



Annual Reports / Financial Statements for 2020

2021 ANNUAL GENERAL MEETING
Wednesday, June 30, 2021

445 Glenmore Road
Kelowna, BC V1V 1Z6
7:00 P.M.



**ANNUAL GENERAL MEETING
AGENDA
JUNE 30, 2021 at 7:00 PM**

Meeting Called to order / Introduction of Trustees and Head Table

- 1. NOTICE OF AGM:** Read by the Administrative Treasurer
- 2. MINUTES OF June 10, 2020:** Read by the Administrative Treasurer OR Reading Dispensed by Motion from the Floor
- 3. TRUSTEE'S REPORT:** Read by the Chair
 - 3.1 Business Arising from Report
- 4. PROJECTS & WORKS REPORT:** Presented by the Operations Manager
 - 4.1 Business Arising from Report
- 5. FINANCIAL REPORT:** Financial Statements reviewed by Auditor
 - 5.1 Appoint Auditor for 2021
- 6. Set TRUSTEE REMUNERATION for 2021**
- 7. Set CHAIR'S REMUNERATION for 2021**
- 8. MEETING ADJOURNED**

GENERAL DISCUSSION



MINUTES OF THE 31st **ANNUAL GENERAL MEETING** OF THE LANDOWNERS OF THE
GLENMORE-ELLISON IMPROVEMENT DISTRICT HELD ON WEDNESDAY, **JUNE 10, 2020 at 7:00 PM AT**
GLENMORE-ELLISON IMPROVEMENT DISTRICT 445 GLENMORE ROAD, KELOWNA, BC.

PRESENT: **Chair:** Steven Bonn **Trustees:** Bob Fugger; Steve Lemke, Horst Grams, Lee-Ann Tiede;
 Administrator: Dawn Williams; **Operations Manager:** Kevin Burtch;

Landowners: Joe Petretta, Dave McCoubrey

DELEGATION: Tony Wolf, T. Wolf & Co. Ltd.

The Chair called the meeting to order at 7:00 p.m., and introduced Staff, Trustees and the District Auditor. He welcomed everyone to the Annual General Meeting.

1. Dawn Williams, Administrator, read the “**NOTICE OF ANNUAL GENERAL MEETING**” and noted when and where the advertising was placed for the AGM. (May 27, 2020 Kelowna Capital News and May 22, 2020 on the GEID website)
2. Steven Bonn, Chair opened the floor and noted that since everyone has a copy of last year’s Minutes, asked for a motion to dispense with the reading of the Minutes for last year’s Annual General Meeting.

A **MOTION** was made by: Dave McCoubrey, **SECONDED** by: Joe Petretta to dispense with the reading of the Annual General Meeting Minutes of April 11, 2019.

CARRIED.

The Chair asked if there were any errors or omissions; none were raised.

A **MOTION** was made by: Joe Petretta, **SECONDED** by: Dave McCoubrey to adopt the Annual General Meeting Minutes of April 11, 2019.

CARRIED.

3. The **2019 TRUSTEE’S REPORT** was read Steven Bonn, Chair.

3.1 Steven Bonn, Chair opened the floor and asked if there were any questions or business arising from the 2019 Trustee’s Report. No questions were raised.

A **MOTION** was made by: Joe Petretta, **SECONDED** by: Dave McCoubrey to receive the Trustee’s Report as presented.

CARRIED.

4. Highlights from the **2019 PROJECTS & WORKS REPORT** were presented by Kevin Burtch, Operations Manager.

4.1 Steven Bonn, Chair opened the floor and asked if there were any questions or business arising from the 2019 Projects & Works Report. No questions were raised.

A **MOTION** was made by: Joe Petretta, **SECONDED** by: Dave McCoubrey, to receive the Projects & Works Report as presented.
CARRIED.

5. FINANCIAL STATEMENTS/REPORT

Tony Wolf of T. Wolf & Co. thanked the Board of Trustees and Landowners for the opportunity to do the District's Audit again this past year.

Tony Wolf, T. Wolf & Co. then presented the **2019 FINANCIAL STATEMENTS.**

Chair Steven Bonn opened the floor and asked if there were any questions or comments regarding the 2019 Financial Statements.

A **MOTION** was made by: Dave McCoubrey, **SECONDED** by: Joe Petretta, to receive the Financial Statements as presented.
CARRIED.

Tony Wolf exited the meeting at this point.

5.1 Staff and Trustees noted that the District has had very good service from Tony Wolf and that his rates are very reasonable, and recommend that T. Wolf & Co. be appointed as auditor for 2020 year-end.

A **MOTION** was made by: Joe Petretta, **SECONDED** by: Dave McCoubrey to appoint T. Wolf & Co. as auditors for the 2020 year-end.
CARRIED.

6. TRUSTEE'S REMUNERATION

Dawn Williams, Administrator reported that currently the GEID Trustees receive an honorarium of \$400.00 per month, along with \$200.00 for each meeting attended. She also reported that beginning Jan 1, 2019, the Federal government removed the 1/3 non-taxable portion allowance. Most local governments adjusted the remuneration amount to account for the taxes that became payable on the one third portion. GEID did not make an adjustment. This would equate to an increase of approx. 8.3% in remuneration.

Dave McCoubrey commented that given the economic state with the current Covid situation, and that some municipalities are giving tax breaks, he doesn't believe any increases should be made this year.

A **MOTION** was made by: Dave McCoubrey **SECONDED** by: Joe Petretta, that the Trustee's remuneration shall remain as is and not be increased in 2020.
CARRIED.

7. CHAIR'S REMUNERATION

Dawn Williams, Administrator reported that currently the GEID Chair receives an honorarium of \$800.00 per month, along with \$290.00 for each meeting attended.

A **MOTION** was made by: Dave McCoubrey, **SECONDED** by: Joe Petretta, that the Chair's remuneration shall remain as is and not be increased in 2020.
CARRIED.

8. ELECTION Results was read by Steven Bonn as follows:

The term for Trustees Bob Fugger and Steve Lemke expired this year and election notices were posted in the Kelowna Capital News on April 29 and posted to the GEID website. The only two nominations received were for Bob Fugger and Steve Lemke and they have been acclaimed to the positions of Trustee for the term 2020 to 2023.

As there were no further questions or comments, the Chair entertained a motion to adjourn at 7:40 p.m.

The **MOTION** was made by: Joe Petretta, **SECONDED** by: Dave McCoubrey to adjourn.
CARRIED.

Mr. Bonn thanked everyone for attending the meeting.

Steven Bonn
Chair

Dawn Williams
Administrator

PROJECTS & WORKS REPORT– 2020

MEMBERS OF THE BOARD:

The snow survey data in the spring 2020 was 23% above average from the last reading in March 2019. The District managed its water resources accordingly and responsibly throughout the year. All reservoirs filled to capacity. The Kelowna Creek Watershed received 11.0" of rainfall throughout 2020 which is 10% over the 24-year avg.

The 2020 lake levels and reservoirs at year-end were as follows:

2020 Year-End Summary

Lake	Year-End Level	Year-End Volume	Full Level	Full Volume
Postill	26` 5"	2716 ac ft	34` 4"	4,537 ac ft
South	11` 0"	291 ac ft	17` 7"	627 ac ft
Bulman	15` 3"	403 ac ft	26` 5"	955 ac ft

- ❖ 2020 year-end storage levels were 55.7% of the total available storage capacity.
- ❖ Total delivered volumes were 4794 ac ft [5913 ML].
- ❖ Okanagan Lake supply = 83.6%
- ❖ Kelowna Creek = 14.6%
- ❖ Wells = 1.8%. District wells were used primarily to supplement water supply to the Ellison area during the domestic system separation change-overs in 2020.

Other projects that the District was involved with were as follows:

- ❖ Completion of 102 various existing works repairs, special works projects included 21-meter setter pit installs and 5 new service installations. Crews also completed 34 fire hydrant repairs.
- ❖ Completed numerous new watermain and facility installation inspections as well as connection tie-in inspections for the works as noted in the Trustee's report, including in-progress works for the new developments not yet complete.

Routine maintenance is a large part of the staff's daily duties with 18 pumping stations, 11 enclosed reservoirs with 33.18 ML of total storage, 22 pressure reducing stations, 26 pressure zones, 4 groundwater wells, 4 gas chlorinators, 2 hypochlorite chlorinators and 546 fire hydrants. On top of their regular duties the crew responded to 1,173 service requests and 453 BC One-Call locate requests.

We would like to express our appreciation to the staff for their dedication and great work they provide to GEID.

Respectfully submitted,



Mike Rojem
Project Coordinator



Kevin Burtch
Operations Manager

TRUSTEE'S REPORT for 2020

TO THE LANDOWNERS OF THE DISTRICT:

Trustees:

The term for Trustees Bob Fugger and Steve Lemke expired in 2020 and election notices were posted in the Kelowna Capital News on April 29 and posted to the GEID website. The only two nominations received were for Bub Fugger and Steve Lemke and they have been acclaimed to the positions of Trustee for the term 2020 to 2023. The Trustees welcomed them back to the Board.

Steven Bonn was elected by the Trustees as Chair for 2020.

The Board of Trustees held a total of 15 regularly scheduled meetings in 2020 to conduct the business of the District.

Staff:

GEID Management Team:

Dawn Williams - *Administrator*;
Kevin Burtch - *Operations Manager*;
Mike Rojem - *Projects Coordinator*;
Garry Filafilo - *Administrative Treasurer*

GEID has 3 Office Clerks and 15 Operators who belong to Canadian Union of Public Employees Union, Local 338. There were no grievances between management and the union in 2020.

COVID-19 - In the interest of the health and safety of GEID employees and our customers, GEID temporarily closed the office to the public in March 2020. It is important to reduce exposure to our administration staff and crew during this time, so we can continue to work to ensure the delivery of your clean, safe drinking water. COVID Protocols were created in accordance with WorkSafeBC. All GEID services continue to be available by phone, e-mail and appointment only, during regular business hours. After hour emergency services and contact procedures remain the same.

Taxes & Tolls

Taxation for agricultural water is in place to cover costs for distribution and consumption for properties with farm status, whereas taxation for all other classifications is assigned to cover costs for infrastructure renewal. The Tax rates for 2020 were established by Bylaw 213 as follows:

A Grade (Farm Status)	122.00/acre
C Grade (Commercial)	168.00/acre
D Grade (Dry Land)	No Levy
E Grade (Exempt Lands)	No Levy
G Grade (General Irrigation).....	122.00/acre
G-2 Grade (General Irrigation – Non Treated Water)	89.00/acre

M Grade (Multi-Family/Strata/Apt)	132.00/acre
R Grade (Residential)	168.00/acre
S-1 Grade (Stratas - works maintained by GEID)	168.00/acre

As per the 2020 Land Grade Summary Report, there were 9,107.221 acres of land in the District of which 2,017.925 acres were A grade (Farm Status) and 2,059.416 were grades C, G, G-2, M, R and S-1, and were taxable. Additionally, there were 4,503.764 acres of D grade (dry) lands, 523.504 acres of E grade (tax-exempt) properties, and 93.185 acres of land owned by the District.

As at December 31, 2020, there were a total of 9,631 service connections. There were 9,068 domestic connections and an additional 173 commercial connections. There are 390 agricultural connections in the District.

The Improvement District’s Tolls Bylaw was amended in 2020. Some minor changes were made to the interpretation and definitions within the bylaw, however the rates remained unchanged. **No metered rate increases have been implemented since 2018.**

Financial Highlights:

The Capital Expenditure Charge (CEC) Reserve balance as of December 31, 2020 was \$1,000,224. The total CECs collected in 2020 was \$1,228,802 which was \$935,219 less than 2019. Development decreased in 2020 as the extent of the COVID pandemic was unknown.

In 2020, the District spent the following reserve fund amounts for system upgrades:

Capital Expenditure Charge Reserve:	\$1,549,443
Renewal Reserve:	\$1,513,693

The Okanagan Lake (Stage I Works) Long Term Loan is in repayment mode, with a Locked-In rate of 3.97% for 20 years. Monthly loan payments were made during the year, reducing the loan by \$340,354 which resulted in a loan balance of \$5,807,248 on December 31, 2020.

Stage II Works:

Monthly loan payments were made during the year on the Okanagan Lake (Stage II Works) Long Term Loan, reducing the loan by \$200,004, which resulted in a loan balance of \$3,099,982 on December 31, 2020.

This Loan is in a Long-Term repayment format - an Open Loan based on the Canadian Dealer Offered Rate (CDOR), with a revolving 30-day term. This format allows the District to take advantage of today’s low interest rates. This loan can be converted to a locked-in rate at each renewal (i.e. at the end of any 30-day period) if rates are on the rise.

Key Projects:

Ellison Separation Project

The Final Phase of construction is complete. The domestic and agricultural supply systems in the Ellison area now separated. The project, including a new reservoir and pumpstation was completed

\$1,500,000.00 **UNDER** budget due to GEID's management closely working with both the contractor and engineering team overseeing the project. Significant system improvements were also made in conjunction with the project. Domestic water for these properties and ALL properties within GEID's boundaries are now supplied from our Okanagan Lake source, treated with both UV and chlorine disinfection. Mill Creek water is now only used for agricultural supply. The long-standing water quality advisory was lifted by Interior Health with congratulations in August 2020.

GEID Shop Expansion

In 2013 the need to expand the outgrown GEID Workshop (built in 1970), including a separate lunch room, water quality lab and office space was identified. To secure the required funds for construction, a Building Reserve Fund was established and contributions have been allocated annually. In 2019 the design and construction began with the completion in fall 2020. The project completed \$114,000 **UNDER** budget due to close quality control by GEID's management team.

Mill Creek Intake and Dam Repairs

Repairs were made this year to GEID's water intake and low concrete dam on Millcreek. The bedrock along the entire front face of the base of the dam was scaled to remove all loose and fractured bedrock, and a new concrete footing was poured under the exposed toe of the 60 year old dam. An assessment of the bedrock face near the intake building was also completed.

These repairs are expected to extend the life of the intake dam by at least another 50 years.

McKinley Drawdown Pump Station

A small pump house was constructed adjacent to McKinley Reservoir in order to pump water back down the existing pipeline to a drain valve at Mill Creek. This was essential in order to maintain a safe water level in the McKinley Reservoir to avoid spilling that could potentially cause damage to adjacent properties, including the Kelowna Landfill that already have existing runoff issues in the spring.

On behalf of the District, we thank the staff and crew for their efforts and dedication throughout another exceptionally busy year.

Respectfully submitted,

BOARD OF TRUSTEES:

Steven Bonn

Horst Grams

Bob Fugger

Steve Lemke

Lee-Ann Tiede

**GLENMORE-ELLISON
IMPROVEMENT DISTRICT**
Consolidated Financial Statements
Year ended December 31, 2020

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Independent Auditor's Report

To the Trustees and Water Users Glenmore-Ellison Improvement District

Opinion

I have audited the accompanying consolidated financial statements of the Glenmore-Ellison Improvement District (the District), which comprise the consolidated statement of financial position as at December 31, 2020 and the consolidated statements of operations, changes in net financial assets, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Glenmore-Ellison Improvement District at December 31, 2020, and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of my report. I am independent of the District in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes

my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report, to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.



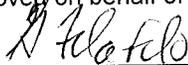
Chartered Professional Accountant

Kelowna, British Columbia
April 22, 2021

**Glenmore-Ellison Improvement District
Consolidated Statement of Financial Position**

December 31	2020	2019
Financial Assets		
Cash (Note 1)	\$ 7,807,157	\$ 12,872,386
Accounts receivable (Note 2)	842,181	764,102
	8,649,338	13,636,488
Financial Liabilities		
Accounts payable and accrued liabilities	362,172	423,100
Deferred revenue (Note 3)	1,931,894	3,174,868
Deposits-Special Jobs	307,880	604,901
Long-term debt (Note 7)	8,907,230	9,447,588
	11,509,176	13,650,457
Net Financial Assets (Deficit)	(2,859,838)	(13,969)
Non-Financial Assets		
Tangible Capital Assets (Note 5)	71,815,007	64,941,564
Supply inventory	168,621	163,786
Prepaid expenses	26,281	201,769
	72,009,909	65,307,119
Accumulated Surplus	\$ 69,150,071	\$ 65,293,150
Represented by:		
Operating fund (Schedule 1)	\$ 2,436,799	\$ 2,431,650
Reserve funds (Note 4 & Schedule 2)	3,805,495	7,367,524
Equity in Tangible Capital Assets (Note 6)	62,907,777	55,493,976
	\$ 69,150,071	\$ 65,293,150

Approved on behalf of the Board:



Treasurer

**Glenmore-Ellison Improvement District
Consolidated Statement of Operations**

For the year ended December 31	2020 Budget	2020 Actual	2019 Actual
Revenues			
Domestic Water Connection Fees	\$ 68,000	\$ 92,650	\$ 115,655
Domestic Water Rates	4,547,260	4,392,313	4,457,258
Tax Levy	540,709	544,421	531,148
Sale of Water by Agreement	3,000	3,591	4,893
Equipment Rentals	-	8,939	38,756
Wage and Overhead Recoveries	11,500	24,070	129,451
Interest and Penalties on Accounts	13,000	15,523	19,225
Interest – Deposits and Investments	130,375	91,636	166,200
Interest – Special Works Account	6,500	5,531	11,694
Sundry	175,910	140,383	118,122
Contributions from Developers	432,900	432,900	1,470,238
Contributions from CEC Reserve	1,549,443	1,549,443	1,180,517
Contribution from Renewal Reserve	1,513,693	1,513,693	322,989
Contribution from CEC – Shortfall	-	-	2,064,205
	8,992,290	8,815,093	10,630,351
Expenditures			
<i>Operating</i>			
Chlorinator	100,000	72,437	90,798
Holiday and Sick Pay	182,200	175,671	156,331
Insurance	70,648	74,341	67,285
Power	500,000	396,973	396,705
Pumps	120,000	99,333	97,868
Repairs & Maintenance			
Buildings	120,000	84,799	47,670
Distribution System	912,000	875,042	938,908
Watershed Management	158,910	44,239	31,116
Supervision	245,800	253,185	241,320
Tractor and Backhoe	26,000	32,308	19,393
Truck	81,775	69,383	70,185
<i>Administration</i>			
Bank Charges	2,800	2,769	2,870
Chairman's Remuneration	15,000	15,110	15,690
Computer Maintenance and Support	30,000	28,053	27,700
Licenses and Dues	20,000	19,894	19,058
Insurance	105,973	111,512	100,927
Janitorial and Security	7,200	7,933	7,148
Office and Printing	45,000	26,654	35,205
Postage and Telephone	40,000	32,339	40,461
Professional Fees	180,000	66,305	112,443
Seminars and Courses	34,500	10,254	21,355
Sundry	5,000	3,868	4,741

**Glenmore-Ellison Improvement District
Consolidated Statement of Operations, cont'd.**

For the year ended December 31	2020 Budget	2020 Actual	2019 Actual
Trustees' Fees	35,000	31,600	28,420
Utilities	12,100	11,157	13,203
Wages and Employee Benefits	714,816	679,407	672,063
Open House & Tour	1,000	-	-
Interest Expense, Long Term Debt	330,000	282,303	338,551
Amortization (Notes 5 & 6)	871,716	871,716	778,620
Contribution to GEID Renewal Reserve	350,000	550,000	200,000
Total Expenditures	5,317,438	4,928,585	4,576,034
Surplus Before Loss On Disposal Of Capital Asset	3,674,852	3,886,508	6,054,317
Loss On Disposal Of Capital Asset	-	(29,587)	-
Annual Surplus	\$ 3,674,852	\$ 3,856,921	\$ 6,054,317
<u>Annual Surplus Represented By:</u>			
Current Fund (Schedule 1)	\$ 15,532	\$ 5,149	\$ 3,379
Reserve Fund (Schedule 2)	(3,589,453)	(3,562,029)	1,530,798
Equity in Tangible Capital Assets (Note 6)	7,248,773	7,413,801	4,520,140
	3,674,852	3,856,921	6,054,317
Accumulated Surplus, beginning of year	65,293,150	65,293,150	59,238,833
Accumulated Surplus, end of year	\$68,968,002	\$69,150,071	\$65,293,150

**Glenmore-Ellison Improvement District
Consolidated Statement of Changes in Net Financial Assets**

December 31	2020 Budget	2020 Actual	2019 Actual
Annual surplus	\$ 3,674,852	\$ 3,856,921	\$ 6,054,317
Acquisition of tangible capital assets (net of disposals)	(7,585,489)	(7,698,365)	(4,771,628)
Amortization of tangible capital assets (net)	871,716	824,922	778,620
	(3,038,921)	(3,016,522)	2,061,309
Acquisition of supply inventory	(200,000)	(223,674)	(87,214)
Acquisition of prepaid expense	(50,000)	(36,616)	(377,827)
Consumption of supply inventory	205,000	218,840	81,697
Use of prepaid expense	215,000	212,103	188,592
	170,000	170,653	(194,752)
Increase (Decrease) in net financial assets	(2,868,921)	(2,845,869)	1,866,557
Net financial assets, (deficit) beginning of year	(13,969)	(13,969)	(1,880,526)
Net financial assets, (deficit) end of year	\$ (2,882,890)	\$ (2,859,838)	\$ (13,969)

**Glenmore-Ellison Improvement District
Consolidated Statement of Cash Flows**

For the year ended December 31	2020 Actual	2019 Actual
Operating Activities		
Receipts from water taxes, tolls, developers, & other	\$ 8,619,490	\$ 10,512,046
Cash paid to employees and suppliers	(5,200,002)	(4,443,890)
Interest received	112,690	197,119
Interest paid on Long-Term Debt	(282,303)	(338,551)
	3,249,875	5,926,724
Financing Activities		
Proceeds from issuance of debt	-	-
Repayment of Long-Term Debt	(540,358)	(527,132)
Capital Activities		
Purchase of capital assets	(7,974,746)	(4,771,628)
Proceeds from disposal of Capital Assets	200,000	-
Increase (Decrease) in Cash	(5,065,229)	627,964
Cash, beginning of year	12,872,386	12,244,422
Cash, end of year	\$ 7,807,157	\$ 12,872,386
Cash is represented by:		
Unrestricted Cash	\$ 5,875,263	\$ 9,697,518
Restricted cash	1,931,894	3,174,868
	\$ 7,807,157	\$ 12,872,386

Glenmore-Ellison Improvement District Summary of Significant Accounting Policies

December 31, 2020

Nature of Business

The Glenmore-Ellison Improvement District was incorporated in 1921, under the *Water Act*, a statute of the Province of British Columbia. The legislative provisions relating to Improvement Districts were later removed from the *Water Act* and transferred to the *Municipal Act*, which was replaced by the current *Local Government Act*, under which the District is now governed. The principal activities of the District include the provision of irrigation and domestic water supply services to residents within the District boundaries.

Basis of Presentation

It is the District's policy to follow accounting principles generally accepted for municipalities in the Province of British Columbia and to apply such principles consistently. The consolidated financial statements include the account of all funds for the District. All inter-fund transfers have been eliminated. Accordingly all revenues and expenses are recorded on the accrual basis of accounting. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation for pay. The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards.

Budget Figures

The budget figures are adopted annually by the board of trustees and are provided for informational purposes only and are not subject to audit.

Inventory

Inventory of material is valued at the lower of cost and net realizable value. Costs include all expenses directly attributable to the purchase of inventory. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

Tangible Capital Assets

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

Land	not amortized
Buildings	40 to 75 years
Building Improvements	10 to 100 years
Construction in Progress	not amortized
Machinery and Equipment	5 to 15 years
Vehicles	5 to 10 years
IT Infrastructure	4 to 10 years
Infrastructure (Water System)	10 to 200 years

**Glenmore-Ellison Improvement District
Summary of Significant Accounting Policies, cont'd.**

December 31, 2020

Deferred Revenue

GEID Renewal Reserve Fund

The fund was established by Bylaw #98, for costs of upgrading, replacement or renewal of existing works.

Capital Expenditure Charge Reserve Fund

The fund was established for Capital Expenditure charges utilized for increasing source capacity, enlarging mains or otherwise in any way augmenting the capacity of the water system, and is supported by Bylaw #162.

Reserve Funds

Vehicle Reserve Fund

The fund was established for the replacement or acquisition of equipment for Glenmore-Ellison Improvement District.

Meter Reserve Fund

The fund was established for the purpose of funding future water meter expenditures.

Water Quality Improvement Fund

The fund was established for the purpose of funding future water quality improvements.

Risk Management Reserve Fund

The fund was established for the purpose of funding new regulation compliance such as dam safety reviews.

Rate Stabilization Reserve Fund

The fund was established to offset revenue anomalies as a result of climate driven events.

Building Fund

The fund was established for future shop expansion.

Land and Access Fund

The fund was established in 2015 for future legal expense pertaining to District Lands.

Revenue Recognition

Tax revenues are recognized from January 1st each year and prorated as service is provided. Toll revenues are recognized on a monthly basis as service is provided. Development cost charges are recognized when the service is applied for; the collection of these charges and the provision of service occurs upon application. Grant revenues are recognized when received. Interest revenue is recognized as it is earned. Other revenue is recognized when the service is provided.

Glenmore-Ellison Improvement District Summary of Significant Accounting Policies, cont'd.

December 31, 2020

Financial Instruments

The District's financial instruments consist of cash, receivables, payables and accruals and debt. Unless otherwise noted, it is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted. The District is, however, exposed to interest rate risk, primarily through its floating interest rate long-term debt as disclosed in Note 7.

Use of Estimates

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Significant areas requiring the use of management estimates relate to the determination of employee benefit accrual, allowance for doubtful accounts, obsolete inventory provisions, provision for contingencies, the determination of tangible capital asset estimated useful lives and related amortization expenses.

Actual results could differ from management's best estimates as additional information becomes available. Adjustments, if any, will be reflected in the consolidated financial statements in the period that the change in estimate is made, as well as the period of settlement if the amount is different.

Future accounting changes

PS 1201 – *Financial statement presentation*

This section revises and replaces the existing Section PS1200 *Financial statement presentation*. This section applies to fiscal years beginning on or after April 1, 2022, with early adoption permitted.

PS 2601 – *Foreign currency translation*

This section revises and replaces the existing Section PS 2600 *Foreign currency translation*. This section applies to fiscal years beginning on or after April 1, 2022, with early adoption permitted.

PS 3041 – *Portfolio investments*

This section revises and replaces the existing Section PS 3040 *Portfolio investments*. This section applies to fiscal years beginning on or after April 1, 2022 with early adoption permitted.

**Glenmore-Elison Improvement District
Summary of Significant Accounting Policies, cont'd.**

December 31, 2020

PS 3450 – *Financial instruments*

This section establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. This section applies to fiscal years beginning on or after April 1, 2022, with early adoption permitted.

PS 3280 – *Asset Retirement Obligations*

This section establishes standards for asset retirement obligations and applies to fiscal years beginning on or after April 1, 2022.

PS 3400 – *Revenue*

This section establishes standards on accounting for overall revenue transactions for which there is no specific guidance elsewhere in the PSA Handbook. The section applies to fiscal years beginning on or after April 1, 2023

**Glenmore-Ellison Improvement District
Notes to Consolidated Financial Statements**

December 31, 2020

1. Cash

	2020	2019
Restricted Cash		
CEC Reserve	\$ 1,000,224	\$ 1,302,289
GEID Renewal Reserve	931,670	1,872,579
	1,931,894	3,174,868
Unrestricted Cash	5,875,263	9,697,518
Total Cash	\$ 7,807,157	\$ 12,872,386

2. Accounts Receivable

	2020	2019
Tolls and Taxes	\$ 616,184	\$ 548,404
GST/HST Rebate	202,174	149,049
Trade and Other	23,823	66,649
	842,181	764,102
Less allowance for doubtful accounts	-	-
Total Accounts Receivable	\$ 842,181	\$ 764,102

3. Deferred Revenue (Restricted Cash)

Cash has been externally restricted by provincial government authorities for the following:

	CEC Fund	GEID Renewal Reserve Fund	2020	2019
Balance, beginning of year	\$1,302,289	\$1,872,579	\$3,174,868	\$4,250,516
Contributions				
From operating	-	550,000	550,000	200,000
From developers	1,228,802	-	1,228,802	2,167,202
Interest earned	18,576	22,784	41,360	124,861
Expenditures				
Transfers between funds	(1,549,443)	(1,513,693)	(3,063,136)	(1,503,506)
Transfers to WQIF	-	-	-	(2,064,205)
Balance, end of year	\$1,000,224	\$ 931,670	\$1,931,894	\$3,174,868

**Glenmore-Ellison Improvement District
Notes to Consolidated Financial Statements**

December 31, 2020

4. Reserve Fund Continuity Schedule

	Balance Dec. 31 2019	Contributions Operating Fund	Interest	Transfers Out	Balance Dec. 31 2020
Vehicle Reserve Fund	\$ 672,883	\$ 80,000	\$ 4,245	\$ 573,461	\$ 183,667
Meter Reserve Fund	146,859	-	1,764	22,470	126,153
Water Quality Fund	4,168,142	-	43,581	1,573,005	2,638,718
Risk Management Fund	729,280	170,000	4,869	727,020	177,129
Rate Stabilization Fund	541,477	-	6,502	-	547,979
Building Fund	990,232	230,000	7,508	1,215,967	11,773
Land and Access Fund	118,651	-	1,425	-	120,076
	\$ 7,367,524	\$ 480,000	\$ 69,894	\$ 4,111,923	\$ 3,805,495

5. Tangible Capital Assets

	2020	2019
Furniture & Equipment	\$ 190,274	\$ 162,197
Water System Infrastructure	67,520,120	57,586,396
I.T. Infrastructure	50,409	64,099
Construction in Progress	237,240	5,441,373
Land and Buildings	2,446,359	831,332
Vehicles	615,565	57,947
Machinery and Equipment	755,040	798,220
Balance, end of year	\$ 71,815,007	\$ 64,941,564

For additional information, see the Consolidated Schedule of Tangible Capital Assets on next page.

**Glenmore-Ellison Improvement District
Notes to Consolidated Financial Statements**

December 31, 2020

5. Tangible Capital Assets, cont'd.

Historical Cost:

	Land	Buildings & Equipment	Furniture Construction in Progress & Equipment	Machinery & Equipment	Vehicles	Infrastructure	I.T. Infrastructure	Water System Infrastructure	2020 Total	2019 Total
Opening Balance	\$84,790	\$911,929	\$162,197	\$5,441,373	\$987,989	\$350,037	\$170,300	\$67,086,185	\$75,194,800	\$70,423,172
Additions	-	1,566,335	38,890	237,240	573,461	-	-	5,558,820	7,974,746	4,771,628
Completed Constr. In Progress	-	284,848	(5,441,373)	-	-	-	-	5,156,525	-	-
Disposals	-	(255,097)	-	-	-	-	-	(21,284)	(276,381)	-
Closing Balance	84,790	2,508,015	201,087	237,240	987,989	923,498	170,300	77,780,246	82,893,165	75,194,800

Accumulated Amortization:

Opening Balance	-	165,387	-	-	189,769	292,090	106,201	9,499,789	10,253,236	9,474,616
Amortization Expense	-	6,569	10,813	-	43,180	15,843	13,690	781,621	871,716	778,620
Effects of Disposal	-	(25,510)	-	-	-	-	-	(21,284)	(46,794)	-
Closing Balance	-	146,446	10,813	-	232,949	307,933	119,891	10,260,126	11,078,158	10,253,236

Net Carrying Amount for Year Ended December 31, 2020

	\$84,790	\$2,361,569	\$190,274	\$237,240	\$755,040	\$615,565	\$50,409	\$67,520,120	\$71,815,007	\$64,941,564
Less:	-	-	-	-	-	-	-	(8,907,230)	(8,907,230)	(9,447,588)
Long-Term Debt (Note 7)										

NBV for Year Ended December 31, 2020

	\$84,790	\$2,361,569	\$190,274	\$237,240	\$755,040	\$615,565	\$50,409	\$58,612,890	\$62,907,777	\$55,493,976
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**Glenmore-Ellison Improvement District
Notes to Consolidated Financial Statements**

December 31, 2020

6. Equity in Tangible Capital Assets

	2020 Budget	2020 Actual	2019 Actual
Equity in TCA, beginning of year	\$ 55,493,976	\$ 55,493,976	\$ 50,973,836
Add:			
Contributions from Building Reserve	1,215,967	1,215,967	612,062
Contributions from Risk Managemt Reserve	727,020	727,020	182,681
Contributions from Land Access Reserve	-	-	-
Contributions from Renewal Reserve Fund	1,513,693	1,513,693	322,989
Contributions received from Operating Fund	-	389,257	-
Contributions from CEC Fund	1,549,443	1,549,443	1,180,517
Contributions from Developers	432,900	432,900	1,470,237
Contribution from Water Quality Reserve	1,573,005	1,573,005	1,003,142
Contribution from Vehicle Reserve	573,461	573,461	-
Total Additions	7,585,489	7,974,746	4,771,628
Disposal Of Tangible Capital Asset	-	(276,381)	-
Less: Amortization Expense	(871,716)	(871,716)	(778,620)
Plus: Effect of Disposal on Amortization	-	46,794	-
Plus: Long-Term Debt Repayment (Note 7)	535,000	540,358	527,132
Change in Equity in TCA	7,248,773	7,413,801	4,520,140
Equity in TCA, end of year	\$ 62,742,749	\$ 62,907,777	\$ 55,493,976

**Glenmore-Ellison Improvement District
Notes to Consolidated Financial Statements**

December 31, 2020

7. Long-Term Debt

A. FIXED RATE LOAN

Toronto-Dominion Bank and derivative product transaction payment agreement. The loan is repayable monthly in equal blended payments of \$48,189, with interest for a 20-year term at 3.97%, due October 31, 2033, with the Toronto Dominion Bank issued amortizing swap and floating rate option at 30 day Canadian Bankers Acceptance CDOR rate. The District has pledged the full collecting and taxing powers of the Improvement District as security for the repayment of the loan.

B. FLOATING RATE LOAN

Toronto-Dominion Bank and derivative product transaction payment agreement. The loan is payable monthly in equal principal payments of \$16,667 plus floating rate interest at the Canadian Dealer Offered rate (CDOR) and a stamping fee of 0.59% per annum. The loan is repayable in 240 monthly payments and is due on June 30, 2036.

	2020	2019
Fixed Rate Loan		
Opening Balance	\$ 6,147,602	\$ 6,474,730
Repayments	(340,354)	(327,128)
Ending Balance	\$ 5,807,248	\$ 6,147,602
 Floating Rate Loan		
Opening Balance	\$ 3,299,986	\$ 3,499,990
Loan Advances	-	-
Repayments	(200,004)	(200,004)
Ending Balance	\$ 3,099,982	\$ 3,299,986
 Total Long-Term Debt, Ending Balance	\$ 8,907,230	\$ 9,447,588

The estimated principal repayments for the next five years and thereafter are as follows:

2021	\$	554,119
2022		568,435
2023		583,332
2024		598,830
2025		614,954
Thereafter		5,987,560
	\$	8,907,230

**Glenmore-Ellison Improvement District
Notes to Consolidated Financial Statements**

December 31, 2020

8. Commitments and contingencies

The District is involved in litigation and claims which arise from time to time in the normal course of business. In the opinion of management, any liability that may arise from such contingencies would not have a significant adverse effect on the consolidated financial position of the District and will be recorded in the period that the ultimate loss, if any is known.

9. Contingencies

Pension liability

The employer 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 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, 2020 the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 40,000 contributors from local governments.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Glenmore-Ellison Improvement District paid \$122,434 (2019 - \$107,839) for employer contributions while employees contributed \$ 109,465 (2019 - \$96,927) to the plan in fiscal 2020.

The next valuation will be at December 31, 2021, with the 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.

10. Prior Period Figures

Certain of the prior period figures have been reclassified to conform with the current year's presentation.

Schedule 1

**Glenmore-Ellison Improvement District
Current Fund – Statement of Operations**

For the year ended December 31	2020 Budget	2020 Actual	2019 Actual
Revenues			
Domestic Water Connection Fees	\$ 68,000	\$ 92,650	\$ 115,655
Domestic Water Rates	4,547,260	4,392,313	4,457,258
Tax Levy	540,709	544,421	531,148
Sale of Water by Agreement	3,000	3,591	4,893
Equipment Rentals	-	8,939	38,756
Wage and Overhead Recoveries	11,500	24,070	129,451
Interest and Penalties on Accounts	13,000	15,523	19,225
Interest – Deposits and Investments	30,375	21,742	36,722
Interest – Special Works Account	6,500	5,531	11,694
Sundry	175,910	140,383	118,122
Proceed from sale of Capital Assets	-	200,000	-
Contribution from Meter Reserve	-	22,470	-
	5,396,254	5,471,633	5,462,924
Expenditures			
<i>Operating</i>			
Chlorinator	100,000	72,437	90,798
Holiday and Sick Pay	182,200	175,671	156,331
Insurance	70,648	74,341	67,285
Power	500,000	396,973	396,705
Pumps	120,000	99,333	97,868
Repairs & Maintenance			
Buildings	120,000	84,799	47,670
Distribution System	912,000	875,042	938,908
Watershed Management	158,910	44,239	31,116
Supervision	245,800	253,185	241,320
Tractor and Backhoe	26,000	32,308	19,393
Truck	81,775	69,383	70,185
<i>Administration</i>			
Bank Charges	2,800	2,769	2,870
Chairman's Remuneration	15,000	15,110	15,690
Computer Maintenance and Support	30,000	28,053	27,700
Licenses and Dues	20,000	19,894	19,058
Insurance	105,973	111,512	100,927
Janitorial and Security	7,200	7,933	7,147
Office and Printing	45,000	26,654	35,204
Postage and Telephone	40,000	32,339	40,461
Professional Fees	180,000	66,305	112,443
Seminars and Courses	34,500	10,254	21,355
Sundry	5,000	3,868	4,741
Trustees' Fees	35,000	31,600	28,420

Cont'd...

Schedule 1

**Glenmore-Ellison Improvement District
Current Fund – Statement of Operations, cont'd.**

For the year ended December 31	2020 Budget	2020 Actual	2019 Actual
Utilities	12,100	11,157	13,203
Wages and Employee Benefits	714,816	679,407	672,063
Open House & Tour	1,000	-	-
Debt Servicing	330,000	282,303	338,551
Total Expenditures	4,095,722	3,506,869	3,597,412
Excess of Revenue over Expenditures	1,300,532	1,964,764	1,865,512
Interfund Transfers			
Capital Fund – Repayment L.T. Debt	(535,000)	(540,358)	(527,133)
Capital Fund - Asset Additions	-	(389,257)	-
Reserve Funds – Unrestricted	(400,000)	(480,000)	(1,135,000)
Reserve Fund – Restricted	(350,000)	(550,000)	(200,000)
Change in current fund	15,532	5,149	3,379
Balance, beginning of year	2,431,650	2,431,650	2,428,271
Balance, end of year	\$ 2,447,182	\$ 2,436,799	\$ 2,431,650

Schedule 2

**Glenmore-Ellison Improvement District
Reserve Fund – Statement of Operations**

For the year ended December 31	2020 Budget	2020 Actual	2019 Actual
Revenues			
Transfers from current fund	\$ 400,000	\$ 480,000	\$ 1,135,000
Transfers from CEC Fund	-	-	2,064,205
Interest earned	100,000	69,894	129,478
	500,000	549,894	3,328,683
Expenditures			
Contributions to capital fund	4,089,453	4,089,453	1,797,885
Contributions to current fund	-	22,470	-
	4,089,453	4,111,923	1,797,885
Change in reserve fund	(3,589,453)	(3,562,029)	1,530,798
Reserve Fund Surplus, beginning of year	7,367,524	7,367,524	5,836,726
Reserve Fund Surplus, end of year	\$ 3,778,071	\$ 3,805,495	\$ 7,367,524
Summary of Reserve Funds positions			
Vehicle Reserve	\$ 108,555	\$ 183,667	\$ 672,883
Meter Reserve	148,852	126,153	146,859
Water Quality Reserve	2,651,712	2,638,718	4,168,142
Risk Management Reserve	182,159	177,129	729,280
Rate Stabilization Reserve	548,827	547,979	541,477
Building Reserve	17,705	11,773	990,232
Land and Access Reserve	120,261	120,076	118,651
	\$ 3,778,071	\$ 3,805,495	\$ 7,367,524