

**Annual Non-Consolidated Financial Statements**  
and Supporting Schedules

**City of Melfort**  
for the Year Ended December 31, 2020

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## CITY OF MELFORT

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Year ended December 31, 2020

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## **Management's Responsibility**

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To the Ratepayers of the City of Melfort:

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

In discharging its responsibilities for the integrity and fair presentation of the non-consolidated financial statements, management designs and maintains the necessary accounting systems, 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 non-consolidated financial statements.

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

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Mayor and Council to audit the non-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.

July 12, 2021

  
\_\_\_\_\_  
City Manager

  
\_\_\_\_\_  
Treasurer

To the Mayor and Council of City of Melfort:

### Opinion

We have audited the non-consolidated financial statements of City of Melfort (the "City"), which comprise the non-consolidated statement of financial position as at December 31, 2020, and the non-consolidated statements of financial activities, changes in net financial assets, changes in financial position and the related schedules for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the City as at December 31, 2020, and the results of its non-consolidated operations, changes in its net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the non-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 for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City'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 non-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 auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-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.

Melfort, Saskatchewan

July 12, 2021

*MNP LLP*

Chartered Professional Accountants

## CITY OF MELFORT

## NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ended December 31, 2020

	2020 \$	2019 \$
<b>FINANCIAL ASSETS</b>		
Current Financial Assets		
Cash	3,275,492	1,378,242
Accounts receivable (Note 2)	1,419,012	828,937
Taxes receivable (Note 3)	254,708	214,502
Short-term investments (Note 4)	9,117,349	8,285,471
Accrued interest receivable	15,963	43,959
	<b>14,082,523</b>	<b>10,751,111</b>
Long-term accounts receivable (Note 2)	260,086	224,050
Long-term investments (Note 4)	-	1,665,564
Tax title property (Note 5)	326,658	343,770
Local improvements receivable (Note 6)	16,296	23,739
Land for resale (Note 7)	2,232,378	2,124,188
Loans receivable (Note 8)	8,487	7,656
	<b>16,926,429</b>	<b>15,140,078</b>
<b>FINANCIAL LIABILITIES</b>		
Current Financial Liabilities		
Accounts payable and accrued liabilities	1,595,591	1,670,455
Growth incentive rebates	18,000	-
Utility deposits	238,664	234,564
Deferred revenue	39,133	140,738
Current portion of capital lease obligation (Note 9)	46,428	92,929
	<b>1,937,816</b>	<b>2,138,686</b>
Long-term capital lease obligation (Note 9)	56,598	108,865
Long-term contaminated sites liability (Note 11)	166,000	166,000
Landfill closure liability (Note 12)	2,849,468	231,813
	<b>3,072,066</b>	<b>506,678</b>
	<b>5,009,882</b>	<b>2,645,364</b>
<b>NET FINANCIAL ASSETS</b>	<b>11,916,547</b>	<b>12,494,714</b>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	11,220	53,966
Inventory	174,472	161,244
Tangible capital assets (Schedule 13 - 14)	49,571,756	48,097,302
<b>Total non-financial assets</b>	<b>49,757,449</b>	<b>48,312,512</b>
<b>ACCUMULATED SURPLUS (Schedule 11)</b>	<b>61,673,996</b>	<b>60,807,226</b>

Approved on behalf of City Council:


  
 Mayor


  
 Deputy Mayor

The accompanying notes are an integral part of these financial statements

**CITY OF MELFORT**

**NON-CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

Year ended December 31, 2020

<b>Budget 2020 \$</b>		<b>Total 2020 \$</b>	<b>Total 2019 \$</b>
<i>(Note 18)</i>			
	<b>REVENUES</b>		
	<b>Operational (see Schedules 1 thru 5)</b>		
<b>6,263,133</b>	Taxation	<b>6,247,824</b>	6,096,492
<b>254,833</b>	Grants in lieu of taxes	<b>268,197</b>	273,679
<b>1,295,777</b>	Government grants	<b>2,191,412</b>	1,887,664
<b>968,696</b>	Fiscal revenues	<b>1,070,885</b>	1,085,462
<b>16,000</b>	General government services	<b>14,295</b>	8,398
<b>227,114</b>	Protective services	<b>271,890</b>	272,137
<b>213,379</b>	Transportation services	<b>128,919</b>	219,444
<b>43,500</b>	Public health services	<b>43,825</b>	42,110
-	Economic development services	<b>533,949</b>	-
<b>853,911</b>	Recreation and culture services	<b>468,167</b>	856,062
<b>2,826,435</b>	Utility services	<b>2,802,638</b>	2,789,227
<b>898,395</b>	Landfill fees (environmental services)	<b>829,711</b>	1,046,663
<b>436,096</b>	Waste collection fees (environmental services)	<b>445,898</b>	438,142
	<b>Capital (see Schedules 6 thru 7)</b>		
-	Government grants	<b>332,750</b>	1,417,964
-	Federal capital grants	<b>38,000</b>	89,408
-	Municipal Economic Enhancement Program	<b>823,862</b>	-
-	Community donations for multi-use facility	<b>77,059</b>	213,105
-	Community partnerships for capital infrastructure	<b>70,000</b>	-
-	Gain on land sales	<b>257,510</b>	205,388
-	(Loss) gain on disposal of tangible capital assets	<b>(29,691)</b>	19,591
<b>5,000</b>	Other capital revenue	<b>148,742</b>	47,441
<b>251,893</b>	Wellness Centre	<b>295,343</b>	212,893
<b>14,554,162</b>		<b>17,331,186</b>	17,221,270
	<b>EXPENSES</b>		
	<b>Operational (see Schedules 2 thru 7)</b>		
<b>1,151,239</b>	General government services	<b>1,317,800</b>	1,191,698
<b>1,667,164</b>	Protective services	<b>1,552,040</b>	1,655,052
<b>2,212,850</b>	Transportation services	<b>2,978,238</b>	3,237,895
<b>51,092</b>	Public health services	<b>28,390</b>	65,825
<b>110,346</b>	Economic development services	<b>632,074</b>	110,466
<b>3,086,892</b>	Recreation and culture services	<b>3,229,465</b>	3,805,071
<b>2,328,691</b>	Utility services	<b>2,782,596</b>	2,682,670
<b>493,469</b>	Landfill (environmental services)	<b>3,332,622</b>	688,239
<b>268,889</b>	Waste collection (environmental services)	<b>257,531</b>	269,917
<b>270,085</b>	Wellness Centre	<b>353,660</b>	341,701
<b>11,640,717</b>		<b>16,464,416</b>	14,048,534
<b>2,913,445</b>	<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>866,770</b>	3,172,736
	<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>60,807,226</b>	57,634,490
	<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>61,673,996</b>	60,807,226

The accompanying notes are an integral part of these financial statements

**CITY OF MELFORT**

**NON-CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**

Year ended December 31, 2020

	<b>Budget 2020 \$</b>	<b>Total 2020 \$</b>	<b>Total 2019 \$</b>
	<i>(Note 18)</i>		
<b>SURPLUS</b>	<b>2,913,445</b>	<b>866,770</b>	<b>3,172,736</b>
Acquisition of tangible capital assets	(1,878,748)	<b>(3,904,760)</b>	(5,978,633)
Amortization of tangible capital assets	-	<b>2,343,678</b>	2,276,679
Proceeds on disposal of tangible capital assets	-	<b>56,937</b>	108,141
Loss (gain) on tangible capital assets	-	<b>29,691</b>	(19,591)
Impairment of assets of under construction	-	-	14,359
(Increase) decrease in inventory	-	<b>(13,228)</b>	818
(Increase) decrease in prepaid expenses	-	<b>42,746</b>	(1,874)
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>(1,878,748)</b>	<b>(1,444,937)</b>	<b>(3,600,101)</b>
<b>DECREASE IN NET FINANCIAL ASSETS</b>	<b>1,034,697</b>	<b>(578,167)</b>	<b>(427,365)</b>
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	<b>12,494,714</b>	<b>12,494,714</b>	<b>12,922,079</b>
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	<b>13,529,411</b>	<b>11,916,547</b>	<b>12,494,714</b>

The accompanying notes are an integral part of these financial statements

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**CITY OF MELFORT****NON-CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION**Year ended December 31, 2020

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	2020 \$	2019 \$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	866,770	3,172,736
Amortization	2,343,678	2,276,679
Loss (Gain) on disposal of tangible capital assets	29,691	(19,591)
Impairment of assets under construction	-	14,359
Increase in landfill closure liability	2,617,655	-
	<u>5,857,794</u>	<u>5,444,183</u>
<b>CHANGES IN WORKING CAPITAL</b>		
(Increase) decrease in accounts receivable	(626,111)	(99,071)
(Increase) decrease in taxes receivable	(40,206)	218,037
(Increase) decrease in accrued interest receivable	27,996	26,329
Increase (decrease) in accounts payable and accrued liabilities	(74,864)	577,875
Increase (decrease) in growth incentive rebates	18,000	(12,000)
Increase (decrease) in utility deposits	4,100	3,320
Increase (decrease) in deferred revenue	(101,605)	39,889
Increase (decrease) in funds held in trust	-	(16,845)
(Increase) decrease in prepaid expenses	42,746	(1,874)
(Increase) decrease in inventory	(13,228)	818
	<u>5,094,622</u>	<u>6,180,661</u>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(3,904,760)	(5,978,633)
Proceeds from the disposal of tangible capital assets	56,937	108,141
	<u>(3,847,823)</u>	<u>(5,870,492)</u>
<b>INVESTING ACTIVITIES</b>		
Net disposal (purchase) of investments	833,686	(236,373)
Net decrease (increase) in tax title property	17,112	(231,620)
Collection of local improvement receivable	7,443	8,522
Net increase in land for resale	(108,190)	(517,718)
Net decrease in loans receivable	(831)	(3,805)
	<u>749,220</u>	<u>(980,994)</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of capital lease obligation	(98,768)	(60,701)
<b>INCREASE (DECREASE) IN CASH RESOURCES</b>	<u>1,897,250</u>	<u>(731,526)</u>
<b>CASH RESOURCES, BEGINNING OF YEAR</b>	<u>1,378,242</u>	<u>2,109,768</u>
<b>CASH RESOURCES, END OF YEAR</b>	<u>3,275,492</u>	<u>1,378,242</u>

The accompanying notes are an integral part of these financial statements

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## CITY OF MELFORT

### NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2020

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Reporting Entity

The financial statements consolidate the assets, liabilities and flow of resources of the City of Melfort ("the City"). The entity is comprised of all of the organizations that are owned or controlled by the City and are, therefore, accountable to the Council for the administration of their financial affairs and resources. For the purpose of the financial statements of the City, there are no organizations that require consolidation.

##### *Impact on operations of COVID-19 (coronavirus)*

In early March 2020, the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The City's operations were impacted by COVID-19 due to staff layoffs, closure of community and recreation facilities, and cancellation of organized sport and leisure activities. The impact of COVID-19 has been partially offset by Government funding to be applied towards pandemic-related expenditures and capital projects to facilitate economic recovery.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the City as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced revenue from fees and charges, further layoffs, and modifications to Government grants, all of which may negatively impact the City's business and financial condition.

##### Basis of Accounting

The non-consolidated financial statements of the City have been prepared by management in accordance with accounting standards established by the Public Sector Accounting Board of the Accounting Standards Oversight Council. Significant aspects of the accounting policies are as follows:

##### A. Accounting for school board transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the North East School Division are not reflected in the City fund balances of these financial statements.

##### B. Land for resale

Development costs associated with land for resale are capitalized to specific development projects and proceeds from the sale of these properties are credited to the specific projects. Gains or losses on the sales of properties are recognized once all costs in relation to the specific development project have been incurred.

##### C. Growth incentive rebates

These rebates relate to the sale of lots within the City. Purchasers receive \$6,000 cash back. At the time of sale, the amount is accrued as a liability and is paid out when the purchaser has fulfilled all required conditions.

**NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**

Year ended December 31, 2020

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued from previous page)*

**D. Reserve funds**

Reserve funds are established by council resolution to set aside funds for specific purposes in the future. The maintenance of these funds is completed through the budgeting process and projections of capital projects in the future. Decisions made to utilize these funds are done through council resolutions at the time of preparing the yearly budget.

**E. Cash Resources**

Cash resources includes balances with banks and short-term investments with maturities of three months or less.

**F. Inventory**

Inventory of stock and supplies for internal use is valued at the lower of cost and replacement cost.

**G. Investments**

Portfolio investments are reported at 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

**H. Local Improvement Charges**

Local improvement projects, which are financed by frontage taxes, recognize the prepayment charge as revenue in the period in which the related expenditures occurred. A long-term receivable is recorded for the principal portion of unpaid frontage which is financed through local improvement and frontage levies.

**I. Revenue Recognition**

Revenues are accounted for in the period in which the transactions or events giving rise to the revenues occurred.

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 revenue.

Water and sewer utility consumers are billed on a cyclical basis and may include estimates. No accrual is made for revenues not billed at the year-end.

Government transfers are recognized as either expenditures or revenues in the period that the events giving rise to the transfer occurred, as long as the transfer is authorized, eligibility criteria have been met by the recipient, and a reasonable estimate of the amount can be made. Government transfer amounts received but not earned will be recorded as deferred revenue.

A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability.

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

Contributions received from donations in relation to the Wellness Centre, Airport, and Heliport project are recognized as received. A number of organizations and individuals have made pledges for contributions to be paid over a period of time. These contributions have not been recorded in the financial statements as the ultimate collection cannot be reasonably assured at this time.

Amounts related to donations from outside entities are recorded as revenue at the time the cash is received, as collectability is not assured until that time.

**NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**

Year ended December 31, 2020

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued from previous page)*

**J. Expenditure Recognition**

Expenditures are recognized in the period the goods and services are acquired and a liability is incurred. They also include grants and contributions made when no direct goods or services were acquired.

**K. Basis of Segmentation**

City services have been segmented by grouping activities that have similar service objectives. The segments are as follows:

- **Operating Fund:** This fund includes all activities of the City operations not relating to utilities or waste disposal. These operations have been segmented to different services that the City provides, which includes:
  - **General Government Services:** The general government segment provides for the administration of the City.
  - **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.
  - **Public Health Services:** The public health segment provides for expenses related to public health services in the City.
  - **Economic Development Services:** The economic development segment provides for neighbourhood development and sustainability.
  - **Recreation and Culture Services:** The recreation and culture segment provides for community services through the provision of recreation and leisure services.
- **Water and Sewer Utility Fund:** The utility services segment provides for delivery of water, collecting and treating of wastewater.
- **Landfill Fund:** The landfill service segment provides waste disposal services.
- **Waste Collection Fund:** This segment provides waste collection services to the residents and businesses within the City.
- **Wellness Centre Fund:** This segment includes the revenues and expenses related to the Wellness Centre Clinic that is available to residents of the City of Melfort. It does not include the activity of other public health services within the City.

**NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**

Year ended December 31, 2020

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued from previous page)*

**L. Measurement Uncertainty**

The preparation of financial statements in conformity with public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period.

- Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.
- Tax title property is stated after evaluation as to their fair market value and an appropriate allowance is provided when the fair market value is lesser than the costs that have been incurred or accrued.
- The measurement of stock and supplies are based on estimates of volume and quality.
- The 'Opening Asset costs' of tangible capital assets for 2009 have been estimated where actual costs were not available.
- Amortization is based on the estimated useful lives of tangible capital assets.
- Liability for contaminated sites are based on estimates from costs associated with previous contaminated sites.
- Landfill closure liability is based on the City's best estimate of costs associated with the remediation and closure of the existing landfill.

Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

**M. 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 City:
  - 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.

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**CITY OF MELFORT****NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**Year ended December 31, 2020

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued from previous page)***N. Tangible Capital Assets**

All tangible capital asset acquisitions or betterments made throughout the year are recorded at the acquisition cost. 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 each asset's useful life using the straight-line method of amortization. The City's capital asset useful lives are estimated as follows:

<u>General Assets</u>	<u>Useful Life (years)</u>
Land	Indefinite
Land improvements	20
Buildings	25 - 50
Building Leaseholds	25 - 50
Machinery and equipment	
Information technology	5
Office equipment	8
Other equipment	10 - 15
Food service equipment	15
Water and wastewater equipment	25
Licensed vehicles	10
Infrastructure	
Roads	25 - 40
Sidewalks	40
Traffic lights	25
Airport runway and lighting	30
Water mains	25 - 50
Hydrants	30
Reservoirs	50 - 100
Sanitary lines	50
Lift stations	45
Wastewater treatment	50
Other storm and sewer networks	40

**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.

**Leases:** All leases are recorded in 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 their estimated useful lives. Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

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**CITY OF MELFORT****NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**Year ended December 31, 2020

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	2020 \$	2019 \$
<b>2. ACCOUNTS RECEIVABLE</b>		
Government grants - provincial	60,999	61,168
Government grants - local	88,242	91,450
Saskatchewan Power and Energy	74,219	75,561
Goods and Services Tax	69,535	60,066
	<u>292,995</u>	<u>288,245</u>
Trade accounts	1,835,946	1,125,743
Less: Allowance for doubtful accounts	(105,460)	(54,250)
Less: Amounts for fund-raising pledges not yet received	(641,325)	(578,496)
	<u>1,089,161</u>	<u>492,997</u>
Water and sewage receivables	319,292	292,195
Less: Allowance for doubtful accounts	(22,350)	(20,450)
	<u>296,942</u>	<u>271,745</u>
	<u>1,679,098</u>	<u>1,052,987</u>
Less: Long-term receivables	(260,086)	(224,050)
	<u>1,419,012</u>	<u>828,937</u>

Long-term receivables consist of \$149,366 (2019 - \$224,050) in land sales expected to be received uniformly from 2022 - 2023 and \$110,720 (2019 - \$nil) in community contributions expected to be received before 2030.

**3. TAXES RECEIVABLE**

Taxes receivable - municipal portion	297,968	242,332
Less: General allowance for doubtful accounts	(43,260)	(27,830)
	<u>254,708</u>	<u>214,502</u>

The City is also responsible for assessing and collecting taxes on behalf of other organizations under the Cities Act. As at December 31, 2020, \$78,274 (2019 - \$46,082) in property taxes were collectable on behalf of these organizations. As well, \$102,753 (2019 - \$104,529) of tax title property is being administered on their behalf.

**4. INVESTMENTS**

Long-term investments	9,117,349	9,951,035
Less: Investments maturing in one year	(9,117,349)	(8,285,471)
	<u>-</u>	<u>1,665,564</u>

Investments maturing or redeemed between three months and one year from the balance sheet date are presented as short-term investments on the statement of financial position.

As at December 31, 2020, \$nil (2019 - \$1,665,564) investments mature later than one year, and are therefore recorded as long-term in nature.

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**CITY OF MELFORT****NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**Year ended December 31, 2020

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	2020 \$	2019 \$
<b>5. TAX TITLE PROPERTY</b>		
Tax title property	393,458	414,180
Allowance for market value adjustment	(66,800)	(70,410)
	<u>326,658</u>	<u>343,770</u>

**6. LOCAL IMPROVEMENTS RECEIVABLE**

Local improvements receivable include the portion of local improvements that are financed by the City and then charged to the individual taxpayers over seven years. These loans bear interest at the rate set out in the uniform rate bylaw.

	<u>16,296</u>	<u>23,739</u>
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**7. LAND FOR RESALE**

Balance, beginning of year	2,124,188	1,606,470
Costs incurred for land development	17,740	730,670
Growth incentive rebates set up in the year	18,000	-
Realized gains	257,510	155,388
Proceeds from land sales	(217,760)	(368,340)
Termination of land sale agreement	32,700	-
Balance, end of year	<u>2,232,378</u>	<u>2,124,188</u>

The City has allocated funds for the purchase and servicing of land for resale. Revenue from the sale of lots will be used to offset the development costs of each subdivision on a cost recovery basis. The balance at the end of the year consists of all costs to date relating to the purchase and development of both residential and commercial property, less any amounts that require capitalization.

**8. LOANS RECEIVABLE**

Employee computer loans	<u>8,487</u>	<u>7,656</u>
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The purpose of the employee computer loans is to allow employees of the City to obtain home computers. The employees receive a taxable benefit at the prescribed rate, and payments for the computer loans are taken directly off of the individual's payroll payment.

**9. LEASE OBLIGATIONS**

Self-Contained Breathing Apparatus Equipment lease payable in monthly instalments of \$4,166 including interest at 4.35%, secured by equipment with a net book value of \$167,627.

	103,026	147,297
Lease obligations fulfilled during the year	-	54,497
Capital lease obligation at year-end	<u>103,026</u>	<u>201,794</u>
Less: current portion	46,428	92,929
Long-term capital lease obligation at year-end	<u>56,598</u>	<u>108,865</u>

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**CITY OF MELFORT****NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**Year ended December 31, 2020

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	2020 \$	2019 \$
<b>9. LEASE OBLIGATIONS</b> <i>(Continued from previous page)</i>		
Future minimum lease payments related to the obligation under capital lease are as follows:		
2021	49,998	
2022	49,998	
2023	8,333	
	<u>108,329</u>	
Less: imputed interest	<u>(5,303)</u>	
	<u>103,026</u>	

**10. LONG-TERM DEBT**

The debt limit of the City is \$8,000,000 in accordance with Section 133 of *The Cities Act*.

The City does not have any long-term debt as of December 31, 2020.

**11. LIABILITY FOR CONTAMINATED SITES**

The City has a contaminated site that will require remediation. The estimated cost for remediation is \$166,000 (2019 - \$166,000) per previous costs to remediate a similar property. The City has not yet budgeted for the remediation and does not intend to remediate the site in the immediate future as, in 2018, the City repurposed the property by constructing tennis and basketball courts. As there were no alterations to the soil below, the contamination liability remains unchanged and is recorded as non-current.

**12. LANDFILL CLOSURE AND POST CLOSURE LIABILITY**

Post closure landfill liabilities	<u>2,849,468</u>	<u>231,813</u>
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The City operates a waste disposal utility that is responsible for waste collection, landfill operations, and future site restoration costs. A post closure liability is recognized based on assumptions and estimates as performed by contracted engineers for the costs of closure, site restoration, and post-closure care activities discounted at the City's incremental borrowing rate.

The liability has been calculated based on the following assumptions as per an environmental assessment performed in 2020:

- Decommissioning of current landfill scheduled to occur over the next 5 years
- \$2,460,880 for estimated closure and site remediation costs (2021 - 2026)
- \$40,000 per year for estimated post-closure care activities (2027 - 2051)
- 2.00% incremental borrowing rate

Changes to the underlying assumptions or future legislative changes could have a material impact on the financial statements.

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**CITY OF MELFORT****NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**Year ended December 31, 2020

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	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>13. RESERVE FUND</b>		
General operating fund		
Operating reserves (Schedule 11)	<b>596,603</b>	596,604
Capital reserves (Schedule 12)	<b>7,163,633</b>	5,876,435
Utility operating fund		
Capital reserves	<b>1,411,724</b>	1,436,586
Total Reserves (Schedule 12)	<b>9,171,960</b>	<b>7,909,625</b>
<b>14. CAPITAL TRUST FUND</b>		
The fund represents a pool of capital that enables internal financing of capital projects. Cash reserves for the fund are held by the General Operating Fund.		
Approved fund equity - general	<b>1,400,000</b>	1,400,000
Approved fund equity - utility	<b>4,100,000</b>	4,100,000
	<b>5,500,000</b>	5,500,000
Less: Internally financed loans	<b>5,500,000</b>	5,500,000
Fund balance	<b>-</b>	<b>-</b>
<b>15. INTERNALLY FINANCED LOANS</b>		
<b>Multi-use Facility</b>		
Interest bearing loan payable at a 5.00% interest rate, repayable in an annual instalment of \$406,000, due 2028.	<b>2,620,487</b>	2,882,369
<b>Spruce Haven Recreation Development and Wellness Centre</b>		
Interest bearing loan payable at a 3.50% interest rate, repayable in an annual instalment of \$405,000 in 2020 increasing \$10,000 per year thereafter, due 2033.	<b>5,033,095</b>	5,254,198
Total internal debt	<b>7,653,582</b>	8,136,567

**NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**

Year ended December 31, 2020

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**16. PENSION PLANS**

**Multi-Employer Defined Benefit Plans**

The City contributes to the Municipal Employees' Pension Plan (MEPP).

The MEPP provides retirement benefits based on length of service and pensionable earnings. It is funded by contributions from both the employer and employee at rates set by the Municipal Employees' Pension Commission.

Contributions to the plan are expensed when the contributions are made. Under this plan, the City's obligations are limited to their contributions. Both the employee and employer are required to contribute 9% of the 2020 pensionable earnings of the individual. Total contributions recorded as an expense in 2020 were \$249,597 (2019 - \$252,490).

Due to the fact that the contributions made by the participating members are not segregated within the plan itself, the City is unable to determine their share of the assets and liabilities of the plan. As a result, these items are not included within these financial statements.

**17. RECENT ACCOUNTING PRONOUNCEMENTS**

**Effective for Fiscal Years Beginning 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**, 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.

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## CITY OF MELFORT

### NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2020

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#### 17 RECENT ACCOUNTING PRONOUNCEMENTS *(Continued from previous page)*

- **PS 3280 Asset Retirement Obligations**, 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.

#### **Effective for Fiscal Years Beginning On or After April 1, 2023:**

- **PS 3400, Revenue**, 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 City is currently assessing the impact of adopting the future accounting standards.

#### 18. BUDGET

The budget was approved by Council on January 13, 2020, in relation to the general, utility, waste collection, landfill, and wellness operations.

#### 19. GUARANTEE

The City has guaranteed the construction mortgage of the North East SPCA to a maximum of \$500,000. Should the North East SPCA default on the loan, the City is required to immediately resume payments on their behalf. No liability has been recorded related to this guarantee.

#### 20. COMMITMENTS

In 2017, the City entered into an operating lease agreement with Avatex Development Corporation in relation to the use of the Wellness Centre. The City is committed to paying \$204,000 per year in lease payments, plus operating and maintenance fees, for the use of the building over a 20 year lease term *(see Schedule 7)*.

The City has entered various lease agreements for machinery and equipment which have end dates ranging from 2021-2024.

The estimated minimum annual payments are as follows:

2021	362,845
2022	310,106
2023	263,339
2024	227,108
2025+	2,448,000

#### 21. WELLNESS CENTRE

Operating costs related to the Wellness Centre are financed through operations. Council has resolved that any shortfall in revenues over expenses will be funded by the special capital reserve. It is Management's belief that a loss will be incurred each year and, as such, transfers will be required to fund annual operations.

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**CITY OF MELFORT**

**NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**

Year ended December 31, 2020

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**22. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with current year presentation.

**CITY OF MELFORT**

**SCHEDULE 1 - SCHEDULE OF GENERAL OPERATING REVENUES BY FUNCTION**

Year ended December 31, 2020

<b>Budget 2020 \$</b>		<b>Actual 2020 \$</b>	<b>Actual 2019 \$</b>
<i>(Note 18)</i>			
	<b>TAXATION</b>		
<b>6,330,144</b>	Property levy	<b>6,311,844</b>	6,161,727
<b>2,989</b>	Mobile trailer license fees	<b>2,556</b>	2,542
<b>(70,000)</b>	Less: Sask. Assessment Management Agency service costs	<b>(66,576)</b>	(67,777)
<b>6,263,133</b>		<b>6,247,824</b>	6,096,492
	<b>GRANTS IN LIEU OF TAXES</b>		
<b>22,561</b>	Federal	<b>23,187</b>	22,561
	Provincial		
<b>139,000</b>	SaskEnergy Gas	<b>149,152</b>	157,846
<b>93,272</b>	Other provincial	<b>95,858</b>	93,272
<b>254,833</b>		<b>268,197</b>	273,679
<b>1,207,828</b>	<b>PROVINCIAL GRANT - REVENUE SHARING</b>	<b>1,208,375</b>	1,092,032
<b>-</b>	<b>PROVINCIAL GRANT - SAFE RESTART</b>	<b>357,447</b>	-
<b>-</b>	<b>GOVERNMENT GRANTS - NEW DEAL</b>	<b>530,292</b>	705,926
<b>87,949</b>	<b>GOVERNMENT GRANTS - PROVINCIAL</b>	<b>85,298</b>	89,706
<b>-</b>	<b>GOVERNMENT GRANTS - MEEP</b>	<b>10,000</b>	-
<b>1,295,777</b>		<b>2,191,412</b>	1,887,664
	<b>FISCAL REVENUES</b>		
<b>625,000</b>	S.P.C. Electric surcharge	<b>678,475</b>	679,950
<b>54,300</b>	Licenses and permits	<b>47,338</b>	48,773
<b>7,896</b>	Property rentals	<b>48,639</b>	97,097
<b>216,500</b>	Return on investments	<b>262,504</b>	281,469
<b>65,000</b>	Tax penalties	<b>34,012</b>	69,712
<b>-</b>	Tax title property sales	<b>(81)</b>	(91,539)
<b>968,696</b>		<b>1,070,885</b>	1,085,462
<b>8,782,439</b>	<b>TOTAL TAXATION AND OTHER UNCONDITIONAL REVENUE</b>	<b>9,778,318</b>	9,343,297
	<b>PROGRAM REVENUES</b>		
<b>16,000</b>	General government services	<b>14,295</b>	8,398
<b>16,000</b>		<b>14,295</b>	8,398
	Protective services:		
<b>64,064</b>	Police protection	<b>67,278</b>	70,494
<b>85,000</b>	Fire protection	<b>134,349</b>	132,824
<b>65,000</b>	Building inspection	<b>61,280</b>	49,275
<b>-</b>	Mosquito control	<b>350</b>	350
<b>5,000</b>	Bylaw enforcement	<b>1,377</b>	11,195
<b>8,050</b>	Animal control	<b>7,256</b>	7,999
<b>227,114</b>		<b>271,890</b>	272,137

# CITY OF MELFORT

## SCHEDULE 1 - SCHEDULE OF GENERAL OPERATING REVENUES BY FUNCTION

Year ended December 31, 2020

<b>Budget 2020 \$</b>		<b>Actual 2020 \$</b>	<b>Actual 2019 \$</b>
<i>(Note 18)</i>			
	Transportation services:		
<b>15,000</b>	Mechanic and shop charges	<b>8,809</b>	13,699
<b>1,000</b>	Roads and streets	<b>114</b>	2,687
<b>135,720</b>	Air transportation	<b>76,025</b>	139,342
<b>61,659</b>	Disability transit	<b>43,971</b>	63,716
<b>213,379</b>		<b>128,919</b>	219,444
	Public health services:		
<b>43,500</b>	Cemetery	<b>43,825</b>	42,110
<b>43,500</b>		<b>43,825</b>	42,110
	Economic Development:		
-	Community Project - Heliport	<b>533,949</b>	-
-		<b>533,949</b>	-
	Recreation and culture services:		
<b>2,000</b>	Administration	<b>9,731</b>	9,483
<b>51,411</b>	Trust initiative program	<b>51,411</b>	51,411
<b>225,000</b>	Kerry Vickar Centre	<b>81,758</b>	249,309
	Northern Lights Palace		
<b>237,500</b>	Arena	<b>180,512</b>	226,904
<b>295,000</b>	Leisure pool	<b>69,946</b>	262,752
<b>2,000</b>	Parks	<b>4,366</b>	2,267
<b>5,000</b>	Playgrounds	<b>28,639</b>	12,648
-	Post Office	-	-
<b>24,000</b>	Campgrounds	<b>39,520</b>	30,338
<b>12,000</b>	Sports fields	<b>2,283</b>	10,950
<b>853,911</b>		<b>468,167</b>	856,062
<b>1,353,904</b>	<b>TOTAL PROGRAM REVENUES</b>	<b>1,461,045</b>	1,398,151
<b>10,136,343</b>	<b>TOTAL OPERATING REVENUES</b>	<b>11,239,364</b>	10,741,448

**CITY OF MELFORT**

**SCHEDULE 2 - SCHEDULE OF GENERAL OPERATING EXPENSES BY FUNCTION**

Year ended December 31, 2020

<b>Budget 2020 \$</b>		<b>Actual 2020 \$</b>	<b>Actual 2019 \$</b>
<i>(Note 18)</i>			
<b>GENERAL GOVERNMENT SERVICES</b>			
-	Amortization	53,551	53,551
61,914	City Hall	67,556	66,650
47,100	Debt charges	124,346	74,217
723,251	Finance and administration	769,879	707,284
318,974	Legislative	302,470	289,996
<b>1,151,239</b>		<b>1,317,800</b>	<b>1,191,698</b>
<b>PROTECTIVE SERVICES</b>			
14,500	911 system	15,524	15,140
26,845	Animal control	26,986	25,272
-	Amortization	59,845	59,401
98,332	Building inspection	103,776	103,131
143,711	Bylaw enforcement	94,340	70,827
294,988	Fire protection	274,883	279,716
-	Mosquito control	27	121
17,375	Other protective services	6,505	12,427
1,071,412	Police protection	970,153	1,089,017
<b>1,667,164</b>		<b>1,552,040</b>	<b>1,655,052</b>
<b>TRANSPORTATION SERVICES</b>			
204,166	Administration	187,244	236,623
136,431	Air transportation	101,313	203,603
-	Amortization	786,944	762,454
106,254	Disability transit	99,150	106,004
	Roads and streets		
55,000	Crack filling	39,197	38,809
78,000	Dust control	77,137	91,338
870,532	General	747,979	688,652
134,000	Patching	148,680	182,054
-	Snow and ice removal	99,923	69,763
50,000	Sidewalks	5,704	43,129
242,500	Street lighting and traffic services	261,414	275,952
148,142	Workshop	150,896	206,010
187,825	Vehicle and equipment pool	272,658	333,504
<b>2,212,850</b>		<b>2,978,238</b>	<b>3,237,895</b>

**CITY OF MELFORT**

**SCHEDULE 2 - SCHEDULE OF GENERAL OPERATING EXPENSES BY FUNCTION**

Year ended December 31, 2020

<b>Budget 2020 \$</b>		<b>Actual 2020 \$</b>	<b>Actual 2019 \$</b>
<i>(Note 18)</i>			
	<b>PUBLIC HEALTH SERVICES</b>		
-	Amortization	2,324	2,324
<b>51,092</b>	Cemetery	<b>26,065</b>	63,501
<b>51,092</b>		<b>28,390</b>	65,825
	<b>ECONOMIC DEVELOPMENT SERVICES</b>		
<b>26,500</b>	Community development	<b>18,357</b>	38,797
<b>51,546</b>	Community planning	<b>57,232</b>	2,027
<b>32,300</b>	Economic development	<b>22,535</b>	69,642
-	Community project - Heliport	<b>533,949</b>	-
<b>110,346</b>		<b>632,074</b>	110,466
	<b>RECREATION AND CULTURE SERVICES</b>		
<b>428,286</b>	Administration	<b>437,217</b>	423,621
-	Amortization	<b>751,328</b>	709,891
<b>39,800</b>	Campgrounds	<b>24,178</b>	50,490
<b>72,861</b>	Heritage	<b>73,573</b>	62,643
<b>475,696</b>	Kerry Vickar Centre	<b>313,855</b>	494,065
<b>161,497</b>	Libraries (Wapiti and Local)	<b>158,885</b>	161,196
<b>320,330</b>	Municipal and regional parks	<b>247,368</b>	332,315
	Northern Lights Palace		
<b>492,859</b>	Arena	<b>486,123</b>	470,133
<b>823,605</b>	Leisure pool	<b>453,464</b>	817,308
<b>34,760</b>	Playgrounds	<b>37,702</b>	37,151
<b>21,400</b>	Post Office	<b>28,785</b>	33,938
<b>38,970</b>	Sports fields	<b>11,519</b>	48,309
<b>45,500</b>	Spruce Haven	<b>38,837</b>	-
<b>51,411</b>	Trust initiative program	<b>51,411</b>	51,036
<b>79,918</b>	Vehicle pool and storage	<b>115,221</b>	112,975
<b>3,086,892</b>		<b>3,229,465</b>	3,805,071
<b>8,279,583</b>	<b>TOTAL EXPENSES</b>	<b>9,738,007</b>	10,066,007
<b>1,856,760</b>	<b>EXCESS OF OPERATING REVENUES OVER EXPENSES</b>	<b>1,501,357</b>	675,441

**CITY OF MELFORT**

**SCHEDULE 3 - SCHEDULE OF WATER AND SEWER UTILITY OPERATIONS**

Year ended December 31, 2020

<b>Budget 2020 \$</b>		<b>Actual 2020 \$</b>	<b>Actual 2019 \$</b>
<i>(Note 18)</i>			
	<b>REVENUES</b>		
<b>2,752,210</b>	Sale of water	<b>2,756,001</b>	2,641,320
<b>74,225</b>	Other water revenues	<b>46,637</b>	147,907
<b>2,826,435</b>		<b>2,802,638</b>	2,789,227
	<b>EXPENSES</b>		
<b>210,341</b>	Administration	<b>259,998</b>	216,232
-	Amortization	<b>537,619</b>	546,483
<b>71,244</b>	Meter reading	<b>75,868</b>	53,635
<b>116,864</b>	Sewage collection	<b>107,174</b>	107,213
<b>10,500</b>	Sewage lagoons	<b>7,782</b>	11,138
<b>75,900</b>	Sewage pump stations	<b>58,411</b>	66,208
<b>145,641</b>	Tools and equipment	<b>140,755</b>	123,298
<b>1,372,514</b>	Treated water purchase - SaskWater	<b>1,333,091</b>	1,157,481
<b>84,000</b>	Utility service connections	<b>18,253</b>	85,304
<b>206,687</b>	Water distribution	<b>170,801</b>	280,493
<b>35,000</b>	Water treatment	<b>72,843</b>	35,185
<b>2,328,691</b>		<b>2,782,596</b>	2,682,670
<b>497,744</b>	<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>20,042</b>	106,557

**CITY OF MELFORT**

**SCHEDULE 4 - SCHEDULE OF LANDFILL OPERATIONS**

Year ended December 31, 2020

<b>Budget 2020 \$</b>		<b>Actual 2020 \$</b>	<b>Actual 2019 \$</b>
<i>(Note 18)</i>			
	<b>REVENUES</b>		
<b>888,495</b>	Waste disposal	<b>817,577</b>	1,032,539
<b>9,900</b>	Eco centre	<b>12,134</b>	14,124
<b>898,395</b>		<b>829,711</b>	1,046,663
	<b>EXPENSES</b>		
-	Amortization	<b>74,770</b>	65,278
<b>480,241</b>	Waste disposal	<b>639,018</b>	622,209
<b>12,328</b>	Post-closure landfill costs	<b>2,617,655</b>	-
<b>900</b>	Eco centre	<b>1,180</b>	752
<b>493,469</b>		<b>3,332,622</b>	688,239
<b>404,926</b>	<b>(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES</b>	<b>(2,502,912)</b>	358,424

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**CITY OF MELFORT****SCHEDULE 5 - SCHEDULE OF WASTE COLLECTION OPERATIONS**

Year ended December 31, 2020

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<b>Budget 2020 \$</b>		<b>Actual 2020 \$</b>	<b>Actual 2019 \$</b>
<u>(Note 18)</u>			
	<b>REVENUES</b>		
<b>369,946</b>	Waste collection	<b>379,796</b>	372,013
<b>66,150</b>	Grant revenue	<b>66,102</b>	66,129
<b>436,096</b>		<b>445,898</b>	438,142
	<b>EXPENSES</b>		
<b>244,935</b>	Waste collection	<b>248,906</b>	239,762
<b>23,954</b>	Compost site	<b>8,624</b>	30,155
<b>268,889</b>		<b>257,531</b>	269,917
<b>167,207</b>	<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>188,367</b>	168,225

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# CITY OF MELFORT

## SCHEDULE 6 - SCHEDULE OF CAPITAL OPERATIONS

Year ended December 31, 2020

Budget 2020 \$		Actual 2020 \$	Actual 2019 \$
(Note 18)			
	<b>REVENUES</b>		
-	Government grants	332,750	1,417,964
-	Federal capital grants	38,000	89,408
-	Municipal Economic Enhancement Program	823,862	-
-	Community donations for multi-use facility	77,059	213,105
-	Community partnerships for capital infrastructure	70,000	-
-	Gain on land sales	257,510	205,388
-	(Loss) Gain on disposal of tangible capital assets	(29,691)	19,591
5,000	Other capital revenue	148,742	47,441
<u>5,000</u>		<u>1,718,233</u>	<u>1,992,897</u>
	<b>EXPENSES</b>		
-	General government services	-	-
-	Protective services	-	-
-	Transportation services	-	-
-	Recreation and culture services	-	-
-	Utility services	-	-
<u>-</u>		<u>-</u>	<u>-</u>
<u>5,000</u>	<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>1,718,233</u>	<u>1,992,897</u>

**CITY OF MELFORT**

**SCHEDULE 7 - SCHEDULE OF WELLNESS CENTRE OPERATIONS**

Year ended December 31, 2020

<b>Budget 2020 \$</b>		<b>Actual 2020 \$</b>	<b>Actual 2019 \$</b>
<i>(Note 18)</i>			
	<b>REVENUES</b>		
<b>218,400</b>	Lease revenue	<b>261,850</b>	179,400
<b>33,493</b>	Contributions	<b>33,493</b>	33,493
<b>251,893</b>		<b>295,343</b>	212,893
	<b>EXPENSES</b>		
-	Amortization	<b>77,298</b>	77,298
<b>254,435</b>	Lease expense	<b>263,010</b>	251,050
<b>15,650</b>	Utility	<b>13,352</b>	13,353
<b>270,085</b>		<b>353,660</b>	341,701
<b>(18,192)</b>	<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<b>(58,317)</b>	(128,808)

CITY OF MELFORT

SCHEDULE 8 - SCHEDULE OF SEGMENT DISCLOSURE AND EXPENSES BY OBJECT

Year ended December 31, 2020

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Utility Services	Other Capital Revenues	Total
<b>REVENUES</b>									
Fees and charges	3,910	59,214	32,230	1,251,097	-	375,998	2,762,662	-	4,485,110
Municipal grants	-	88,242	-	-	-	-	-	-	88,242
Other grants	-	-	24,463	66,102	-	51,411	-	-	141,976
Wellness Centre	-	-	-	295,343	-	-	-	-	295,343
Other revenues	10,385	124,434	72,226	2,234	533,949	40,758	34,534	33,685	852,206
Interest income	-	-	-	-	-	-	5,442	-	5,442
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	(29,691)	(29,691)
Gain on sale of land development	-	-	-	-	-	-	-	257,510	257,510
Government grants - capital	-	-	-	-	-	-	-	1,371,612	1,371,612
Capital fundraising	-	-	-	-	-	-	-	85,117	85,117
<b>TOTAL REVENUES</b>	<b>14,295</b>	<b>271,890</b>	<b>128,919</b>	<b>1,614,777</b>	<b>533,949</b>	<b>468,167</b>	<b>2,802,638</b>	<b>1,718,233</b>	<b>7,552,867</b>
<b>EXPENSES</b>									
Wages and benefits	697,086	401,689	799,625	168,609	56,883	1,318,576	434,218	-	3,876,686
Professional/contractual services	144,811	903,077	391,099	3,145,294	547,695	6,910	56,833	-	5,195,719
Utilities	41,727	19,089	201,063	19,634	3,277	433,214	97,124	-	815,128
Insurance	12,906	5,639	53,955	2,477	-	142,277	43,679	-	260,932
Maintenance, materials and supplies	68,493	72,512	738,457	325,975	2,936	398,424	1,605,142	-	3,211,939
Grants and contributions	-	-	-	-	6,874	221,398	-	-	228,272
Amortization	53,551	59,845	786,944	154,392	-	751,328	537,619	-	2,343,678
Interest	124,346	-	-	-	-	-	-	-	124,346
Other	174,881	90,189	7,096	155,821	14,408	(42,660)	7,982	-	407,717
<b>TOTAL EXPENSES</b>	<b>1,317,800</b>	<b>1,552,040</b>	<b>2,978,238</b>	<b>3,972,203</b>	<b>632,074</b>	<b>3,229,465</b>	<b>2,782,596</b>	<b>-</b>	<b>16,464,416</b>
<b>SURPLUS (DEFICIT) BY FUNCTION</b>	<b>(1,303,505)</b>	<b>(1,280,150)</b>	<b>(2,849,319)</b>	<b>(2,357,426)</b>	<b>(98,124)</b>	<b>(2,761,299)</b>	<b>20,042</b>	<b>1,718,233</b>	<b>(8,911,548)</b>
Taxation and other unconditional revenue ( <i>Schedule 1</i> )									9,778,318
<b>EXCESS OF REVENUES OVER EXPENSES</b>									<b>866,770</b>

CITY OF MELFORT

**SCHEDULE 9 - SCHEDULE OF PRIOR YEAR SEGMENT DISCLOSURE AND EXPENSES BY OBJECT**

Year ended December 31, 2019

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Utility Services	Other Capital Revenues	Total
<b>REVENUES</b>									
Fees and charges	4,100	62,430	48,685	1,455,687	-	781,094	2,641,419	-	4,993,415
Municipal grants	-	85,693	-	-	-	-	-	-	85,693
Other grants	-	-	22,659	66,129	-	51,411	-	-	140,199
Wellness centre	-	-	-	212,893	-	-	-	-	212,893
Other revenues	4,298	124,014	148,100	5,099	-	23,557	137,836	47,441	490,345
Interest income	-	-	-	-	-	-	9,972	-	9,972
Gain on disposal of tangible capital assets	-	-	-	-	-	-	-	19,591	19,591
Gain on sale of land development	-	-	-	-	-	-	-	205,388	205,388
Government grants - capital	-	-	-	-	-	-	-	1,507,372	1,507,372
Capital fundraising	-	-	-	-	-	-	-	213,105	213,105
<b>TOTAL REVENUES</b>	<b>8,398</b>	<b>272,137</b>	<b>219,444</b>	<b>1,739,808</b>	<b>-</b>	<b>856,062</b>	<b>2,789,227</b>	<b>1,992,897</b>	<b>7,877,973</b>
<b>EXPENSES</b>									
Wages and benefits	664,574	382,579	842,322	250,863	24,814	1,641,580	466,156	-	4,272,888
Professional/contractual services	115,961	1,008,812	376,585	343,142	15,675	61,368	54,443	-	1,975,986
Utilities	40,587	17,812	199,368	19,585	3,176	573,424	88,988	-	942,940
Insurance	11,793	2,826	53,932	1,830	-	130,624	41,201	-	242,206
Maintenance, materials and supplies	56,999	101,292	997,707	372,006	6,582	523,171	1,479,868	-	3,537,625
Grants and contributions	-	-	-	-	8,686	212,467	-	-	221,153
Amortization	53,551	59,401	762,454	144,900	-	709,891	546,483	-	2,276,680
Interest	74,217	-	-	-	-	-	-	-	74,217
Other	174,016	82,330	5,527	233,356	51,533	(47,454)	5,531	-	504,839
<b>TOTAL EXPENSES</b>	<b>1,191,698</b>	<b>1,655,052</b>	<b>3,237,895</b>	<b>1,365,682</b>	<b>110,466</b>	<b>3,805,071</b>	<b>2,682,670</b>	<b>-</b>	<b>14,048,534</b>
<b>SURPLUS (DEFICIT) BY FUNCTION</b>	<b>(1,183,300)</b>	<b>(1,382,915)</b>	<b>(3,018,451)</b>	<b>374,126</b>	<b>(110,466)</b>	<b>(2,949,009)</b>	<b>106,557</b>	<b>1,992,897</b>	<b>(6,170,561)</b>

Taxation and other unconditional revenue (*Schedule 1*)

9,343,297

**EXCESS OF REVENUES OVER EXPENSES**

**3,172,736**

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**CITY OF MELFORT****SCHEDULE 10 - SCHEDULE OF CHANGES IN UNAPPROPRIATED SURPLUS**Year ended December 31, 2020

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	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>BALANCE, BEGINNING OF YEAR</b>	<b>4,254,654</b>	<b>2,726,510</b>
<b>CHANGES IN FINANCIAL ACTIVITIES</b>		
Excess of revenues over expenses		
General operating fund ( <i>Schedule 2</i> )	<b>1,501,357</b>	675,441
Utility operating fund ( <i>Schedule 3</i> )	<b>20,042</b>	106,557
Landfill operating fund ( <i>Schedule 4</i> )	<b>(2,502,912)</b>	358,424
Waste collection operating fund ( <i>Schedule 5</i> )	<b>188,367</b>	168,225
Capital fund ( <i>Schedule 6</i> )	<b>1,718,233</b>	1,992,897
Wellness Centre ( <i>Schedule 7</i> )	<b>(58,317)</b>	(128,808)
	<b>866,770</b>	3,172,736
<b>CHANGES IN UNAPPROPRIATED SURPLUS FROM TRANSFER ACTIVITY</b>		
Transfer from reserve to surplus	<b>2,316,788</b>	4,524,527
Transfer from surplus to repayment of internal borrowing	<b>(485,460)</b>	(494,125)
Transfer from surplus to general reserves	<b>(2,062,084)</b>	(1,840,291)
Transfer of prior year surplus to reserves	<b>(666,009)</b>	(149,248)
Transfer to investment in capital	<b>(1,474,454)</b>	(3,599,046)
Transfer to general reserves for internal borrowing purposes	<b>(36,224)</b>	(86,409)
	<b>(2,407,443)</b>	(1,644,592)
<b>UNAPPROPRIATED SURPLUS BALANCE, END OF YEAR</b>	<b>2,713,981</b>	<b>4,254,654</b>

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**CITY OF MELFORT****SCHEDULE 11 - SCHEDULE OF APPROPRIATED AND ACCUMULATED SURPLUS**Year ended December 31, 2020

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	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>TOTAL RESERVES</b>		
<b>Balance, beginning of year</b>	<b>7,909,625</b>	<b>9,238,730</b>
<b>Additions</b>		
General capital fund	<b>2,119,429</b>	<b>1,432,791</b>
Utility operating fund	<b>436,000</b>	<b>407,500</b>
Prior years excess	<b>172,664</b>	<b>149,248</b>
Repayment of internal debt	<b>485,460</b>	<b>515,125</b>
	<b>3,213,553</b>	<b>2,504,664</b>
<b>Deductions</b>		
General capital fund	<b>(1,383,805)</b>	<b>(2,944,145)</b>
Utility capital fund	<b>(567,418)</b>	<b>(889,624)</b>
Capital trust fund	<b>-</b>	<b>-</b>
	<b>(1,951,223)</b>	<b>(3,833,769)</b>
<b>Balance, end of year</b>	<b>9,171,955</b>	<b>7,909,625</b>

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**LAND DEVELOPMENT FUND**

<b>Balance, beginning of year</b>	<b>545,645</b>	<b>1,170,993</b>
<b>Additions</b>	<b>36,224</b>	<b>65,408</b>
<b>Deductions</b>	<b>365,565</b>	<b>690,756</b>
<b>Balance, end of year</b>	<b>216,304</b>	<b>545,645</b>

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**CITY OF MELFORT****SCHEDULE 11 - SCHEDULE OF APPROPRIATED AND ACCUMULATED SURPLUS**Year ended December 31, 2020

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	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>		
<b>Balance, beginning of year</b>	<b>48,097,302</b>	44,498,257
<b>Additions</b>	<b>3,904,760</b>	5,978,633
<b>Deductions</b>		
Amortization	<b>(2,343,678)</b>	(2,276,679)
Capital asset disposals (cost less accumulated amortization)	<b>(86,628)</b>	(102,909)
	<b>(2,430,306)</b>	(2,379,588)
	<hr/>	
<b>Balance, end of year</b>	<b>49,571,756</b>	48,097,302
	<hr/>	
<b>TOTAL APPROPRIATED SURPLUS</b>		
Total reserves (page 28)	<b>9,171,955</b>	7,909,625
Land development fund (page 28)	<b>216,304</b>	545,645
Investment in tangible capital assets (Schedule 13 - 14)	<b>49,571,756</b>	48,097,302
	<b>58,960,015</b>	56,552,572
	<hr/>	
<b>TOTAL UNAPPROPRIATED SURPLUS (Schedule 10)</b>	<b>2,713,981</b>	4,254,654
	<hr/>	
<b>ACCUMULATED SURPLUS</b>	<b>61,673,996</b>	60,807,226
	<hr/>	

**CITY OF MELFORT**

**SCHEDULE 12 - SCHEDULE OF RESERVES**

Year ended December 31, 2020

	Balance, Beginning of Year \$	Transfers from (to) Operations \$	Transfer (to) from Equity \$	Transfers for Capital Purposes \$	Balance, End of Year \$
<b>A. GENERAL FUND</b>					
<b>OPERATING RESERVES</b>					
Mill rate stabilization	622,981	-	-	-	622,981
Economic development study	(26,377)	-	-	-	(26,377)
	<b>596,604</b>	-	-	-	<b>596,604</b>
<b>CAPITAL RESERVES</b>					
General government services:					
Computer equipment and software	163,110	25,201	-	-	188,311
Development levy	121,633	41,100	-	-	162,733
Protective services:					
Fire trucks	-	37,802	(12,802)	(25,000)	-
Fire hall and equipment	598	-	-	-	598
Police/EMO equipment	34	-	-	-	34
Transportation services:					
Transportation machinery/equipment	426,765	88,205	-	(74,175)	440,795
Workshop equipment	32,439	-	-	-	32,439
Airport equipment/site/facilities	44,196	12,601	-	-	56,797
Special needs transit van	28,082	-	-	-	28,082
Local improvements	1,056,630	44,103	-	-	1,100,733
Prepaid flankage	5,962	-	-	-	5,962
General street upgrades	191,980	31,502	-	(40,000)	183,482
Sidewalks	266,415	44,103	-	-	310,518
Fleet replacement	1,201,519	304,247	12,802	(372,915)	1,145,653
Linear infrastructure replacement	645,898	650,000	-	(313,930)	981,968
Environmental health services:					
Waste disposal site building	(105,945)	-	526,649	(360,635)	60,069
Waste collection equipment	-	-	-	-	-
Public health services:					
Cemetery site	(18,650)	-	-	-	(18,650)
Cemetery site perpetual care	4,850	700	-	-	5,550
Recreation and culture services:					
Administration	13,200	-	-	-	13,200
Playgrounds	5,785	-	-	-	5,785
Parks	44,657	6,300	-	-	50,957
Parks equipment - replacement	594,291	56,703	-	(25,000)	625,994
Northern Lights Palace	108,319	31,502	-	(81,620)	58,201
Special capital	619,862	7,885	12,459	-	640,206
City facilities	386,663	737,475	-	(48,050)	1,076,088
Facility maintenance	38,142	-	12,459	(42,480)	8,121
	<b>5,876,435</b>	<b>2,119,429</b>	<b>551,567</b>	<b>(1,383,805)</b>	<b>7,163,626</b>
<b>TOTAL GENERAL RESERVES</b>	<b>6,473,039</b>	<b>2,119,429</b>	<b>551,567</b>	<b>(1,383,805)</b>	<b>7,760,230</b>

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**CITY OF MELFORT****SCHEDULE 12 - SCHEDULE OF RESERVES**Year ended December 31, 2020

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	<b>Balance, Beginning of Year \$</b>	<b>Transfers from (to) Operations \$</b>	<b>Transfer (to) from Equity \$</b>	<b>Transfers for Capital Purposes \$</b>	<b>Balance, End of Year \$</b>
<b>B. UTILITY FUND</b>					
Water conservation program	42,717	20,000	-	-	62,717
Utility equipment	212,724	50,000	-	(57,650)	205,074
Water distribution system	1,001,609	327,500	-	(509,768)	819,341
Water rate stabilization	134,498	-	106,557	-	241,055
Sewage disposal system	45,038	38,500	-	-	83,538
<b>TOTAL UTILITY RESERVES</b>	<b>1,436,586</b>	<b>436,000</b>	<b>106,557</b>	<b>(567,418)</b>	<b>1,411,725</b>
<b>TOTAL RESERVES</b>	<b>7,909,625</b>	<b>2,555,429</b>	<b>658,124</b>	<b>(1,951,223)</b>	<b>9,171,955</b>

CITY OF MELFORT

**SCHEDULE 13 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT**

Year ended December 31, 2020

	2020								2019	
	General Assets						Infrastructure Assets	General/ Infrastructure	Total	Total
	Land	Land Improvements	Buildings	Buildings Lease	Vehicles	Machinery & Equipment	Linear Assets	Assets Under Construction		
<b>ASSET COST</b>										
Opening asset costs	306,630	6,116,326	31,005,527	1,545,953	1,236,894	6,412,676	45,078,098	196,983	91,899,087	86,473,158
Additions during the year	-	255,059	133,420	-	34,556	248,399	2,986,056	247,270	3,904,760	5,978,633
Disposals and write-downs during the year	-	-	-	-	(12,539)	(126,955)	(25,602)	(9,436)	(174,532)	(552,704)
Transfers from assets under construction	-	-	-	-	-	-	213,455	(213,455)	-	-
<b>CLOSING ASSET COSTS</b>	306,630	6,371,385	31,138,947	1,545,953	1,258,911	6,534,120	48,252,007	221,362	95,629,315	91,899,087
<b>ACCUMULATED AMORTIZATION COST</b>										
Opening accumulated amortization costs	-	1,897,834	11,700,962	115,947	935,032	3,993,679	25,158,330	-	43,801,785	41,974,901
Add: Amortization taken	-	252,915	628,133	77,298	53,328	257,350	1,074,654	-	2,343,678	2,276,679
Less: Accumulated amortization on disposals	-	-	-	-	(11,239)	(51,063)	(25,602)	-	(87,904)	(449,795)
<b>CLOSING ACCUMULATED AMORTIZATION COSTS</b>	-	2,150,749	12,329,095	193,245	977,121	4,199,966	26,207,382	-	46,057,559	43,801,785
<b>NET BOOK VALUE</b>	306,630	4,220,636	18,809,852	1,352,708	281,790	2,334,154	22,044,625	221,362	49,571,756	48,097,302

Amortization of \$22,350 (2019 - \$28,674) relating to capital leased assets is included in the total amortization for machinery and equipment.

**CITY OF MELFORT**

**SCHEDULE 14 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION**

Year ended December 31, 2020

	<b>2020</b>						<b>2019</b>
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Recreation & Culture	Utility Services	Total
<b>ASSET COST</b>							
Opening asset costs	2,528,836	1,612,589	29,705,331	63,047	32,761,251	25,228,033	91,899,087
Additions during the year	-	-	1,844,240	209,021	504,528	1,346,971	3,904,760
Disposals and write-downs during the year	-	-	(116,801)	(41,525)	-	(16,206)	(174,532)
Transfers from assets under construction	-	-	-	-	-	-	-
<b>CLOSING ASSET COSTS</b>	<b>2,528,836</b>	<b>1,612,589</b>	<b>31,432,770</b>	<b>230,543</b>	<b>33,265,779</b>	<b>26,558,798</b>	<b>95,629,315</b>
<b>ACCUMULATED AMORTIZATION COST</b>							
Opening accumulated amortization costs	1,214,529	964,961	16,643,847	64,051	11,727,433	13,186,964	43,801,785
Add: Amortization taken	53,551	59,845	786,944	77,094	828,625	537,619	2,343,678
Less: Accumulated amortization on disposals			(39,609)	(32,090)	-	(16,205)	(87,904)
<b>CLOSING ACCUMULATED AMORTIZATION COSTS</b>	<b>1,268,080</b>	<b>1,024,806</b>	<b>17,391,182</b>	<b>109,055</b>	<b>12,556,058</b>	<b>13,708,378</b>	<b>46,057,559</b>
<b>NET BOOK VALUE</b>	<b>1,260,756</b>	<b>587,783</b>	<b>14,041,588</b>	<b>121,488</b>	<b>20,709,721</b>	<b>12,850,420</b>	<b>49,571,756</b>