
RURAL MUNICIPALITY OF NORTH BATTLEFORD NO. 437

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018



Vantage

CHARTERED PROFESSIONAL ACCOUNTANTS

Management's Responsibility


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

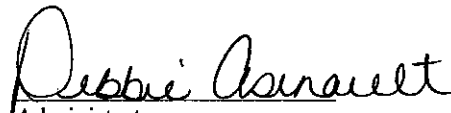
The municipality's management is responsible for the preparation and presentation of the accompanying consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles 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

June 12, 2019

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, 2018, 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, 2018, 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.

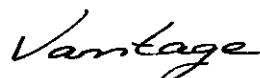
Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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
June 12, 2019

Rural Municipality of North Battleford No. 437
 Consolidated Statement of Financial Position
 As at December 31, 2018

Statement 1

	2018	2017
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	2,723,605	2,632,991
Taxes Receivable - Municipal (Note 3)	331,990	242,246
Other Accounts Receivable (Note 4)	17,944	18,128
Land for Resale (Note 5)	18	18
Long-Term Investments (Note 6)	76,111	74,306
Debt Charges Recoverable		
Other (Specify)		
Total Financial Assets	3,149,668	2,967,689
LIABILITIES		
Bank Indebtedness (Note 7)		726,230
Accounts Payable	79,395	11,645
Accrued Liabilities Payable		
Deposits		
Deferred Revenue		
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		69,255
Long-Term Debt (Note 8)	1,713,179	
Lease Obligations		
Total Liabilities	1,792,574	807,130
NET FINANCIAL ASSETS (DEBT)	1,357,094	2,160,559
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	4,387,107	3,417,208
Prepayments and Deferred Charges		
Stock and Supplies	377,602	21,559
Other		
Total Non-Financial Assets	4,764,709	3,438,767
ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)	6,121,803	5,599,326

Consolidated Statement of Operations

For the year ended December 31, 2018

Statement 2

	2018 Budget	2018	2017
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	2,047,802	2,042,378	2,019,907
Fees and Charges (Schedule 4, 5)	70,200	57,557	75,522
Conditional Grants (Schedule 4, 5)		1,630	
Tangible Capital Asset Sales - Gain (Loss) (Schedule 4, 5)		(104,495)	3,998
Land Sales - Gain (Schedule 4, 5)			
Investment Income and Commissions (Schedule 4, 5)	25,000	64,566	51,683
Other Revenues (Schedule 4, 5)			
Total Revenues	2,143,002	2,061,636	2,151,110
EXPENSES			
General Government Services (Schedule 3)	475,506	409,534	298,110
Protective Services (Schedule 3)	230,300	210,624	211,427
Transportation Services (Schedule 3)	1,623,150	909,883	908,186
Environmental and Public Health Services (Schedule 3)	56,000	44,762	43,135
Planning and Development Services (Schedule 3)			
Recreation and Cultural Services (Schedule 3)	10,000	9,142	9,243
Utility Services (Schedule 3)			
Total Expenses	2,394,956	1,583,945	1,470,101
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(251,954)	477,691	681,009
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	45,000	44,786	44,566
Surplus (Deficit) of Revenues over Expenses	(206,954)	522,477	725,575
Accumulated Surplus (Deficit), Beginning of Year	5,599,326	5,599,326	4,873,751
Accumulated Surplus (Deficit), End of Year	5,392,372	6,121,803	5,599,326

Rural Municipality of North Battleford No. 437
 Consolidated Statement of Change in Net Financial Assets
 For the year ended December 31, 2018

Statement 3

	2018 Budget	2018	2017
Surplus (Deficit)	(206,954)	522,477	725,575
(Acquisition) of tangible capital assets	(250,000)	(1,418,683)	(758,697)
Amortization of tangible capital assets	201,860	154,359	152,077
Proceeds on disposal of tangible capital assets		190,000	16,000
Loss (gain) on the disposal of tangible capital assets		104,495	(3,998)
Surplus (Deficit) of capital expenses over expenditures	(48,140)	(969,829)	(594,618)
(Acquisition) of supplies inventories		(356,113)	
(Acquisition) of prepaid expense			
Consumption of supplies inventory			89,115
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures		(356,113)	89,115
Increase/Decrease in Net Financial Assets	(255,094)	(803,465)	220,072
Net Financial Assets (Debt) - Beginning of Year	2,160,559	2,160,559	1,940,487
Net Financial Assets (Debt) - End of Year	1,905,465	1,357,094	2,160,559

Rural Municipality of North Battleford No. 437
 Consolidated Statement of Cash Flow
 For the year ended December 31, 2018

Statement 4

	2018	2017
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	522,477	725,575
Amortization	154,359	152,077
Loss (gain) on disposal of tangible capital assets	104,495	(3,998)
	<u>781,331</u>	<u>873,654</u>
Change in assets/liabilities		
Taxes receivable - municipal	(89,744)	(47,190)
Other receivables	184	22,539
Land for resale		
Other financial assets		
Accounts and accrued liabilities payable	67,750	(50,326)
Deposits		
Deferred revenue		
Accrued landfill costs		
Liability for contaminated sites		
Other liabilities	(69,255)	69,255
Stock and supplies	(356,113)	89,115
Prepayments and deferred charges		
Other (Specify)		
Cash provided by operating transactions	334,153	957,047
Capital:		
Acquisition of tangible capital assets	(1,418,683)	(758,697)
Proceeds from the disposal of tangible capital assets	190,000	16,000
Other capital		
Cash applied to capital transactions	(1,228,683)	(742,697)
Investing:		
Long-term investments	(1,805)	(1,966)
Other investments		
Cash provided by (applied to) investing transactions	(1,805)	(1,966)
Financing:		
Debt charges recovered		
Long-term debt issued	1,073,770	726,230
Long-term debt repaid	(86,821)	
Other financing		
Cash provided by (applied to) financing transactions	986,949	726,230
Change in Cash and Temporary Investments during the year	90,614	938,614
Cash and Temporary Investments - Beginning of Year	<u>2,632,991</u>	<u>1,694,377</u>
Cash and Temporary Investments - End of Year	2,723,605	2,632,991

1. Significant accounting policies

The consolidated financial statements of the municipality are prepared by management in accordance with the local government accounting standards established by the Public Sector Accounting Board of the Accounting Standards Oversight Council. Significant aspects of the accounting policies are as follows:

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; 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 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.

All inter-organizational transactions and balances have been eliminated.

- b) **Collection of funds for other authorities:** Collection of funds by the municipality for the school board, 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 occurred, as long as:
- 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 but not earned 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.

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 inflation 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. The 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 tangible 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.

- m) **Leases:** All leases are recorded on the financial statement as either a capital or operating lease. Any lease that transfers the majority of benefits and risk associated with the leased asset is classified as a capital lease. 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.
- n) **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.
- o) **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

- p) **Measurement uncertainty:** The preparation of consolidated financial statements in conformity with 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 consolidated 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.

- q) **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.

- r) **Budget Information:** Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on May 9, 2018.

- s) **New Accounting Standards:** Effective January 1, 2018, the municipality adopted the following Canadian public sector accounting standards. The description of these changes and their impact on the consolidated financial statements is summarized:

PS 2200 Related Party Disclosures defines a related party and establishes disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the consolidated financial statements.

The adoption of this standard has no impact on the consolidated financial statements.

PS 3210 Assets provides additional guidance for applying the definition of assets and establishing disclosure requirements for assets. Disclosure about the major categories of assets that are not recognized is required. When an asset is not recognized because a reasonable estimate cannot be made, the reason(s) for this should be disclosed.

The adoption of this standard has no impact on the consolidated financial statements.

PS 3320 Contingent Assets defines and establishes disclosure standards on the reporting and disclosure of possible assets that may arise from existing conditions or situations involving uncertainty. Disclosure is required when the occurrence of the confirming future event is likely.

The adoption of this standard has no impact on the consolidated financial statements.

PS 3380 Contractual Rights defines and establishes disclosure standards on contractual rights. Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.

The municipality does not have any reportable contractual rights.

PS 3420 Inter-Entity Transactions establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

This standard has no impact on the consolidated financial statements.

Rural Municipality of North Battleford No. 437
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

2. Cash and temporary investments

	2018	2017
Cash	2,723,605	2,632,991
Temporary investments		
Restricted cash		
Total cash and temporary investments	2,723,605	2,632,991

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

	2018	2017
Municipal - Current	205,431	132,169
- Arrears	128,004	112,741
	333,435	244,910
- Less allowance for uncollectibles	(1,445)	(2,664)
Total municipal taxes receivable	331,990	242,246
School - Current	97,661	54,643
- Arrears	67,975	62,492
Total school taxes receivable	165,636	117,135
Other		29,617
Total taxes and grants in lieu receivable	497,626	388,998
Deduct taxes receivable to be collected on behalf of other organizations	(165,636)	(146,752)
Total taxes receivable - municipal	331,990	242,246

Rural Municipality of North Battleford No. 437
Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

4. Other accounts receivable

	2018	2017
Federal government	16,359	17,788
Provincial government		
Local government		
Utility		
Trade	1,585	340
Other (Specify)		
Total other accounts receivable	17,944	18,128
Less: allowance for uncollectibles		
Net other accounts receivable	17,944	18,128

5. Land for resale

	2018	2017
Tax title property	262	262
Allowance for market value adjustment	(244)	(244)
Less: portion due to school		
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

	2018	2017
Sask Association of Rural Municipalities Self-Insurance Fund	71,715	69,910
Other	4,396	4,396
Total long-term investments	76,111	74,306

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

7. Bank indebtedness

At December 31, 2017, the municipality had available a construction mortgage not to exceed \$1,800,000, of which \$726,230 was drawn at December 31, 2017 with interest at prime, secured by municipal borrowing resolution. Borrowings under this facility are repayable in full on the earlier of receipt by the borrower of the proceeds of financing and September 30, 2018.

At December 31, 2017, the municipality had approved fixed rate financing not to exceed \$1,800,000 at December 31, 2017 with interest to be quoted at the time of borrowing, secured by municipal borrowing resolution. Borrowings under this facility are repayable by consecutive, blended monthly payments of principal and interest based on an amortization period of ten years.

8. Long-Term Debt

a) The debt limit of the municipality is \$1,989,381. 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 Principal
2018				
2019	153,513	64,251	217,764	
2020	159,624	58,140	217,764	
2021	165,979	51,785	217,764	
2022	172,586	45,178	217,764	
Thereafter	1,061,477	118,093	1,179,570	
Balance	1,713,179	337,447	2,050,626	

9. Contingent liabilities

The municipality is contingently liable under terms of the Saskatchewan Association of Rural Municipalities Self-Insurance Plan for its proportionate share of claims and future claims in excess of the Plan's reserve fund.

10. 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 2018 was \$32,103. 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.

11. Comparative figures

Prior year 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, 2018

Schedule I

	2018 Budget	2018	2017
TAXES			
General municipal tax levy	1,945,602	1,945,684	1,915,728
Abatements and adjustments		(1,744)	
Discount on current year taxes	(80,000)	(78,312)	(79,577)
Net Municipal Taxes	1,865,602	1,865,628	1,836,151
Potash tax share			
Trailer license fees	900	900	900
Penalties on tax arrears	15,000	20,953	15,992
Special tax levy			
Other (Specify)			
Total Taxes	1,881,502	1,887,481	1,853,043
UNCONDITIONAL GRANTS			
Revenue Sharing	149,000	138,098	148,935
Organized Hamlet			
Total Unconditional Grants	149,000	138,098	148,935
GRANTS IN LIEU OF TAXES			
Federal			
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
Central Services			
SaskTel	10,000	9,540	10,670
Other RCMP			
Local/Other			
Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement	7,300	7,259	7,259
Other (Specify)			
Other Government Transfers			
S.P.C. Surcharge			
Sask Energy Surcharge			
Other (Specify)			
Total Grants in Lieu of Taxes	17,300	16,799	17,929
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	2,047,802	2,042,378	2,019,907

Rural Municipality of North Battleford No. 437
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2018

Schedule 2 - 1

	2018 Budget	2018	2017
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	2,000	1,980	360
- Sales of supplies	1,400	1,599	1,225
- Other (General office, recoveries)	2,600	1,053	1,787
Total Fees and Charges	6,000	4,632	3,372
- Tangible capital asset sales - gain (loss)			3,998
- Land sales - gain			
- Investment income and commissions	25,000	64,566	51,683
- Other (Specify)			
Total Other Segmented Revenue	31,000	69,198	59,053
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
Total Operating	31,000	69,198	59,053
Capital			
Conditional Grants			
- Federal Gas Tax	45,000	44,786	44,566
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	45,000	44,786	44,566
Total General Government Services	76,000	113,984	103,619

PROTECTIVE SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (Specify)	13,500	21,394	18,702
Total Fees and Charges	13,500	21,394	18,702
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	13,500	21,394	18,702
Conditional Grants			
- Student Employment			
- Local government			
- Other (Specify)			
Total Conditional Grants			
Total Operating	13,500	21,394	18,702
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Local government			
- Other (Specify)			
Total Capital			
Total Protective Services	13,500	21,394	18,702

Rural Municipality of North Battleford No. 437
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2018

Schedule 2 - 2

	2018 Budget	2018	2017
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work		619	
- Sales of supplies	2,500		
- Road Maintenance and Restoration Agreements	32,000	19,315	32,321
- Frontage			
- Other (Specify)	1,200	1,500	5,841
Total Fees and Charges	35,700	21,434	38,162
- Tangible capital asset sales - gain (loss)		(104,495)	
- Other (Specify)			
Total Other Segmented Revenue	35,700	(83,061)	38,162
Conditional Grants			
- MREP (CTP)			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
Total Operating	35,700	(83,061)	38,162
Capital			
Conditional Grants			
- Federal Gas Tax			
- MREP (Heavy Haul, CTP, Municipal Bridges)			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total Transportation Services	35,700	(83,061)	38,162

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees			
- Other (Pest Control)	15,000	10,097	15,286
Total Fees and Charges	15,000	10,097	15,286
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	15,000	10,097	15,286
Conditional Grants			
- Student Employment			
- TAPD			
- Local government		1,630	
- Other (Specify)			
Total Conditional Grants		1,630	
Total Operating	15,000	11,727	15,286
Capital			
Conditional Grants			
- Federal Gas Tax			
- TAPD			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total Environmental and Public Health Services	15,000	11,727	15,286

Rural Municipality of North Battleford No. 437
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2018

Schedule 2 - 3

	2018 Budget	2018	2017
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges			
- Other (Specify)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
Total Operating			
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total Planning and Development Services			

RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (Specify)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Local government			
- Other (Specify)			
Total Conditional Grants			
Total Operating			
Capital			
Conditional Grants			
- Federal Gas Tax			
- Local government			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
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, 2018

Schedule 2 - 4

	2018 Budget	2018	2017
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water			
- Sewer			
- Other (Specify)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Other (Specify)			
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 (Specify)			
Total Capital			
Total Utility Services			
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	140,200	64,044	175,769

SUMMARY

Total Other Segmented Revenue	95,200	17,628	131,203
Total Conditional Grants		1,630	
Total Capital Grants and Contributions	45,000	44,786	44,566
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	140,200	64,044	175,769

Total Expenses by Function

For the year ended December 31, 2018

Schedule 3 - 1

	2018 Budget	2018	2017
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	39,000	33,858	39,031
Wages and benefits	160,100	145,289	133,204
Professional/Contractual services	60,000	56,069	48,573
Utilities	8,700	8,490	4,507
Maintenance, materials and supplies	54,300	81,896	56,994
Grants and contributions - operating	5,000	11,759	4,596
- capital			
Amortization	3,406	2,177	3,406
Interest	143,000	59,434	1,105
Allowance for uncollectibles			
Other (Specify)	2,000	10,562	6,694
Total Government Services	475,506	409,534	298,110

PROTECTIVE SERVICES**Police protection**

Wages and benefits			
Professional/Contractual services	32,000	33,089	31,988
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating	300	100	300
- capital			
Other (Specify)			

Fire protection

Wages and benefits			
Professional/Contractual services	198,000	174,053	175,757
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Amortization		3,382	3,382
Interest			
Other (Specify)			
Total Protective Services	230,300	210,624	211,427

TRANSPORTATION SERVICES

Wages and benefits	381,000	320,401	327,287
Professional/Contractual services	41,000	30,541	56,028
Utilities	17,100	14,698	8,114
Maintenance, materials and supplies	226,000	177,858	191,727
Gravel	500,000	217,585	151,835
Grants and contributions - operating			
- capital	250,000		
Amortization	208,000	148,800	145,289
Interest	50		
Other (Specify)			27,906
Total Transportation Services	1,623,150	909,883	908,186

	2018 Budget	2018	2017
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	21,000	11,353	17,878
Professional/Contractual services			
Utilities			
Maintenance, materials and supplies	35,000	33,409	25,257
Grants and contributions - operating			
o Waste disposal			
o Public Health			
- capital			
o Waste disposal			
o Public Health			
Amortization			
Interest			
Other (Specify)			
Total Environmental and Public Health Services	56,000	44,762	43,135

PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits			
Professional/Contractual services			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Other (Specify)			
Total Planning and Development Services			

RECREATION AND CULTURAL SERVICES			
Wages and benefits			
Professional/Contractual services			
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating	10,000	9,142	9,243
- capital			
Amortization			
Interest			
Allowance for uncollectibles			
Other (Specify)			
Total Recreation and Cultural Services	10,000	9,142	9,243

Total Expenses by Function

For the year ended December 31, 2018

	2018 Budget	2018	2017
UTILITY SERVICES			
Wages and benefits			
Professional/Contractual services			
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Allowance for uncollectibles			
Other (Specify)			
Total Utility Services			
 TOTAL EXPENSES BY FUNCTION	 2,394,956	 1,583,945	 1,470,101

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

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	4,632	21,394	21,434	10,097				57,557
Tangible Capital Asset Sales - Loss			(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								
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 Uncollectibles								
Other	10,562							10,562
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 Segment Disclosure by Function
 For the year ended December 31, 2017

	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	3,372	18,702	38,162	15,286				75,522
Tangible Capital Asset Sales - Gain	3,998							3,998
Land Sales - Gain								
Investment Income and Commissions	51,683							51,683
Other Revenues								
Grants - Conditional	44,566							44,566
- Capital								
Total revenues	103,619	18,702	38,162	15,286				175,769
Expenses (Schedule 3)								
Wages and Benefits	172,235		327,287	17,878				517,400
Professional/Contractual Services	48,573	207,745	56,028					312,346
Utilities	4,507		8,114					12,621
Maintenance Materials and Supplies	56,994		343,562	25,257		9,243		425,813
Grants and Contributions	4,596	300						14,139
Amortization	3,406	3,382	145,289					152,077
Interest	1,105							1,105
Allowance for Uncollectibles								
Other	6,694		27,906					34,600
Total expenses	298,110	211,427	908,186	43,135		9,243		1,470,101
Surplus (Deficit) by Function	(194,491)	(192,725)	(870,024)	(27,849)		(9,243)		(1,294,332)
Taxes and other unconditional revenue (Schedule 1)								2,019,907
Net Surplus (Deficit)								725,575

Rural Municipality of North Battleford No. 437
 Consolidated Schedule of Tangible Capital Assets by Object
 For the year ended December 31, 2018

2018

2017

	General Assets					Infrastructure Assets	General/ Infrastructure Assets Under Construction	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery and Equipment			
Asset cost								
Opening Asset costs	125,000		47,244		1,812,935	2,608,952	682,923	4,558,357
Additions during the year			933,605		485,078			758,697
Disposals and write-downs during the year					(368,118)			(40,000)
Transfers (from) assets under construction			682,923				(682,923)	(40,000)
Closing Asset Costs	125,000		1,663,772		1,929,895	2,608,952	Nil	5,277,054
Amortization								
Opening Accumulated Amortization Costs			47,244		471,793	1,340,809		1,755,767
Add: Amortization taken					101,949	52,410		152,077
Less: Accumulated amortization on disposals					(73,693)			(27,998)
Closing Accumulated Amortization Costs			47,244		500,049	1,393,219		1,859,846
Net Book Value	125,000		1,616,528		1,429,846	1,215,733		3,417,208

1. Total contributed/donated assets received in 2018: Nil

2. List of assets recognized at nominal value in 2018 are:

- Infrastructure Assets Nil
- Vehicles Nil
- Machinery and Equipment Nil

3. Amount of interest capitalized in 2018 Nil

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

Schedule 7

2018

Assets	2018						Total
	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	
Asset cost							
Opening Asset costs	716,985	33,823	4,526,246				5,277,054
Additions during the year	691,570		727,113				1,418,683
Disposals and write-downs during the year			(368,118)				(368,118)
Closing Asset Costs	1,408,555	33,823	4,885,241				6,327,619

2017

	Total
	4,558,357
	758,697
	(40,000)
	5,277,054

	Total
	1,859,846
	154,359
	(73,693)
	1,940,512

Amortization	2018						Total
	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	
Accumulated Amortization Cost							
Opening Accumulated Amortization Costs	24,026	27,059	1,808,761				1,859,846
Add: Amortization taken	2,177	3,382	148,800				154,359
Less: Accumulated amortization on disposals			(73,693)				(73,693)
Closing Accumulated Amortization Costs	26,203	30,441	1,883,868				1,940,512

	Total
	1,735,767
	152,077
	(27,998)
	1,859,846

	Total
	3,382
	3,001,373
	4,387,107

Net Book Value	1,382,352	3,382	3,001,373				4,387,107
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Net Book Value	3,417,208
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Rural Municipality of North Battleford No. 437
 Consolidated Schedule of Accumulated Surplus
 For the year ended December 31, 2018

Schedule 8

	2017	Changes	2018
UNAPPROPRIATED SURPLUS	2,685,002	539,527	3,224,529
APPROPRIATED RESERVES			
Machinery and Equipment	87,000		87,000
Public Reserve	84,176		84,176
Capital Trust			
Utility	37,500		37,500
Other	14,670		14,670
Total Appropriated	223,346		223,346
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	3,417,208	969,899	4,387,107
Less: Related debt	(726,230)	(986,949)	(1,713,179)
Net Investment in Tangible Capital Assets	2,690,978	(17,050)	2,673,928
Total Accumulated Surplus	5,599,326	522,477	6,121,803

Rural Municipality of North Battleford No. 437

Schedule of Mill Rates and Assessments

For the year ended December 31, 2018

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial and Industrial	Potash Mine(s)	
Taxable Assessment	124,887,735	36,180,190			92,287,100		253,355,025
Regional Park Assessment							
Total Assessment							253,355,025
Mill Rate Factor(s)	0.6000	0.8500			0.9500		
Total Base/Minimum Tax (generated for each property class)	18,100						18,100
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	761,425	307,532			876,727		1,945,684

MILL RATES:

	MILLS
Average Municipal*	7.6797
Average School*	3.5780
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, 2018

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Dan Bartko	5,980	2,067	8,047
Councillor	Robert Hujdic	3,890	791	4,681
Councillor	Todd Illingworth	3,893	408	4,301
Councillor	Todd Winterhalt	3,200	480	3,680
Councillor	Curtis Rousseau	2,260	528	2,788
Councillor	Ryan Shepherd	2,860		2,860
Councillor	Gilles Fransoo	2,500		2,500
Councillor	David Acaster	1,000	578	1,578
Total		25,583	4,852	30,435