

TOWN OF KERROBERT

Auditor's Report

Financial Statements

December 31, 2020

MANAGEMENT'S RESPONSIBILITY

To the Ratepayers of
Town of Kerrobert:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. The preparation of the statements necessarily includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgments and estimates by management is required.

In discharging its responsibilities for the integrity and fair presentation of the 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 financial statements.

The Council is composed of elected officials who are not employees of the Town. 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 the administration and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the Town's external auditors.

Jensen Stromberg Chartered Professional Accountants, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the 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 administration to discuss their audit findings.


Mayor
Administrator



CHARTERED PROFESSIONAL ACCOUNTANTS

Bill Jensen, C.P.A. Prof. Corp.
Jeff Stromberg, C.P.A. Prof. Corp.

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of Town of Kerrobert

Report on the Financial Statements

Opinion

We have audited the financial statements of **Town of Kerrobert**, which comprise the statement of financial position as at **December 31, 2020** and the statements of financial activities, changes in net financial assets, and changes in financial position for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Town as at **December 31, 2020** and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 Town'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 Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Saskatoon, Saskatchewan
June 9, 2021


Chartered Professional Accountants

TOWN OF KERROBERT

STATEMENT OF FINANCIAL POSITION

Statement 1

December 31, 2020
with comparative figures for 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Financial assets:		
Cash and temporary investments (Note 2)	\$ 4,565,033	2,227,992
Taxes receivable - Municipal (Note 3)	321,032	458,958
Other accounts receivable (Note 4)	179,369	202,786
Land for re-sale (Note 5)	93,134	80,129
Long-term investments	-	-
Debt charges recoverable	-	-
Other	-	-
Total financial assets	5,158,568	2,969,865
<u>LIABILITIES</u>		
Bank indebtedness (Note 6)	-	-
Accounts payable	441,595	191,664
Accrued liabilities payable	-	-
Deposits	100	6,400
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	75
Long-term debt (Note 7)	4,657,458	5,157,992
Lease obligations (Note 8)	81,009	-
Total liabilities	5,180,162	5,356,131
NET FINANCIAL ASSETS (DEBT)	(21,594)	(2,386,266)
Non-financial assets:		
Tangible capital assets (Schedule 6, 7)	11,847,606	13,025,196
Prepaid and deferred charges	5,594	20,012
Stock and supplies	141,511	141,123
Total non-financial assets	11,994,711	13,186,331
Accumulated surplus (Schedule 8)	\$ 11,973,117	10,800,065

APPROVED ON BEHALF OF COUNCIL:

Mayor

Councillor

See accompanying notes to the financial statements.

TOWN OF KERROBERT

Statement 2

STATEMENT OF FINANCIAL ACTIVITIES

Year ended December 31, 2020
with comparative figures for 2019

		<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Revenues:				
Taxes and other unconditional revenue	(Schedule 1)	\$ 1,878,410	1,870,765	1,839,669
Fees and charges	(Schedule 4, 5)	1,518,070	1,315,799	1,534,372
Conditional grants	(Schedule 4, 5)	167,220	199,986	153,655
Tangible capital asset sales - gain (loss)	(Schedule 4, 5)	-	(3,752)	5,412
Land sales - gain (loss)	(Schedule 4, 5)	194,500	197,004	256,327
Investment income and commissions	(Schedule 4, 5)	38,190	29,858	48,183
Restructurings	(Schedule 4, 5)	-	-	-
Other revenues	(Schedule 4, 5)	<u>118,510</u>	<u>4,060</u>	<u>6,536</u>
Total Revenues		3,914,900	3,613,720	3,844,154
Expenditures:				
General government services	(Schedule 3)	505,920	539,454	576,361
Protective services	(Schedule 3)	175,460	191,595	233,317
Transportation services	(Schedule 3)	475,590	433,618	421,178
Environmental and public health services	(Schedule 3)	326,910	335,007	357,712
Planning and development services	(Schedule 3)	133,980	64,196	39,579
Recreation and cultural services	(Schedule 3)	698,600	652,815	717,748
Utility services	(Schedule 3)	938,370	675,851	770,835
Restructurings	(Schedule 3)	-	-	-
Total Expenditures		<u>3,254,830</u>	<u>2,892,536</u>	<u>3,116,730</u>
Surplus (deficit) of revenues over expenditures before other capital contributions		<u>660,070</u>	<u>721,184</u>	<u>727,424</u>
Provincial/Federal capital grants and contributions	(Schedule 4, 5)	<u>387,850</u>	<u>451,868</u>	<u>263,397</u>
Surplus (deficit) of revenues over expenditures		1,047,920	1,173,052	990,821
Accumulated surplus (deficit), beginning of year		<u>10,800,065</u>	<u>10,800,065</u>	<u>9,809,244</u>
Accumulated surplus (deficit), end of year		<u>\$ 11,847,985</u>	<u>11,973,117</u>	<u>10,800,065</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT

Statement 3

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Surplus (deficit)	\$ <u>1,047,920</u>	<u>1,173,052</u>	<u>990,821</u>
(Acquisition) of tangible capital assets	(489,000)	(1,046,111)	(630,237)
Amortization of tangible capital assets	-	292,617	326,876
Proceeds on disposal of tangible capital assets	-	1,927,334	20,500
Loss (gain) on disposal of tangible capital assets	-	3,752	(5,412)
Transfer of assets/liabilities in restructuring transactions	<u>-</u>	<u>-</u>	<u>-</u>
Surplus (deficit) of capital expenses over expenditures	<u>(489,000)</u>	<u>1,177,592</u>	<u>(288,273)</u>
(Acquisition) of supplies inventories	-	(388)	3,305
(Acquisition) of prepaid expenses	-	(5,596)	(20,013)
Consumption of supplies inventories	-	-	-
Use of prepaid expenses	<u>-</u>	<u>20,012</u>	<u>21,781</u>
Surplus (deficit) of expenses of other non-financial over expenditures	<u>(489,000)</u>	<u>14,028</u>	<u>5,073</u>
Increase (decrease) in Net Financial Assets	69,920	2,364,672	707,621
Net Financial Assets (Debt) - Beginning of the year	<u>(2,386,266)</u>	<u>(2,386,266)</u>	<u>(3,093,887)</u>
Net Financial Assets (Debt)- End of year	\$ <u>(2,316,346)</u>	<u>(21,594)</u>	<u>(2,386,266)</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT

Statement 4

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 2020
with comparative figures for 2019

Cash provided by (used in) the following activities:	<u>2020</u>	<u>2019</u>
Operating:		
Surplus (deficit)	\$ 1,173,052	990,821
Amortization	292,617	326,876
Loss (gain) on disposal of tangible capital assets	<u>3,752</u>	<u>(5,412)</u>
	1,469,421	1,312,285
Change in assets/liabilities		
Taxes receivable - Municipal	137,925	219,023
Other accounts receivable	23,417	(15,095)
Land for re-sale	(13,006)	(68,254)
Other financial assets	-	-
Accounts and accrued liabilities payable	249,930	88,395
Deposits	(6,300)	5,500
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	(75)	75
Stock and supplies	(387)	3,305
Prepayments and deferred charges	14,417	1,769
Other	<u>-</u>	<u>-</u>
Net cash from operations	<u>1,875,342</u>	<u>1,547,003</u>
Capital:		
Acquisition of capital assets	(1,046,111)	(630,237)
Proceeds from the disposal of capital assets	1,927,334	20,500
Other capital	<u>-</u>	<u>-</u>
Net cash from (used for) capital	<u>881,223</u>	<u>(609,737)</u>
Investing:		
Long-term investments	-	-
Other investments	<u>-</u>	<u>-</u>
Net cash from investing	<u>-</u>	<u>-</u>
Financing activities:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	(500,533)	(489,669)
Capital leases	<u>81,009</u>	<u>-</u>
Net cash used for financing	<u>(419,524)</u>	<u>(489,669)</u>
Increase (decrease) in cash resources	2,337,041	447,597
Cash and temporary investments, beginning of year	<u>2,227,992</u>	<u>1,780,395</u>
Cash and temporary investments, end of year (Note 2)	<u>\$ 4,565,033</u>	<u>2,227,992</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the municipality are prepared by management in accordance with Canadian public sector accounting standards, as recommended by the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies are as follows:

(a) Basis of Accounting

The 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.

(b) Reporting Entity

The financial statements consolidate the assets, liabilities and flow of resources of the Town. The entity is comprised of all organizations owned or controlled by the Town and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

(c) Collection of funds for other authorities

Collection of funds by the municipality for the school board and conservation and development authorities are collected and remitted in accordance with the relevant legislation. The amounts collected are disclosed in Note 3.

(d) 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 either expenditures or revenues in the period that the events giving rise to the transfer occurred, as long as:

- a) the transfer is authorized;
- b) eligibility criteria have been met by the recipient; and
- c) a reasonable estimate of the amount 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.

(e) 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.

(f) Local Improvement Charges

Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.

TOWN OF KERROBERT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) 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.

(h) 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.

(i) Appropriated Reserves

Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts designated are described on Schedule 8.

(j) 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.

(k) 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.

(l) 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 of the inventory in the ordinary course of business.

TOWN OF KERROBERT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) 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 the contribution. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The costs 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 Town'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	5 to 20 years
Buildings	10 to 50 years
Vehicles and equipment	
Vehicles	5 to 10 years
Machinery & Equipment	5 to 10 years
<i>Infrastructure Assets</i>	
Water and sewer	30 to 75 years
Road network assets	10 to 40 years

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.

Works of art and other unrecognized assets: Assets that have a historical or cultural significance, which include works of art, monuments and other cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with this property cannot be made.

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

Leases: All leases are recorded on the financial statements 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 their estimated useful lives (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) Landfill liability

The Town of Kerrobert maintains a waste disposal site. The Town is unable to estimate closure and post closure costs. No amount has been recorded as an asset or liability. Included in reserves is \$129,315 (2019 - \$86,442) for landfill costs.

TOWN OF KERROBERT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(p) 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 its contributions.

(q) Measurement Uncertainty

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts 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 are 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 period in which they become known.

TOWN OF KERROBERT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Basis of Segmentation/Segment Report

The Town follows the Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Town 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 borrowing.

These segments (functions) are as follows:

General Government: The general government segment provides for the administration of the Town.

Protective Services: Protective services is comprised of expenses for Police and Fire protection.

Transportation Services: The transportation services segment is 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 Town.

Planning and Development: The planning and development segment provides for neighbourhood development and sustainability.

Recreation and Culture: The recreation and culture segment provides for community services through the provision of recreation and leisure services.

Utility Services: The utility services segment provides for the delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

2. CASH AND TEMPORARY INVESTMENTS

	<u>2020</u>	<u>2019</u>
Cash	\$ 4,565,033	2,227,992
Temporary investments	<u>-</u>	<u>-</u>
	<u>\$ 4,565,033</u>	<u>2,227,992</u>

Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less.

TOWN OF KERROBERT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

3. TAXES AND GRANTS IN LIEU RECEIVABLE

	<u>2020</u>	<u>2019</u>
Municipal: - Current	\$ 152,773	199,888
- Arrears	<u>295,754</u>	<u>297,610</u>
	448,527	497,498
Less: allowance for uncollectibles	<u>(127,495)</u>	<u>(38,540)</u>
Total municipal taxes receivable	<u>321,032</u>	<u>458,958</u>
School: - Current	35,616	45,800
- Arrears	<u>40,749</u>	<u>40,831</u>
Total school taxes receivable	<u>76,365</u>	<u>86,631</u>
Other: - Current	-	-
- Arrears	<u>-</u>	<u>-</u>
Total other collections receivable	<u>-</u>	<u>-</u>
Total taxes and grants in lieu receivable	397,397	545,589
Deduct taxes receivable to be collected on behalf of other organizations	<u>(76,365)</u>	<u>(86,631)</u>
Total taxes receivable - Municipal	\$ <u>321,032</u>	<u>458,958</u>

4. OTHER ACCOUNTS RECEIVABLE

	<u>2020</u>	<u>2019</u>
Federal government	\$ 19,535	10,922
Provincial government	-	-
Local government	-	-
Utility	102,552	108,189
Trade	31,982	36,703
Other	<u>27,431</u>	<u>49,103</u>
Total other accounts receivable	181,500	204,917
Less: allowance for uncollectibles	<u>(2,131)</u>	<u>(2,131)</u>
Net other accounts receivable	\$ <u>179,369</u>	<u>202,786</u>

5. LAND FOR RESALE

	<u>2020</u>	<u>2019</u>
Tax title property	\$ 240,285	263,165
Less: - allowance for market value adjustment	(126,110)	(165,316)
- due to other taxing authorities	<u>(21,041)</u>	<u>(17,720)</u>
Net tax title Property	<u>93,134</u>	<u>80,129</u>
Other land	-	-
Less: - allowance for market value adjustment	<u>-</u>	<u>-</u>
Net other land	<u>-</u>	<u>-</u>
Total land for resale	\$ <u>93,134</u>	<u>80,129</u>

TOWN OF KERROBERT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

6. BANK INDEBTEDNESS

Credit Arrangements

At December 31, 2020, the Town had a line of credit totaling \$500,000, none of which was drawn.

7. LONG-TERM DEBT

a) The authorized debt limit for the Town is \$2,789,884. The authorized debt limit for a Town is the total amount of the Town's own source revenues for the preceding year (the *Municipalities Act* section 161(1)). The incremental debt above the debt limit authorized in the Municipalities Act is approved by the Saskatchewan Municipal Board.

b) Bank loans:

	<u>2020</u>	<u>2019</u>
Royal Bank of Canada loan, repayable in annual payments, interest payable quarterly at 2.57%, maturing in 2031.	\$ 2,029,000	2,185,000
Canada Mortgage and Housing Corporation loan, repayable in annual payments of \$202,263 including interest at 3.68%, maturing June 2025.	905,593	1,071,424
Royal Bank of Canada loan, repayable in annual payments, interest payable quarterly at 2.61%, maturing in 2031.	832,000	899,000
Kerrobert Credit Union loan, repayable in annual payments of \$38,891 including interest at 1.95% (prime less 0.5%), maturing in 2032.	395,340	421,168
Canada Mortgage and Housing Corporation loan, repayable in annual payments of \$61,732 including interest at 3.72%, maturing February 2026.	325,098	374,385
Kerrobert Credit Union loan, repayable in monthly payments of \$3,715 including interest at 4.20%, maturing in 2025.	<u>170,427</u>	<u>207,015</u>
	<u>\$ 4,657,458</u>	<u>5,157,992</u>

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Total
2021	\$ 516,915	128,792	645,707
2022	532,220	113,053	645,273
2023	549,904	95,819	645,723
2024	565,982	78,558	644,540
2025	543,468	61,032	604,500
Thereafter	<u>1,948,969</u>	<u>140,423</u>	<u>2,089,392</u>
Balance	<u>\$ 4,657,458</u>	<u>617,677</u>	<u>5,275,135</u>

TOWN OF KERROBERT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

8. LEASE OBLIGATIONS

Capital lease obligation for:

- 2021 Cat 259D3 Compact Track Loader, repayable in semi-annual payments of \$40,504 (interest free).

Future minimum lease payments under the capital lease are as follows:

2021	\$	81,009
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9. PENSION PLAN

Employees of the Town participate in the Municipal Employee Pension Plan ("MEPP"), which is a multi-employer 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. During the year, all members contributed at 9%. The Town matches all employees' contributions to the plan.

Pension expense for the year included the Salaries, Wages and Benefits expenses was \$47,012 (2019 - \$46,952). 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.

Based on the latest information available (December 31, 2020 Audited Financial Statements) the Municipal Employees Pension Plan had a surplus in the net assets available for benefits of \$838,900,000. This is based on the most recent actuarial valuation, completed December 31, 2019. The Town's portion of this is not readily determinable.

TOWN OF KERROBERT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

10. RECENT ACCOUNTING PRONOUNCEMENTS

A number of new and amended standards have been issued that may impact the Town:

Standards Effective On Or After April 1, 2022:

PS 1201 Financial Statement Presentation replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure in government financial statements. Requires a new statement of re-measurement gains and losses separate from the statement of operations arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. 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. Requires that monetary assets and liabilities denominated in a foreign currency and non-monetary items included in the fair value category, denominated in a foreign currency, be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses are to be presented in the statement of re-measurement gains and losses.

PS 3041 Portfolio Investments replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of portfolio investments. Removes the distinction between temporary and portfolio investments. Upon adoption of PS 3450 and PS 3041, PS 3030, Temporary Investments, will no longer apply. Effective in the period PS 3450, PS 2601 and PS 1201 are adopted.

PS 3450 Financial Instruments is a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives. The standard requires fair value measurement of derivatives and equity instrument that are quoted in an active market; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

PS 3280 Asset Retirement Obligations is a new standard establishing guidance on the accounting and reporting of legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. 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.

Standards Effective On Or After April 1, 2023:

PS 3400 Revenue is a new standard establishing guidance on how to account for and report on revenue. The standard provides a framework for recognizing, measuring and reporting revenues that arise from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payer.

The Town continues to assess the impacts of the above accounting standards. The extent of impact resulting from the adoption of these standards is not known at this time.

TOWN OF KERROBERT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

11. COMPARATIVE FIGURES

The prior year's comparative figures have been reclassified to conform to the current year's method of presentation.

12. SUBSEQUENT EVENTS

The Town is in the process of constructing a Waste Water Treatment Plant. During the 2018 year, there was an equipment failure as the project neared completion. The Town filed a claim with their insurance provider to repair or replace the equipment. During the 2020 year, insurance proceeds in the amount of \$1,879,482 were received and shown in these statements as a disposal of asset under construction in that amount, with no gain or loss recorded.

This asset remains in assets under construction and nothing has been recorded in the financial statements to reflect any further possible payout from insurance or disposal of equipment.

13. BUDGET

The Financial Plan (Budget) was adopted by Council on April 22, 2020. The budget was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget expensed all tangible capital expenditures rather than including amortization expense, included transfers to and from reserves as expenses and revenues, as well as long-term debt issuance and repayment as revenue and expenses. As a result, the budget figures presented in the statements of operations and change in net financial assets include the following adjustments:

	<u>2020</u>
Budget net surplus	\$ 200,920
Add: Investment in tangible capital assets	489,000
Long-term debt repaid	497,800
Transfer to reserves	168,030
Less: Transfer from reserves	(107,950)
Long-term debt issuance	<u>(199,880)</u>
Budget surplus per statement of operations	\$ <u>1,047,920</u>

TOWN OF KERROBERT

SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
TAXES			
General municipal tax levy	\$ 1,452,940	1,451,319	1,460,999
Abatements and adjustments	(54,380)	(83,305)	(64,372)
Discount on current year taxes	<u>(42,220)</u>	<u>(41,024)</u>	<u>(40,879)</u>
Net municipal taxes	1,356,340	1,326,990	1,355,748
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	120,000	84,138	119,181
Special tax levy (Fire)	38,250	38,250	36,362
Other (Local improvement levy)	<u>9,680</u>	<u>9,675</u>	<u>-</u>
Total Taxes	<u>1,524,270</u>	<u>1,459,053</u>	<u>1,511,291</u>
UNCONDITIONAL GRANTS			
Revenue sharing	234,310	234,306	211,369
Organized Hamlet	-	-	-
Other (Safe Restart)	<u>-</u>	<u>61,205</u>	<u>-</u>
Total Unconditional Grants	<u>234,310</u>	<u>295,511</u>	<u>211,369</u>
GRANTS IN LIEU OF TAXES			
Federal	5,200	5,123	5,123
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
TransGas	-	-	-
Central Services	-	-	-
Sasktel	9,190	9,192	9,192
Other	3,740	3,741	3,741
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other	1,500	800	1,500
Other Government Transfers			
S.P.C. Surcharge	70,200	68,199	69,495
SaskEnergy Surcharge	30,000	29,146	27,958
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Grants in Lieu of Taxes	<u>119,830</u>	<u>116,201</u>	<u>117,009</u>
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	<u>\$ 1,878,410</u>	<u>1,870,765</u>	<u>1,839,669</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ -	-	-
Sales of supplies	40	582	38
Other (Rentals, permits)	41,930	38,788	39,147
Total Fees and Charges	41,970	39,370	39,185
Tangible capital asset sales - gain (loss)	-	-	-
Land sales - gain (loss)	194,500	197,004	256,327
Investment income and commissions	38,190	29,858	48,183
Other (PST reimbursement)	111,850	-	-
Total other segmented revenue	386,510	266,232	343,695
Conditional Grants			
Student employment	-	4,279	-
Other (Donations)	22,630	12,613	5,040
Total Conditional Grants	22,630	16,892	5,040
Total Operating	409,140	283,124	348,735
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Other	200	-	200
Total Capital	200	-	200
Restructuring Revenue	-	-	-
Total General Government Services	409,340	283,124	348,935
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other (Policing and fire fees)	78,530	47,140	104,802
Total Fees and Charges	78,530	47,140	104,802
Tangible capital asset sales - gain (loss)	-	-	(1)
Other	-	-	-
Total other segmented revenue	78,530	47,140	104,801
Conditional Grants			
Student employment	-	-	-
Local government	29,000	20,320	20,808
Other (Donations)	-	2,000	500
Total Conditional Grants	29,000	22,320	21,308
Total Operating	107,530	69,460	126,109
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Local government	-	-	-
Other (Donations)	-	7,003	8,500
Total Capital	-	7,003	8,500
Restructuring Revenue	-	-	-
Total Protective Services	107,530	76,463	134,609

See accompanying notes to the financial statements.

TOWN OF KERROBERT

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 290	7,136	282
Sales of supplies	-	-	-
Road Maintenance and Restoration Agreements	-	-	-
Other	-	-	-
Total Fees and Charges	290	7,136	282
Tangible capital asset sales - gain (loss)	-	12,153	-
Other	-	-	-
Total other segmented revenue	290	19,289	282
Conditional Grants			
Primary Weight Corridor	-	-	-
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	<u>290</u>	<u>19,289</u>	<u>282</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Other (Town Urban Highway Program)	6,580	6,557	13,114
Total Capital	<u>322,120</u>	<u>189,384</u>	<u>13,114</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Transportation Services	<u>322,410</u>	<u>208,673</u>	<u>13,396</u>
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Waste and Disposal Fees	330,510	320,322	319,123
Other	6,100	4,611	6,050
Total Fees and Charges	336,610	324,933	325,173
Tangible capital asset sales - gain (loss)	-	-	9,499
Other (Donations)	6,660	4,060	6,536
Total other segmented revenue	343,270	328,993	341,208
Conditional Grants			
Student employment	-	-	-
Transit Assistance for People with Disabilities (TAPD)	3,660	3,660	3,523
Local government	7,200	7,200	6,600
Other (MMSW, transit)	12,000	13,411	12,510
Total Conditional Grants	22,860	24,271	22,633
Total Operating	<u>366,130</u>	<u>353,264</u>	<u>363,841</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Transit Assistance for People with Disabilities (TAPD)	-	-	55,000
Provincial Disaster Assistance	-	-	-
Other (Donations)	-	3,120	20,000
Total Capital	<u>-</u>	<u>3,120</u>	<u>75,000</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Environmental and Public Health Services Services	<u>366,130</u>	<u>356,384</u>	<u>438,841</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Maintenance and Development Charges	\$ -	-	-
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	-	-
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Planning and Development Services	-	-	-
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Rentals	90,200	71,429	89,932
Recreation fees	137,280	74,399	144,619
Other	-	-	-
Total Fees and Charges	227,480	145,828	234,551
Tangible capital asset sales - gain (loss)	-	(15,905)	(4,086)
Other	-	-	-
Total other segmented revenue	227,480	129,923	230,465
Conditional Grants			
Student employment	-	6,534	4,332
Local government	49,000	49,000	49,000
Donations	-	17,127	3,668
Other (Sask Lotteries and other grants)	43,730	63,842	47,674
Total Conditional Grants	92,730	136,503	104,674
Total Operating	320,210	266,426	335,139
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Local government	-	-	-
Provincial Disaster Assistance	-	-	-
Municipal Economic Enhancement Program	-	147,465	-
Other (Donations)	5,000	14,095	35,627
Total Capital	5,000	161,560	35,627
Restructuring Revenue	-	-	-
Total Recreation and Cultural Services	325,210	427,986	370,766

See accompanying notes to the financial statements.

TOWN OF KERROBERT

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Water	\$ 597,300	559,470	596,360
Sewer	225,000	184,896	224,706
Other (Penalty, re-connection, admin)	10,890	7,026	9,313
Total Fees and Charges	833,190	751,392	830,379
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	833,190	751,392	830,379
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	<u>833,190</u>	<u>751,392</u>	<u>830,379</u>
Capital			
Conditional Grants			
Federal Gas Tax	60,530	90,801	130,956
New Building Canada Fund (SCF, NRP)	-	-	-
Clean Water and Wastewater Fund (CWWF)	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>60,530</u>	<u>90,801</u>	<u>130,956</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Services	<u>893,720</u>	<u>842,193</u>	<u>961,335</u>
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 2,424,340</u>	<u>2,194,823</u>	<u>2,267,882</u>
SUMMARY			
Total Other Segmented Revenue	\$ 1,869,270	1,542,969	1,850,830
Total Conditional Grants	167,220	199,986	153,655
Total Capital Grants and Contributions	387,850	451,868	263,397
Restructuring Revenue	-	-	-
TOTAL REVENUE BY FUNCTION	<u>\$ 2,424,340</u>	<u>2,194,823</u>	<u>2,267,882</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 40,150	29,622	31,130
Wages and benefits	188,500	162,437	196,894
Professional/Contractual services	219,700	120,259	128,420
Utilities	18,370	18,372	17,960
Maintenance, materials, and supplies	22,140	25,512	35,747
Grants and contributions	16,730	16,506	16,498
-operating	-	-	-
-capital	-	-	-
Amortization	-	4,765	4,767
Interest	-	-	-
Allowance for uncollectibles and tax title property	330	161,981	144,945
General Government Services	<u>505,920</u>	<u>539,454</u>	<u>576,361</u>
Restructuring	-	-	-
Total General Government Services	<u>505,920</u>	<u>539,454</u>	<u>576,361</u>
PROTECTIVE SERVICES			
Police protection			
Wages and benefits	-	-	-
Professional/Contractual services	92,210	97,634	95,258
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other (Bylaw expenses)	-	-	30
Fire protection			
Wages and benefits	19,400	16,834	21,093
Professional/Contractual services	18,730	12,709	9,044
Utilities	14,330	15,871	15,194
Maintenance, materials, and supplies	30,790	13,718	36,233
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	1,148
Amortization	-	34,829	55,317
Interest	-	-	-
Other	-	-	-
Protective Services	<u>175,460</u>	<u>191,595</u>	<u>233,317</u>
Restructuring	-	-	-
Total Protective Services	<u>175,460</u>	<u>191,595</u>	<u>233,317</u>
TRANSPORTATION SERVICES			
Wages and benefits	176,130	202,816	137,941
Professional/Contractual services	28,450	42,725	57,215
Utilities	42,540	41,475	40,807
Maintenance, materials, and supplies	228,470	112,868	135,781
Gravel	-	-	-
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	33,734	49,434
Interest	-	-	-
Other	-	-	-
Transportation Services	<u>475,590</u>	<u>433,618</u>	<u>421,178</u>
Restructuring	-	-	-
Total Transportation Services	<u>475,590</u>	<u>433,618</u>	<u>421,178</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	\$ 34,330	23,711	36,153
Professional/Contractual services	244,670	258,428	241,523
Utilities	-	-	-
Maintenance, materials, and supplies	21,910	11,559	39,628
Grants and contributions			
-operating			
Waste disposal	-	2,400	-
Public health	-	-	-
-capital			
Waste disposal	-	-	-
Public health	18,000	18,000	18,000
Amortization	-	12,911	12,911
Interest	8,000	7,998	9,497
Other	-	-	-
Environmental and Public Health Services	<u>326,910</u>	<u>335,007</u>	<u>357,712</u>
Restructuring	-	-	-
Total Environmental and Public Health Services	<u>326,910</u>	<u>335,007</u>	<u>357,712</u>
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	120,580	59,483	37,384
Utilities	800	870	805
Maintenance, materials, and supplies	2,450	2,453	-
Grants and contributions			
-operating	470	462	462
-capital	-	-	-
Amortization	-	928	928
Interest	9,680	-	-
Other	-	-	-
Planning and Development Services	<u>133,980</u>	<u>64,196</u>	<u>39,579</u>
Restructuring	-	-	-
Total Planning and Development Services	<u>133,980</u>	<u>64,196</u>	<u>39,579</u>
RECREATION AND CULTURAL SERVICES			
Wages and benefits	302,600	211,749	293,528
Professional/Contractual services	147,390	237,893	138,870
Utilities	139,130	102,432	134,666
Maintenance, materials, and supplies	108,610	59,933	107,882
Grants and contributions			
-operating	870	822	3,237
-capital	-	-	-
Amortization	-	39,986	39,565
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other	-	-	-
Recreation and Cultural Services	<u>698,600</u>	<u>652,815</u>	<u>717,748</u>
Restructuring	-	-	-
Total Recreation and Cultural Services	<u>698,600</u>	<u>652,815</u>	<u>717,748</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT
TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
UTILITY SERVICES			
Wages and benefits	\$ 145,240	139,578	196,710
Professional/Contractual services	159,700	116,938	90,910
Utilities	75,240	74,291	72,369
Maintenance, materials, and supplies	121,170	54,693	93,725
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	289,080	165,464	163,954
Interest	147,940	124,887	153,167
Allowance for uncollectibles	-	-	-
Other	-	-	-
Utility Services	<u>938,370</u>	<u>675,851</u>	<u>770,835</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Services	<u>938,370</u>	<u>675,851</u>	<u>770,835</u>
 TOTAL EXPENDITURES BY FUNCTION	 \$ <u>3,254,830</u>	 <u>2,892,536</u>	 <u>3,116,730</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT

SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2020

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and charges	\$ 39,370	47,140	7,136	324,933	-	145,828	751,392	1,315,799
Tangible capital asset sales - Gain (loss)	-	-	12,153	-	-	(15,905)	-	(3,752)
Land sales - Gain (loss)	197,004	-	-	-	-	-	-	197,004
Investment income and commissions	29,858	-	-	-	-	-	-	29,858
Other revenues	-	-	-	4,060	-	-	-	4,060
Grants - Conditional	16,892	22,320	-	24,271	-	136,503	-	199,986
Grants - Capital	-	7,003	189,384	3,120	-	161,560	90,801	451,868
Restructurings	-	-	-	-	-	-	-	-
Total revenues	<u>283,124</u>	<u>76,463</u>	<u>208,673</u>	<u>356,384</u>	<u>-</u>	<u>427,986</u>	<u>842,193</u>	<u>2,194,823</u>
Expenses (Schedule 3)								
Wages & Benefits	192,059	16,834	202,816	23,711	-	211,749	139,578	786,747
Professional/Contractual Services	120,259	110,343	42,725	258,428	59,483	237,893	116,938	946,069
Utilities	18,372	15,871	41,475	-	870	102,432	74,291	253,311
Maintenance, materials and supplies	25,512	13,718	112,868	11,559	2,453	59,933	54,693	280,736
Grants and contributions	16,506	-	-	20,400	462	822	-	38,190
Amortization	4,765	34,829	33,734	12,911	928	39,986	165,464	292,617
Interest	-	-	-	7,998	-	-	124,887	132,885
Allowance for uncollectibles	161,981	-	-	-	-	-	-	161,981
Other	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
Total expenses	<u>539,454</u>	<u>191,595</u>	<u>433,618</u>	<u>335,007</u>	<u>64,196</u>	<u>652,815</u>	<u>675,851</u>	<u>2,892,536</u>
Surplus (deficit) by function	(256,330)	(115,132)	(224,945)	21,377	(64,196)	(224,829)	166,342	(697,713)
Taxation and other unconditional revenue (Schedule 1)								<u>1,870,765</u>
Net Surplus (Deficit)								<u>\$ 1,173,052</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT

SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2019

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and charges	\$ 39,185	104,802	282	325,173	-	234,551	830,379	1,534,372
Tangible capital asset sales - Gain (loss)	-	(1)	-	9,499	-	(4,086)	-	5,412
Land sales - Gain (loss)	256,327	-	-	-	-	-	-	256,327
Investment income and commissions	48,183	-	-	-	-	-	-	48,183
Other revenues	-	-	-	6,536	-	-	-	6,536
Grants - Conditional	5,040	21,308	-	22,633	-	104,674	-	153,655
Grants - Capital	200	8,500	13,114	75,000	-	35,627	130,956	263,397
Restructurings	-	-	-	-	-	-	-	-
Total revenues	<u>348,935</u>	<u>134,609</u>	<u>13,396</u>	<u>438,841</u>	<u>-</u>	<u>370,766</u>	<u>961,335</u>	<u>2,267,882</u>
Expenses (Schedule 3)								
Wages & Benefits	228,024	21,093	137,941	36,153	-	293,528	196,710	913,449
Professional/Contractual Services	128,420	104,302	57,215	241,523	37,384	138,870	90,910	798,624
Utilities	17,960	15,194	40,807	-	805	134,666	72,369	281,801
Maintenance, materials and supplies	35,747	36,233	135,781	39,628	-	107,882	93,725	448,996
Grants and contributions	16,498	1,148	-	18,000	462	3,237	-	39,345
Amortization	4,767	55,317	49,434	12,911	928	39,565	163,954	326,876
Interest	-	-	-	9,497	-	-	153,167	162,664
Allowance for uncollectibles	144,945	-	-	-	-	-	-	144,945
Other	-	30	-	-	-	-	-	30
Restructurings	-	-	-	-	-	-	-	-
Total expenses	<u>576,361</u>	<u>233,317</u>	<u>421,178</u>	<u>357,712</u>	<u>39,579</u>	<u>717,748</u>	<u>770,835</u>	<u>3,116,730</u>
Surplus (deficit) by function	(227,426)	(98,708)	(407,782)	81,129	(39,579)	(346,982)	190,500	(848,848)
Taxation and other unconditional revenue (Schedule 1)								<u>1,839,669</u>
Net Surplus (Deficit)								<u>\$ 990,821</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT

SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

Year ended December 31, 2020
with comparative figures for 2019

	2020								2019
	General Assets					Infrastructure Assets	General / Infrastructure Assets Under Construction	Total	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
Asset cost									
Opening asset costs	\$ 9,862	266,203	5,096,283	933,529	708,827	10,521,953	4,671,247	22,207,904	21,692,938
Additions during the year	-	-	-	50,113	161,499	-	834,500	1,046,112	630,237
Disposals and write-downs during the year	-	(2)	(72,981)	(53,636)	-	-	(1,879,482)	(2,006,101)	(115,271)
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing asset costs	<u>9,862</u>	<u>266,201</u>	<u>5,023,302</u>	<u>930,006</u>	<u>870,326</u>	<u>10,521,953</u>	<u>3,626,265</u>	<u>21,247,915</u>	<u>22,207,904</u>
Accumulated amortization cost									
Opening accumulated amortization costs	-	140,814	2,530,196	504,696	483,959	5,523,043	-	9,182,708	8,956,015
Add: Amortization taken	-	10,673	95,291	43,919	22,722	120,012	-	292,617	326,876
Less: Accumulated amortization on disposals	-	(1)	(51,826)	-	(23,189)	-	-	(75,016)	(100,183)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	<u>-</u>	<u>151,486</u>	<u>2,573,661</u>	<u>548,615</u>	<u>483,492</u>	<u>5,643,055</u>	<u>-</u>	<u>9,400,309</u>	<u>9,182,708</u>
Net book value	<u>\$ 9,862</u>	<u>114,715</u>	<u>2,449,641</u>	<u>381,391</u>	<u>386,834</u>	<u>4,878,898</u>	<u>3,626,265</u>	<u>11,847,606</u>	<u>13,025,196</u>

1. Total contributed/donated assets received in 2020: \$ -
2. List of assets recognized at nominal value in 2020 are:
 - Infrastructure Assets \$ -
 - Vehicles \$ -
 - Machinery and Equipment \$ -
3. Amount of interest capitalized in 2020: \$ -

See accompanying notes to the financial statements.

TOWN OF KERROBERT
SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	2020							2019
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total
								Total
Asset cost								
Opening asset costs	\$ 172,022	953,657	4,270,931	210,643	4,640	1,516,122	15,079,889	22,207,904
Additions during the year	-	19,235	83,910	-	-	38,648	904,319	1,046,112
Disposals and write-downs during the year	-	-	(14,987)	-	-	(111,632)	(1,879,482)	(2,006,101)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
Closing asset costs	<u>172,022</u>	<u>972,892</u>	<u>4,339,854</u>	<u>210,643</u>	<u>4,640</u>	<u>1,443,138</u>	<u>14,104,726</u>	<u>21,247,915</u>
Accumulated amortization cost								
Opening accumulated amortization costs	48,173	598,747	3,128,129	117,997	1,856	1,055,573	4,232,233	9,182,708
Add: Amortization taken	4,765	34,829	33,734	12,911	928	39,986	165,464	292,617
Less: Accumulated amortization on disposals	-	-	-	-	-	(75,016)	-	(75,016)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	<u>52,938</u>	<u>633,576</u>	<u>3,161,863</u>	<u>130,908</u>	<u>2,784</u>	<u>1,020,543</u>	<u>4,397,697</u>	<u>9,400,309</u>
Net book value	<u>\$ 119,084</u>	<u>339,316</u>	<u>1,177,991</u>	<u>79,735</u>	<u>1,856</u>	<u>422,595</u>	<u>9,707,029</u>	<u>11,847,606</u>
								<u>13,025,196</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT
SCHEDULE OF ACCUMULATED SURPLUS
Year ended December 31, 2020

	<u>2019</u>	<u>Changes</u>	<u>2020</u>
UNAPPROPRIATED SURPLUS	\$ <u>2,088,358</u>	<u>1,433,396</u>	<u>3,521,754</u>
APPROPRIATED RESERVES			
Machinery and equipment	17,302	12,003	29,305
Public reserve	-	-	-
Capital trust	200,000	-	200,000
Utility	-	-	-
Utility	-	-	-
Other	<u>627,201</u>	<u>485,718</u>	<u>1,112,919</u>
Total Appropriated	<u>844,503</u>	<u>497,721</u>	<u>1,342,224</u>
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	13,025,196	(1,177,590)	11,847,606
Less: Related debt	<u>(5,157,992)</u>	<u>419,525</u>	<u>(4,738,467)</u>
Net Investment in Tangible Capital Assets	<u>7,867,204</u>	<u>(758,065)</u>	<u>7,109,139</u>
Total Accumulated Surplus	\$ <u>10,800,065</u>	<u>1,173,052</u>	<u>11,973,117</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT

SCHEDULE OF MILL RATES AND ASSESSMENTS

Year ended December 31, 2020
with comparative figures for 2019

	PROPERTY CLASS						Total
	<u>Agriculture</u>	<u>Residential</u>	<u>Residential Condominium</u>	<u>Seasonal Residential</u>	<u>Commercial & Industrial</u>	<u>Potash Mine(s)</u>	
Taxable Assessment	\$ 373,935	66,144,640	1,565,760	-	16,848,700	-	\$ 84,933,035
Regional Park Assessment							-
Total Assessment							\$ 84,933,035
Mill Rate Factor(s)	0.8160	0.4700	0.4700	-	1.3810		
Total Base/Minimum Tax (generated for each property class)	-	555,310	-	-	120,428		675,738
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ 4,271	990,666	10,303	-	446,079		1,451,319

MILL RATES:

	<u>MILLS</u>
Average Municipal*	17.088
Average School*	4.711
Potash Mill Rate	-
Uniform Municipal Mill Rate	14.000

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

See accompanying notes to the financial statements.

TOWN OF KERROBERT
SCHEDULE OF COUNCIL REMUNERATION

Year ended December 31, 2020
with comparative figures for 2019

Position	Name	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Mayor	Wayne Mock	\$ 8,210	-	8,210
Councillor	Terry Dunn	3,120	-	3,120
Councillor	Del-Marie Kissick	2,880	-	2,880
Councillor	Brad Murphy	2,470	-	2,470
Councillor	Chad Tetzloff	3,085	-	3,085
Councillor	Heather Wack	3,985	-	3,985
Councillor	Michael Mitchell	480	-	480
Former Councillor	Brandon Zerr	3,015	-	3,015
Total		<u>\$ 27,245</u>	<u>-</u>	<u>27,245</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT
SCHEDULE OF RESTRUCTURING
Year ended December 31, 2020

Carrying Amount of Assets and Liabilities Transferred/Received at Restructuring Date

Cash and temporary investments	\$ -
Taxes Receivable - Municipal	-
Other accounts receivable	-
Land for resale	-
Long-term investments	-
Debt charges recoverable	-
Bank indebtedness	-
Accounts payable	-
Accrued liabilities payable	-
Deposits	-
Deferred revenue	-
Accrued landfill costs	-
Liability for contaminated sites	-
Other liabilities	-
Long-term debt	-
Lease obligations	-
Tangible capital assets	-
Prepayments and deferred charges	-
Stock and supplies	-
Other	-
	<hr/>
Total Net Carrying Amount Received (Transferred)	\$ <u>-</u>

See accompanying notes to the financial statements.