



# City of Terrace

## Annual Report 2017



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## *Message from the Mayor*



*On behalf of Council and the staff and the City of Terrace, it is my pleasure to present to you the 2017 Annual Report. This report is required under Section 98 of the Community Charter. A Council must annually prepare a progress report including objectives and measures for the coming year. It should include a brief report card on the previous year's accomplishments, a snapshot of municipal services and operations, and financial information.*

*2017 was yet another busy year for Council. Council attended a variety of meetings and conferences with industry, Government, and various stakeholders throughout the year. We continued to work collaboratively with the Kitselas First Nation, our joint venture partner at the Skeena Industrial Development Park (SIDP), and SIDP landowners to encourage economic growth through promotion of the SIDP.*

*Council continued to lobby the Government for a funding agreement based on the resource industry in the Northwest on behalf of the Northwest BC Resource Benefits Alliance. Council worked with a number of non-profit organizations, Provincial Government, and local First Nations to cooperatively identify and address the housing affordability needs in the City and surrounding areas.*

*Notable highlights in 2017 included the commencement of the Terrace & District Aquatic Centre renewal upgrade project, opening of the new Rotary Splash Park in George Little Park, providing land for the Rapid Response to Homelessness project, as well as celebrating the 90<sup>th</sup> birthday of our beautiful City.*

A handwritten signature in black ink, appearing to read 'C. Leclerc', written in a cursive style.

**Mayor Leclerc**

**City Council**

*City Council is a legislative body representing the citizens of Terrace. Council provides leadership and establishes policies and priorities for the community. Regular meetings are held on the second and fourth Monday of every month at 7:30 p.m. in Council Chambers at City Hall. The public is welcome to attend the meetings in person or view them on the City’s website or Facebook page. Council meetings are also archived for up to a year on the City’s website.*



*Figure 1: Mayor and Council at the Inaugural Meeting in December 2014*

## ***Councillors' Areas of Responsibility 2017***

*Every year City Councillors serve as liaisons between various committees, community organizations, and City departments. The Councillors attended meetings for these groups and relayed information between Council and their respective organizations. Below is a list of each Councillor's area of responsibility for 2017.*



### ***Mayor Carol Leclerc***

- *Governments (Federal, Provincial, Municipal, and First Nations)*
- *Northern Development – Northwest Regional Advisory Committee*
- *Regional District of Kitimat-Stikine Alternate*
- *Terrace Community Foundation*
- *Healthy Communities Committee*
- *Administration Liaison*



### ***Councillor Sean Bujtas***

- *Housing Committee*
- *Regional District of Kitimat-Stikine*
- *Terrace Public Library*
- *RCMP Liaison*



### ***Councillor Lynne Christiansen***

- *Regional District of Kitimat-Stikine*
- *Terrace & District Museum Society*
- *Finance Department Liaison*



### ***Councillor James Cordeiro***

- *Greater Terrace Beautification Society*
- *Terrace-Kitimat Airport Society*
- *Terrace Downtown Improvement Area Society*
- *Public Works Liaison*



***Councillor Brian Downie***

- *Northern Development Initiative Trust – Northwest Regional Advisory Committee Alternate*
- *Regional District of Kitimat-Stikine Alternate*
- *Kitimat Valley Institute Labour Market Partnership*
- *Riverboat Days Committee*
- *Skeena Diversity Society*
- *Fire Department Liaison*



***Councillor Michael Prevost***

- *Housing Committee*
- *Rio-Tinto Kitimat Public Advisory Committee*
- *Northern Medical Programs Trust*
- *Leisure Services Liaison*



***Councillor Stacey Tyers***

- *Youth Advisory Committee*
- *Kermodei Tourism Society*
- *Educational Services*
- *Development Services Liaison*

## *Freemen of the City of Terrace*

*The title of City Freeman is an honour bestowed upon distinguished individuals who are recognized for a number of different aspects from their extensive and well-known public service to their passion and dedication for the City.*



*Figure 2: City Freeman Yvonne Moen*

***Yvonne Moen** – Ms. Moen was recognized as a Freeman of the City in 2015.*

***Jack Talstra** – Mr. Talstra was recognized as Freeman of the City in 2014.*



*Figure 3: City Freeman Jack Talstra*



**Bill McRae** – Mr. McRae was recognized as a City Freeman in 1989.

Figure 4: City Freeman Bill McRae

**Vesta Douglas** – Ms. Douglas was recognized as a City Freeman in 1987.



Figure 5: City Freeman Vesta Douglas



**Emil Haugland** – Mr. Haugland was recognized as a City Freeman in 1969.

Figure 6: City Freeman Emil Haugland



*Terrace's 90th Year of Incorporation*

*2017 was Terrace's 90<sup>th</sup> year of incorporation. Special commemorative pins were ordered to mark the occasion. This anniversary was acknowledged throughout the year at events such as the City's annual Volunteer Appreciation Dinner, Riverboat Days events, and at the North Central Local Government Association AGM held in Terrace in 2017.*



## Strategic Planning

The City continued with the Strategic Plan that was launched for 2015-2019. Terrace identifies itself as the Heart of Northwest B.C. and that is a vibrant, diverse community with a strong economy who provides a high quality of life with abundant recreational activities, outdoor adventures, rich local culture, and strong First Nations relationships.

The City worked with the various levels of Government, local non-profit organizations, local businesses, and stakeholders to express that Terrace is poised for the potential of economic growth with the commencement of numerous low-income housing projects, continued promotion of the Skeena Industrial Development Park, and lobbying the newly elected Provincial Government to re-confirm their commitment to the replacement of the aging Mills Memorial Hospital.

Council attended many meetings and events throughout the year related to the four pillars of the Strategic Plan: Community Planning, Financial Sustainability, Responsible Management, and Partnerships with Others.

### MID-TERM REPORT

ON THE 2015-2019 STRATEGIC PLAN

### PROGRESS UPDATE

AT A GLANCE FOR TERRACE

#### COMMUNITY PLANNING

- ✓ Ksan Society's Haugland Avenue Affordable Housing Project
- ✓ BC Housing/Terrace and District Community Services Society rezone of the former Cedars Motel
- ✓ Transportation Master Plan completed
- ✓ Waste Water Treatment Plant Condition and Capacity Assessment completed
- ✓ Water Distribution Master Plan completed
- ✓ Parks and Recreation Master Plan completed
- 2017 Sanitary Sewer Master Plan
- 2017 Subdivision and Development Bylaw update
- 2017 Terrace & District Aquatic Centre Renewal Project
- 2017 Downtown Parking Study
- 2017 George Little Park splash park construction and playground renewal in collaboration with the Rotary Clubs of Terrace and the Kinsmen

#### RESPONSIBLE MANAGEMENT

- ✓ Public consultation through numerous open houses
- ✓ Council meetings live streamed on Facebook
- ✓ New website launched
- ✓ Accelerated reserve fund replacement for future works

#### FINANCIAL SUSTAINABILITY

- ✓ Skeena Industrial Development Park updates as this project develops
- ✓ Economic Development Strategy completed
- ✓ Love Terrace Program implemented
- ✓ Business Walks
- ✓ Annual clean up and weed pull
- ✓ Brolly Square Busker Series with the Terrace Downtown Improvement Area Society
- ✓ Participate in the Northwest BC Resource Benefits Alliance
- ✓ Council resolution to develop an Asset Management Policy
- ✓ Enhanced 5-year Financial Plan detail

#### PARTNERSHIP WITH OTHERS

- ✓ Advocate for the replacement of Mills Memorial Hospital
- ✓ Reconciliation Workshop
- ✓ Permissive Tax Exemptions for qualifying Not-for-Profit Organizations
- ✓ Provide flow-through funding to the Terrace Community Foundation
- ✓ Homelessness Task Group recommendations
- ✓ Petition and brochure developed with the North West Regional Hospital District regarding the replacement Mills Memorial Hospital
- ➡ Enhanced relationship with the Province has led to increased success on grant funding
- ➡ Became a member of the Regional District of Kitimat-Stikine Solid Waste function, expanding services for our residents and reducing future environmental impacts

**Community Planning**

*The Provincial Government partnered with the City of Terrace to deliver a 52 unit low-barrier supportive housing project in 2018, also known as the Rapid Response to Homelessness initiative. Terrace also awarded \$250,000 from the Affordable Housing Fund to Ksan House Society for the future Haugland Avenue affordable housing project.*

*The Terrace & District Aquatic Centre Renewal Upgrade Project commenced in March 2017. The City also conducted a Downtown Parking Study to assess the current parking situations in the downtown core and to address any deficiencies.*

*Mayor & Council were present for the grand opening of the Rotary Splash Park and the Kinsmen Playground renewal project at George Little Park. The Rotary Splash Park and the Kinsmen Playground renewal were made possible by collaboration of the City of Terrace, Rotary Clubs of Terrace, and the Kinsmen.*



*Figure 7: Ribbon Cutting Ceremony for the Grand Opening of the Splash Park*

## ***Financial Sustainability***

*The City of Terrace continued to promote the financial sustainability of the City. Work continued on the Skeena Industrial Development Park lands. Meetings took place throughout the year with the largest proponent at the site, Taisheng International Investment Services representing the Qinhuangdao Economic and Technological Development Zone.*

*The City conducted the 2<sup>nd</sup> annual Business Walk in partnership with the Terrace and District Chamber of Commerce, the Regional District of Kitimat-Stikine, Community Futures 16/37, Terrace Business Resource Centre, Northwest Regional Airport, the Terrace Downtown Improvement Area, Kermodei Tourism, and the former Ministry of Jobs, Tourism, and Skills Training (now Jobs, Trade and Technology). The City facilitated the Downtown Canopy Renewal Project with property and business owners on Lakelse Avenue.*

*Council promoted the City of Terrace at many conferences and events, including the Association of Mineral Exploration's (AMEBC) Roundup Convention, Minerals North, the Council of Forest Industries (COFI) Annual Convention, and the BC Natural Resources Forum. Council continued to support the forest industry through meetings with the Terrace Community Forest and Skeena Sawmills.*

## ***Responsible Management***

*The City worked with the Northwest Regional Hospital District to lobby the Provincial Government to commit to the replacement of Mills Memorial Hospital.*

*The City continued work with the Youth Advisory Committee throughout 2017 to gain a broader knowledge regarding input and inquiries held by the younger demographic of Terrace and the surrounding area.*

*Regular and Special City of Terrace Council meetings continue to be livestreamed through the City of Terrace website and Facebook page.*



*Figure 8: The Youth Advisory Committee touring the Terrace Fire Hall*

*Infrastructure projects for 2017 included a rebuilding of Munroe Street from Highway 16 to Walsh Avenue and repaving the 4700 block of Tuck Avenue. Lakelse Avenue was reconfigured with new lane markings. The Terrace Public Library received a canopy extension to cover the front steps of the library. The Visitor Information Centre received a number of upgrades to the building. The Sportsplex Arena was re-roofed in 2017. Thanks to service groups such as Rotary and Kinsmen, and with the help of many generous contributors, a splash park was constructed and the playground was redeveloped in George Little Park. Work at the Christie Park soccer fields continued in 2017. This is part of a multi-year project to relevel and repair this much utilized park. New transit shelters were installed on Lakelse Avenue and by Mills Memorial Hospital in 2017.*

## *Partnerships with Others*

*In 2017 the City of Terrace continued to work with its neighbours to create strong relationships to benefit the region as a whole. Council attended the Nation2Nation Forum where they formed new relationships and networked with various individuals. The Nation2Nation Forum serves as a way to bring together First Nations, industry, and community leaders to plan and discuss ways to further improve the region. Council took part in the Hobiyeey celebrations in the Nass Valley. In March the City held a Reconciliation Dialogue run by Reconciliation Canada and also attended the Reconciliation Walk in Vancouver in September.*



*Figure 9: CAO & Council at the UBCM Reconciliation Walk*

*Terrace successfully hosted the North Central Local Government Association (NCLGA) annual conference which all of Council attended.*

*Council continues to be a voice for the Northwest BC Resource Benefits Alliance. They continue to push the Province for a funding agreement based on of the resource industry in our region.*

## *Departmental Reports*

### *2017 Department Heads*

*Chief Administrative Officer*

*Heather Avison*

*Corporate Administrator*

*Alisa Thompson*

*Director of Finance*

*Lori Greenlaw*

*Fire Chief*

*John Klie*

*Director of Leisure Services*

*Carmen Didier*

*Director of Public Works*

*Rob Schibli*

*Director of Development Services*

*David Block*



*Figure 10: Front gardens at City Hall*

## Corporate Administration

The City's Corporate Administration Department consists of the Corporate Administrator, Executive Assistant, Human Resources Manager, and Administration Secretary. This department provides legislative and administrative support to Mayor and Council, as well as other City Departments. Council meetings and functions are coordinated through Administration, and this department is also responsible for the maintenance and retention of bylaws of the City, communications, preparation of Council minutes and agendas, the elections process, and for inquiries under the Freedom of Information and Protection of Privacy legislation.

Key activities in this Department over the past year include:

- The adoption by Council of some notable bylaws including a Solid Waste Operations bylaw and the Terrace & District Aquatic Centre Upgrade/Renewal Project Loan Authorization bylaw;
- Prepared for the annual Union of BC Municipalities convention;
- Issued 28 media releases;
- Provided staff support to the Housing Committee and the Youth Advisory Committee;
- Concluded negotiations with CUPE for a four-year contract;
- Establishment of the Jack Talstra Memorial Bursary;
- Organized the 2017 North Central Local Government Association AGM and Convention;
- Organized the Riverboat Days Opening Ceremony and Council's Annual Riverboat Days Pancake Breakfast;
- Responded to 7 requests for records under the Freedom of Information Protection of Privacy Act;
- Negotiated leases for several City owned buildings;
- Organized events such as an open house during Volunteer Appreciation Week and the volunteer appreciation dinner to recognize and thank the residents who volunteer their time on City-related boards and committees;
- Updated the Management Staff Benefits Policy, and added a new Smoking Policy and an Affordable Housing Reserve Fund: Sources of Funding Policy; and
- Developed a strategy to recognize Terrace's 90th year of incorporation.



Figure 11: Council met with Premier Horgan during UBCM



## *Economic Development*

*2017 was the second year of implementing the Economic Development Strategy that was adopted by Council in 2016. In December 2017 the Economic Development Manager reported to Council on the progress of the Economic Development Strategy implementation, including a variety of activities in each of the eight priority areas. Highlights of economic development activities to date include:*

### *Regional Partnership and Tourism:*

- A Northwest region new resident and workforce attraction marketing initiative was formed;*
- The City is moving forward with the Terrace Transloading Facility Feasibility Study after obtaining a significant contribution from the Province's Rural Dividend program; and*
- The City continued working cooperatively with our Joint Venture partner Kitselas and other landowners at the Skeena Industrial Development Park to facilitate development.*



*Figure 12: Visitor Information Centre*

*Downtown and Business Retention/Expansion:*

- *Facilitating the Downtown Canopy Renewal Project with property and business owners on Lakelse Avenue;*
- *Champion for Love Terrace, a buy local marketing program;*
- *Hiring of a permanent full time Communications and Business Development Officer;*
- *Completion of Terrace’s second annual Business Walk and follow-up training;*
- *Continuing to publish quarterly Economic Development updates and other relevant communications; and*
- *Exploring and implementing a variety of partnership projects inspired by business engagement activities and recommendations including pursuing a co-working space.*

*Industrial and Corporate Lands – Investment Attraction:*

- *Three brownfield remediation projects. Terrace received clearance from the Province for the City-owned former log yard at the corner of Keith Avenue and Kenney Street.*
- *Nearing completion of the project on the west-side of the former Co-op site;*
- *Hosting investors and providing investor tours;*
- *Collaborative marketing efforts for key neighborhoods and the Skeena Industrial Development Park;*
- *Promotion of Terrace at trade shows and various events; and*
- *Beginning the development of an investment portal for site selectors.*



*Figure 13: Skeena Industrial Development Park*

## *Development Services*

*The Development Services Department is responsible for all community and land use planning activities, including long range planning and the processing of zoning, subdivision, development permit, and development variance permit applications. Development Service Department also oversees initiatives related to corporate and community sustainability. Other primary services include building inspection and business licensing, geographic information systems and mapping, bylaw compliance and animal control.*

*Economic activity remained positive in the Northwest region through 2017. In Terrace this was reflected in similar land development inquiries and permit applications. Although there was a slight decrease compared to 2016, the overall permit numbers were in line with the 10 year average. The department processed 47 land use applications in 2017, as compared to 68 the previous year. In total 15 Development Permits were issued for commercial renovations and alterations projects and new construction compared to 11 in 2016. Sign permit applications were 37 for 2017 compared to 26 in 2016.*

*The Planning Department oversaw a variety of projects and initiatives while keeping up with the day to day workload and providing additional support to other departments on a regular basis.*



*Figure 14: Downtown Terrace*

*Long-range planning projects in 2017 included completion of the Downtown Parking Study and substantially completing the updates of the both the Official Community Plan and Zoning Bylaw. The Planning Department also supported Leisure Services in the design and implementation of significant upgrades in George Little Park including design and construction oversight for the new Splash Park. The Planning Department plays a key role in the parks planning function and supported the Leisure Services Department with the proposed upgrades to the Terrace and District Aquatic Centre parking and other community park enhancements.*



*Figure 15: George Little Park*

*Sustainability planning and outreach efforts continued throughout 2017. Staff completed annual measuring and reporting out on corporate (city wide) greenhouse gas emissions as well as sought ways to support community wide progress with a focus on a reduction in residential emissions.*

*Annual sustainability outreach initiatives continued in 2017 including participation in the annual community Garbathon, coordinating Bike to Work Week and other active transportation initiatives. The City-managed community gardens had another successful year of growth, with garden plots fully utilized at both gardens.*

*The Building Inspection and Business Licensing Division issued building permits for approximately 46 million dollars in construction value, compared to 10 million dollars in 2016 and 52 million in 2015. The total number of permits issued in 2017 was 214, as compared to 201 in 2016. The number of single family residential dwelling permits issued in 2017 was 17, slightly up from 12 in 2016. The total number of businesses licenses at year end for 2017 was 1,206 up from 1,166 in 2016.*

*In 2017 the Geographic Information Systems/Mapping Division continued to maintain and update TerraMap, the City's digital mapping database, as well as providing support functions for planning and engineering and other City departments.*

*The Bylaw Compliance Officer continued to proactively enforce Municipal Bylaws and regulations and plays a primary role to educate residents and property owners in effort to obtain compliance. The number of complaints received and tickets issued for 2017 was 360 and 156 respectively; and included 139 complaints received and 7 tickets issued by the RCMP under the Street & Traffic Bylaw, Noise Control Bylaw, and the Parks & Public Places Bylaw.*

*The Animal Control Officer dealt with 61 registered complaints under the Animal Control Bylaw. The shelter staff cared for numerous animals and found homes for many abandoned pets through the animal adoption program. 740 private animal cremations were performed by the Animal Shelter in 2017 which was an increase over the 695 performed in 2016. For many pet owners and the veterinarians in the region this cremation service continues to be well received and well utilized.*

## **Finance**

*The Finance Department is responsible for safeguarding the City's financial assets and planning to ensure the financial stability and viability of the City. Those safeguards include monitoring, controlling and allocating the City's financial resources in order to meet the short and long term budgetary goals and objectives that Council has set out in the five-year Financial Plan. The Finance Department is also accountable for implementing and administering the City's Information Technology (IT) systems. All financial transactions are completed in accordance with the Community Charter, the Local Government Act and Canadian Generally Accepted Accounting Principles as set out by the Public Sector Accounting Board.*

*The Finance Department has two distinct client groups; internal and external. Internal financial systems and reports are continually changing to meet the needs of the departments and of Council. External communication and reporting includes audited financial statements, annual reports and communication with media, stakeholder groups and individual taxpayers.*

### *Core Service Areas:*

- *Financial Planning;*
- *Accounting Services;*
- *Information Technology; and*
- *Revenue Services*

### *Key Activities:*

- *Prepare the Financial Plan Bylaw through a series of open meetings with Council;*
- *Prepare the Tax Rates Bylaw guided by the goals and objectives of Council;*
- *Collect municipal property taxes as well as utility charges. Also collect property taxes on behalf of the Regional District of Kitimat-Stikine, Northwest Regional Hospital District, Province of BC, BC Assessment Authority and Municipal Finance Authority. Conduct, if necessary, an annual Tax Sale;*
- *Produce accurate and timely internal financial statements and monitor budgetary controls. Process and monitor accounts payable, payroll, employee benefits, accounts receivable, taxation and utilities. Co-ordinate City-wide cash systems and insurance transactions;*
- *Manage financial reserves;*
- *Administer the Terrace Regional Transit System Annual Operating Agreement and participate with the Regional District of Kitimat-Stikine in the Skeena Regional Transit System;*
- *Monitor RCMP agreements and financial transactions;*
- *Monitor cost-sharing agreements with the Regional District of Kitimat-Stikine. These include the matters of arena, pool, leisure programs, library, cemetery, transit, fire protection and highway rescue;*

- *Prepare the Permissive Tax Exemptions Bylaw;*
- *Arrange for an annual audit of the financial statements. The Audited, Consolidated Financial Statement as of December 31, 2016 are included in this report;*
- *Research and co-ordinate grant applications including the use of Federal Gas Tax revenues and Gaming Funds; and*
- *Maintain and support the City's technology and computer systems and IT projects.*



*Figure 16: New Buses for the Skeena Regional Transit System*

## Fire Department



Figure 67: 2017 Terrace Fire Department

*In 2017, the Fire Department consisted of 8 full time firefighters, 2 Chief Officers and a Clerk/Dispatcher. To complement the career staff, there were up to 24 Volunteer Firefighters that trained and worked alongside the paid staff to provide fire prevention, fire suppression, rescue, pre-hospital care and hazards mitigation. We strive to have 32 Volunteers on staff.*



Figure 18: Fire Fighting in Action



Figure 19: Fire Training



In 2017, the Terrace Fire Department responded to 1,286 incidents that were dispatched from 911. The breakdown of those calls were: 251 fire related calls; 885 First Responder & medical calls; 151 rescue and MVI calls; and 25 Assist & Complaints. In 2016, the Terrace Fire Department responded to 1,018 incidents that were dispatched from 911. There was an increase of 268 calls from 2016 to 2017. The main contributors to this increase were first responder & medical calls, which amounted to 885 calls in 2017, and only 610 calls in 2016.

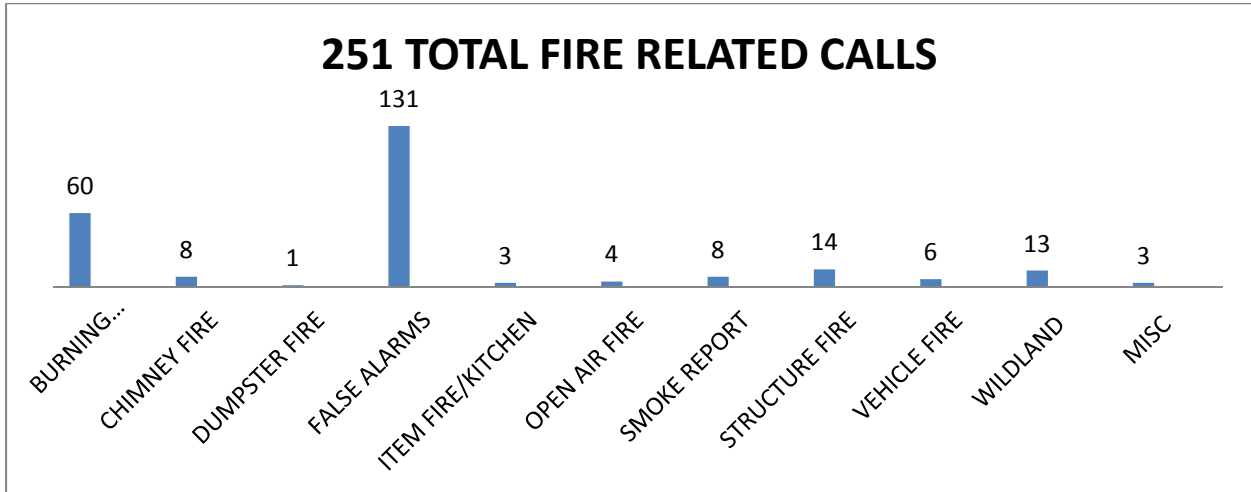


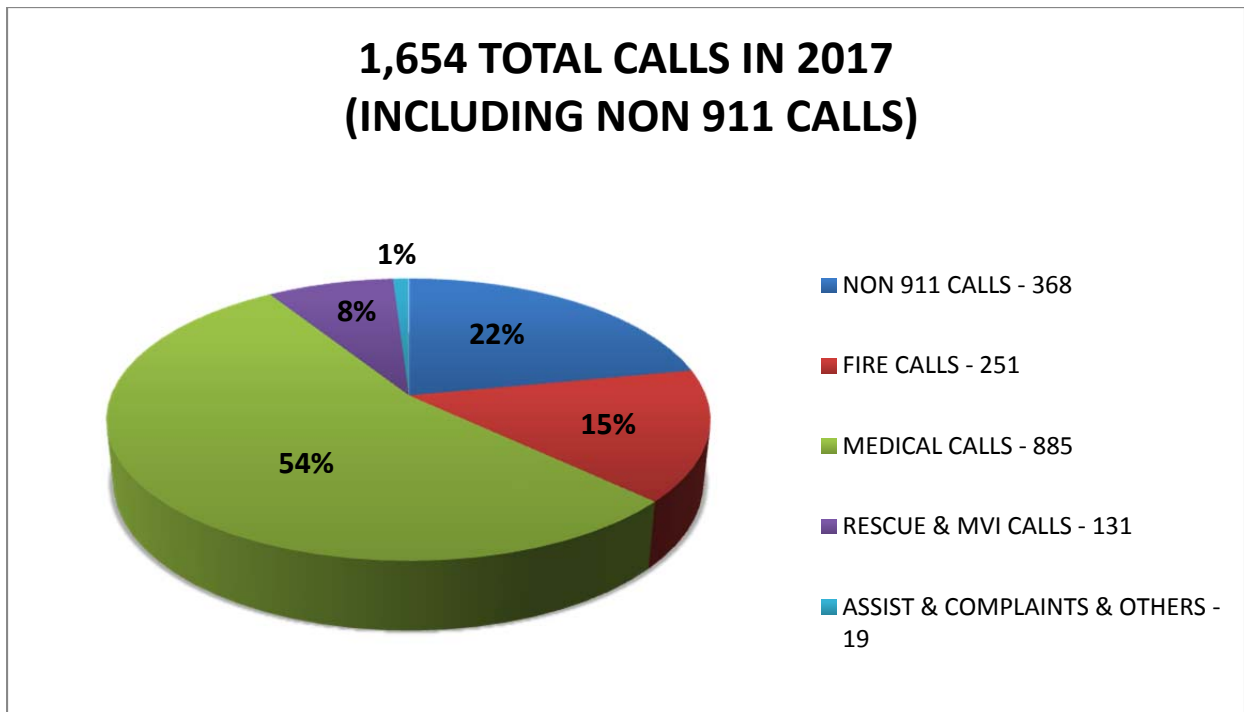
Figure 20: Firefighter responding to a wildland fire

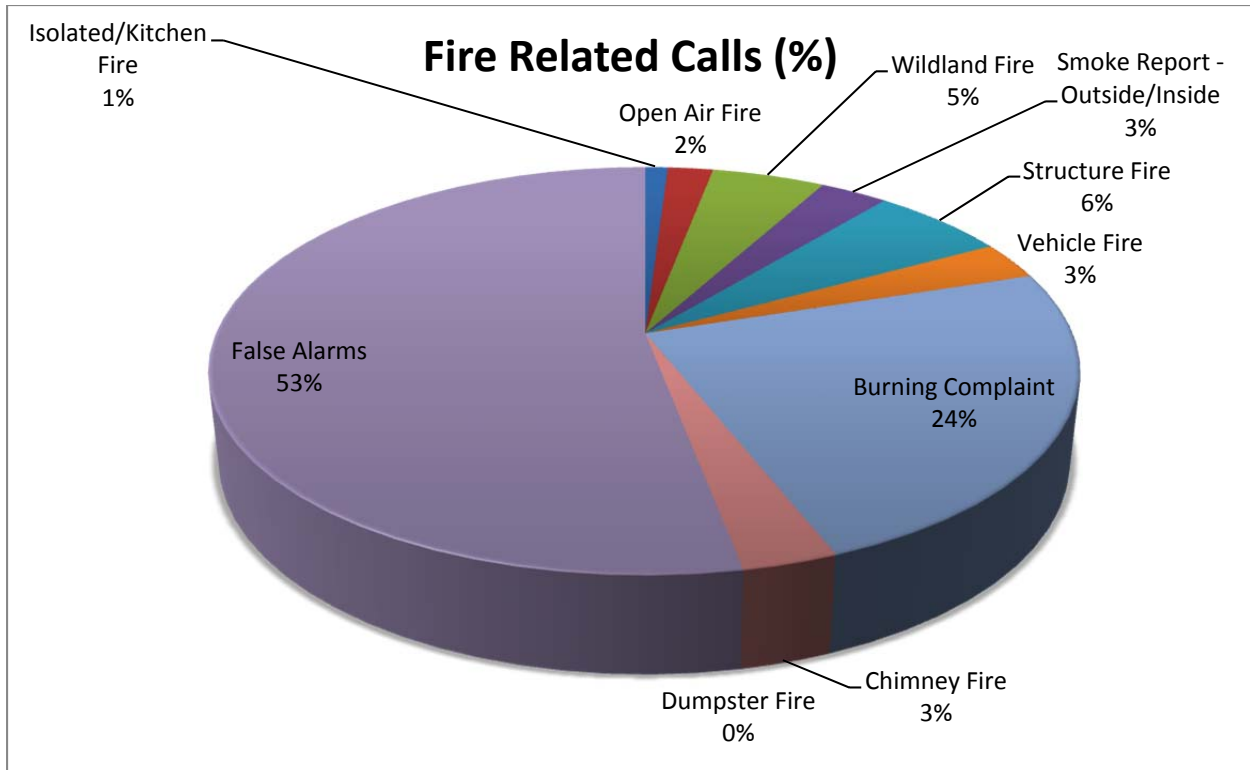
The number of non 911 dispatch events was similar from 2016 to 2017. The breakdown of the 2016 non 911 calls was as follows:

- 197 Alarm System Notifications from Businesses;
- 22 Community Events (Including Fire Hall Tours and Fire Prevention Talks);
- 77 City of Terrace Service Calls; and
- 62 Queries/Burning Complaints/Fire Watch/Critical Incident Debriefing.
- Total of **358** Non 911 Calls.

The 2017 non 911 calls were comprised of the following:

- 177 Alarm System Notifications from Businesses;
- 42 Community Events (Including Fire Hall Tours and Fire Prevention Talks);
- 100 City of Terrace Service Calls; and
- 49 Queries/Burning Complaints/Fire Watch/Critical Incident Debriefing.
- Total of **368** Non 911 Calls.





### Training

*Training is a key component for the Fire Department. Varied training is vital in order for the department to continue to operate successfully and meet specific standards and best practices.*



*Training involves time and commitment from the paid staff as well as the volunteer firefighters. The Terrace Fire Department holds weekly training sessions after hours every Tuesday evening from 7:00 p.m. to 9:00 p.m. to teach core skills that are essential to being a successful firefighter.*

Figure 21: MVI Training



*Figure 22: Training with the Thornhill Fire Department*

*A key component to the Fire Department's training is to ensure that time is spent training with their Mutual Aid Partners such as the Thornhill Fire Department, as well as the local Forestry Firefighting Branch. Training with the local Forestry Firefighting Branch provides the firefighters with basic training should there ever be a major Wildland interface fire.*



*Figure 23: Training with the Thornhill Fire Department*



*Figure 24: Training with the local Forestry Firefighting Branch*

### Fire Prevention Talks and Tours

October is Fire Prevention month and the Smoke House tour is a favourite event with the local elementary schools.



Figure 25: Smokehouse Drills

### Fundraising Events/ Community Events

Every year the firefighters sponsor or co-host a variety of events to either raise money and/ or awareness for different organizations. In 2016 these included the “Guns and Hoses”



hockey game with the Terrace RCMP detachment for the local JumpStart program, and working with McDonald’s to sponsor the “Fire Chief for a Day” program.

Figure 26: Annual Guns and Hoses Hockey Game

## **Leisure Services**

*Leisure Services is responsible for providing parks and recreation services including an Aquatic Centre, Sportsplex with twin arenas, Ferry Island campground, sports fields, trails and parks. Leisure Services plans and implements programs and special events that promote active and healthy living. Leisure Services is also responsible for providing cemetery services.*

### **Sportsplex Arena Ice Use**

*In 2017, the ice was in for a total of thirty three weeks - twenty four weeks with two sheets of ice and nine weeks with one sheet of ice.*

*Arena ice highlights include*

- *2017 Midget Tier III Provincial Championships*
- *12 hockey tournaments*
- *2 figure skating seminars*
- *42 Skeena Valley Hockey League games*
- *11 Riverkings games*

### **Sportsplex Hall and Dry Floor Use**

- *43 large multiple day events (some of which are Business Expo, North Central Local Government Association AGM, Riverboat Days, Rotary Auction, Roller Derby, Mixed Martial Arts, craft fairs, Christmas parties, First Nations Health Authority, government agency workshops, training etc. etc.)*
- *-10 coaching/development clinics (soccer, softball, mountain biking, dance)*
- *-11 weddings*
- *-Caledonia Prom and Dry Grad*
- *-59 birthday parties*
- *The Sportsplex administers a waiver of rental fees policy for organizations and clubs who meet eligibility requirements. In 2017, the Sportsplex granted \$15,000 worth of free use.*

### **Sportsplex Programs**

*Fitness, public skating and youth activities continue to be the focus of community programming. However, with the Aquatic Centre being closed more functional mobility classes were added to the fitness schedule and the school implemented a Strong Start Skating program that increased daytime ice usage two fold.*

*Regular programs that record participation numbers include*

- *Weekday fitness – 7,268*
- *Saturday and Sunday public skate – 2,513*
- *Free public skates – 1,424*

### **Programs Department Special Events**

- *Circus Camp*
- *Family Day*
- *Aboriginal Days*
- *Canada Day*
- *Movie in the Park*
- *Terry Fox Run*
- *Christmas Skates*



*Figure 27: Scaffolding at the Terrace and District Aquatic Centre*

### **Aquatic Centre**

In 2016 the facility was the recipient of a \$4.3 million dollar infrastructure renewal grant from the Federal Gas Tax Strategic Priorities Fund. This grant precipitated a comprehensive public consultation process that supported City Council to expand the scope of the renewal project to become a complete upgrade and modernization of the facility. Carscadden Stokes and McDonald were hired as the architectural design team and Viking Construction was hired as the general construction contractor. The Aquatic Centre closed to start this project in March 2017, and remains closed at time of this report. Re-opening is expected in the summer of 2018.

While the Aquatic Centre was open January to March, 240 youth participated in swim lessons and 1,074 participated in the Friday night free swims. Total facility usage records were not available at time of this report.

### **Clubs and Organization Registration Numbers**

Registration numbers for various clubs and organizations that regularly use the city facilities are as follows:

- *Figure Skating Club - 217*
- *Minor Hockey - 300*
- *Northern Edge Academy - 50*
- *Ringette - 83*
- *Men's Rec League - 270*
- *Terrace Youth Soccer - 665*
- *Minor Softball - 310*
- *Adult Softball/Slo-Pitch - 260*
- *Badminton - 45*
- *Adult Volleyball League - 126*
- *Youth Volleyball - 57*
- *Indoor Ladies Soccer - 74*
- *Archery - 25*
- *Roller Derby - 17*
- *Pickle Ball - 20*
- *Youth Basketball – 16*



*Figure 28: Rotary Splash Park*



### **Capital Projects Completed**

*Sportsplex/Main Arena roof replacement*

*George Little Park – Rotary Splash Park, Kinsmen Playground, City Fitness Park*

*Buday Memorial Park playground refurbish*

*ActiveNet Software project*

*Pickle Ball Courts*

*McElhanney Trail at Ferry Island*

*Rotary Park Trail and playground repaint*

*Banquet Room kitchen flooring*

*Concession sink and range hood*

*Trigo's flower bed*

*Invasive weed pulls in Howe Creek*

*Lanfear Hill dangerous tree removal*

*Northern Savings View finder*



*Figure 29: New Trail Development on Ferry Island*

### **Ferry Island**

Ferry Island park continues to be one of our most utilized trail systems in the city. Easy walking trails, off leash dog zone and majestic forest brand its popularity. The campground had 6,804 campers in 2017. An interesting statistic from May to August is the campground averaged 55 campers/day and the trails averaged 225 walkers/day.

### **Cemeteries**

The Municipal and the Kitsumkalum cemeteries had a total of 42 burials and 24 columbarium interments.



*Figure 30: Terrace Municipal Cemetery*

## **Public Works**

*The Public Works Department is responsible for operation of the City's infrastructure as well as the construction of most capital works improvement projects. The areas of responsibility include: roadway maintenance and reconstruction, snow and ice control, engineering and construction, storm water drainage collection, sanitary sewage collection and treatment, potable water supply and distribution, solid waste collection, purchasing, city buildings and municipal fleet vehicles.*

*January through March was a relatively cold dry winter but precipitation returned in a serious way in the fall with a near record rainfall event in late October and a 70 cm snow storm in November. The rain event did cause infrastructure damage but the focused response of our staff to both events minimized the impact to residents.*

*Public Works was successful in securing over \$2.36 million in Federal/Provincial Clean Water and Wastewater Grants. These grants cover 83% of eligible costs and enabled the City to advance several major projects that were identified in our recent sanitary and water system studies. We were also able to implement some of the recommendations of the recent Transportation Master Plan with financial assistance from ICBC. The Public Works Department undertook a number of projects in 2017.*



*Figure 31: Work on the Visitor Information Centre*

### **Building Maintenance**

*Heating/cooling control upgrades for the RCMP Detachment and Public Works Buildings were started. Control upgrades should reduce energy costs and improve interior air quality in these buildings. A canopy was extended at the Terrace Public Library to cover the entrance stairway. Building maintenance staff constructed a new entrance foyer and new flooring in the Visitor Info Centre. The Welcome to Terrace sign on Highway 16 was refinished and relocated.*

### **Engineering & Roads**



*Figure 32: Kalum Street Road Construction Project*

*The design, reconstruction and complete replacement of all City utilities on Kalum Street between Graham and Haugland Avenues was completed in 2017. This project included concrete curbs and a new sidewalk.*

*Munroe Street from Highway 16 to Walsh Avenue was reconstructed to a commercial road standard. This project included funding from ICBC.*



*Figure 33: Munroe Street Road Construction Project*

*A lane reconfiguration was implemented on Lakelse Avenue, eliminating narrow travel lanes and isolating left turning traffic from through traffic. This project was primarily funded by ICBC.*

*The 4700 block of Tuck Avenue was pulverized and paved in 2017.*

*The Kenney/Keith intersection was converted to a 4-way stop. Improvements were designed to address issues at one of the City's highest crash incident locations.*

*The City implemented signage and road marking upgrades in school zones and crosswalks throughout the community, implementing many of the recommendations of our Traffic Control Review.*

### **Solid Waste**

*A regular curbside collection of household organics on a weekly basis was implemented in 2017. This program will help to reduce both odour complaints associated with bi-weekly refuse collection and potential greenhouse gas emissions from landfilling these materials.*

*We have improved the leachate collection system and commenced final cover installation at the former City landfill on Kalum Lake Road as a part of the facility closure.*

*2017 saw continued education and outreach programs around backyard composting, waste diversion and recycling alternatives.*

### **Wastewater System**

*The City completed the design and installation of a larger sewer main on Kalum Street south of Haugland as per the recommendation of the Sanitary Sewer Master Plan.*

*We also completed the design of influent screening and lagoon upgrades recommended in the facilities Condition and Capacity Assessment for completion in 2018. The integration of the sewer treatment plant works into our Supervisory Control and Data Acquisition system (SCADA) continued in 2017. As the system is developed we will have real-time monitoring of plant operations and wastewater parameters.*

### **Water System**

*Public Works replaced the entire water distribution network on Kalum Street between Haugland and Graham. The water distribution network on Munroe Street north of Highway 16 was replaced and upgraded in 2017. A motor and pump was replaced at the Frank Street well complex.*

### **Vehicle Fleet**

*A new 1-tonne 4x4 service truck was purchased in 2017 to replace a 17 year old unit. Public Works also researched and ordered a replacement fire engine and ice resurfacers for delivery in 2018.*

## ***Appendix A – Declaration of Disqualifications***

*There were no disqualifications made under Section 111 of the Community Charter in 2017.*

*Alisa Thompson,  
Corporate Administrator*

## ***Appendix B – Property Tax Exemptions***

*In accordance with section 98(2)(b) of the Community Charter, the following properties in the City of Terrace were provided permissive property tax exemptions by Council for 2017 in addition to any statutory exemptions provided by the Chamber Charter.*

| <b>Name</b>                                     | <b>Address</b>     | <b>2017 City Exempt Taxes</b> | <b>2017 Other Exempt Taxes</b> |
|---|--------------------|-------------------------------|--------------------------------|
| Governing Council of the Salvation Army         | 3236 Kalum St.     | 4,294                         | 1,591                          |
| Kermode Friendship Society                      | 3313 Kalum St.     | 1,184                         | 958                            |
| Kermode Friendship Society                      | 3313 Kalum St.     | 3,497                         | 2,242                          |
| K'San House Society                             | 2812 Hall St.      | 7,694                         | 6,278                          |
| K'San House Society                             | 4838 Lazelle Ave.  | 5,065                         | 4,001                          |
| K'San House Society                             | 4838 Lazelle Ave.  | 6,436                         | 2,466                          |
| K'San House Society                             | 4444 Lakelse Ave.  | 1,003                         | 798                            |
| K'San House Society                             | 4444 Lakelse Ave.  | 2,732                         | 1,046                          |
| My Recreational Mountain Co-op                  | 101-4805 Hwy 16 W  | 1,209                         | 431                            |
| Seventh Day Adventists (All Nations Centre)     | 3312 Sparks St.    | 1,380                         | 828                            |
| Terrace Child Development Centre                | 2510 Eby St.       | 6,898                         | 2,596                          |
| Terrace Child Development Centre                | 4665 Park Ave.     | 4,676                         | 1,709                          |
| Terrace Curling Association                     | 3210 School St.    | 12,252                        | 4,384                          |
| Terrace Elks Lodge                              | 2822 Tetrault Ave. | 1,092                         | 625                            |
| Terrace Little Theatre Society                  | 3625 Kalum St.     | 3,680                         | 1,323                          |
| Terrace & District Community Serv               | 2806 Eby St.       | 1,385                         | 1,085                          |
| Terrace & District Community Serv               | 4650 Davis Ave.    | 1,421                         | 1,125                          |
| Terrace & District Community Serv               | 3221 Eby St.       | 6,299                         | 2,195                          |
| Terrace & District Community Serv               | 3219 Eby St.       | 14,894                        | 5,633                          |
| Terrace & District Community Serv               | 4832 Loen Ave.     | 1,616                         | 1,266                          |
| Terrace & District Community Serv               | 4530 Lakelse Ave.  | 7,134                         | 2,728                          |
| Terrace & District Community Serv               | 4823 Graham Ave.   | 1,314                         | 1,038                          |
| Terrace & District Community Serv               | 4904 Medeek Ave.   | 1,281                         | 1,037                          |
| Terrace & District Community Serv               | 4903 Medeek Ave.   | 1,120                         | 882                            |
| Womens' Aux to Hospital                         | 4544 Lazelle Ave.  | 2,077                         | 698                            |
| City of Terrace-Visitor Information Centre      | 4511 Keith Ave.    | 5,790                         | 2,223                          |
| Congregation of Jehovah's Witnesses             | 2908 Eby St.       | 680                           | 380                            |
| Trustees of Kingdom Hall                        | 2906 Eby St.       | 683                           | 382                            |
| Zion Baptist Church                             | 2911 Sparks St.    | 821                           | 459                            |
| Terrace Evangelical Free Church                 | 4640 Park Ave.     | 4,182                         | 2,339                          |
| Terrace & District Council for Social Resources | 4623 Tuck Ave.     | 2,118                         | 1,475                          |
| Skeena Gursikh Society                          | 4634 Walsh Ave.    | 1,157                         | 647                            |
| Pentecostal Assemblies                          | 4643 Walsh Ave.    | 930                           | 520                            |



|  |                     |         |         |
|--|---------------------|---------|---------|
| Christian Reformed Church              | 3602 Sparks St.     | 841     | 470     |
| Christian Reformed Church              | 3602 Sparks St.     | 54      | 18      |
| Parking (next to Kwinitza House)       | 4801 Hwy 16 W       | 2,082   | 684     |
| Terrace Calvin Christian School        | 3608 Sparks St.     | 3,850   | 1,265   |
| Terrace Gospel Hall                    | 4802 Scott St.      | 651     | 364     |
| Knox United Church                     | 4907 Lazelle Ave.   | 1,008   | 564     |
| Pentecostal Assemblies                 | 3511 Eby St.        | 1,793   | 1,003   |
| Roman Catholic Episcopal Corp.         | 4836 Straume Ave.   | 2,284   | 750     |
| Roman Catholic Episcopal Corp.         | 4836 Straume Ave.   | 609     | 341     |
| Salvation Army                         | 3236 Kalum St.      | 604     | 338     |
| Anglican Synod Diocese                 | 4506 Lakelse Ave.   | 739     | 413     |
| BC Old Age Pensioners (Happy Gang)     | 3266 Kalum St.      | 1,400   | 824     |
| George Little House                    | 3100 Kalum St.      | 1,181   | 388     |
| Skeena Valley Guru Nanak Soc.          | 4916 Medeek Ave.    | 1,582   | 885     |
| Christian and Missionary Alliance      | 4927 Agar St.       | 997     | 558     |
| Uplands Baptist Church                 | 5003 Halliwell Ave. | 666     | 373     |
| Skeena Valley Baptist Church           | 3306 Griffiths St.  | 1,016   | 568     |
| Seventh-Day Adventist Church           | 5401 McConnell Av   | 915     | 512     |
| Fisherman's Park                       | 5831 Hwy 16 W       | 1,503   | 840     |
| Terrace Beautification Society (Lease) | Greig Ave.          | 183     | 102     |
| Terrace Kitimat Airport Society        | 4401 Bristol Rd.    | 3,679   | 862     |
| Terrace Kitimat Airport Society        | 4401 Bristol Rd.    | 160,145 | 52,620  |
| Terrace Kitimat Airport Society        | 4401 Bristol Rd.    | 265     | 148     |
|  |                     | 306,042 | 122,278 |

***Appendix C – 2017 Consolidated Financial Statements***

# **City of Terrace**

## **Consolidated Financial Statements**

**December 31, 2017**

# City of Terrace

December 31, 2017

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### Consolidated Financial Statements

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## MANAGEMENT'S REPORT

The management of the City of Terrace is responsible for the integrity of the accompanying consolidated financial statements. The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The preparation of the consolidated financial statements necessarily includes some amounts which are based on the best estimates and careful judgement of management.

To assist in meeting its responsibility, management maintains accounting, budget and other internal controls. These controls provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, in order that the integrity of financial records is maintained.

The consolidated financial statements have been audited by the independent firm of Carlyle Shepherd & Co. Their report to the Mayor and City Council, stating the scope of their examination and opinion on the consolidated financial statements accompanies this statement.



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**CAROL LECLERC**  
MAYOR



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**LORI GREENLAW**  
DIRECTOR OF FINANCE

**CITY OF TERRACE  
COUNCIL AND APPOINTED  
OFFICIALS - 2017**

**MAYOR**

Carol Leclerc

**COUNCILORS**

Sean Bujtas  
Lynne Christiansen  
James Cordeiro  
Brian Downie  
Michael Prevost  
Stacey Tyers

**APPOINTED OFFICIALS - 2017**

Chief Administrative Officer  
Director of Finance  
Corporate Administrator  
Fire Chief  
Director of Public Works  
Director of Development Services  
Director of Leisure Services

H. Avison  
L. Greenlaw  
A. Thompson  
J. Klie  
R. Schibli  
D. Block  
C. Didier

## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council  
City of Terrace

### Report on the Financial Statements

We have audited the accompanying consolidated statement of financial position of the City of Terrace as at December 31, 2017 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended and a summary of significant accounting policies.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2017 and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the City taken as a whole. The current year's supplementary information in Schedules 1 to 3 is presented for purposes of additional analysis. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and is, in our opinion, fairly stated in all material respects, in relation to the financial statements taken as a whole.

Terrace, BC  
April 23, 2018



Carlyle Shepherd : Co.

# City of Terrace

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2017

|  | 2017                | 2016                |
|--|---------------------|---------------------|
| <b>Financial Assets</b>  |                     |                     |
| Cash and short-term investments (Notes 1 and 2)                | \$26,555,696        | \$26,412,793        |
| Taxes receivable   | 868,070             | 662,796             |
| Accounts receivable (Note 3)                                   | 3,882,877           | 1,653,241           |
| Land held for resale (Note 1)                                  | 1,407,646           | 1,407,646           |
| Municipal Finance Authority of BC - debt reserve fund (Note 4) | 39,605              | 38,847              |
| Investment in affiliated entities (Note 5)                     | 501,418             | 276,048             |
|  | <b>33,255,312</b>   | <b>30,451,371</b>   |
| <b>Liabilities</b>   |                     |                     |
| Accounts payable and accrued liabilities                       | 4,056,979           | 3,035,850           |
| Deposits and prepayments                                       | 1,697,345           | 1,490,766           |
| Accrued vacation   | 738,417             | 714,169             |
| Care fund liability (Note 7)                                   | 210,849             | 211,871             |
| Landfill closure liability (Note 8)                            | 193,031             | 267,068             |
| Skeena Industrial Development Park joint venture (Note 6)      | 11,521,022          | 11,401,288          |
| Long term debt (Note 9)  | 1,991,089           | 2,283,009           |
|  | <b>20,408,732</b>   | <b>19,404,021</b>   |
| <b>Net financial assets</b>                                    | <b>12,846,580</b>   | <b>11,047,350</b>   |
| <b>Non-financial assets</b>                                    |                     |                     |
| Inventory and other (Note 1)                                   | 662,575             | 760,926             |
| Tangible capital assets (Note 1 and Schedule 2)                | 83,823,026          | 78,066,772          |
|  | <b>84,485,601</b>   | <b>78,827,698</b>   |
| <b>City Position</b>   | <b>97,332,181</b>   | <b>89,875,048</b>   |
| City Position consists of:                                     |                     |                     |
| Operating fund   | 7,237,154           | 6,340,548           |
| Reserves funds (Schedule 3)                                    | 8,263,091           | 7,750,740           |
| Equity in tangible capital assets (Note 10)                    | 81,831,936          | 75,783,760          |
|  | <b>\$97,332,181</b> | <b>\$89,875,048</b> |

Approved by:



CAROL LECLERC  
MAYOR



LORI GREENLAW  
DIRECTOR OF FINANCE

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



# City of Terrace

## CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2017

|  | 2017                 | 2017<br>Unaudited<br>Budget | 2016                 |
|--|----------------------|-----------------------------|----------------------|
| <b>Revenues</b>                                      |                      |                             |                      |
| Net taxes available for municipal purposes (Note 11) | \$ 15,173,291        | \$ 15,069,192               | \$ 14,908,964        |
| User fees and sale of goods and services             | 4,370,756            | 3,956,770                   | 4,734,266            |
| Government grants and cost sharing (Note 12)         | 9,122,618            | 10,727,715                  | 3,576,501            |
| Investment income                                    | 177,259              | 225,000                     | 293,223              |
| Developer contributions                              | 762,281              | -                           | (67,169)             |
| Other revenue  | 440,807              | 3,867,234                   | 77,834               |
|  | <b>30,047,012</b>    | <b>33,845,911</b>           | <b>23,523,619</b>    |
| <b>Expenses</b>                                      |                      |                             |                      |
| Protective services                                  | 5,299,144            | 6,178,661                   | 5,839,256            |
| Leisure services                                     | 3,132,482            | 3,517,923                   | 3,924,146            |
| Transportation and transit                           | 3,971,549            | 3,822,489                   | 3,456,049            |
| Development services                                 | 1,992,020            | 2,200,567                   | 1,929,772            |
| General government                                   | 2,407,412            | 2,117,381                   | 1,898,471            |
| Waste management                                     | 380,375              | 530,547                     | 490,973              |
| Water operations                                     | 978,240              | 1,213,850                   | 902,484              |
| Sewer operations                                     | 579,104              | 802,766                     | 757,129              |
| Interest and bank charges                            | 155,083              | 149,624                     | 155,552              |
| Loss on disposal of tangible capital assets          | 14,935               | -                           | 52,843               |
| Other services                                       | 89,320               | 90,882                      | 83,555               |
| Amortization of tangible capital assets              | 3,590,215            | 3,446,533                   | 3,446,533            |
|  | <b>22,589,879</b>    | <b>24,071,223</b>           | <b>22,936,763</b>    |
| <b>Revenues over expenses</b>                        | <b>7,457,133</b>     | <b>9,774,688</b>            | <b>586,856</b>       |
| <b>Opening position</b>                              | <b>89,875,048</b>    | <b>89,875,048</b>           | <b>89,288,192</b>    |
| <b>Closing position</b>                              | <b>\$ 97,332,181</b> | <b>\$ 99,649,736</b>        | <b>\$ 89,875,048</b> |

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

# City of Terrace

## CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2017

|  | 2017                | 2016                |
|--|---------------------|---------------------|
| <b>Revenues over expenses</b>                      | <b>\$ 7,457,133</b> | <b>\$ 586,856</b>   |
| Acquisition of tangible capital assets             | (9,365,149)         | (2,451,793)         |
| Amortization of tangible capital assets            | 3,590,215           | 3,446,533           |
| Loss on disposal of tangible capital assets        | 14,935              | 52,843              |
| Proceeds on sale of tangible capital assets        | 3,744               | 963                 |
| Inventory and other                                | 98,352              | (50,278)            |
| <b>Increase (decrease) in net financial assets</b> | <b>1,799,230</b>    | <b>1,585,124</b>    |
| <b>Net financial assets - beginning of year</b>    | <b>11,047,350</b>   | <b>9,462,226</b>    |
| <b>Net financial assets - end of year</b>          | <b>\$12,846,580</b> | <b>\$11,047,350</b> |

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

# City of Terrace

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2017

|   | 2017                 | 2016                 |
|---|----------------------|----------------------|
| <b>Operating transactions</b>                                     |                      |                      |
| Revenues over expenses  | \$ 7,457,133         | \$ 586,856           |
| Non-cash items:   |                      |                      |
| Amortization  | 3,590,215            | 3,446,533            |
| (Increase) decrease in inventory and other                        | 98,351               | (50,278)             |
| (Increase) decrease in taxes receivable                           | (205,274)            | (359,546)            |
| (Increase) decrease in accounts receivable                        | (2,334,137)          | (449,748)            |
| Increase (decrease) in accounts payable and accrued liabilities   | 1,125,629            | 482,315              |
| Increase (decrease) in deposits and prepayments                   | 206,579              | 27,901               |
| Increase (decrease) in accrued vacation                           | 24,248               | 18,516               |
| Increase (decrease) in care fund liability                        | (1,022)              | 6,530                |
| Increase (decrease) in landfill closure liability                 | (74,037)             | (55,202)             |
| <b>Cash provided (used) by operating transactions</b>             | <b>9,887,685</b>     | <b>3,653,877</b>     |
| <b>Capital transactions</b>                                       |                      |                      |
| Acquisition of tangible capital assets                            | (9,365,149)          | (2,451,793)          |
| Proceeds from the disposal of tangible capital assets             | 3,744                | 963                  |
| Loss on the disposal of tangible capital assets                   | 14,935               | 52,843               |
| <b>Cash applied to capital transactions</b>                       | <b>(9,346,470)</b>   | <b>(2,397,987)</b>   |
| <b>Financing and investing activities</b>                         |                      |                      |
| Debt repayment  | (256,502)            | (256,502)            |
| (Increase) decrease in investment in affiliated entities          | (225,370)            | 165,281              |
| Increase in Skeena Industrial Development Park Joint Venture      | 119,734              | 122,503              |
| Actuarial adjustments   | (35,416)             | (29,957)             |
| Decrease in MFA debt reserve                                      | (758)                | (1,056)              |
| <b>Cash (provided) used in financing and investing activities</b> | <b>(398,312)</b>     | <b>269</b>           |
| <b>Increase (decrease) in cash position</b>                       | <b>142,903</b>       | <b>1,256,159</b>     |
| <b>Cash and cash equivalents - beginning of year</b>              | <b>26,412,793</b>    | <b>25,156,634</b>    |
| <b>Cash and cash equivalents - end of year</b>                    | <b>\$ 26,555,696</b> | <b>\$ 26,412,793</b> |

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

# City of Terrace

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017

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### 1. Significant Accounting Policies

The consolidated financial statements of the City of Terrace (the City) are prepared by management in accordance with Canadian generally accepted accounting principles for municipal governments established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. The significant accounting policies are summarized as follows:

#### a) Basis of accounting

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified. Expenditures are accounted for in the period the goods and services are acquired and a liability is incurred or transfers are due.

#### b) Fund accounting

Funds within the consolidated financial statements consists of the operating, capital and reserves funds. Transactions between funds are recorded as inter fund transfers.

|                |   |
|----------------|---|
| Operating Fund | This fund, consisting of the general, water and sewer operating funds, comprises the operating results of the services provided by the City.  |
| Capital Fund   | This fund, consisting of the general, water and sewer capital funds, comprises tangible capital asset expenditures and related financing less accumulated amortization.                                       |
| Reserves Fund  | The reserves fund has been established to hold assets for specific future purposes as approved by City Council. Allowable transfers to and from these funds are defined in reserve fund establishment bylaws. |

#### c) 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 are as follows:

|                                     |                |
|-------------------------------------|----------------|
| Land improvements                   | 20 years       |
| Buildings                           | 20 to 50 years |
| Furniture, equipment and technology | 5 to 20 years  |
| Motor vehicles                      | 13 to 20 years |
| Transportation infrastructure       | 25 to 50 years |
| Storm sewer                         | 50 years       |
| Dyke and erosion protection         | 25 years       |
| Water infrastructure                | 50 years       |
| Sanitary sewer infrastructure       | 50 years       |

# City of Terrace

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017

---

### 1. Significant Accounting Policies (continued)

#### d) Inventory

Inventory held for City services is recorded at average landed cost.

#### e) Land held for resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for sale.

#### f) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services.

#### g) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. It is reasonably possible that circumstances may arise that cause actual results to differ from management estimates, however, management does not believe it is likely that such differences will materially affect the City's financial position. Adjustments, if any, will be reflected in operations in the period of settlement.

#### h) Financial instruments

The City's financial instruments consist of cash, short-term investments, accounts receivable, accounts payable and long-term debt. The City measures financial assets and liabilities at market value at the date of acquisition except for those investments quoted in an active market, which are reported at market value. Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, currency or credit risks arising from these financial instruments.

#### i) Reporting entity and principles of financial reporting

The City's reporting entity includes the municipal government and entities that are either controlled or owned by it. All controlled entities are fully consolidated on a line-by-line basis except for government business enterprises that are consolidated on a modified equity basis.

Under the modified equity basis, accounting policies are not adjusted to conform to the City, inter-organizational transactions and balances are not eliminated and the City recognizes annual earnings or losses in its statement of operations with a corresponding increase or decrease in the investment. Any distributions reduce the carrying value of the investment.

# City of Terrace

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017

### 1. Significant Accounting Policies (continued)

#### i) Reporting entity and principles of financial reporting (continued)

The City's reporting entity includes:

|                                  |                                |      |
|----------------------------------|--------------------------------|------|
| Terrace Community Forest LP      | Government business enterprise | 99%  |
| Terrace Community Forest Limited | Government business enterprise | 100% |

### 2. Cash and short-term investments

Cash and short-term investments are comprised of cash on deposit and investments as follows:

|  | 2017                 | 2016          |
|--|----------------------|---------------|
| Municipal Finance Authority of BC investments: |                      |               |
| MFA Money market fund                          | \$ 2,348,576         | \$ 7,107,068  |
| MFA Short-term bond and intermediate funds     | 16,325,680           | 13,278,785    |
| MFA Care fund investment                       | 210,849              | 204,429       |
| Scotiabank investments                         | 5,028,000            | 5,028,000     |
|  | <b>23,913,105</b>    | 25,618,282    |
| Cash   | 2,642,591            | 794,511       |
|  | <b>\$ 26,555,696</b> | \$ 26,412,793 |

### 3. Accounts receivable

|   | 2017                | 2016         |
|---|---------------------|--------------|
| Government grants receivable:                 |                     |              |
| Provincial                                    |                     |              |
| Ministry of Municipal Affairs and Housing     | \$ 328,370          | \$ 120,000   |
| Ministry of Attorney General - Gaming revenue | 164,506             | 161,357      |
| UBCM - Gas Tax                                | 1,635,553           | 186,325      |
| Northern Development Initiative Trust         | 317,816             | 154,602      |
| Trade receivable - sewer and water            | 48,022              | 55,751       |
| GST rebate                                    | 264,676             | 84,577       |
| Other   | 1,123,934           | 890,629      |
| Accounts receivable                           | <b>\$ 3,882,877</b> | \$ 1,653,241 |

# City of Terrace

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017

### 4. Municipal Finance Authority of BC - debt reserve fund

The Municipal Finance Authority of BC ("MFA") provides capital financing for regional districts and their member municipalities and with respect to this, is required to establish a Debt Reserve Fund. Each regional district and its member municipalities who share in the proceeds of a debt issue are required to pay into the Debt Reserve Fund certain amounts set out in the debt agreements. This fund is held in trust by MFA as protection against loan default. Upon the maturity of a debt issue the unused portion of the Debt Reserve Fund established for that issue, including interest earned on it, is discharged to the original contributors.

### 5. Investment in affiliated entities

Terrace Community Forest Limited Partnership manages the community forest licence in three general areas around Terrace. The City, as sole limited partner, has a 99% partnership interest with the general partner, Terrace Community Forest Limited, holding the remaining 1%.

The government business enterprise has been consolidated on a modified equity basis.

|  | 2017        | 2016       |
|--|-------------|------------|
| <b>Balance Sheet</b>                     |             |            |
| Cash and short term investments          | \$ 684,253  | \$ 356,447 |
| Accounts and other receivables           | 207,884     | 15,691     |
| Total assets                             | 892,137     | 372,138    |
| Trade and other payables                 | 263,204     | 10,275     |
| Siviculture provision                    | 127,515     | 85,815     |
| Total liabilities                        | 390,719     | 96,090     |
| Partner capital                          | 501,418     | 276,048    |
| Total liabilities and partner capital    | 892,137     | 372,138    |
| <b>Statement of Comprehensive Income</b> |             |            |
| Revenue                                  | 1,814,351   | -          |
| Direct Costs                             | (1,439,881) | (44,345)   |
| Expenses                                 | (167,787)   | (115,316)  |
| Other income                             | 20,406      | 20,400     |
| Net income (loss) for the year           | 227,089     | (139,261)  |

# City of Terrace

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017

### 5. Investment in affiliated entities (continued)

|   | 2017     | 2016     |
|---|----------|----------|
| Summary of Investments in Affiliated Entities                       |          |          |
| Owner equity in Terrace Community Forest Limited                    | \$ 2,786 | \$ 2,234 |
| Partnership capital in Terrace Community Forest Limited Partnership | 498,632  | 273,814  |
| Total investment in affiliated entities                             | 501,418  | 276,048  |

### 6. Skeena Industrial Development Park joint venture

The City and the Kitselas First Nation have entered into a multi-year Joint Venture agreement for the sale of land know as the Skeena Industrial Development Park. The main purpose of the Joint Venture is to stimulate economic development in the area. The Joint Venture has an agreement with the Province of B.C. to purchase land as needed in the specified area. The profits, if any, are to be shared equally when all the land is sold. The joint venture has received \$13,163,037 and incurred expense totalling \$1,642,015. The Joint Venture is to provide road and water services to the site. The cost to provide these services is currently unknown. If the Joint Venture cannot provide the services, a significant amount of the funds received will be refunded.

### 7. Care fund liability

|                                | 2017       | 2016       |
|--------------------------------|------------|------------|
| Perpetual care (cemetery) fund | \$ 210,849 | \$ 211,871 |

The use of perpetual care (cemetery) fund monies, together with any earnings thereon, is restricted by legislation.

### 8. Landfill closure liability

The City of Terrace landfill ceased taking residential garbage in November 2016 and is proceeding with closure in accordance with a Ministry approved plan over a three year period.



# City of Terrace

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017

### 9. Long term debt

|   | 2017             | 2016             |
|---|------------------|------------------|
| Municipal Finance Authority of BC ("MFA")   |                  |                  |
| Debenture debt matures in 2018 to 2029 and debenture debt annual interest rates range from 3.25% to 4.9%. | \$ 1,991,089     | \$ 2,133,009     |
| Northern Development Initiative Trust ("NDI")   | -                | 150,000          |
|   | <b>1,991,089</b> | <b>2,283,009</b> |

Principal repayments for the next five years are:

|                    | 2018              | 2019              | 2020              | 2021              | 2022              |
|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Principal payment  | \$ 106,503        | \$ 103,200        | \$ 103,200        | \$ 103,200        | \$ 97,891         |
| Actuarial addition | 41,093            | 45,410            | 51,354            | 57,536            | 61,416            |
|                    | <b>\$ 147,596</b> | <b>\$ 148,610</b> | <b>\$ 154,554</b> | <b>\$ 160,736</b> | <b>\$ 159,307</b> |

### 10. Equity in tangible capital assets

Equity in tangible capital assets represents the net book value of total tangible capital assets less long term obligations assumed to acquire those assets. The change in consolidated equity in tangible capital assets is as follows:

|  | 2017                | 2016                |
|--|---------------------|---------------------|
| Increases:   |                     |                     |
| Capital acquisitions                                   | \$ 9,365,149        | \$ 2,451,793        |
| Retirement of debt - principal repayment               | 256,502             | 256,502             |
| Actuarial adjustment                                   | 35,416              | 29,957              |
| Decreases:   |                     |                     |
| Dispositions at net book value                         | (18,676)            | (53,806)            |
| Amortization of tangible capital assets                | (3,590,215)         | (3,446,533)         |
| <b>Change in equity in tangible capital assets</b>     | <b>6,048,176</b>    | <b>(762,087)</b>    |
| Equity in tangible capital assets - beginning of year  | 75,783,760          | 76,545,847          |
| <b>Equity in tangible capital assets - end of year</b> | <b>\$81,831,936</b> | <b>\$75,783,760</b> |

# City of Terrace

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017

### 11. Net taxes available for municipal purposes

|  | 2017                 | 2016                 |
|--|----------------------|----------------------|
| Taxes:                                     |                      |                      |
| Property                                   | \$ 21,444,829        | \$ 21,005,238        |
| Frontage                                   | 673,706              | 669,494              |
| Utility fees                               | 431,619              | 451,504              |
| Revenue in lieu of taxes                   | 366,208              | 360,119              |
| Penalties and interest on taxes            | 202,666              | 147,472              |
|  | <b>23,119,028</b>    | <b>22,633,827</b>    |
| Less taxes on behalf of:                   |                      |                      |
| Province of BC - School                    | 5,220,825            | 5,466,543            |
| North West Regional Hospital District      | 1,385,052            | 880,157              |
| Regional District of Kitimat-Stikine       | 1,234,260            | 1,255,789            |
| BC Assessment Authority                    | 105,191              | 121,970              |
| Municipal Finance Authority of BC          | 410                  | 404                  |
|  | <b>7,945,738</b>     | <b>7,724,863</b>     |
| Net taxes available for municipal purposes | <b>\$ 15,173,291</b> | <b>\$ 14,908,964</b> |

### 12. Government grants and cost sharing

The following government grants and cost sharing have been included in revenues:

|                                   | 2017             | 2016             |
|-----------------------------------|------------------|------------------|
| Capital project grants            |                  |                  |
| - Federal                         | \$ 279,711       | \$ -             |
| - Provincial                      | 1,046,788        | -                |
| - Union of BC Municipalities      | 4,083,106        | -                |
| - Regional District / Other       | 1,133,762        | 826,265          |
|                                   | <b>6,543,367</b> | <b>826,265</b>   |
| Operating grants and cost sharing |                  |                  |
| - Federal                         | 77,397           | 89,667           |
| - Provincial                      | 1,380,094        | 1,262,087        |
| - Regional District / Other       | 1,121,760        | 1,398,482        |
|                                   | <b>2,579,251</b> | <b>2,750,236</b> |
|                                   | <b>9,122,618</b> | <b>3,576,501</b> |

# City of Terrace

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017

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### 13. Commitments and contingencies

#### a) Pension plan

The City of Terrace and its employees contribute to the Municipal Pension Plan (the Plan), a jointly-trusted pension plan. The board of trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2016 the Plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 107 contributors from the City of Terrace.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis.

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

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

The City of Terrace paid \$735,120 for employer contributions to the Plan in fiscal 2017 (\$694,970 in 2016).

#### b) Third party claims

The City is involved in certain legal actions, the outcome of which is uncertain at this time. Accordingly, no provision has been made in the accounts for these actions.

#### c) Contingent liabilities

- (i) The City, as a member of the Regional District of Kitimat-Stikine, is jointly and severally liable for their net capital liabilities.
- (ii) The loan agreements with the Municipal Finance Authority ("MFA") provide that if the MFA does not have sufficient funds to meet payments on its obligations it shall make payments from the Debt Reserve Fund which is established by contributions from all borrowing participants. If the Debt Reserve Fund is deficient the MFA's obligations become a liability of the Regional District and may become a liability of the participating municipalities.

# City of Terrace

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017

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### 14. Segmented Information

The City of Terrace is a municipal government that provides a wide range of services to its residents and taxpayers. The City operations and activities are organized and reported by segments. These segments include Protective Services, Leisure Services, Transportation and Transit, Development Services, General Government, Waste Management, Water Operations and Sewer Operations and Other Services. Revenues include government grants, user fees, investment income and property taxation; the latter being the largest source of funding. Operating results are reported by segment in Schedule 1. Property taxation, which funds many of the operations, is not allocated to a specific segment and is reported as unallocated.

#### **Protective Services**

Protective Services is comprised of fire protection and policing. The Fire Department is responsible for fire suppression, fire prevention, fire safety, highway rescue and emergency preparedness. The Royal Canadian Mounted Police operates under agreement to provide police services to the City.

#### **Leisure Services**

The Leisure Services department operates and provides services for the pool, arenas, parks, trails and open spaces and leisure programs. The Terrace Public Library and Heritage Park Museum are also reported under this segment.

#### **Transportation and Transit**

The Public Works department provides transportation service including street maintenance, snow removal, building maintenance, street lighting, traffic lights, fleet maintenance, storm sewer and inventory control. Transit services, also reported under this segment, are provided under contract with BC Transit.

#### **Development Services**

The Development Services department is responsible for land use, sustainable planning and general development services. This includes building inspection, business licensing, animal control, planning, mapping and bylaw enforcement. The Skeena Industrial Development Park Joint Venture with the Kitselas First Nation is managed by the City and reported under this segment. Tourism services provided by Kermodei Tourism Society and economic development are also reported under this segment.

#### **General Government**

General government operations include legislative services, general administration, finance and information technology functions.

#### **Waste Management**

Waste management services are provided by the Public Works department and include the collection and treatment/disposal of solid waste, organics, yard waste and recycling.

# City of Terrace

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017

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### 14. Segmented Information (continued)

#### **Water Operations**

This segment includes all operating activities related to pumping, treating and distributing water throughout the city and operates under the Public Works department.

#### **Sewer Operations**

This segment includes all operating activities related to collection and treatment of wastewater throughout the city and operates under the Public Works department.

#### **Other Services**

Other services include cemetery services.

### 15. Comparatives

Certain comparatives have been restated to conform with current year presentation.

# City of Terrace

## CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2017

(Schedule 1) Cont.

|  | Protective<br>services | Leisure<br>services | Transportation<br>and transit<br>services | Development<br>services | General<br>government | Waste<br>management |
|--|------------------------|---------------------|---|-------------------------|-----------------------|---------------------|
| <b>Revenues</b>                                      |                        |                     |   |                         |                       |                     |
| Net taxes available for municipal purposes           | \$ -                   | \$ -                | \$ -                                      | \$ -                    | \$ -                  | \$ -                |
| User fees and sale of goods and services             | 277,067                | 614,183             | 518,449                                   | 718,775                 | -                     | 695,324             |
| Government grants and transfers                      | 188,577                | 5,655,760           | 760,138                                   | 167,433                 | 1,847,598             | -                   |
| Investment income                                    | -                      | -                   | -   | -                       | -                     | -                   |
| Developer contributions                              | -                      | -                   | -   | -                       | -                     | -                   |
| Other revenues                                       | -                      | -                   | -   | -                       | 215,437               | -                   |
|  | 465,644                | 6,269,943           | 1,278,587                                 | 886,208                 | 2,063,035             | 695,324             |
| <b>Expenses</b>                                      |                        |                     |   |                         |                       |                     |
| Salaries and wages                                   | 2,597,790              | 1,193,120           | 1,553,683                                 | 1,338,092               | 1,487,258             | 211,478             |
| Goods and services                                   | 2,701,353              | 1,939,363           | 2,417,865                                 | 653,928                 | 920,154               | 168,898             |
| Interest and bank charges                            | -                      | 127,708             | 3,916                                     | 11,931                  | 11,529                | -                   |
| Amortization of tangible capital assets              | 104,560                | 744,725             | 1,867,858                                 | 4,442                   | 222,312               | -                   |
| Loss on disposal of tangible capital assets          | -                      | -                   | 14,935                                    | -                       | -                     | -                   |
|  | 5,403,703              | 4,004,916           | 5,858,257                                 | 2,008,393               | 2,641,253             | 380,376             |
| <b>Excess (deficiency) of revenues over expenses</b> | \$ (4,938,059)         | \$ 2,265,027        | \$ (4,579,670)                            | \$ (1,122,185)          | \$ (578,218)          | \$ 314,948          |

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

# City of Terrace

## CONSOLIDATED SCHEDULE OF SEGMENTED REVENUE AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2017

(Schedule 1)

|  | Water operations | Sewer operations | Other services | Unallocated   | 2017             |               | 2016          |
|--|------------------|------------------|----------------|---------------|------------------|---------------|---------------|
|  |                  |                  |                |               | Unaudited Budget | \$            |               |
| <b>Revenues</b>                                      |                  |                  |                |               |                  |               |               |
| Net taxes available for municipal purposes           | \$ -             | \$ -             | \$ -           | \$ 15,173,291 | \$ 15,069,192    | \$ 15,173,291 | \$ 14,908,964 |
| User fees and sale of goods and services             | 1,018,590        | 454,042          | 74,326         | -             | 3,956,770        | 4,370,756     | 4,734,266     |
| Government grants and transfers                      | 161,146          | 341,966          | -              | -             | 10,727,715       | 9,122,618     | 3,576,501     |
| Investment income                                    | -                | -                | -              | 177,259       | 225,000          | 177,259       | 293,223       |
| Developer contributions                              | -                | -                | -              | 762,281       | -                | 762,281       | (67,169)      |
| Other revenues                                       | -                | -                | -              | 225,370       | 3,867,234        | 440,807       | 77,834        |
|  | 1,179,736        | 796,008          | 74,326         | 16,338,201    | 33,845,911       | 30,047,012    | 23,523,619    |
| <b>Expenses</b>                                      |                  |                  |                |               |                  |               |               |
| Salaries and wages                                   | 592,523          | 219,579          | 77,169         | -             | 9,132,265        | 9,270,692     | 9,474,485     |
| Goods and services                                   | 385,718          | 359,525          | 12,150         | -             | 11,342,801       | 9,558,954     | 9,807,350     |
| Interest and bank charges                            | -                | -                | -              | -             | 149,624          | 155,083       | 155,552       |
| Amortization of tangible capital assets              | 307,570          | 338,748          | -              | -             | 3,446,533        | 3,590,215     | 3,446,533     |
| Loss on disposal of tangible capital assets          | -                | -                | -              | -             | -                | 14,935        | 52,843        |
|  | 1,285,811        | 917,852          | 89,319         | -             | 24,071,223       | 22,589,879    | 22,936,763    |
| <b>Excess (deficiency) of revenues over expenses</b> | \$ (106,075)     | \$ (121,844)     | \$ (14,993)    | \$ 16,338,201 | \$ 9,774,688     | \$ 7,457,133  | \$ 586,856    |

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

# City of Terrace

## SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2017

(Schedule 2)

|                                     | Cost            |              |             |                | Accumulated Amortization |              |                                       |                | Net book value 2016 |
|-------------------------------------|-----------------|--------------|-------------|----------------|--------------------------|--------------|---------------------------------------|----------------|---------------------|
|                                     | Opening Balance | Additions    | Disposals   | Ending balance | Opening Balance          | Amortization | Accumulated amortization on disposals | Ending balance | Net book value 2017 |
| Land                                | \$ 9,620,573    | \$ -         | \$ -        | \$ 9,620,573   | \$ -                     | \$ -         | \$ -                                  | \$ -           | \$ 9,620,573        |
| Land Improvements                   | 4,503,137       | 41,946       | -           | 4,545,083      | 2,759,485                | 175,440      | -                                     | 2,934,925      | 1,610,158           |
| Buildings                           | 24,807,894      | -            | -           | 24,807,894     | 12,955,005               | 694,296      | -                                     | 13,649,301     | 11,158,593          |
| Motor Vehicles                      | 6,054,587       | 61,281       | (34,535)    | 6,081,333      | 3,023,031                | 324,418      | (25,412)                              | 3,322,037      | 2,759,296           |
| Furniture, equipment and technology | 2,822,182       | 299,460      | -           | 3,121,642      | 1,690,170                | 162,693      | -                                     | 1,852,863      | 1,268,779           |
| Transportation infrastructure       | 48,334,433      | 2,065,891    | -           | 50,400,324     | 25,616,871               | 1,318,362    | -                                     | 26,935,233     | 23,465,091          |
| Water infrastructure                | 16,856,292      | 170,470      | (11,587)    | 17,015,175     | 7,344,183                | 307,570      | (11,587)                              | 7,640,166      | 9,375,009           |
| Sanitary sewer infrastructure       | 15,695,750      | -            | -           | 15,695,750     | 7,706,347                | 338,748      | -                                     | 8,045,095      | 7,650,655           |
| Storm sewer                         | 12,957,680      | 558,442      | (37,299)    | 13,478,823     | 5,572,746                | 268,689      | (27,743)                              | 5,813,692      | 7,665,131           |
| Assets under construction           | 3,082,082       | 6,167,659    | -           | 9,249,741      | -                        | -            | -                                     | -              | 9,249,741           |
|                                     | \$ 144,734,610  | \$ 9,365,149 | \$ (83,421) | \$ 154,016,338 | \$ 66,667,838            | \$ 3,590,216 | \$ (64,742)                           | \$ 70,193,312  | \$ 83,823,026       |
|                                     |                 |              |             |                |                          |              |                                       |                | \$ 78,066,772       |

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