

**CITY OF LLOYDMINSTER**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

**CITY OF LLOYDMINSTER**

**2019**

**MAYOR**

Gerald Aalbers

**COUNCILORS**

Ken Baker

Stephanie Brown Munro

Aaron Buckingham

Michael Diachuk

Glenn Fagnan

Jonathan Torresan

**CITY MANAGER**

Dion Pollard

**AUDITORS**

WLS LLP

**CITY OF LLOYDMINSTER**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the City of Lloydminster is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within this Financial Report. Management believes that the consolidated financial statements present fairly the City of Lloydminster's financial position as at December 31, 2019 and the results of its operations for the year then ended.

The consolidated financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the consolidated financial statements.

The City of Lloydminster council carries out its responsibilities for review of the consolidated financial statements principally through its council as a whole. Council meets annually with management and external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to council with and without the presence of management. The City of Lloydminster council has approved the consolidated financial statements.

The consolidated financial statements have been audited by WLS LLP, Chartered Professional Accountants, independent external auditors appointed by the City of Lloydminster. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the City of Lloydminster's consolidated financial statements.



Chief Administrative Officer  
May 25, 2020  
City of Lloydminster



Chief Financial Officer  
May 25, 2020  
City of Lloydminster

## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Councillors of the City of Lloydminster

### Opinion

We have audited the consolidated financial statements of the City of Lloydminster, which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations and accumulated surplus, change in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the City of Lloydminster as at December 31, 2019, the results of its operations, change in its net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

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

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

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

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

Those charged with governance are responsible for overseeing the City of Lloydminster's financial reporting process.

### Auditor's Responsibility for the Audit of Consolidated Financial Statements

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

Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Lloydminster's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City of Lloydminster's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City of Lloydminster to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Lloydminster, Alberta  
May 25, 2020



Chartered Professional Accountants

CITY OF LLOYDMINSTER

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2019

	2019	2018
<b>Financial Assets</b>		
Cash and temporary investments (Note 3)	56,934,154	56,649,907
Receivables		
Taxes and grants in lieu of taxes (Note 4)	2,128,790	2,124,418
Trade and other receivables (Note 4)	8,341,501	6,456,166
Land and inventories for resale (Note 5)	17,432,256	17,514,243
Investments (Note 6)	<u>14,268,061</u>	<u>7,275,238</u>
	<u>99,104,762</u>	<u>90,019,972</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	7,734,817	8,275,245
Deposit liabilities	992,405	962,631
Deferred revenue (Note 7)	8,842,451	8,121,459
Employee benefit obligations (Note 8)	1,498,688	1,460,168
Provision for landfill closure and post-closure costs (Note 12)	1,194,050	1,219,223
Liability for contaminated sites (Note 13)	304,824	305,824
Long-term debt (Note 14)	32,853,807	35,072,168
Obligations under capital lease (Note 15)	<u>-</u>	<u>20,988</u>
	<u>53,421,042</u>	<u>55,437,706</u>
<b>Net Financial Assets (Page 8)</b>	<u>45,683,720</u>	<u>34,582,266</u>
<b>Non-Financial Assets</b>		
Inventory for consumption	950,410	687,196
Prepaid expenses	477,344	264,281
Tangible capital assets (Schedule 2)	<u>484,901,669</u>	<u>472,693,361</u>
	<u>486,329,423</u>	<u>473,644,838</u>
<b>Accumulated Surplus (Schedule 1)</b>	<u>\$532,013,143</u>	<u>\$508,227,104</u>
<b>Subsequent event (Note 22)</b>		

Approved On Behalf Of Council

Mayor

Deputy Mayor

CITY OF LLOYDMINSTER

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS  
YEAR ENDED DECEMBER 31, 2019

	Budget (Unaudited)	2019	2018
<b>Revenue</b>			
Net municipal taxes (Schedule 3)	36,263,176	36,180,842	35,443,598
User fees and sales of goods	33,331,611	31,636,786	32,227,048
Government transfers for operating (Schedule 4)	3,946,121	4,321,462	4,292,396
Investment income	1,117,000	1,659,207	1,281,979
Penalties and costs of taxes	1,586,300	1,145,155	881,659
Development levies	-	132,092	136,405
Licenses and permits	1,033,814	917,943	914,536
Franchise and concession contracts	6,067,903	5,921,024	5,699,264
Gain (loss) on disposal of tangible capital assets	-	9,180	321,740
Other	3,500	110,375	110,188
	<u>83,349,425</u>	<u>82,034,066</u>	<u>81,308,813</u>
<b>Expenditures</b>			
Council and other legislative Administration	1,474,172	1,415,647	1,365,510
Police	12,166,062	10,119,692	8,916,488
Fire	9,663,150	9,536,377	9,067,472
Disaster and emergency measures	2,074,439	2,965,887	893,373
Bylaw enforcement	257,017	175,962	221,932
Road services	1,038,675	898,940	823,721
Airport	8,291,865	7,094,887	6,835,406
Storm drainage	1,138,047	1,093,981	1,056,311
Water supply and distribution	264,228	300,112	188,465
Wastewater treatment and disposal	4,135,654	4,114,325	3,652,807
Waste management	2,174,462	1,828,764	1,796,681
Family and community support	3,299,268	3,052,756	2,630,706
Cemetery and crematoriums	1,281,828	1,280,377	1,206,008
Land use planning, zoning and development	48,782	99,960	126,255
Economic development	1,500,365	1,174,155	1,376,508
Subdivision land and development	283,045	242,374	209,892
Parks and recreation	1,403,658	285,480	288,287
Culture, libraries, museums, halls	12,169,979	11,889,213	11,885,229
Amortization	2,088,318	2,326,912	2,913,471
	<u>22,552,514</u>	<u>21,079,048</u>	<u>20,626,024</u>
	<u>87,305,528</u>	<u>80,974,849</u>	<u>76,080,546</u>
<b>Excess (Deficit) Of Revenue Over Expenditures</b>	(3,956,103)	1,059,217	5,228,267
<b>Other</b>			
Contributed assets	-	6,818,976	1,057,734
Government transfers for capital (Schedule 4)	10,750,000	16,160,198	8,967,220
	<u>10,750,000</u>	<u>22,979,174</u>	<u>10,024,954</u>
<b>Excess (Deficit) Of Revenue Over Expenditures</b>	<u>6,793,897</u>	<u>24,038,391</u>	<u>15,253,221</u>
Accumulated Surplus from Operations, Beginning of Year		508,227,104	492,973,883
Accumulated surplus adjustment (Note 24)		(252,352)	-
<b>Accumulated Surplus from Operations, End of Year</b>		<u>\$ 532,013,143</u>	<u>\$ 508,227,104</u>



**CITY OF LLOYDMINSTER**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2019**

	<b>2019</b>	<b>2018</b>
<b>Cash Provided By (Used In):</b>		
<b>Operating Activities</b>		
Excess (deficiency) of revenues over expenditures	24,038,391	15,253,221
Accumulated surplus adjustment (Note 24)	(252,352)	-
Amortization	21,079,047	20,626,023
Gain on sale of tangible capital assets	191,866	(321,740)
Contributed tangible capital assets	(6,818,976)	(1,057,734)
Net change in non-cash operating working capital balances		
Decrease (increase) in taxes and grants in lieu of taxes	(4,372)	(318,409)
Decrease (increase) in trade and other receivables	(1,885,335)	1,672,534
Decrease (increase) in land and inventories for resale	81,987	18,749
Decrease (increase) in investments	(6,992,823)	(2,078,150)
Decrease (increase) in inventory for consumption	(263,214)	(5,229)
Decrease (increase) in prepaid expenses	(213,063)	67,534
Increase (decrease) in accounts payable and accrued liabilities	(540,428)	(2,397,331)
Increase (decrease) in deposit liabilities	29,774	254,292
Increase (decrease) in deferred revenue	720,992	(260,656)
Increase (decrease) in employee benefit obligations	38,520	173,978
Increase (decrease) in provision for landfill closure and post-closure costs	(25,173)	144,733
Increase (decrease) in liability for contaminated sites	(1,000)	-
	<u>29,183,841</u>	<u>31,771,815</u>
<b>Capital Activities</b>		
Acquisition of tangible capital assets	(26,717,879)	(19,893,807)
Proceeds on disposal of tangible capital assets	57,634	388,741
	<u>(26,660,245)</u>	<u>(19,505,066)</u>
<b>Investing Activities</b>		
Temporary investments (acquired) matured	(18,352,165)	(16,490,410)
Decrease (increase) restricted cash and cash equivalents	3,265,021	4,193,595
	<u>(15,087,144)</u>	<u>(12,296,815)</u>
<b>Financing Activities</b>		
Long-term debt advanced (repaid)	(2,218,361)	(2,159,258)
Obligations under capital lease advanced (repaid)	(20,988)	(18,102)
	<u>(2,239,349)</u>	<u>(2,177,360)</u>
<b>Change in cash and cash equivalents during the year</b>	<b>(14,802,897)</b>	<b>(2,207,426)</b>
Cash and Cash Equivalents, Beginning of Year	<u>18,508,718</u>	<u>20,716,144</u>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ <u>3,705,821</u></b>	<b>\$ <u>18,508,718</u></b>
<b>Cash and cash equivalents is made up of:</b>		
Cash (Note 3)	7,001,579	25,069,497
Less: restricted portion of cash (Note 3)	<u>(3,295,758)</u>	<u>(6,560,779)</u>
	<b>\$ <u>3,705,821</u></b>	<b>\$ <u>18,508,718</u></b>

**CITY OF LLOYDMINSTER**

**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
YEAR ENDED DECEMBER 31, 2019**

	<b>2019</b>	<b>2018</b>
<b>Excess Of Revenue Over Expenditures</b>	<b>24,038,391</b>	15,253,221
Amortization of tangible capital assets	<b>21,079,047</b>	20,626,023
Proceeds on disposal of tangible capital assets	<b>57,634</b>	388,741
Change in inventories and prepaid expenses	<b>(476,277)</b>	62,305
(Gain) loss on sale of tangible capital assets	<b>191,866</b>	(321,740)
Construction in progress	<b>(4,597,083)</b>	(2,119,851)
Accumulated surplus adjustment (Note 24)	<b>(252,352)</b>	-
Acquisition of tangible capital assets	<b><u>(28,939,772)</u></b>	<u>(20,951,541)</u>
<b>Increase (Decrease) in Net Financial Assets</b>	<b>11,101,454</b>	12,937,158
Net Financial Assets, Beginning Of Year	<b><u>34,582,266</u></b>	<u>21,645,108</u>
<b>Net Financial Assets, End Of Year</b>	<b><u>\$ 45,683,720</u></b>	<u>\$ 34,582,266</u>

CITY OF LLOYDMINSTER

CONSOLIDATED SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS  
 YEAR ENDED DECEMBER 31, 2019  
 (SCHEDULE 1)

	Unrestricted Surplus	Restricted Reserves	Unrestricted Reserves	Equity in TCA	2019	2018
<b>Balance, beginning of year</b>	30,525,485	10,251,485	29,849,929	437,600,205	<b>508,227,104</b>	492,973,883
Excess (deficiency) of revenues over expenses	24,038,391	-	-	-	<b>24,038,391</b>	15,253,221
Accumulated surplus adjustment (Note 24)	(252,352)	-	-	-	<b>(252,352)</b>	-
Unrestricted funds designated for future use	(25,532,466)	3,667,865	21,864,601	-	-	-
Reserve funds used for operations	878,608	-	(878,608)	-	-	-
Reserve funds used for tangible capital assets	-	(2,506,633)	(13,192,524)	15,699,157	-	-
Current year funds used for tangible capital assets	(11,018,722)	-	-	11,018,722	-	-
Contributed tangible capital assets	(6,818,976)	-	-	6,818,976	-	-
Disposal of tangible capital assets	249,500	-	-	(249,500)	-	-
Annual amortization expense	21,079,047	-	-	(21,079,047)	-	-
Long term debt repaid	(2,239,349)	-	-	2,239,349	-	-
<b>Balance, end of year</b>	<u>\$ 30,909,166</u>	<u>\$ 11,412,717</u>	<u>\$ 37,643,398</u>	<u>\$ 452,047,862</u>	<u>\$ 532,013,143</u>	<u>\$ 508,227,104</u>

CITY OF LLOYDMINSTER

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
 YEAR ENDED DECEMBER 31, 2019  
 (SCHEDULE 2)

	Land		Buildings	Machinery &	Engineering	Total 2019	Total 2018
	Land	Improvements		Equipment	Structures		
<b>Cost</b>							
Balance, beginning of year	26,693,255	9,419,544	158,071,942	58,629,263	496,166,067	<b>748,980,071</b>	727,338,468
Additions	-	5,497,105	929,309	4,752,573	17,760,785	<b>28,939,772</b>	20,951,541
Construction in progress	-	-	26,036	2,662,974	1,908,073	<b>4,597,083</b>	2,119,851
Disposals	-	-	(10,000)	(597,428)	-	<b>(607,428)</b>	(1,429,789)
Balance, end of year	<u>26,693,255</u>	<u>14,916,649</u>	<u>159,017,287</u>	<u>65,447,382</u>	<u>515,834,925</u>	<b>781,909,498</b>	748,980,071
<b>Accumulated Amortization</b>							
Balance, beginning of year	-	361,889	53,581,495	39,469,495	182,873,831	<b>276,286,710</b>	257,023,475
Amortization	-	984,450	3,935,547	4,179,850	11,979,200	<b>21,079,047</b>	20,626,023
Accumulated amortization on disposals	-	-	(2,000)	(355,928)	-	<b>(357,928)</b>	(1,362,788)
Balance, end of year	<u>-</u>	<u>1,346,339</u>	<u>57,515,042</u>	<u>43,293,417</u>	<u>194,853,031</u>	<b>297,007,829</b>	276,286,710
<b>Net Book Value of Tangible Capital Assets</b>	<u>\$ 26,693,255</u>	<u>\$ 13,570,310</u>	<u>\$ 101,502,245</u>	<u>\$ 22,153,965</u>	<u>\$ 320,981,894</u>	<b>\$ 484,901,669</b>	<u>\$ 472,693,361</u>

CITY OF LLOYDMINSTER

CONSOLIDATED SCHEDULE OF PROPERTY AND OTHER TAXES  
YEAR ENDED DECEMBER 31, 2019  
(SCHEDULE 3)

	Budget (Unaudited)	2019	2018
<b>Taxation</b>			
<b>Real property taxes</b>			
Residential land and improvements	36,602,571	<b>36,577,554</b>	36,650,544
Non-residential land and improvements	12,771,772	<b>12,796,014</b>	12,430,474
Machinery and equipment	1,435,454	<b>1,436,999</b>	1,417,677
Farmland	32,447	<b>32,482</b>	32,101
Railway	6,500	<b>3,503</b>	3,331
Linear property	<u>665,668</u>	<u><b>666,385</b></u>	<u>627,145</u>
	51,514,412	<b>51,512,937</b>	51,161,272
<b>Government grants in place of property taxes</b>			
Federal	15,517	<b>15,517</b>	15,822
Provincial - Alberta	27,495	<b>20,622</b>	28,353
Provincial - Saskatchewan	<u>66,177</u>	<u><b>66,178</b></u>	<u>62,038</u>
	<u>109,189</u>	<u><b>102,317</b></u>	<u>106,213</u>
Lloydminster Business Improvement District	-	<b>8,977</b>	141,312
Local improvement	<u>45,821</u>	<u><b>34,272</b></u>	<u>34,272</u>
	51,669,422	<b>51,658,503</b>	51,443,069
<b>Requisitions</b>			
Lloydminster Public School Division	12,182,708	<b>12,238,946</b>	12,530,248
Lloydminster Catholic School Division	3,223,538	<b>3,238,715</b>	3,324,391
Lloydminster Business Improvement District	<u>-</u>	<u>-</u>	<u>144,832</u>
	<u>15,406,246</u>	<u><b>15,477,661</b></u>	<u>15,999,471</u>
<b>Net Municipal Taxes</b>	<u>\$ 36,263,176</u>	<u><b>\$ 36,180,842</b></u>	<u>\$ 35,443,598</u>

CITY OF LLOYDMINSTER

CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS  
 YEAR ENDED DECEMBER 31, 2019  
 (SCHEDULE 4)

	Budget (Unaudited)	2019	2018
<b>Transfers for Operating Conditional Grants:</b>			
Federal	30,000	41,630	132,413
Alberta	1,461,114	1,574,001	1,560,976
Saskatchewan	2,385,395	2,343,126	2,234,286
Local	60,612	361,422	364,721
Other	<u>9,000</u>	<u>1,283</u>	<u>-</u>
	<u>3,946,121</u>	<u>4,321,462</u>	<u>4,292,396</u>
<b>Transfers for Capital Conditional Grants:</b>			
Federal	6,000,000	4,052,426	-
Alberta	4,150,000	10,821,634	8,370,151
Saskatchewan	<u>600,000</u>	<u>1,286,138</u>	<u>597,069</u>
	<u>10,750,000</u>	<u>16,160,198</u>	<u>8,967,220</u>
	<u>\$ 14,696,121</u>	<u>\$ 20,481,660</u>	<u>\$ 13,259,616</u>

**CITY OF LLOYDMINSTER**

**CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURES  
YEAR ENDED DECEMBER 31, 2019  
(SCHEDULE 5)**

For the year ended December 31, 2019 (in thousands)

	General Government	Recreation & Culture	Planning & Development	Environmental Services	Protective Services	Transportation	Public Health & Welfare	Total	2018 Total
<b>Revenue</b>									
Net municipal taxes	36,181	-	-	-	-	-	-	36,181	35,444
User fees and sales of goods	202	4,786	862	24,454	230	882	221	31,637	32,227
Government transfers for operating	2,144	710	27	19	803	52	567	4,322	4,292
Investment income	1,638	21	-	-	-	-	-	1,659	1,282
Penalties and costs of taxes	319	-	-	-	826	-	-	1,145	881
Development levies	-	-	132	-	-	-	-	132	136
Licenses and permits	572	-	245	-	7	94	-	918	915
Franchise & concession contracts	5,921	-	-	-	-	-	-	5,921	5,699
Gain (loss) on disposal of capital assets	9	-	-	-	-	-	-	9	322
Other	34	49	-	11	-	-	16	110	111
	<u>47,020</u>	<u>5,566</u>	<u>1,266</u>	<u>24,484</u>	<u>1,866</u>	<u>1,028</u>	<u>804</u>	<u>82,034</u>	<u>81,309</u>
<b>Expenditures</b>									
Salaries, wages and benefits	8,589	8,474	1,100	3,258	5,515	2,806	291	30,033	27,369
Contracted and general services	1,438	2,526	515	3,217	7,807	2,577	243	18,323	16,349
Materials and goods	384	1,464	83	1,010	185	540	16	3,682	3,864
Utilities	479	1,503	3	1,619	70	2,130	3	5,807	6,012
Transfers to local boards or agencies	-	182	-	-	-	-	826	1,008	746
Bank charges	29	47	-	-	-	-	-	76	50
Interest on long term debt	616	25	-	191	-	135	-	967	1,065
Amortization	2,026	2,775	3	8,200	763	7,285	27	21,079	20,626
	13,561	16,996	1,704	17,495	14,340	15,473	1,406	80,975	76,081
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	33,459	(11,430)	(438)	6,989	(12,474)	(14,445)	(602)	1,059	5,228
<b>Other</b>									
Contributed assets	-	-	6,819	-	-	-	-	6,819	1,058
Government transfers for capital	-	76	77	6,159	12	9,836	-	16,160	8,967
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<u>\$ 33,459</u>	<u>\$ (11,354)</u>	<u>\$ 6,458</u>	<u>\$ 13,148</u>	<u>\$ (12,462)</u>	<u>\$ (4,609)</u>	<u>\$ (602)</u>	<u>\$ 24,038</u>	<u>\$ 15,253</u>

**CITY OF LLOYDMINSTER**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019**

**1. Significant Accounting Policies**

The consolidated financial statements of the City of Lloydminster (the "City") are the representations of management prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the City are as follows:

**a) Reporting Entity**

The consolidated financial statements include the assets, liabilities, revenues, expenses, changes in accumulated surplus, changes in net financial assets (debt) and cash flows of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the City and are, therefore, accountable to the City council for the administration of their financial affairs and resources. Included with the municipality are the following:

Lloydminster Public Library

Lloydminster Family and Community Support Services

The schedule of taxes levied includes requisitions for education that is not part of the municipal reporting entity. Interdepartmental and organizational transactions and balances are eliminated.

**b) Basis of Accounting**

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or legal obligation to pay, with the exception of pension expenditures as disclosed in 1(d) and (e).

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

**c) Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.



CITY OF LLOYDMINSTER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019

1. Significant Accounting Policies (continued)

d) **Defined Contribution Plan**

The City participates in a multi-employer defined contribution pension plan for certain employees. Under the plan, the City's obligations are limited to their contributions. These contributions are recorded as expenditures in the year in which they become due.

e) **Registered Retirement Savings Plan**

The City participates in a registered retirement savings plan for certain employees. Under the plan, the City's obligations are limited to their contributions. These contributions are recorded as expenditures in the year in which they become due.

f) **Investments**

Investments are recorded at cost. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

g) **Land Held for Resale**

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads and sidewalks are recorded as tangible capital assets under their respective function.

h) **Revenue Recognition**

Government transfers are the transfer of assets from the senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future or are the result of a direct financial return. Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.

i) **School Requisitions**

Requisitions are paid on a cash basis. As taxes are collected, requisitions plus any penalties are accumulated and remitted to the requisitioning authority in the month following collection. This collection of funds by the municipality for school boards are collected and remitted in accordance with relevant legislation.

j) **Developers' Levies**

Developers' levies, also known as Offsite Levies, are calculated using the rates established by bylaw at the time of the agreement execution. Although there are external restrictions associated with the funds received via legislation and/or agreement, the City has prepared the necessary future planning information required to determine an appropriate allocation of these funds. The levies received are divided and allocated to specific reserves and disbursed/drawn upon in accordance with the latest version of the City's reserve policy.

**CITY OF LLOYDMINSTER**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019**

**1. Significant Accounting Policies (continued)**

**k) Landfill Closure and Post-Closure Liability**

Pursuant to The Environmental Management and Protection Act of Saskatchewan, the City is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground monitoring, leachate control, and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage.

**l) Contaminated Sites Liability**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

CITY OF LLOYDMINSTER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019

1. Significant Accounting Policies (continued)

m) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets (Debt) for the year.

i) Tangible Capital Assets

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

Land improvements	7 - 25 years
Buildings	10 - 45 years
Engineering structures	10 - 75 years
Machinery and equipment	3 - 50 years

Amortization is not charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

ii) Contributions of Tangible Capital Assets

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

iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

iv) Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

v) Cultural and Historical Tangible Capital Assets

Works of art for display are not recorded as tangible capital assets.

**CITY OF LLOYDMINSTER**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019**

**2. Financial Instruments**

The City's financial instruments consist of cash and temporary investments, accounts receivable, investments, accounts payable and accrued liabilities, deposit liabilities, employee benefit liabilities and long term debt. It is management's opinion that the City is not exposed to significant interest or currency risks arising from these financial instruments.

The City is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the City provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the carrying value of the financial instrument approximates fair value.

**3. Cash and Temporary Investments**

	<b>2019</b>	<b>2018</b>
Cash	7,001,579	25,069,497
Temporary investments	<u>49,932,575</u>	<u>31,580,410</u>
	<b><u>\$ 56,934,154</u></b>	<b><u>\$ 56,649,907</u></b>

Cash consists of cash on hand and balances with banks and brokers available for operations. Temporary investments are short-term deposits with maturities of one year or less.

Included in cash are restricted monies totaling \$3,295,758 (2018 - \$6,560,779) and included in temporary investments are restricted monies totaling \$4,659,188 (2018 - \$0). All restricted funds are received through government transfers to be used exclusively for operating and capital projects, amounts have been recorded through deferred revenue and restricted reserves.

The City has been approved for a demand operating credit facility with a maximum borrowing limit of \$12,500,000 that bears interest at the prime rate minus 0.75% per annum. The balance drawn on the revolving loan at December 31, 2019 was \$0 (2018 - \$0). This credit facility is secured by all book accounts and book debt.

**4. Receivables**

	<b>2019</b>	<b>2018</b>
Current taxes and grants in lieu of taxes	1,451,031	1,618,495
Arrears taxes receivable	<u>677,759</u>	<u>505,923</u>
	<b><u>2,128,790</u></b>	<b><u>2,124,418</u></b>
Trade accounts receivable	4,482,434	1,304,995
Utility receivable	2,076,622	3,382,175
GST receivable	426,630	774,159
Other receivable	1,609,983	1,220,375
Less: allowance for doubtful accounts	<u>(254,168)</u>	<u>(225,538)</u>
	<b><u>8,341,501</u></b>	<b><u>6,456,166</u></b>
	<b><u>\$ 10,470,291</u></b>	<b><u>\$ 8,580,584</u></b>

**CITY OF LLOYDMINSTER**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019**

**5. Land and Inventories for Resale**

	<b>2019</b>	<b>2018</b>
Residential:		
Land to be developed	2,725,560	2,732,560
Available for sale	<u>3,405,039</u>	<u>3,486,371</u>
	<b>6,130,599</b>	<b>6,218,931</b>
Commercial:		
Land to be developed	62,418	62,418
Available for sale	<u>5,690,602</u>	<u>5,673,337</u>
	<b>5,753,020</b>	<b>5,735,755</b>
Raw land held for future development	5,495,112	5,495,112
Gift shop inventory for recreation and cultural facilities	<u>53,525</u>	<u>64,445</u>
	<b>\$ 17,432,256</b>	<b>\$ 17,514,243</b>

**6. Investments**

	<b>2019</b>	<b>2018</b>
Equity shares	42,520	43,404
Notes and deposits	<u>14,225,541</u>	<u>7,231,834</u>
	<b>\$ 14,268,061</b>	<b>\$ 7,275,238</b>

Notes and deposits have effective interest rates ranging from 2.61% to 3.98% with maturity dates between February 2021 and August 2024. Investment book values are equal to fair market values as at December 31, 2019.

**7. Deferred Revenue**

Deferred revenue consists of funds received which relate to expenditures to be incurred in future periods, as follows:

	<b>2019</b>	<b>2018</b>
Alberta - Municipal Sustainability Initiative - Capital	1,262,443	2,907,197
Alberta - Resilience Grant	-	2,681,640
Alberta - Municipal Water/Wastewater Partnership	4,659,188	-
Alberta - Community Partnership Program	122,840	-
Saskatchewan - Lotteries	20,354	-
Other grants	-	5,500
Prepaid taxes	2,105,734	1,768,845
Prepaid licenses, rental and utilities	553,866	614,163
Gift certificates	93,727	115,468
Other	<u>24,299</u>	<u>28,646</u>
	<b>\$ 8,842,451</b>	<b>\$ 8,121,459</b>

**CITY OF LLOYDMINSTER**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019**

**8. Employee Benefit Obligations**

	<b>2019</b>	<b>2018</b>
Regular payroll	<b>708,189</b>	636,657
Vacation	<b>285,678</b>	325,002
Post-employment benefits	<u><b>504,821</b></u>	<u>498,509</u>
	<b>\$ 1,498,688</b>	<b>\$ 1,460,168</b>

**Regular payroll**

The regular payroll liability is comprised of payroll owed to employees for days worked that will not be paid until the next fiscal year.

**Vacation**

The vacation liability is comprised of the vacation time that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary years.

**Post-employment benefits**

The City provides a sick leave benefit plan. This plan is based on the accumulation of sick leave credits to a maximum of 120 days. If not utilized during their employment term, the employee is entitled to a cash payment upon retirement based on one-half of the accumulated credit, subject to being a minimum of 55 years of age and 10 years of employment with the City.

The City has not obtained an actuarial accounting valuation for the sick leave benefit plan. The maximum accumulated sick leave liability is \$3,865,494 (2018 - \$3,659,649). The City does not expect to have to pay the full amount and has accrued only a portion of the total liability.

**CITY OF LLOYDMINSTER**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019**

**9. Salary and benefits disclosure**

Disclosure of salaries and benefits for elected Lloydminster officials, the City Manager, and designated officers as required by the Lloydminster Charter which follows Alberta Regulation 313/2000 and is as follows:

	<b>Salaries <sup>(1)</sup></b>	<b>Benefits &amp; Allowances <sup>(2)</sup></b>	<b>2019</b>	<b>2018</b>
<b>Mayor</b>				
Gerald Aalbers	101,450	16,442	<b>117,892</b>	116,319
<b>Councillors</b>				
Ken Baker	37,225	1,600	<b>38,825</b>	37,457
Stephanie Brown Munro	39,425	1,600	<b>41,025</b>	41,057
Aaron Buckingham	39,625	6,179	<b>45,804</b>	40,370
Michael Diachuk	39,625	6,157	<b>45,782</b>	45,215
Glen Fagnan	39,425	6,148	<b>45,573</b>	46,334
Jonathan Torresan	41,225	1,600	<b>42,825</b>	41,257
<b>City Manager</b>				
Dion Pollard	209,466	25,988	<b>235,454</b>	211,725
<b>Designated Officers <sup>(3)</sup></b>	<u>501,692</u>	<u>46,336</u>	<u><b>548,028</b></u>	<u>460,440</u>
	<u>\$ 1,049,158</u>	<u>\$ 112,050</u>	<u>\$ <b>1,161,208</b></u>	<u>\$ 1,040,174</u>

(1) Salaries above includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration. Differences among Councillors is due to committee meeting requirements and portfolio.

(2) Contributions made by the municipality on behalf of councillors or officers, such as pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long term disability, IT allowance and car allowances.

(3) Designated officers include the City Assessor, City Clerk and City Treasurer. The City Treasurer role was partially vacant for a period of time in 2018.

**CITY OF LLOYDMINSTER**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019**

**10. Defined Contribution Plan**

The Manulife Financial Pension Plan is funded by employee and employer contributions at a rate of 5% of the employee's earnings. Pension benefits are based on accumulated contributions and investment earnings. Under the defined contribution plan, the City's obligations are limited to its contributions.

Details of the Manulife Financial Pension Plan are as follows:

	<b>2019</b>	<b>2018</b>
Number of active City members	<b>223</b>	211
Member contributions for the year	<b>\$ 632,083</b>	\$ 600,502
City contributions for the year	<b>\$ 625,713</b>	\$ 584,403

**11. Registered Retirement Savings Plan**

The Manulife RRSP Plan is funded by employee and employer contributions at rates ranging between 5-7% of the employee's earnings. Benefits are based on accumulated contributions and investment earnings. Under the RRSP plan, the City's obligations are limited to its contributions.

Details of the Manulife RRSP Plan are as follows:

	<b>2019</b>	<b>2018</b>
Number of active City members	<b>163</b>	141
Member contributions for the year	<b>\$ 553,218</b>	\$ 467,674
City contributions for the year	<b>\$ 464,587</b>	\$ 399,528

During 2019, a collective agreement for Fire employees added RRSP contributions.



CITY OF LLOYDMINSTER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019

**12. Landfill Closure and Post-Closure Liability**

Landfill closure and post-closure care requirements have been defined in accordance with The Environmental Management and Protections Act of Saskatchewan and include final covering and landscaping of the landfill, pumping of ground water, methane gas and leachate management, and ongoing environmental monitoring, site inspections and maintenance.

The estimated total liability is based on the information provided by the 2019 Preliminary Closure and Reclamation Plan. The costs are determined by the sum of discounted future cash flows for closure and post-closure activities for 25 years after closure using a discount rate of 3.29% and assuming annual inflation of 2%.

The accrued liability portion is based on the cumulative capacity of Phase 1 of the landfill used at year end compared to the estimated total Phase 1 landfill capacity. Based on the 2016 Waste Management Facility Master Plan prepared by an independent consultant, which identifies four phases, management estimates that 36.39% of the total Phase 1 capacity has been utilized. The Phase 1 site is expected to reach capacity in approximately the year 2032. In prior years, the City referenced the 2006 Functional Study prepared by an independent consultant which identified two phases.

The City has not yet designated assets for settling closure and post-closure liabilities.

The following summarizes the total net present value for the estimated costs of Phase 1 of the Sanitary Landfill closure and post closure care:

	<b>2019</b>	<b>2018</b>
Estimated closure and post-closure costs, present value	\$ 3,281,498	\$ 6,896,058
Estimated capacity used	36.39 %	17.68 %
Amount accrued to December 31, 2019	\$ 1,194,050	\$ 1,219,223

**13. Liability for Contaminated Sites**

As of December 31, 2019, the liability for contaminated sites includes sites associated with former City operations or where the City has accepted responsibility. A liability is recognized when contamination exceeds an existing environmental standard.

The nature of the contamination includes hydrocarbons, chlorides, nitrates and asbestos. The sources of contamination include fuel handling, vehicle storage and maintenance, salt storage, and construction materials.

Liability estimates are based on environmental site assessments. The City has recognized a decrease in the liability over the prior year due to one property being decommissioned. The total liability for the remediation of contaminated sites is \$304,824 (2018 - \$305,824).

**CITY OF LLOYDMINSTER**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019**

**14. Long Term Debt**

	<b>2019</b>	<b>2018</b>
Tax supported debentures	<b>26,732,302</b>	28,490,607
Self supported debentures	<u><b>6,121,505</b></u>	<u>6,581,561</u>
	<b>\$ <u>32,853,807</u></b>	<b>\$ <u>35,072,168</u></b>

The current portion of long-term debt amounts to \$2,279,125 (2018 - \$2,218,362).

Principal and interest repayments are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	2,279,125	918,121	3,197,246
2021	2,341,595	855,651	3,197,246
2022	2,405,820	791,426	3,197,246
2023	2,471,852	725,394	3,197,246
2024	2,539,742	657,504	3,197,246
Thereafter	<u>20,815,673</u>	<u>2,927,897</u>	<u>23,743,570</u>
	<b>\$ <u>32,853,807</u></b>	<b>\$ <u>6,875,993</u></b>	<b>\$ <u>39,729,800</u></b>

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at rates ranging from 1.835% to 3.058% per annum and matures in periods September 2025 through December 2036.

Debenture debt is issued on the credit and security of the City at large.

Interest on long-term debt amounted to \$978,884 (2018 - \$999,029).

**15. Obligations Under Capital Lease**

	<b>2019</b>	<b>2018</b>
a) Capital lease - reelmasters	\$ <u>          -</u>	\$ <u>20,988</u>
a) The capital lease interest rate was 7.50% per annum, repayable in blended payments of \$3,665 for the months of May through October each year. The lease expired November 1, 2019. It was secured by the specified equipment.		

Included in interest on long term debt is \$1,003 (2018 - \$2,572) of interest paid on capital lease obligations.

**CITY OF LLOYDMINSTER**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019**

**16. Debt Limits**

Section 185(1) of the Lloydminster Charter requires that debt and debt limits follow the regulations of the Alberta Municipal Government Act. Alberta Regulation 255/2000 requires the City's debt and debt limit be disclosed as follows:

	<b>2019</b>	<b>2018</b>
Total debt limit	<b>122,351,202</b>	121,933,573
Total debt	<u><b>32,853,807</b></u>	<u>35,093,156</u>
Amount of debt limit unused	<u><b>\$ 89,497,395</b></u>	<u>\$ 86,840,417</u>
Debt servicing limit	<b>20,391,867</b>	20,322,262
Debt servicing	<u><b>3,197,246</b></u>	<u>3,218,234</u>
Amount of Debt Servicing Limit Unused	<u><b>\$ 17,194,621</b></u>	<u>\$ 17,104,028</u>

The debt limit is calculated at 1.5 times revenue of the City (as defined in Alberta Regulation 255/2000) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the City, rather, the financial statements must be interpreted as a whole.

**17. Segment Disclosures**

The City provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1. Refer to the Schedule of Segmented Disclosure (Schedule 5).

**18. Equity in Tangible Capital Assets**

	<b>2019</b>	<b>2018</b>
Tangible capital assets (Schedule 2)	<b>781,909,498</b>	748,980,071
Accumulated amortization (Schedule 2)	<b>(297,007,829)</b>	(276,286,710)
Long-term debt (Note 14)	<b>(32,853,807)</b>	(35,072,168)
Obligations under capital lease (Note 15)	<u>-</u>	<u>(20,988)</u>
	<u><b>\$452,047,862</b></u>	<u>\$437,600,205</u>

**19. Accumulated Surplus**

Accumulated surplus consists of unrestricted, restricted and amounts invested in tangible capital assets as follows:

	<b>2019</b>	<b>2018</b>
Unrestricted surplus	<b>30,909,166</b>	30,525,485
Unrestricted reserves	<b>37,643,398</b>	29,849,929
Restricted reserves	<b>11,412,717</b>	10,251,485
Equity in tangible capital assets (Note 18)	<u><b>452,047,862</b></u>	<u>437,600,205</u>
	<u><b>\$532,013,143</b></u>	<u>\$508,227,104</u>

**CITY OF LLOYDMINSTER**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019**

**20. Commitments**

As approved by City Council on February 27, 2017, the City entered into an agreement to supply water to the Alberta Central East Water Corporation. Under the terms of the agreement in effect, as amended, until January 1, 2038, the City has agreed, subject to specified events deemed to be beyond the control of the City, to supply a maximum of 2,331 cubic meters per day at a normal pressure range of 280-455 kilopascal to the point of delivery.

As approved by City Council on March 23, 1983, the City has entered into an agreement to host paintings for a fee of \$10,000 annually. The term of this agreement shall be for a term of 99 years commencing May 1983.

**21. Franchise Fees**

Disclosure of franchise fees under each utility franchise agreement entered into by the City as required by Alberta Regulation 313/2000 is as follows:

	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>
<b>Power Utility</b>			
ATCO Electric	3,200,000	<b>3,202,710</b>	3,150,107
SaskPower	<u>555,000</u>	<u><b>561,968</b></u>	<u>546,911</u>
	3,755,000	<b>3,764,678</b>	3,697,018
<b>Gas Utility</b>			
ATCO Gas	<u>2,312,903</u>	<u><b>2,156,346</b></u>	<u>2,002,245</u>
	<u><b>\$ 6,067,903</b></u>	<u><b>\$ 5,921,024</b></u>	<u><b>\$ 5,699,263</b></u>

**22. Subsequent Events**

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social impact on the City's operations. As a result, the City declared a state of local emergency effective March 19, 2020. A number of closures, cancellations and service reductions have since occurred, which will impact each reporting segment across the organization.

The City has experienced the following indicators of financial implications in relation to the pandemic:

- Closure of all recreation facilities and related amenities and events, effective March 23, 2020, until further notice
- Closure of offices and partial closure of City Hall to the public while staff are required to work from home for those able to do so
- Deferral of property tax penalty deadlines to November 10, 2020
- Deferral of utility penalties until September 30, 2020, for all invoices dated after April 1, 2020
- Deferral of accounts receivable invoice finance charges from net 30 to net 60 days until September 30, 2020, for all invoices dated after April 1, 2020
- Deferral of outstanding business license collections until September 30, 2020

The City's response to COVID-19 presents uncertainty over future cash flows, may cause significant changes to assets or liabilities, and may have a significant impact on future operations. Due to the unprecedented nature of this event, it is not feasible to estimate the full financial impact on the City at this time. On May 5, 2020, Council passed a bylaw to increase the line of credit by \$12.5 million, this will bring the total available line of credit to \$25 million.

**CITY OF LLOYDMINSTER**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019**

**23. Approval of Financial Statements**

Council and Management have approved these consolidated financial statements.

**24. Controlled Entity**

In previous years, the Vic Juba Community Theatre was a controlled entity and the assets, liabilities, accumulated surplus, revenues and expenses were consolidated in the City's financial statements. During the year, it was determined that the entity was no longer controlled and therefore is not consolidated as at December 31, 2019. Accumulated surplus of the entity has been removed during the year.

**25. Comparative Amounts**

Certain 2018 comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year. The reclassifications resulted in no effect on reported net income.