investments

Investments are held at the Municipal Finance Authority of British Columbia in a money market fund. Cost approximates fair market for this investment.

(e) Inventory

Inventory is composed of supply inventories. Inventory is valued using the average cost method and is valued at the lower of average cost and net realizable value.

VILLAGE OF TELKWA

**Notes to Consolidated Financial Statements
For the Year Ended December 31, 2019**

1. SIGNIFICANT ACCOUNTING POLICIES (CON'T)

(f) Tangible Capital assets:

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

Major Asset Category	Useful Life Range
Land	Unlimited
Buildings	15 to 50 years
Machinery & Equipment, Vehicles	5 to 20 years
Office Equipment and Computers	5 to 10 years
Engineering Structures (Roads, Streets, Parks)	10 to 75 years
Utility Systems (Water, Sewer, Storm)	20 to 100 years
Work in progress	Not amortized until complete

(g) Financial Instruments

Measurement of financial instruments

The Village initially measures its financial assets and financial liabilities at fair value.

The Village subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and cash equivalents, taxes receivable, accounts receivable, GST receivable, and investment in Community Forest.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, deferred revenue, and MFA equipment loan.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs

The Village recognizes its transaction costs in net income in the period incurred. However, the carrying amount of the financial instruments that will not be subsequently measured at fair value is reflected in the transaction costs that are directly attributable to their origination, issuance, or assumption.

VILLAGE OF TELKWA

Notes to Consolidated Financial Statements For the Year Ended December 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES . . . (CON'T):

(h) Accounts Payable and accrued liabilities

Accrued payroll benefits include an estimated value for accrued sick pay that could be paid out over the next few years to employees, in accordance with the provisions of the CUPE Union agreement.

(i) Revenue Recognition:

The Village of Telkwa follows the restricted contribution method for recording revenues. Restricted contributions related to general operations are recognized as revenue in the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Taxation revenue is recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fee revenues are recognized when the service or product is rendered by the Village.

(j) Expenditure Recognition:

Operating and capital expenditures are recognized on the accrual basis in the period when goods or services have been received. Interest expense is accrued on long-term debt to year-end.

(k) Government Transfers:

Government transfers are recognized as revenues or expenditures in the period that the events giving rise to the transfer occur. Transfers to other agencies are granted only in return for services provided to the community.

Entitlement transfers are received from the provincial and federal governments according to prescribed legislation and/or regulations. These include the provincial equalization grant and provincial utility debt-sharing payments.

(l) Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, and the reported revenue and expenditures during the reporting period. Significant areas requiring the use of management estimates relate to the determination of employee benefit plans, allowance for doubtful accounts receivable, provision for contingencies and prior years tangible capital asset historical costs and related amortization. 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 in the period of settlement if the amount is different.

VILLAGE OF TELKWA

Notes to Consolidated Financial Statements
For the Year Ended December 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES . . . (CON'T):

(m) Budget Presentation:

Budget amounts are from the Village's Five Year Financial Plan for the years 2019 - 2023, adopted by Council in May 2019 with minor subsequent reallocations and reclassifications to conform to financial statement presentation (see Note 15)

(n) Segmented Information

The Village of Telkwa is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed. The nature of the segments and the activities they encompass are as follows, and quantitative data on these segments can be found in Schedule B.

General Government: This segment includes the revenue and expenses associated with Legislative (Council), Administration, Finance, Information Technology and the Municipal Building services. It also included the Election costs (in an election year).

Protective Services: This segment includes the revenue and expenses associated with the fire department, bylaw enforcement/animal control and building inspection services.

Transportation: This segment includes the revenue and expenses associated with Works Yard costs, vandalism, and all operating costs associated with all Roads and Streets (snow removal, sanding, street lighting, dust control, line marking, sidewalk maintenance, boulevard work, street sweeping and drainage ditches).

Solid Waste Management/Recycling: This segment includes the revenue and expenses associated with garbage (solid waste).

Economic Development: This segment includes the revenue and expenses associated with Engineering, Planning, Economic Development and Tourism services.

Recreation and Culture: This segment includes the revenue and expenses associated with Arenas, Parks, and Playgrounds, Recreation programs and cultural facilities services.

Utilities: This segment includes the revenue and expenses associated with providing water, sewer and storm sewer services.

VILLAGE OF TELKWA

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES . . . (CON'T):

(o) Comparative Figures:

Certain comparative figures have been reclassified to conform to the presentation adopted for the current year.

(p) Financial Assets and Liabilities

The municipality is not subject to significant risk from market, foreign currency, or price rate risk. The significant financial risks to which the Municipality is exposed include the following:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Municipality to a concentration of credit risk consist primarily of cash, investments and accounts receivable. The Municipality limits its exposure to credit loss by placing its cash with major Canadian financial institutions. The Municipality's maximum exposure to credit risk for cash, investments and accounts receivable are the amounts disclosed in the statement of financial position. Management believes that the credit risk concentration with respect to financial instruments included in cash, investments, and receivables is minimal.

Fair value

The Municipality estimates the fair value of its financial instruments based on current interest rates, market value and pricing of financial instruments with comparable terms. Unless otherwise indicated, the carrying value of these financial instruments approximates their fair market value because of the near maturity of those instruments.

Liquidity Risk

Liquidity risk is the risk that the Municipality will not be able to meet its financial obligations as they fall due. The Municipality's approach to managing liquidity is to evaluate current and expected liquidity requirements under both normal and stressed conditions to ensure that it maintains sufficient reserves of cash or have an available credit facility to meet its liquidity requirements in the short and long term.

As at December 31, 2019, the Municipality has unrestricted cash of \$1,951,411 (December 31, 2018 - \$1,419,183) to settle current liabilities of \$1,451,735 (December 31, 2018 - \$1,073,353). The Municipality would cover any possible shortfall with receivables and investments.

VILLAGE OF TELKWA

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES(CON'T):

(q) Financial Assets and Liabilities

Interest Rate Risk

The Municipality is exposed to interest rate risk to the extent that the cash and term deposits maintained at the financial institutions is subject to a floating rate of interest. The interest rate risk on cash and term deposits is not considered significant. Fixed-interest instruments subject the municipality to a fair value risk while the floating rate instruments subject it to a cash flow risk.

2. CASH AND INVESTMENTS

	<u>2019</u>	<u>2018</u>
Unrestricted cash	\$ 1,951,411	1,419,183
Restricted cash, Schedule G	<u>518,724</u>	<u>458,471</u>
	<u>2,470,135</u>	<u>1,877,654</u>
Restricted investments		
Money Market Fund within the Municipal Finance Authority		
Pooled Investment program	271,990	267,020
BVCU term deposit, interest 1.65%(2018 -1.2%), matures June 15/20	1,500	1,500
BVCU term deposit, interest 1.45%(2018 -1.2%), matures August 9/20	1,517	1,500
Alterna Credit Union GIC, interest 2.6%, matures November 16/20	<u>3,601,731</u>	<u>-</u>
	<u>3,876,738</u>	<u>270,020</u>
	<u>\$ 6,346,873</u>	<u>2,147,674</u>

3. TAXES RECEIVABLE

	<u>2019</u>	<u>2018</u>
Property taxes receivable - current	\$ 51,054	65,474
Property taxes receivable - arrears	8,142	23,502
Property taxes receivable - delinquent	<u>1,200</u>	<u>-</u>
	<u>\$ 60,396</u>	<u>88,976</u>

4. ACCOUNTS RECEIVABLE

	<u>2019</u>	<u>2018</u>
Trade and accrued receivables	\$ 918,759	608,563
Home owner grant receivable	1,540	43,328
	<u>920,299</u>	<u>651,891</u>

VILLAGE OF TELKWA

**Notes to Consolidated Financial Statements
For the Year Ended December 31, 2019**

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2019</u>	<u>2018</u>
Trade payables and accrued liabilities	\$ 153,903	65,052
Holdbacks payable	404,014	28,935
Payroll payable and accrued payroll benefits	143,132	136,635
Deposit - election	100	300
Deposits - rentals	4,388	4,388
Deposits - tender	-	16,985
Due to other governments	13,340	15,736
	<u>718,877</u>	<u>268,031</u>
Due to statutory trusts	82,206	80,741
	<u>\$ 801,083</u>	<u>348,772</u>

6. DEFERRED REVENUE

	<u>2019</u>	<u>2018</u>
BC Alliance for Healthy Living Society (trail)	\$ 3,629	3,629
Donations - Woodland shed	3,000	-
Flood Mitigation Funding Grant	-	55,309
Gas tax Community Works Grant	551,996	545,318
Housing Needs Study Grant	5,263	-
Real Estate Foundation Grant	25,487	-
Prepaid property taxes	22,515	15,138
	<u>\$ 611,890</u>	<u>619,394</u>

7. MFA EQUIPMENT LOAN

	<u>2019</u>	<u>2018</u>
MFA equipment loan, repayable in payments of \$5,493 per month including interest at 2.72%, due July 31, 2020, and secured by equipment with NBV \$149,401 (fire truck)	\$ <u>38,762</u>	<u>105,187</u>

Payments for the next five years as follows:

	Principle	Interest	Payment
2020	\$ 38,762	182	<u>38,944</u>

VILLAGE OF TELKWA

Notes to Consolidated Financial Statements
For the Year Ended December 31, 2019

8. INVENTORY

	<u>2019</u>	<u>2018</u>
Garbage bins	\$ 8,466	8,466
Gravel	338	-
	<u>\$ 8,804</u>	<u>8,466</u>

9. TANGIBLE CAPITAL ASSETS (Schedule A)

	<u>2019</u>	<u>2018</u>
Land	\$ 259,687	259,687
Buildings	1,409,415	1,413,034
Machinery and equipment, vehicles	484,847	542,222
Office equipment and computers	5,189	10,967
Engineered structures	1,693,592	1,761,354
Utilities	10,866,540	7,367,939
Utilities - Work in progress	6,391	446,216
	<u>\$ 14,725,661</u>	<u>11,801,419</u>

Tangible capital assets are recorded net of accumulated amortization at net book value.

10. ACCUMULATED SURPLUS

	<u>2019</u>	<u>2018</u>
Operating Funds (Schedule D)	\$ 1,663,471	1,309,939
Capital Funds		
Capital Reserves (Schedule G)	4,392,445	725,491
Equity in tangible capital assets (Schedule F)	14,686,899	11,696,232
	<u>\$ 20,742,815</u>	<u>13,731,662</u>

Equity in Tangible Capital Assets represents the net book value of total Tangible Capital Assets less any long-term debt obligations required to obtain those assets.

VILLAGE OF TELKWA

Notes to Consolidated Financial Statements For the Year Ended December 31, 2019

11. CONTINGENT LIABILITIES:

(a) **Bulkley Nechako Regional District:**

The Village, as a member of the Bulkley Nechako Regional District, is jointly and severally liable for the net capital liabilities of the Regional District.

(b) **Reciprocal Insurance Exchange Agreement:**

The Village is a subscribed member of the Municipal Insurance Association of British Columbia (The "Exchange") as provided by Section 3.02 of the Insurance Act of the Province of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any Subscriber. Under the Reciprocal Insurance Exchange Agreements, The Village is assessed a premium and specific deductible for its claims based on population. The obligation of the Village with respect to the Exchange and/or contracts and obligations entered into by the Exchange on behalf of its Subscribers in connection with the Exchange are in every case several, and not joint and several. The Village irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other Subscribers against liability losses and costs which the other Subscriber may suffer.

(c) **Contaminated Sites Accounting**

Effective April 1, 2014, Canadian municipalities are required under PSAB 3260 to account for contaminated site liabilities that exist on municipal owned lands. The District has not identified any significant contaminated site liability on its lands.

VILLAGE OF TELKWA

Notes to Consolidated Financial Statements
For the Year Ended December 31, 2019

11. CONTINGENT LIABILITIES CONTINUED:

(d) Pension liability:

The municipality and its employees contribute to the Municipal Pension 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 are based on a formula. As at December 31, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 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 actuarial valuation for the Municipal Pension Plan as of December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Village of Telkwa paid \$41,157 for employer contributions to the Plan in fiscal 2019 (2018 - \$41,109), while employees contributed \$45,655 for employee contributions to the Plan in fiscal 2019 (2018 - \$45,889).

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

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

(e) Municipal Finance Authority:

The loan agreements with the Municipal Finance Authority provide that if the Authority does not have sufficient funds to meet payments on its obligations, it shall make payments from the Debt Reserve Fund which is established by a similar Debt Reserve Fund in the Municipality and all other borrowing participants. If the Debt reserve fund is deficient, the Authority's obligations become a liability of the Regional District and may become a liability of the participating municipalities.

VILLAGE OF TELKWA

Notes to Consolidated Financial Statements For the Year Ended December 31, 2019

12. GAS TAX AGREEMENT

The Government of Canada provides the Gas Tax Agreement funding. The use of funding is established by a funding agreement between the local government and the Union of British Columbia Municipalities. Gas Tax Agreement funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreement.

	<u>2019</u>	<u>2018</u>
Balance carried forward	\$ 545,318	518,604
Funding received	225,758	114,776
Interest earned	8,158	8,557
	<u>233,916</u>	<u>123,333</u>
Gas Tax Spent:		
Bartlett Dike	-	(31,793)
Community hall insulation	-	(15,000)
Scada sewer equipment	(13,075)	-
Soccer field	(7,716)	(11,767)
Trobak water treatment plant engineering	(206,448)	-
Water treatment chlorinator	-	(38,059)
	<u>(227,239)</u>	<u>(96,619)</u>
Balance in deferred revenue	<u>\$ 551,995</u>	<u>545,318</u>

13. INVESTMENT IN COMMUNITY FOREST

Pursuant to Section 185 of the Community Charter, the Village of Telkwa and the Town of Smithers were given approval by the BC Inspector of Municipalities in 2007 to form two corporations: Wetzin'Kwa Management Services Ltd. and Wetzin'Kwa Community Forest Corporation. The sole shareholders of Wetzin'Kwa Management Services Ltd. are the Village of Telkwa and the Town of Smithers, at 100 shares valued at \$1. Wetzin'Kwa Management Services Ltd. is the sole shareholder to the Wetzin'Kwa Community Forest Corporation. The Village of Telkwa's investment of \$1 is recorded at cost.

VILLAGE OF TELKWA

**Notes to Consolidated Financial Statements
For the Year Ended December 31, 2019**

14. TRUST FUNDS

The Village administers the following funds with these changes in fund balances.

	<u>Park Revenue</u>	<u>Cemetery Trust</u>	<u>DCC</u>	<u>Tax Sale</u>	<u>Total 2019</u>	<u>Total 2018</u>
Trust Funds beginning of year	\$ 22,910	63,271	74,409	-	160,590	157,901
Source of Funds						
Cemetery Plots	-	1,465	-	-	1,465	1,392
Interest	<u>212</u>	<u>585</u>	<u>689</u>	<u>-</u>	<u>1,486</u>	<u>1,297</u>
Balance, end of year	<u>\$ 23,122</u>	<u>65,321</u>	<u>75,098</u>	<u>-</u>	<u>163,541</u>	<u>160,590</u>
Balance Represented by						
Due from general	\$ 95	16,071	66,040	-	82,206	80,741
MFA Deposits	<u>23,027</u>	<u>49,250</u>	<u>9,058</u>	<u>-</u>	<u>81,335</u>	<u>79,849</u>
	<u>\$ 23,122</u>	<u>65,321</u>	<u>75,098</u>	<u>-</u>	<u>163,541</u>	<u>160,590</u>

VILLAGE OF TELKWA
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2019

15. COMPLIANCE WITH LEGISLATIVE FINANCIAL PLAN REQUIREMENTS

The legislative requirements for the Financial Plan are that cash inflows for the period must equal cash outflows.

Cash inflows and outflows include such items as: debt proceeds, transfers to and from reserves and surplus, debt principal repayment and asset sale proceeds. These items are not recognized as revenues and expenses in the Consolidated Statement of Operations as they do not meet the public sector accounting standard requirements. The legislation does not require (but does not preclude) the funding of non-cash items such as amortization or liability accruals to provide for future cash requirements, thus, there is no legislative requirement to include these items in the Financial Plan. However, these items are recognized as expenses in the Statement of Operations.

Thus, the financial items included in the legislative Financial Plan and the Public Sector Accounting Statement of Operations are different. The purpose of this note is to explain the difference between these two requirements and demonstrate how the legislative requirement for a balanced budget, or Financial Plan net balance of "0", has been met.

	2019 <u>Budget</u>	2019 <u>Actual</u>	2018 <u>Actual</u>
Consolidated Accumulated Surplus - Statement of Operations	\$ 10,017,192	7,011,153	271,041
Adjustments to non-cash items:			
Amortization expense	-	547,219	487,669
Adjustments for cash items, not recognized as revenues Or expenses in the Statement of Operations:			
Tangible Capital Asset costs	(6,398,371)	(3,471,461)	(504,333)
Debt principle repayments	(65,901)	(66,425)	(62,779)
Net transfers from reserves	293,688	30,394	66,440
Net transfer to reserves	(3,852,608)	(3,697,348)	(118,895)
Net transfer to capital funds	-	-	(173,388)
Net transfers (from) to operating surplus	<u>6,000</u>	<u>(353,532)</u>	<u>34,245</u>
Balanced Financial Plan/Operations	<u>\$ -</u>	<u>-</u>	<u>-</u>

16. SUBSEQUENT EVENTS

In March 2020 the World Health Organization declared a global pandemic due to Covid-19. This situation presents uncertainty over the Village's future cash flows, and may have a significant impact on the Village's future operations. Potential impacts on the Village's business could include future decreases in revenue, impairment of investments or reduction in investment income, and delays in completing capital work. As the situation is dynamic and the ultimate duration and magnitude of the impact on the economy are not known, an estimate of the financial effect on the Village is not practicable at this time.

VILLAGE OF TELKWA

SCHEDULE A

**Schedule of Changes in Tangible Capital Assets and Accumulated Amortization
For the year ended December 31, 2019**

	Land	Buildings	Machinery & Equipment	Engineered Structures	Utilities	Office Equipment	Capital leases	Work in Progress	2019 Total	2018 Total
TANGIBLE CAPITAL ASSETS - COST										
Opening Balance	\$ 259,687	1,912,077	1,495,680	4,335,572	13,427,922	161,246	-	446,216	22,038,400	21,534,067
Add: Additions	-	38,401	15,087	7,716	3,403,866	-	-	6,391	3,471,461	504,333
Add: Donated Assets	-	-	-	-	-	-	-	-	-	-
Less: Disposals	-	-	-	-	-	-	-	-	-	-
Add: Asset Reallocations	-	-	-	-	446,216	-	-	(446,216)	-	-
Add: Work in progress	-	-	-	-	-	-	-	-	-	-
Closing Balance	259,687	1,950,478	1,510,767	4,343,288	17,278,004	161,246	-	6,391	25,509,861	22,038,400
ACCUMULATED AMORTIZATION										
Opening Balance	-	499,043	953,458	2,574,218	6,059,983	150,279	-	-	10,236,981	9,749,312
Add: Amortization	-	42,020	72,462	75,478	351,481	5,778	-	-	547,219	487,669
Add: Amortization Reallocation	-	-	-	-	-	-	-	-	-	-
Less: Accumulated Amortization on disposals	-	-	-	-	-	-	-	-	-	-
Closing Balance	-	541,063	1,025,920	2,649,696	6,411,464	156,057	-	-	10,784,200	10,236,981
Net Book Value for year ended December 31, 2019	\$ 259,687	1,409,415	484,847	1,693,592	10,866,540	5,189	-	6,391	14,725,661	
Net Book Value for year ended December 31, 2018	\$ 259,687	1,413,034	542,222	1,761,354	7,367,939	10,967	-	446,216		11,801,419

VILLAGE OF TELKWA

Statement of Operations by Segment
For the Year Ended December 31, 2019

SCHEDULE B

	General Government	Protective Services	Solid Waste Management/ Recycling	Transportation & Transit	Recreation & Culture	Development	Utilities (water/sewer/ storm)	Capital Funds	Capital Reserve Funds	2019 Total Operations	2019 Budget	2018 Total Operations
REVENUE												
Taxation, Sch. C		142,238	-	17,575	-	-	11,620	-	-	928,721	923,824	865,884
Service Charges/User Fees, Sch. C	53,584	19,555	100,322	-	5,198	22,223	518,579	-	-	719,461	723,986	726,249
Government Transfers/Grants	591,441	252,625	3,993	-	17,300	40,925	-	3,420,660	3,590,000	7,916,944	10,729,716	1,349,029
Other income	-	-	-	5,000	-	-	-	-	-	5,000	5,000	5,000
Interest	-	-	-	-	-	-	-	-	59,992	59,992	-	4,334
Total operating revenue	1,402,313	414,418	104,315	22,575	22,498	63,148	530,199	3,420,660	3,649,992	9,630,118	12,382,526	2,950,496
EXPENDITURES												
Advertising and Promotion	11,233	-	-	-	-	3,397	-	-	-	11,233	14,000	11,008
Amortization	19,608	48,669	5,208	83,100	35,755	-	351,482	-	-	547,219	-	487,669
Bad debts	50,000	-	-	-	-	-	-	-	-	50,000	-	1,867
Election	3,235	-	-	-	-	-	-	-	-	3,235	3,000	8,223
Professional and Contracted Services	50,883	83,377	-	29,626	-	92,576	-	-	-	256,462	229,753	431,875
Council Remuneration/Travel	51,318	-	-	-	-	-	-	-	-	51,318	52,300	52,359
Grants to Organizations/Fees Waivers	18,100	-	-	-	-	-	-	-	-	18,100	24,200	96,696
Insurance	22,779	8,985	1,764	16,431	5,598	-	6,448	-	-	62,005	48,960	56,648
Materials and Supplies	62,024	58,186	13,894	105,902	23,921	2,265	107,150	-	-	373,342	559,136	348,885
Miscellaneous and special projects	3,959	3,768	-	129,570	8,183	-	19,872	-	-	165,352	239,387	19,703
Travel, Training, Memberships	26,265	99,496	-	2,758	-	-	2,134	-	-	130,653	79,700	54,172
Utilities (Telephone, Hydro and Gas)	16,562	14,559	11,040	14,857	6,139	-	59,611	-	-	122,768	132,416	180,800
Wages and Employee Benefits	412,667	29,577	23,846	138,064	59,075	-	163,015	-	-	826,244	979,482	926,414
Interest on debt	-	1,034	-	-	-	-	-	-	-	1,034	3,000	3,136
Total operating expenditures	748,633	347,651	55,752	520,308	138,671	98,238	709,712	-	-	2,618,965	2,365,334	2,679,455
REVENUE OVER EXPENDITURES/ (EXPENDITURES OVER REVENUE)	\$ 653,680	\$ 66,767	48,563	(497,733)	(116,173)	(35,090)	(179,513)	3,420,660	3,649,992	7,011,153	10,017,192	271,041

VILLAGE OF TELKWA

SCHEDULE C

**Schedule of Taxation, Service Charges and User Fees
For the year ended December 31, 2019**

<u>Budget</u>		<u>2019</u>	<u>2018</u>
	Revenue		
	<u>Taxation</u>		
875,261	Taxation - Property	\$ 874,389	821,743
36,903	Grants in Lieu of taxes	42,712	32,501
11,660	Water parcel tax	11,620	11,640
<hr/> 923,824		<hr/> 928,721	<hr/> 865,884
	Collections for other governments		
400,550	School tax levy	400,528	382,887
208,314	Regional District	208,314	194,466
99,768	Regional Hospital District	99,768	95,279
31	Municipal Finance Authority	31	29
6,512	BC Assessment Authority	6,512	6,337
55,920	Policing	55,920	54,407
<hr/> 771,095		<hr/> 771,073	<hr/> 733,405
	Transmission of Tax Levied		
<hr/> (771,095)	Other governments	<hr/> (771,073)	<hr/> (733,405)
<hr/> <hr/> 923,824		<hr/> <hr/> 928,721	<hr/> <hr/> 865,884
	<u>Service charges/user fees</u>		
	Sales of Services		
52,000	Garbage collection and disposal	62,145	47,415
9,100	Cemetery - burials	9,025	7,928
280,459	Water user fees, net of discounts	282,255	278,817
2,000	Water connections and internal	1,412	925
232,419	Sewer user fees, net of discounts	231,714	228,067
5,000	Sewer connections and internal	3,198	6,677
<hr/> 580,978		<hr/> 589,749	<hr/> 569,829
	Other Revenue from own sources		
500	Garbage bins	1,991	1,476
22,000	Heating revenue	16,313	19,482
32,500	Interest and penalties	38,517	45,043
16,685	Licenses and permits	13,821	21,235
19,517	Recycle program	19,873	20,933
31,465	Rentals	31,885	27,662
20,341	Other	7,312	20,589
<hr/> 143,008		<hr/> 129,712	<hr/> 156,420
<hr/> <hr/> 723,986		<hr/> <hr/> \$ 719,461	<hr/> <hr/> 726,249

EDMISON MEHR
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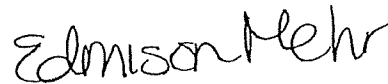
INDEPENDENT AUDITOR'S COMMENTS ON SUPPLEMENTARY INFORMATION

To the Council of
Village of Telkwa
Telkwa, BC

We have audited the consolidated financial statements of the Village of Telkwa, which comprise the Consolidated Statement of Financial Position as at December 31, 2019, and the Consolidated Statements of Operations, Cash Flows, and Net Financial Assets for the year then ended, and a summary of significant accounting policies and other explanatory information, and have issued our report thereon dated June 9, 2020. The following supplementary financial information is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the consolidated financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves.

Smithers, BC
June 9, 2020



Edmison Mehr

VILLAGE OF TELKWA

Statement of Financial Position - by Fund
December 31, 2019

SCHEDULE D

	General Operating Fund	Water Operating Fund	Sewer Operating Fund	Total Operating Funds	General Capital Fund	Water Capital Fund	Sewer Capital Fund	Total Capital Funds	Capital Reserve Fund	Consolidating adjustments	Consolidated 2019	Consolidated 2018
FINANCIAL ASSETS												
Cash and cash equivalents, note 2	\$ 2,470,135	-	-	2,470,135	-	-	-	-	-	-	2,470,135	1,877,654
Investments, note 2	3,876,738	-	-	3,876,738	-	-	-	-	-	-	3,876,738	270,020
Taxes Receivable, note 3	60,396	-	-	60,396	-	-	-	-	-	-	60,396	88,976
Accounts Receivable, note 4	920,299	-	-	920,299	-	-	-	-	-	-	920,299	651,891
Due from Federal Government - GST	109,342	-	-	109,342	-	-	-	-	-	-	109,342	83,662
Investment in Community Forest, note 13	1	-	-	1	-	-	-	-	-	-	1	1
Due from Own Funds	-	117,987	503,805	621,792	-	-	-	-	4,392,445	(5,014,237)	-	-
	7,436,911	117,987	503,805	8,058,703	-	-	-	-	4,392,445	(5,014,237)	7,436,911	2,972,204
LIABILITIES												
Accounts Payable and Accrued Liabilities, note 5	801,083	-	-	801,083	-	-	-	-	-	-	801,083	348,772
Due to Own Funds	5,014,237	-	-	5,014,237	-	-	-	-	-	(5,014,237)	-	-
Deferred Revenue, note 6	611,890	-	-	611,890	-	-	-	-	-	-	611,890	619,394
MFA Equipment Loan, note 7	-	-	-	-	38,762	-	-	38,762	-	-	38,762	105,187
	6,427,210	-	-	6,427,210	38,762	-	-	38,762	-	(5,014,237)	1,451,735	1,073,353
NET FINANCIAL ASSETS	1,009,701	117,987	503,805	1,631,493	(38,762)	-	-	(38,762)	4,392,445	-	5,985,176	1,898,851
NON FINANCIAL ASSETS												
Inventory, note 8	8,804	-	-	8,804	-	-	-	-	-	-	8,804	8,466
Prepaid expenses	23,174	-	-	23,174	-	-	-	-	-	-	23,174	22,926
Tangible Capital Assets (Schedule A), note 9	-	-	-	-	3,852,730	7,978,724	2,894,207	14,725,661	-	-	14,725,661	11,801,419
	1,041,679	117,987	503,805	1,663,471	3,813,968	7,978,724	2,894,207	14,686,899	4,392,445	-	20,742,815	13,731,662
ACCUMULATED SURPLUS	\$											

VILLAGE OF TELKWA
Statement of Operations - by Fund
For the Year Ended December 31, 2019

SCHEDULE E

	General Operating Fund	Water Operating Fund	Sewer Operating Fund	Total Operating Funds	General Capital Fund	Water Capital Fund	Sewer Capital Fund	Total Capital Funds	Capital Reserve Funds	Consolidated 2019	Consolidated 2018
REVENUE											
Taxation (Schedule C)	\$ 917,101	11,620	-	928,721	-	-	-	-	-	928,721	865,884
Service charges/user fees (Schedule C)	200,882	283,667	234,912	719,461	-	-	-	-	-	719,461	726,249
Unconditional transfers - Province of BC	448,797	-	-	448,797	-	-	-	-	-	448,797	429,244
Conditional transfers - Federal Government	-	-	-	-	-	3,160,337	-	3,160,337	-	3,160,337	-
Conditional transfers - Provincial Government	119,787	-	-	119,787	-	-	-	-	3,590,000	3,709,787	554,264
Conditional transfers - Regional District	152,060	-	-	152,060	33,084	-	-	33,084	-	185,144	159,745
Grants - other	145,640	-	-	145,640	-	-	-	-	-	145,640	74,157
Other income	5,000	-	-	5,000	-	-	-	-	-	5,000	5,000
Investment interest	-	-	-	-	-	-	-	-	59,992	59,992	4,314
Weizini/Kwa Community Forest grant	40,000	-	-	40,000	-	-	-	-	-	40,000	35,000
Gas tax agreement, note 12	-	-	-	-	7,716	206,448	13,075	227,239	-	227,239	96,619
	2,029,267	295,287	234,912	2,559,466	40,800	3,366,785	13,075	3,420,660	3,649,992	9,630,118	2,950,496
EXPENSES (Schedule B)											
General Government Services	729,025	-	-	729,025	19,608	-	-	19,608	-	748,633	697,608
Protective Services	298,982	-	-	298,982	48,569	-	-	48,569	-	347,651	394,176
Transportation Services	437,208	-	-	437,208	83,100	-	-	83,100	-	520,308	645,870
Environmental Health	50,544	-	-	50,544	5,208	-	-	5,208	-	55,752	102,689
Economic Development	94,841	-	-	94,841	3,397	-	-	3,397	-	98,238	45,478
Recreation and Cultural Services	102,916	-	-	102,916	35,755	-	-	35,755	-	138,671	201,495
Utility Services (Water, Sewer)	-	269,216	89,014	358,230	-	226,092	125,390	351,482	-	709,712	592,139
	1,713,516	269,216	89,014	2,071,746	195,737	226,092	125,390	547,219	-	2,618,965	2,679,455
ANNUAL SURPLUS (DEFICIT)	315,751	26,071	145,898	487,720	(154,937)	3,140,693	(112,315)	2,873,441	3,649,992	7,011,153	271,041
INTERFUND TRANSFERS											
Transfer (to) from Capital Funds	(59,589)	-	-	(59,589)	20,403	4	-	20,407	39,182	-	-
Transfer (to) from Operating Funds	(66,425)	(8,174)	-	(74,599)	66,425	-	-	66,425	8,174	-	-
Transfer (to) from Reserve Funds, Schedule G	(126,014)	(8,174)	-	(134,188)	86,828	30,394	-	30,394	(30,394)	-	-
									16,962		
Change in accumulated Surplus Balances	189,737	17,897	145,898	353,532	(68,109)	3,171,091	(112,315)	2,990,667	3,666,954	7,011,153	271,041
Accumulated Surplus Balances, beginning of year	851,942	100,090	357,907	1,309,939	3,882,077	4,807,633	3,006,522	11,696,232	725,491	13,731,662	13,460,621
Accumulated Surplus Balances, end of year	\$ 1,041,679	117,987	503,805	1,663,471	3,813,968	7,978,724	2,894,207	14,686,899	4,392,445	20,742,815	13,731,662

VILLAGE OF TELKWA

SCHEDULE F

Statement of Changes in Equity in Tangible Capital Assets
For the Year Ended December 31, 2019

	Equity in Tangible Capital Assets - <u>General</u>	Equity in Tangible Capital Assets - <u>Water</u>	Equity in Tangible Capital Assets - <u>Sewer</u>	Consolidated <u>2019</u>	Consolidated <u>2018</u>
REVENUE					
Conditional transfers - Federal Government	\$ -	3,160,337	-	3,160,337	-
Conditional transfer - Provincial Government	-	-	-	-	270,718
Conditional transfers - Regional District	33,084	-	-	33,084	42,916
Grants - other	-	-	-	-	15,264
Gas tax agreement	7,716	206,448	13,075	227,239	64,826
	40,800	3,366,785	13,075	3,420,660	393,724
EXPENSES					
Amortization	195,737	226,092	125,390	547,219	487,669
ANNUAL SURPLUS (DEFICIT)	(154,937)	3,140,693	(112,315)	2,873,441	(93,945)
INTERFUND TRANSFERS					
Transfer (to) from Operating Funds	86,828	4	-	86,832	134,616
Transfer to Reserve Funds, schedule G	-	30,394	-	30,394	38,772
	86,828	30,398	-	117,226	173,388
Change in accumulated Surplus Balances	(68,109)	3,171,091	(112,315)	2,990,667	79,443
Accumulated Surplus Balances, beginning of year	3,882,077	4,807,633	3,006,522	11,696,232	11,616,789
Accumulated Surplus Balances, end of year	\$ 3,813,968	7,978,724	2,894,207	14,686,899	11,696,232

VILLAGE OF TELKWA

SCHEDULE G

**Statement of Changes in Capital Reserve Funds
For the Year Ended December 31, 2019**

	<u>Fire protection Equipment</u>	<u>Fire Dept Capital</u>	<u>Sewer Capital</u>	<u>District Heating</u>	<u>Fire Protection</u>	<u>Footbridge</u>	<u>Emergency Services</u>	<u>Transit</u>	<u>Park Maintenance</u>	<u>General Water</u>	<u>Subtotal 2019</u>
Reserve Funds, Beginning of Year	\$ 41,141	77,367	121,941	1,901	9,052	18,460	34,018	2,195	7,183	68,160	381,418
Source of Funds											
Interest earned	282	530	835	13	62	126	233	15	50	467	2,613
Transfers - operating, schedule E	-	-	-	-	-	-	-	-	-	8,174	8,174
- capital	12,000	10,459	-	-	7,221	1,000	2,250	-	-	-	32,930
	12,282	10,989	835	13	7,283	1,126	2,483	15	50	8,641	43,717
	53,423	88,356	122,776	1,914	16,335	19,586	36,501	2,210	7,233	76,801	425,135
Use of Funds											
Transfers, schedule E	-	-	-	-	-	-	-	-	-	(30,394)	(30,394)
Balance, end of year	\$ 53,423	88,356	122,776	1,914	16,335	19,586	36,501	2,210	7,233	46,407	394,741
Balance represented by:											
Due from GOF	\$ 53,423	88,356	122,776	1,914	16,335	19,586	36,501	2,210	7,233	46,407	394,741

VILLAGE OF TELKWA

SCHEDULE G (CON'T)

**Statement of Changes in Capital Reserve Funds
For the Year Ended December 31, 2019**

	<u>Total</u>	<u>Public Works</u>	<u>Dike Main</u>	<u>Roads</u>	<u>Gravel Quarry</u>	<u>NW Planning</u>	<u>Elections</u>	<u>General Sewer</u>	<u>War Memorial</u>	<u>Total 2019</u>	<u>Total 2018</u>
Reserve Funds, Beginning of Year	\$ 381,418	25,018	52,195	-	8,618	-	3,865	253,359	1,018	725,491	668,702
Source of Funds											
Conditional transfers - provincial government	-	-	-	-	-	3,590,000	-	-	-	3,590,000	-
Interest earned	2,613	171	359	-	59	55,021	26	1,736	7	59,992	4,334
Transfers - operating, schedule E	8,174	-	-	-	-	-	-	-	-	8,174	-
- capital	32,930	2,177	4,075	-	-	-	-	-	-	39,182	118,895
	43,717	2,348	4,434	-	59	3,645,021	26	1,736	7	3,697,348	123,229
	425,135	27,366	56,629	-	8,677	3,645,021	3,891	255,095	1,025	4,422,839	791,931
Use of Funds											
Transfers, schedule E	(30,394)	-	-	-	-	-	-	-	-	(30,394)	(66,440)
Balance, end of year	394,741	27,366	56,629	-	8,677	3,645,021	3,891	255,095	1,025	4,392,445	725,491
Balance represented by:											
Due from GOF	\$ 394,741	27,366	56,629	-	8,677	3,645,021	3,891	255,095	1,025	4,392,445	725,491
Covered by MFA Investments										\$ 271,990	267,020
Covered by GIC										3,601,731	-
Cash										518,724	458,471
										\$ 4,392,445	725,491

VILLAGE OF TELKWA

SCHEDULE H

Schedule of Northern Capital and Planning Reserve

For the year ended December 31, 2019

2019

Revenue

Conditional transfers - provincial government	\$	3,590,000
Return on investments		<u>55,021</u>

Annual Surplus and Balance, end of year	\$	<u><u>3,645,021</u></u>
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