
RURAL MUNICIPALITY OF NORTH BATTLEFORD NO. 437

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019



Vantage

CHARTERED PROFESSIONAL ACCOUNTANTS

Management's Responsibility

To the Ratepayers of Rural Municipality of North Battleford No. 437

The municipality's management is responsible for the preparation and presentation of the accompanying consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgements and estimates by management is required.

In discharging its responsibilities for the integrity and fair presentation of the consolidated financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

The Council is composed of elected officials who are not employees of the municipality. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the municipality's external auditors.

Vantage, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.


Reeve


Administrator

March 18, 2020

INDEPENDENT AUDITORS' REPORT

Reeve and Council
Rural Municipality of North Battleford No. 437
North Battleford, Saskatchewan

Opinion

We have audited the accompanying consolidated financial statements of the Rural Municipality of North Battleford No. 437, which comprise the consolidated statement of financial position as at December 31, 2019, the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the consolidated financial statements, including 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 Rural Municipality of North Battleford No. 437 as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Rural Municipality of North Battleford No. 437 in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Rural Municipality of North Battleford No. 437'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 municipality or to cease operations, or has no realistic alternative but to do so.

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

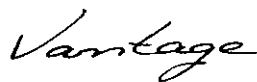
Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 municipality'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 municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

The logo for Vantage Chartered Professional Accountants, featuring the word "Vantage" in a stylized, cursive script font.

Chartered Professional Accountants

North Battleford, Saskatchewan
March 18, 2020

Rural Municipality of North Battleford No. 437
Consolidated Statement of Financial Position
As at December 31, 2019

Statement 1

	2019	2018
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	3,564,322	2,723,605
Taxes Receivable - Municipal (Note 3)	318,665	331,990
Other Accounts Receivable (Note 4)	21,492	17,944
Land for Resale (Note 5)	18	18
Long-Term Investments (Note 6)	88,965	76,111
Debt Charges Recoverable		
Other (Specify)		
Total Financial Assets	3,993,462	3,149,668
LIABILITIES		
Bank Indebtedness		
Accounts Payable	104,844	79,395
Accrued Liabilities Payable		
Deposits		
Deferred Revenue		
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Long-Term Debt (Note 7)	1,559,666	1,713,179
Lease Obligations		
Total Liabilities	1,664,510	1,792,574
NET FINANCIAL ASSETS (DEBT)	2,328,952	1,357,094
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	4,195,875	4,387,107
Prepayments and Deferred Charges	66,192	
Stock and Supplies	255,872	377,602
Other		
Total Non-Financial Assets	4,517,939	4,764,709
ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)	6,846,891	6,121,803

Rural Municipality of North Battleford No. 437
 Consolidated Statement of Operations
 For the year ended December 31, 2019

Statement 2

	2019 Budget	2019	2018
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	2,080,517	2,087,355	2,042,378
Fees and Charges (Schedule 4, 5)	68,650	142,148	57,557
Conditional Grants (Schedule 4, 5)	800	2,000	1,630
Tangible Capital Asset Sales - Gain (Schedule 4, 5)		(13,039)	(104,495)
Land Sales - Gain (Schedule 4, 5)			
Investment Income and Commissions (Schedule 4, 5)	40,000	52,994	64,566
Restructurings (Schedule 4,5)			
Other Revenues (Schedule 4, 5)	5,000	163,751	
Total Revenues	2,194,967	2,435,209	2,061,636
EXPENSES			
General Government Services (Schedule 3)	685,970	440,048	409,534
Protective Services (Schedule 3)	482,605	361,082	210,624
Transportation Services (Schedule 3)	1,063,950	966,936	909,883
Environmental and Public Health Services (Schedule 3)	27,600	17,119	44,762
Planning and Development Services (Schedule 3)	15,000	6,743	
Recreation and Cultural Services (Schedule 3)	9,200	9,142	9,142
Utility Services (Schedule 3)			
Restructurings (Schedule 3)			
Total Expenses	2,284,325	1,801,070	1,583,945
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(89,358)	634,139	477,691
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	45,000	90,949	44,786
Surplus (Deficit) of Revenues over Expenses	(44,358)	725,088	522,477
Accumulated Surplus (Deficit), Beginning of Year	6,121,803	6,121,803	5,599,326
Accumulated Surplus (Deficit), End of Year	6,077,445	6,846,891	6,121,803

Rural Municipality of North Battleford No. 437
 Consolidated Statement of Change in Net Financial Assets
 For the year ended December 31, 2019

Statement 3

	2019 Budget	2019	2018
Surplus (Deficit)	(44,358)	725,088	522,477
(Acquisition) of tangible capital assets		(699,172)	(1,418,683)
Amortization of tangible capital assets		201,180	154,359
Proceeds on disposal of tangible capital assets		676,185	190,000
Loss (gain) on the disposal of tangible capital assets		13,039	104,495
Transfer of assets/liabilities in restructuring transactions			
Surplus (Deficit) of capital expenses over expenditures		191,232	(969,829)
(Acquisition) of supplies inventories			(356,113)
(Acquisition) of prepaid expense		(66,192)	
Consumption of supplies inventory		121,730	
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures		55,538	(356,113)
Increase/Decrease in Net Financial Assets	(44,358)	971,858	(803,465)
Net Financial Assets (Debt) - Beginning of Year	1,357,094	1,357,094	2,160,559
Net Financial Assets (Debt) - End of Year	1,312,736	2,328,952	1,357,094

Rural Municipality of North Battleford No. 437
 Consolidated Statement of Cash Flow
 For the year ended December 31, 2019

Statement 4

	2019	2018
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	725,088	522,477
Amortization	201,180	154,359
Loss (gain) on disposal of tangible capital assets	13,039	104,495
	<u>939,307</u>	<u>781,331</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	13,325	(89,744)
Other Receivables	(3,548)	184
Land for Resale		
Other Financial Assets		
Accounts and Accrued Liabilities Payable	25,449	67,750
Deposits		
Deferred Revenue		
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		(69,255)
Stock and Supplies	121,730	(356,113)
Prepayments and Deferred Charges	(66,192)	
Other (Specify)		
Cash provided by operating transactions	1,030,071	334,153
Capital:		
Acquisition of capital assets	(699,172)	(1,418,683)
Proceeds from the disposal of capital assets	676,185	190,000
Other capital		
Cash applied to capital transactions	(22,987)	(1,228,683)
Investing:		
Long-term investments	(12,854)	(1,805)
Other investments		
Cash provided by (applied to) investing transactions	(12,854)	(1,805)
Financing:		
Debt charges recovered		
Long-term debt issued		1,073,770
Long-term debt repaid	(153,513)	(86,821)
Other financing		
Cash provided by (applied to) financing transactions	(153,513)	986,949
Change in Cash and Temporary Investments during the year	840,717	90,614
Cash and Temporary Investments - Beginning of Year	<u>2,723,605</u>	<u>2,632,991</u>
Cash and Temporary Investments - End of Year	3,564,322	2,723,605

1. Significant Accounting Policies

The consolidated financial statements of the municipality have been prepared by management in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the municipality are as follows:

Basis of Accounting: The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting requires revenues to be recognized as they become available and measurable and expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

- a) **Reporting Entity:** The consolidated financial statements consolidate the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources. Entities included in these consolidated financial statements are as follows:

All inter-organizational transactions and balances have been eliminated.

- b) **Collection of Funds for Other Authorities:** Collection of funds by the municipality for school boards, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.
- c) **Government Transfers:** Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occur, providing:

- a) the transfers are authorized
- b) any eligibility criteria have been met; and
- c) reasonable estimates of the amounts can be made.

Unearned government transfer amounts received will be recorded as deferred revenue.

Earned government transfer amounts not received will be recorded as an amount receivable.

- d) **Deferred Revenue:** Fees and charges: 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 or services performed.
- e) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- f) **Net Financial Assets:** Net Financial Assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.
- g) **Non-Financial Assets:** Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.
- h) **Appropriated Reserves:** Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 8.
- i) **Property Tax Revenue:** Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by council following the guidance of the Government of Saskatchewan. 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.
- j) **Investments:** Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment. The long term investments in the Saskatchewan Association of Rural Municipalities - Self Insurance Fund are accounted for on the equity basis.

Rural Municipality of North Battleford No. 437
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

1. Significant Accounting Policies - continued

- k) **Inventories:** Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.
- l) **Tangible Capital Assets:** All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant deflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. Tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land Improvements	15 Yrs
Buildings	40 Yrs
Vehicles and Equipment	
Vehicles	10 Yrs
Machinery and Equipment	5 to 20 Yrs
<i>Infrastructure Assets</i>	
Infrastructure Assets	
Water and Sewer	40 Yrs
Road Network Assets	15 to 40 Yrs

Government Contributions: Government contributions for the acquisition of capital assets are reported as capital revenue and do not reduce the cost of the related asset.

Capitalization of Interest: The municipality does not capitalize interest incurred while a tangible capital asset is under construction.

Leases: All leases are recorded on the consolidated financial statements as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risk associated with the leased asset is classified as a capital leases and recorded as tangible capital assets. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. Assets under capital leases are amortized on a straight line basis, over the lease term. Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

- m) **Employee Benefit Plans:** Contributions to the municipality's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.
- n) **Liability for Contaminated Sites:** 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 contaminated sites is recognized when all the following criteria are met:
- a) an environmental standard exists;
 - b) contamination exceeds the environmental standard;
 - c) the municipality:
 - i. is directly responsible; or
 - ii. accepts responsibility;
 - d) it is expected that future economic benefits will be given up; and
 - e) a reasonable estimate of the amount can be made.

1. Significant Accounting Policies - continued

- o) **Measurement Uncertainty:** The preparation of financial statements in conformity with Canadian public sector accounting standards 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 expenditures during the period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

The measurement of materials and supplies is based on estimates of volume and quality.
The 'Opening Asset Costs' of tangible capital assets have been estimated where actual costs were not available.
Amortization is based on the estimated useful lives of tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

- p) **Basis of Segmentation/Segment Report:** The municipality follows the Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the purpose of specific borrowings.

The segments (functions) are as follows:

General Government: Provides for the administration of the municipality.

Protective Services: Comprised of expenses for police and fire protection.

Transportation Services: Responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

Environmental and Public Health: The environmental segment provides waste disposal and other environmental services. The public health segment provides for expenses related to public health services in the municipality.

Planning and Development: Provides for neighbourhood development and sustainability.

Recreation and Culture: Provides for community services through the provision of recreation and leisure services.

Utility Services: Provides for delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

- q) **Budget Information:** Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on April 11, 2019.

New Accounting Standards:

- r) **Effective January 1, 2019,** the municipality adopted the following standard to comply with Public Sector Accounting Standards (PSAS). This standard applies to all public sector entities for years beginning on or after April 1, 2018. Adoption of this standard requires all public sector entities to assess information using definitions, criteria and exceptions provided in the standards and apply professional judgement to comply with the disclosure requirements of each standard.

PS 3430 Restructuring Transactions provides guidance on how to account for and report restructuring transactions by transferors and recipients of assets and/or liabilities. The new standard has been adopted on a prospective basis and has no impact on these financial statements.

Future Accounting Standards:

Effective On or After April 1, 2021:

PS 1201 Financial Statement Presentation, replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure in government financial statements. Effective in the period PS 3450 and PS 2601 are adopted.

PS 2601 Foreign Currency Translation, replaces PS 2600 with revised guidance on the recognition, presentation and disclosure of transactions that are denominated in a foreign currency.

PS 3041 Portfolio Investments, replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of, portfolio investments. Effective in the period PS 3450, PS 2601 and PS 1201 are adopted.

PS 3450 Financial Instruments, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives.

PS 3280 Asset Retirement Obligations, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of a liability for retirement of a tangible capital asset. As this standard includes solid waste landfill sites active and post-closing obligations upon adoption of this new standard, existing Solid Waste Landfill Closure and Post-Closure Liability section PS 3270 will be withdrawn.

Effective On or After April 1, 2022:

PS 3400, Revenue, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of revenue.

The extent of the impact on adoption of these future standards is not known at this time.

Rural Municipality of North Battleford No. 437
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

2. Cash and Temporary Investments

	2019	2018
Cash	3,564,322	2,723,605
Temporary Investments		
Restricted Cash		
Total Cash and Temporary Investments	3,564,322	2,723,605

Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

3. Taxes Receivable - Municipal

	2019	2018
Municipal - Current	177,192	205,431
- Arrears	142,918	128,004
	320,110	333,435
- Less Allowance for Uncollectible	(1,445)	(1,445)
Total municipal taxes receivable	318,665	331,990

School - Current	71,902	97,661
- Arrears	72,652	67,975
Total school taxes receivable	144,554	165,636

Other	6,847	
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Total taxes and grants in lieu receivable 470,066 497,626

Deduct taxes receivable to be collected on behalf of other organizations (151,401) (165,636)

Total Taxes Receivable - Municipal **318,665 331,990**

4. Other Accounts Receivable

	2019	2018
Federal Government	19,378	16,359
Provincial Government		
Local Government		
Utility		
Trade	2,114	1,585
Other (Specify)		
Total Other Accounts Receivable	21,492	17,944
Less: Allowance for Uncollectible		
Net Other Accounts Receivable	21,492	17,944

Rural Municipality of North Battleford No. 437
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

5. Land for Resale

	2019	2018
Tax Title Property	262	262
Allowance for market value adjustment	(244)	(244)
Net Tax Title Property	18	18
Other Land		
Allowance for market value adjustment		
Net Other Land		
Total Land for Resale	18	18

6. Long-Term Investments

	2019	2018
Sask Association of Rural Municipalities - Self Insurance Fund	80,062	71,715
Other (Co-op and Credit Union equity)	8,903	4,396
Total Long-Term Investments	88,965	76,111

The long term investments in the Saskatchewan Association of Rural Municipalities - Self Insurance Fund are accounted for on the equity basis.

7. Long-Term Debt

a) The debt limit of the municipality is \$1,987,751. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the *Municipalities Act* section 161(1)).

b) The Royal Bank of Canada loan is repayable at \$18,147 monthly for a 10 year term, including interest at 3.91%, due 2028, secured by municipal borrowing resolution.

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Year Total	Prior Year Total
2019				153,513
2020	159,624	58,143	217,767	159,624
2021	165,979	51,788	217,767	165,979
2022	172,586	45,181	217,767	172,586
2023	179,456	38,310	217,766	179,456
Thereafter	882,021	79,783	961,804	882,021
Balance	1,559,666	273,205	1,832,871	1,713,179

Rural Municipality of North Battleford No. 437
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

8. Pension Plan

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality's pension expense in 2019 was 35,723. The benefits accrued to the municipality's employees from MEPP are calculated using the following: pensionable years of service, highest average salary, and the plan accrual rate.

9. Comparative Figures

Certain comparative figures may have been restated to conform to the current year's presentation.

Rural Municipality of North Battleford No. 437
 Schedule of Taxes and Other Unconditional Revenue
 For the year ended December 31, 2019

Schedule 1

	2019 Budget	2019	2018
TAXES			
General municipal tax levy	1,987,117	1,986,826	1,945,684
Abatements and adjustments		(418)	(1,744)
Discount on current year taxes	(80,000)	(84,331)	(78,312)
Net Municipal Taxes	1,907,117	1,902,077	1,865,628
Potash tax share			
Trailer license fees	900	900	900
Penalties on tax arrears	15,000	22,424	20,953
Special tax levy			
Other (<i>Specify</i>)			
Total Taxes	1,923,017	1,925,401	1,887,481
UNCONDITIONAL GRANTS			
Revenue Sharing (Organized Hamlet)	140,000	143,542	138,098
Total Unconditional Grants	140,000	143,542	138,098
GRANTS IN LIEU OF TAXES			
Federal			
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
Central Services			
SaskTel	10,000	11,153	9,540
Other (<i>Specify</i>)			
Local/Other			
Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement	7,500	7,259	7,259
Other (<i>Specify</i>)			
Other Government Transfers			
S.P.C. Surcharge			
Sask Energy Surcharge			
Other (<i>Specify</i>)			
Total Grants in Lieu of Taxes	17,500	18,412	16,799
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	2,080,517	2,087,355	2,042,378

Rural Municipality of North Battleford No. 437
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2019

Schedule 2 - 1

	2019 Budget	2019	2018
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	1,000	2,150	1,980
- Sales of supplies	1,500	1,985	1,599
- Other (General office, recoveries)	1,150	1,015	1,053
Total Fees and Charges	3,650	5,150	4,632
- Tangible capital asset sales - gain (loss)			
- Land sales - gain			
- Investment income and commissions	40,000	52,994	64,566
- Other (Specify)	5,000	3,296	
Total Other Segmented Revenue	48,650	61,440	69,198
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
Total Operating	48,650	61,440	69,198
Capital			
Conditional Grants			
- Federal Gas Tax	45,000	90,949	44,786
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	45,000	90,949	44,786
Restructuring Revenue (Specify, if any)			
Total General Government Services	93,650	152,389	113,984

PROTECTIVE SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Other (Specify)	30,000	80,686	21,394
Total Fees and Charges	30,000	80,686	21,394
- Tangible capital asset sales - gain (loss)			
- Other (Gala/Donations)		160,455	
Total Other Segmented Revenue	30,000	241,141	21,394
Conditional Grants			
- Student Employment			
- Local government			
- Other (Specify)			
Total Conditional Grants			
Total Operating	30,000	241,141	21,394

Capital

Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Local government			
- Other (Specify)			
Total Capital			
Restructuring Revenue (Specify, if any)			
Total Protective Services	30,000	241,141	21,394

Rural Municipality of North Battleford No. 437
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2019

Schedule 2 - 2

	2019 Budget	2019	2018
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work			
- Sales of supplies	500	720	619
- Road Maintenance and Restoration Agreements	20,000	24,833	19,315
- Frontage			
- Other (<i>Specify</i>)	800	1,350	1,500
Total Fees and Charges	21,300	26,903	21,434
- Tangible capital asset sales - gain (loss)		(13,039)	(104,495)
- Other (<i>Specify</i>)			
Total Other Segmented Revenue	21,300	13,864	(83,061)
Conditional Grants			
- MREP (CTP)			
- Student Employment			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating	21,300	13,864	(83,061)
Capital			
Conditional Grants			
- Federal Gas Tax			
- MREP (Heavy Haul, CTP, Municipal Bridges)			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Transportation Services	21,300	13,864	(83,061)

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees			
- Other (Pest Control)	10,100	21,309	10,097
Total Fees and Charges	10,100	21,309	10,097
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue	10,100	21,309	10,097
Conditional Grants			
- Student Employment			
- TAPD			
- Local government	800	2,000	1,630
- Other (<i>Specify</i>)			
Total Conditional Grants	800	2,000	1,630
Total Operating	10,900	23,309	11,727
Capital			
Conditional Grants			
- Federal Gas Tax			
- TAPD			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Environmental and Public Health Services	10,900	23,309	11,727

Rural Municipality of North Battleford No. 437
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2019

Schedule 2 - 3

	2019 Budget	2019	2018
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges	2,500	1,600	
- Other (<i>Off Site Service Fees</i>)	1,100	6,500	
Total Fees and Charges	3,600	8,100	
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue	3,600	8,100	
Conditional Grants			
- Student Employment			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating	3,600	8,100	
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Planning and Development Services	3,600	8,100	

RECREATION AND CULTURAL SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (<i>Specify</i>)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Local government			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating			
Capital			
Conditional Grants			
- Federal Gas Tax			
- Local government			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Recreation and Cultural Services			

Rural Municipality of North Battleford No. 437
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2019

Schedule 2 - 4

	2019 Budget	2019	2018
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water			
- Sewer			
- Other (<i>Specify</i>)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating			
Capital			
Conditional Grants			
- Federal Gas Tax			
- New Building Canada Fund (SCF, NRP)			
- Clean Water and Wastewater Fund			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Utility Services			
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	159,450	438,803	64,044

SUMMARY

Total Other Segmented Revenue	113,650	345,854	17,628
Total Conditional Grants	800	2,000	1,630
Total Capital Grants and Contributions	45,000	90,949	44,786
Restructuring Revenue			
TOTAL REVENUE BY FUNCTION	159,450	438,803	64,044

	2019 Budget	2019	2018
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	41,300	41,156	33,858
Wages and benefits	224,610	225,539	145,289
Professional/Contractual services	57,440	50,452	56,069
Utilities	7,960	7,978	8,490
Maintenance, materials and supplies	47,060	29,965	81,896
Grants and contributions - operating	12,000	12,590	11,759
- capital	220,000		
Amortization	4,600	5,168	2,177
Interest	69,000	64,648	59,434
Allowance for uncollectible			
Other (<i>Specify</i>)	2,000	2,552	10,562
General Government Services	685,970	440,048	409,534
Restructuring (<i>Specify, if any</i>)			
Total General Government Services	685,970	440,048	409,534

PROTECTIVE SERVICES

Police protection

Wages and benefits			
Professional/Contractual services	34,000	33,706	33,089
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating	300		100
- capital			
Other (<i>Specify</i>)			

Fire protection

Wages and benefits	55,500	105,509	
Professional/Contractual services	50,065	73,940	174,053
Utilities	3,240	1,491	
Maintenance, material and supplies	89,500	132,870	
Grants and contributions - operating			
- capital	250,000		
Amortization		3,382	3,382
Interest			
Other (<i>Fundraising</i>)		10,184	

Protective Services	482,605	361,082	210,624
Restructuring (<i>Specify, if any</i>)			
Total Protective Services	482,605	361,082	210,624

TRANSPORTATION SERVICES

Wages and benefits	330,500	305,068	320,401
Professional/Contractual Services	28,000	96,055	30,541
Utilities	14,100	16,248	14,698
Maintenance, materials, and supplies	188,050	165,046	177,858
Gravel	110,000	191,889	217,585
Grants and contributions - operating			
- capital	200,000		
Amortization	193,300	192,630	148,800
Interest			
Other (<i>Grader Lease</i>)			

Transportation Services	1,063,950	966,936	909,883
Restructuring (<i>Specify, if any</i>)			
Total Transportation Services	1,063,950	966,936	909,883

Rural Municipality of North Battleford No. 437

Total Expenses by Function

For the year ended December 31, 2019

Schedule 3 - 2

	2019 Budget	2019	2018
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	20,600	11,582	11,353
Professional/Contractual services			
Utilities			
Maintenance, materials and supplies	7,000	5,537	33,409
Grants and contributions - operating			
o Waste disposal			
o Public Health			
- capital			
o Waste disposal			
o Public Health			
Amortization			
Interest			
Other (Specify)			
Environmental and Public Health Services	27,600	17,119	44,762
Restructuring (Specify, if any)			
Total Environmental and Public Health Services	27,600	17,119	44,762

PLANNING AND DEVELOPMENT SERVICES

Wages and benefits			
Professional/Contractual Services	15,000	6,743	
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Other (Specify)			
Planning and Development Services	15,000	6,743	
Restructuring (Specify, if any)			
Total Planning and Development Services	15,000	6,743	

RECREATION AND CULTURAL SERVICES

Wages and benefits			
Professional/Contractual services			
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating	9,200	9,142	9,142
- capital			
Amortization			
Interest			
Allowance for uncollectible			
Other (Specify)			
Recreation and Cultural Services	9,200	9,142	9,142
Restructuring (Specify, if any)			
Total Recreation and Cultural Services	9,200	9,142	9,142

Rural Municipality of North Battleford No. 437

Total Expenses by Function

For the year ended December 31, 2019

Schedule 3 - 3

	2019 Budget	2019	2018
UTILITY SERVICES			
Wages and benefits			
Professional/Contractual services			
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Allowance for uncollectible			
Other (<i>Specify</i>)			
Utility Services			
Restructuring (Specify, if any)			
Total Utility Services			
 TOTAL EXPENSES BY FUNCTION	 2,284,325	 1,801,070	 1,583,945

Rural Municipality of North Battleford No. 437
 Consolidated Schedule of Segment Disclosure by Function
 For the year ended December 31, 2019

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	5,150	80,686	26,903	21,309	8,100			142,148
Tangible Capital Asset Sales - Gain			(13,039)					(13,039)
Land Sales - Gain								
Investment Income and Commissions	52,994							52,994
Other Revenues	3,296	160,455		2,000				163,751
Grants - Conditional								2,000
- Capital	90,949							90,949
Restructurings								
Total Revenues	152,389	241,141	13,864	23,309	8,100			438,803
Expenses (Schedule 3)								
Wages and Benefits	266,695	105,509	305,068	11,582				688,854
Professional/Contractual Services	50,452	107,646	96,055		6,743			260,896
Utilities	7,978	1,491	16,248					25,717
Maintenance Materials and Supplies	29,965	132,870	356,935	5,537				525,307
Grants and Contributions	12,590					9,142		21,732
Amortization	5,168	3,382	192,630					201,180
Interest	64,648							64,648
Allowance for Uncollectible								
Other	2,552	10,184						12,736
Restructurings								
Total Expenses	440,048	361,082	966,936	17,119	6,743	9,142		1,801,070
Surplus (Deficit) by Function	(287,659)	(119,941)	(953,072)	6,190	1,357	(9,142)		(1,362,267)
Taxes and other unconditional revenue (Schedule 1)								2,087,355
Net Surplus (Deficit)								725,088

Rural Municipality of North Battleford No. 437
 Consolidated Schedule of Segment Disclosure by Function
 For the year ended December 31, 2018

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	4,632	21,394	21,434	10,097				57,557
Tangible Capital Asset Sales - Gain			(104,495)					(104,495)
Land Sales - Gain	64,566							64,566
Investment Income and Commissions								
Other Revenues				1,630				1,630
Grants - Conditional	44,786							44,786
- Capital								
Restructurings								
Total Revenues	113,984	21,394	(83,061)	11,727				64,044
Expenses (Schedule 3)								
Wages and Benefits	179,147		320,401	11,353				510,901
Professional/Contractual Services	56,069	207,142	30,541					293,752
Utilities	8,490		14,698					23,188
Maintenance Materials and Supplies	81,896		395,443	33,409				510,748
Grants and Contributions	11,759	100				9,142		21,001
Amortization	2,177	3,382	148,800					154,359
Interest	59,434							59,434
Allowance for Uncollectible								
Other	10,562							10,562
Restructurings								
Total Expenses	409,534	210,624	909,883	44,762		9,142		1,583,945
Surplus (Deficit) by Function	(295,550)	(189,230)	(992,944)	(33,035)		(9,142)		(1,519,901)
Taxes and other unconditional revenue (Schedule 1)								2,042,378
Net Surplus (Deficit)								522,477

Rural Municipality of North Battleford No. 437
 Consolidated Schedule of Tangible Capital Assets by Object
 For the year ended December 31, 2019

Schedule 6

	2019					2018		
	Land	Land Improvements	Buildings	Vehicles	Machinery and Equipment	Infrastructure Assets	General/Infrastructure Assets Under Construction	Total
Asset costs								
Opening Asset Costs		125,000	1,663,772		1,929,895	2,608,952		5,277,054
Additions during the year			(47,244)		194,066		505,106	1,418,683
Disposals and write-downs during the year					(820,929)			(368,118)
Transfers (from) assets under construction								
Transfer of capital assets related to restructuring (Schedule 11)								
Closing Asset Costs		125,000	1,616,528		1,303,032	2,608,952	505,106	6,327,619
Accumulated Amortization Costs								
Opening Accumulated Amortization Costs			47,244		500,049	1,393,219		1,859,846
Add: Amortization taken			40,413		109,059	51,708		154,359
Less: Accumulated amortization on disposals			(47,244)		(131,705)			(73,693)
Transfer of capital assets related to restructuring (Schedule 11)								
Closing Accumulated Amortization Costs			40,413		477,403	1,444,927		1,940,512
Net Book Value		125,000	1,576,115		825,629	1,164,025	505,106	4,387,107

1. Total contributed/donated assets received in 2019

are:

- Infrastructure Assets
- Vehicles
- Machinery and Equipment

3. Amount of interest capitalized in Schedule 6

Rural Municipality of North Battleford No. 437
 Consolidated Schedule of Tangible Capital Assets by Function
 For the year ended December 31, 2019

Schedule 7

	2019						2018		
	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Water and Sewer	Total	Total
Assets									
Asset costs									
Opening Asset Costs	1,408,555	33,823	4,885,241					6,327,619	5,277,054
Additions during the year	7,927	649,167	42,078					699,172	1,418,683
Disposals and write-downs during the year			(868,173)					(868,173)	(368,118)
Transfer of capital assets related to restructuring (Schedule 11)									
Closing Asset Costs	1,416,482	682,990	4,059,146					6,158,618	6,327,619
Amortization									
Accumulated Amortization Costs									
Opening Accumulated Amortization Costs	26,203	30,441	1,883,868					1,940,512	1,859,846
Add: Amortization taken	21,709	3,382	176,089					201,180	154,359
Less: Accumulated amortization on disposals			(178,949)					(178,949)	(73,693)
Transfer of capital assets related to restructuring (Schedule 11)									
Closing Accumulated Amortization Costs	47,912	33,823	1,881,008					1,962,743	1,940,512
Net Book Value	1,368,570	649,167	2,178,138					4,195,875	4,387,107

Rural Municipality of North Battleford No. 437
 Consolidated Schedule of Accumulated Surplus
 For the year ended December 31, 2019

Schedule 8

	2018	Changes	2019
UNAPPROPRIATED SURPLUS	3,224,529	814,977	4,039,506
APPROPRIATED RESERVES			
Machinery and Equipment	87,000		87,000
Public Reserve	84,176		84,176
Capital Trust			
Utility	37,500	(37,500)	Nil
Other (Specify)	14,670	(14,670)	Nil
Total Appropriated	223,346	(52,170)	171,176
INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6, 7)	4,387,107	(191,232)	4,195,875
Less: Related debt	(1,713,179)	153,513	(1,559,666)
Net Investment in Tangible Capital Assets	2,673,928	(37,719)	2,636,209
Total Accumulated Surplus	6,121,803	725,088	6,846,891

Rural Municipality of North Battleford No. 437
 Schedule of Mill Rates and Assessments
 For the year ended December 31, 2019

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial and Industrial	Potash Mine(s)	
Taxable Assessment	124,936,950	36,648,230			96,153,400		257,738,580
Regional Park Assessment							
Total Assessment							257,738,580
Mill Rate Factor(s)	0.6000	0.8500			0.9500		
Total Base/Minimum Tax (generated for each property class)	18,500						18,500
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	761,859	311,510	913,457				1,986,826

MILL RATES:	MILLS
Average Municipal*	7.7088
Average School*	3.6182
Potash Mill Rate	
Uniform Municipal Mill Rate	10.0000

* Average Mill Rates (multiply the total tax levy for each taxing authority by 1000 and divide by the total assessment for the taxing authority).

Rural Municipality of North Battleford No. 437
 Schedule of Council Remuneration
 For the year ended December 31, 2019

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Daniel Bartko	8,885	1,861	10,746
Councillor	Robert Hujdic	3,950	244	4,194
Councillor	Todd Illingworth	5,360	395	5,755
Councillor	Todd Winterhalt	4,470		4,470
Councillor	David Acaster	6,650	1,438	8,088
Councillor	Ryan Shepherd	4,130		4,130
Councillor	Gilles Fransoo	4,430		4,430
Total		37,875	3,938	41,813