

Town of Norquay
FINANCIAL STATEMENTS
Year Ended December 31, 2020

Town of Norquay
Norquay, Saskatchewan
December 31, 2020

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Management's Responsibility

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

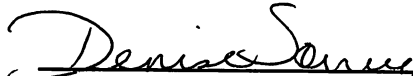
In discharging its responsibilities for the integrity and fair presentation of the financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately 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 municipality. The council is responsible for overseeing management in the performance of its financial reporting responsibilities. The council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with external auditors. The council is also responsible for recommending the appointment of the municipality's external auditors.

Baker Tilly SK LLP, 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 management to discuss their audit findings.



Mayor



Administrator

Independent Auditors' Report

To the Council
Town of Norquay

Opinion

We have audited the financial statements of Town of Norquay, (the municipality), which comprise the Statement of Financial Position as at December 31, 2020 and the Statements of Operations, Changes in Net Financial Assets and Cash Flow 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 municipality as at December 31, 2020, and results of its operations and its cash flow 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 municipality 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 the 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 municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Council is responsible for overseeing the municipality's financial reporting process.



Auditors' Responsibilities 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 municipality 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.

Baker Tilly SK LLP

Baker Tilly SK LLP

Yorkton, SK
March 9, 2021

Town of Norquay
Norquay, Saskatchewan
Statement of Financial Position as at December 31, 2020

Statement 1

	2020	2019 (Note 12)
Assets		
Financial Assets		
Cash and temporary investments - note 2	575,348	458,996
Taxes receivable - municipal - note 3	29,557	37,218
Other accounts receivable - note 4	39,385	34,978
Land for resale - note 5	691	3,672
Long-term investments - note 6	12,157	11,794
Total Financial Assets	<u>657,138</u>	<u>546,658</u>
Liabilities		
Accounts payable	1,633	7,189
Accrued liabilities	6,279	12,849
Deferred revenue - note 9	244,732	143,037
Long-term debt - note 10	300,000	350,000
Total Liabilities	<u>552,644</u>	<u>513,075</u>
Net Financial Assets	<u>104,494</u>	<u>33,583</u>
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	2,573,449	2,612,230
Prepayments and deferred charges	22,963	22,495
Stock and supplies - note 7	35,963	42,263
Total Non-Financial Assets	<u>2,632,375</u>	<u>2,676,988</u>
Accumulated Surplus - schedule 8	<u>\$ 2,736,869</u>	<u>\$ 2,710,571</u>

Approved on behalf of the council:

Mayor

Councillor

*The notes to financial statements are an integral
part of these financial statements.*

Town of Norquay
Statement of Operations
For the year ended December 31, 2020

Statement 2

	2020 Budget [Note 1(t)]	2020 Actual	2019 Actual (Note 12)
Revenues			
Taxes and other unconditional revenue			
- schedule 1	499,377	521,873	475,242
Fees and charges - schedules 4 and 5	289,721	287,589	281,798
Land sales - gain - schedules 4 and 5	200	391	(3,375)
Investment income and commissions - schedules 4 and 5	5,500	4,609	10,803
Other revenues - schedules 4 and 5	350	350	350
Total Revenue	<u>794,798</u>	<u>814,812</u>	<u>764,468</u>
Expenses - schedule 3			
General government services	145,785	159,297	151,942
Protective services	29,388	26,711	32,076
Transportation services	256,797	187,649	191,481
Environmental and public health services	93,831	90,743	86,809
Planning and development services	50	50	50
Recreation and cultural services	58,837	54,222	59,706
Utilities services	230,194	280,776	267,738
Total Expenses	<u>814,882</u>	<u>799,398</u>	<u>789,752</u>
Surplus (Deficit) of Revenues over Expenses Before Other Capital Contributions	(20,084)	15,414	(25,284)
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>26,000</u>	<u>10,882</u>	<u>0</u>
Surplus (Deficit) of Revenue over Expenses	5,916	26,296	(25,284)
Accumulated Surplus, Beginning of Year	<u>2,710,571</u>	<u>2,710,571</u>	<u>2,735,855</u>
Accumulated Surplus, End of Year	<u>\$ 2,716,487</u>	<u>\$ 2,736,867</u>	<u>\$ 2,710,571</u>

*The notes to financial statements are an integral
part of these financial statements.*

Town of Norquay
Statement of Change in Net Financial Assets
For the year ended December 31, 2020

Statement 3

	2020 Budget [Note 1(t)]	2020 Actual	2019 Actual (Note 12)
Surplus (Deficit)	<u>5,916</u>	<u>26,296</u>	<u>(25,284)</u>
(Acquisition) of tangible capital assets		(111,814)	(28,983)
Amortization of tangible capital assets	<u>0</u>	<u>150,595</u>	<u>150,578</u>
Surplus of Capital Expenses over Expenditures			
	<u>0</u>	<u>38,781</u>	<u>121,595</u>
(Acquisition) of prepaid expense		(466)	(3,930)
Consumption of supplies inventory	<u>0</u>	<u>6,300</u>	<u>2,377</u>
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures			
	<u>0</u>	<u>5,834</u>	<u>(1,553)</u>
Increase in Net Financial Assets	5,916	70,911	94,758
Net Financial Assets, beginning of year	<u>33,583</u>	<u>33,583</u>	<u>(61,175)</u>
Net Financial Assets, End of Year	<u>\$ 39,499</u>	<u>\$ 104,494</u>	<u>\$ 33,583</u>

*The notes to financial statements are an integral
part of these financial statements.*

Town of Norquay
Statement of Cash Flow
For the year ended December 31, 2020

Statement 4

	2020	2019 (Note 12)
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus (Deficit)	26,296	(25,284)
Amortization	<u>150,595</u>	<u>150,578</u>
	176,891	125,294
Change in Assets/Liabilities		
Taxes receivable - municipal	7,661	(2,512)
Other receivables	(4,406)	4,601
Land for resale	2,981	(653)
Accounts payable	(5,556)	2,556
Accrued liabilities payable	(6,569)	(2,087)
Deferred revenue	101,695	57,880
Stock and supplies for use	6,300	2,378
Prepayments and deferred charges	<u>(468)</u>	<u>(3,930)</u>
Cash Provided by Operating Transactions	<u>278,529</u>	<u>183,527</u>
Capital:		
Acquisition of capital assets	(111,814)	(28,983)
Investing:		
Additions to long-term investments	<u>(363)</u>	<u>(984)</u>
Financing:		
Long-term debt repaid	<u>(50,000)</u>	<u>(70,000)</u>
Change in Cash and Temporary Investments During the Year	116,352	83,560
Cash and temporary investments, beginning of year	<u>458,996</u>	<u>375,436</u>
Cash and Temporary Investments, End of Year	<u>\$ 575,348</u>	<u>\$ 458,996</u>

*The notes to financial statements are an integral
part of these financial statements.*

Town of Norquay
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies

The financial statements of the municipality are prepared by management in accordance with the Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA 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 requires revenues to be recognized as they become available and measurable, and expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

(b) Reporting entity

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

(c) Collection of funds for other authorities

Collection of funds by the municipality for the school board, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation. 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 are the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occur, providing:

- (i) the transfers are authorized;
- (ii) any eligibility criteria have been met; and
- (iii) a reasonable estimate of the amount can be made.

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

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

(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.

Town of Norquay
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(f) Net financial assets

Net financial assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.

(g) Non-financial assets

Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

(h) Appropriated reserves

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

(i) Investments

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with maturity dates longer than one year from the date of the Statement of Financial Position have been classified as other long-term investments concurrent with the nature of the investment. The long-term investments in the Saskatchewan Association of Urban Municipalities Self-Insurance Fund are accounted for on the equity basis.

(j) Inventories

Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.

Town of Norquay
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(k) Tangible capital assets

All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The tangible capital assets that are recognized at a nominal value are disclosed in schedule 6. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The municipality's tangible capital asset useful lives are estimated as follows:

Asset	Useful Life
General Assets	
Buildings	40 years
Vehicles	10 years
Machinery and equipment	10-20 years
Infrastructure Assets	
Water and sewer	40 years
Paving, sidewalks and roadways	30-40 years

(l) 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.

(m) Works of art

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.

(n) Capitalization of interest

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

(o) Leases

All leases are recorded on the financial statement as either a capital or operating lease. Any lease that transfers the majority of benefits and risk associated with the leased asset is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. Assets under capital leases are amortized on a straight-line basis over 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.

Town of Norquay
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(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 their contributions.

(q) 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. Penalties on overdue taxes are recorded in the period levied.

Utility revenue is recognized in the period in which the service has been provided.

All other revenue is recorded when received, or receivable, collection is likely, and the amount can be reasonably determined.

(r) Measurement uncertainty

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

The measurement of materials and supplies 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 periods in which they become known.

Town of Norquay
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(s) Basis of segmentation/segment report

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

The segments (functions) are as follows:

General government: provides for the administration of the municipality.

Protective services: comprised of expenses for police and fire protection.

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

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

Planning and development: provides for neighbourhood development and sustainability.

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

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

(t) Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on April 21, 2020.

(u) New standards and amendments to standards

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 remeasurement gains and losses separate from the statement of operations arising from the remeasurement 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 remeasurement gains and losses.

PS 3041 Portfolio investments, replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of, 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.

Town of Norquay
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(u) New standards and amendments to standards - continued

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 remeasurement 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 derecognition of financial liabilities.

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

	2020	2019
2. Cash and Temporary Investments		
Cash	<u>\$ 575,348</u>	<u>\$ 458,996</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 Norquay
Notes to Financial Statements
For the year ended December 31, 2020

	2020	2019
3. Taxes and Grants In Lieu Receivable		
Municipal - current	20,148	25,302
Municipal - arrears	14,838	11,916
	<u>34,986</u>	<u>37,218</u>
Less: Allowance for uncollectibles	5,429	0
Total municipal taxes receivable	<u>29,557</u>	<u>37,218</u>
School - current	2,157	4,041
School - arrears	2,243	1,141
Total school taxes receivable	<u>4,400</u>	<u>5,182</u>
Total taxes and grants in lieu receivable	33,957	42,400
Less: Taxes receivable to be collected on behalf of other organizations	<u>4,400</u>	<u>5,182</u>
Municipal and Grants In Lieu Taxes Receivable	<u>\$ 29,557</u>	<u>\$ 37,218</u>
4. Other Accounts Receivable		
Federal government	14,208	11,357
Provincial government	3,630	3,822
Utilities	15,093	14,173
Trade	<u>6,454</u>	<u>5,626</u>
Net Other Accounts Receivable	<u>\$ 39,385</u>	<u>\$ 34,978</u>
5. Land for Resale		
Tax title property	44,668	31,312
Less: Allowance for market value adjustment	<u>43,977</u>	<u>30,659</u>
Net tax title property	691	653
Other land	<u> </u>	<u>3,019</u>
Total Land for Resale	<u>\$ 691</u>	<u>\$ 3,672</u>
6. Long-Term Investments		
Co-op. equity	<u>\$ 12,157</u>	<u>\$ 11,794</u>
7. Stock and Supplies		
Stock and supplies are comprised of the following:		
Gravel	<u>\$ 35,963</u>	<u>\$ 42,263</u>
8. Bank Indebtedness		
Bank indebtedness includes an operating loan amounting to \$80,000 (2019 - \$80,000) and bearing interest at prime minus 0.25%.		

Town of Norquay
Notes to Financial Statements
For the year ended December 31, 2020

9. Deferred Revenue

	Balance, Beginning of Year	Plus Amount Received	Less Amount Recognized	Balance, End of Year
Donations	3,956			3,956
Taxpayer deposits	3,411	200	3,411	200
Gas Tax	135,670	38,410	10,882	163,198
Municipal Economic Enhancement		62,378		62,378
FCC		15,000		15,000
	<u>\$ 143,037</u>	<u>\$ 115,988</u>	<u>\$ 14,293</u>	<u>\$ 244,732</u>

10. Long-Term Debt

The debt limit of the municipality for 2021 is \$629,374. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (*The Municipalities Act* Section 161).

Bank loans are repayable in annual instalments of \$50,000 due on January 31, with an interest rate of prime plus 0.50%, maturing between 2020-2026.

Future principal repayments are estimated as follows:

	Principal	Interest	2020 Total	2019 Total
2021	50,000	8,850	58,850	63,350
2022	50,000	7,375	57,375	61,125
2023	50,000	5,900	55,900	58,900
2024	50,000	4,425	54,425	56,675
2025	50,000	2,950	52,950	54,450
Thereafter	50,000	1,475	51,475	52,225
	<u>\$ 300,000</u>	<u>\$ 30,975</u>	<u>\$ 330,975</u>	<u>\$ 346,725</u>

Town of Norquay
Notes to Financial Statements
For the year ended December 31, 2020

11. Employee Benefit Plans

The municipality participates in contributory defined benefit pension plan for all of its employees. For defined benefit plans considered to be multi-employer plans, contributions are expensed when they are due and payable. The municipality currently participates in the Municipal Employees Pension Plan.

The contributions by the participating employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. The portion of the annual benefit costs and of the asset surpluses (deficits) that are attributable to the municipality cannot be easily determined.

Accordingly, the multi-employer plans are accounted for on the defined contribution basis. No portion of the asset (deficit) surplus of the plan is recognized in these financial statements. The benefit expense reflected in the financial statements is equal to the municipality's contributions for the year.

All contributions by employees are matched equally by the employer. The contribution rates were updated on July 1, 2018. Employee contribution rates in effect for the year are as follows:

	2020	2019
General members	9.00 %	9.00 %
Designated members	12.50 %	12.50 %

Contributions to the plan during the year were as follows:

Benefit expense	\$ 13,129	\$ 13,836
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As per the most recently audited financial statements dated December 31, 2019, the plan surplus is \$658,468,000.

Town of Norquay
Notes to Financial Statements
For the year ended December 31, 2020

12. Comparative Figures

The comparative financial statements have been restated to correct for unrecorded deferred grant revenue.

As a result, the comparative statement of operations for the year ending December 31, 2019 has been restated as follows:

Balance of accumulated surplus, beginning of year, as previously stated	2,817,445		
Adjustment to beginning balance	(81,586)		
Balance of accumulated surplus, beginning of year, as restated	<u>\$ 2,735,859</u>		
		As Previously Stated	Difference
Revenues	As Restated		
Provincial/Federal Capital Grants and Contributions		54,085	(54,085)
			<u>(54,085)</u>
Expenses			
Adjustment to surplus (deficit) of revenue over expenses			(54,085)
Balance of surplus of revenue over expenses, end of year as previously stated			<u>28,801</u>
Balance of surplus of revenue over expenses, end of year, as restated			<u>\$(25,284)</u>

The comparative statement of financial position as at December 31, 2019 has been restated as follows:

	As Restated	As Previously Stated	Difference
Line Item			
Deferred revenue	\$ 143,037	\$ 7,367	\$ 135,670

13. Impact of COVID 19 Pandemic

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. On March 18, 2020, the Government of Saskatchewan declared a provincial state of emergency due to the pandemic. The potential economic effects within the environment and in the global markets, possible disruption in supply chains and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the entity's operations. The extent of the impact of this outbreak and related containment measures on the entity's operation can not be reliably measured at this time.

Town of Norquay
Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2020

Schedule 1

	2020 Budget [Note 1(t)]	2020 Actual	2019 Actual (Note 12)
Taxes			
General municipal tax levy	348,984	348,984	334,950
Abatements and adjustments	(1,000)	(602)	(1,656)
Discount on current year taxes	(10,000)	(11,556)	(10,961)
Net municipal taxes	<u>337,984</u>	<u>336,826</u>	<u>322,333</u>
Penalties on tax arrears	<u>7,451</u>	<u>7,451</u>	<u>9,556</u>
Total Taxes	<u>345,435</u>	<u>344,277</u>	<u>331,889</u>
Unconditional Grants			
Equalization (revenue sharing)	100,280	100,280	90,578
Safe Restart	<u> </u>	<u>25,890</u>	<u> </u>
Total Unconditional Grants	<u>100,280</u>	<u>126,170</u>	<u>90,578</u>
Grants In Lieu of Taxes			
Federal	1,100	1,150	1,081
Provincial			
Sask. Energy Gas	13,000	12,011	12,426
SPMC - municipal share	1,174	1,111	1,100
SaskTel	1,488	1,545	1,488
Local/Other			
Housing authority	8,900	9,313	8,968
Other Government Transfers			
S.P.C. surcharge	<u>28,000</u>	<u>26,296</u>	<u>27,712</u>
Total Grants In Lieu of Taxes	<u>53,662</u>	<u>51,426</u>	<u>52,775</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 499,377</u>	<u>\$ 521,873</u>	<u>\$ 475,242</u>

*The notes to financial statements are an integral
part of these financial statements.*

Town of Norquay

Schedule of Operating and Capital Revenue by Function For the year ended December 31, 2020

Schedule 2-1

	2020 Budget [Note 1(t)]	2020 Actual	2019 Actual (Note 12)
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Rentals	5,960	6,540	5,345
General office services	350	541	333
Licenses and permits	300	325	269
Other	2,500	1,345	1,648
Total Fees and Charges	<u>9,110</u>	<u>8,751</u>	<u>7,595</u>
Land sales - gain	200	391	(3,375)
Investment income and commissions	5,500	4,609	10,803
Total Other Segmented Revenue	<u>14,810</u>	<u>13,751</u>	<u>15,023</u>
Total General Government Services	<u>\$ 14,810</u>	<u>\$ 13,751</u>	<u>\$ 15,023</u>
Protective Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Policing and fire fees	300	415	642
Total Other Segmented Revenue	<u>300</u>	<u>415</u>	<u>642</u>
Total Protective Services	<u>\$ 300</u>	<u>\$ 415</u>	<u>\$ 642</u>
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	100		
Total Other Segmented Revenue	<u>100</u>	<u>0</u>	<u>0</u>
Total Transportation Services	<u>\$ 100</u>	<u>\$ 0</u>	<u>\$ 0</u>
Environmental and Public Health Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Waste disposal fees	31,680	30,943	31,064
Sale of supplies	50		
Cemetery fees	600	330	1,500
Total Fees and Charges	<u>32,330</u>	<u>31,273</u>	<u>32,564</u>
Total Other Segmented Revenue	<u>32,330</u>	<u>31,273</u>	<u>32,564</u>
Total Operating	<u>32,330</u>	<u>31,273</u>	<u>32,564</u>
Total Environmental and Public Health Services	<u>\$ 32,330</u>	<u>\$ 31,273</u>	<u>\$ 32,564</u>

*The notes to financial statements are an integral
part of these financial statements.*

Town of Norquay

Schedule of Operating and Capital Revenue by Function For the year ended December 31, 2020

Schedule 2-2

	2020 Budget [Note 1(t)]	2020 Actual	2019 Actual (Note 12)
Recreation and Cultural Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Campground income	800	1,485	749
Other revenues		350	
Total Other Segmented Revenue	<u>800</u>	<u>1,835</u>	<u>749</u>
Total Recreation and Cultural Services	<u>\$ 800</u>	<u>\$ 1,835</u>	<u>\$ 749</u>
Utility Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Water	117,901	122,382	116,968
Sewer	68,000	67,428	67,500
Other utilities	61,060	55,720	55,660
Expense recoveries	120	135	120
Total Fees and Charges	<u>247,081</u>	<u>245,665</u>	<u>240,248</u>
Total Other Segmented Revenue	<u>247,081</u>	<u>245,665</u>	<u>240,248</u>
Total Operating	<u>247,081</u>	<u>245,665</u>	<u>240,248</u>
Capital			
Conditional Grants			
Gas tax	<u>26,000</u>	<u>10,882</u>	
Total Capital	<u>26,000</u>	<u>10,882</u>	<u>0</u>
Total Utility Services	<u>\$ 273,081</u>	<u>\$ 256,547</u>	<u>\$ 240,248</u>
Total Operating and Capital Revenue by Function	<u>\$ 321,421</u>	<u>\$ 303,821</u>	<u>\$ 289,226</u>
Summary			
Total Other Segmented Revenue	295,421	292,939	289,226
Total Capital Grants and Contributions	<u>26,000</u>	<u>10,882</u>	
Total Operating and Capital Revenue by Function	<u>\$ 321,421</u>	<u>\$ 303,821</u>	<u>\$ 289,226</u>

*The notes to financial statements are an integral
part of these financial statements.*

Town of Norquay
Total Expenses by Function
For the year ended December 31, 2020

Schedule 3-1

	2020 Budget [Note 1(t)]	2020 Actual	2019 Actual (Note 12)
General Government Services			
Council remuneration and travel	24,970	22,951	16,746
Wages and benefits	47,481	47,006	45,915
Contractual services - assessment	6,566	6,566	6,460
Contractual services - other	23,850	22,095	40,508
Utilities	8,635	7,993	8,206
Maintenance, materials and supplies	8,550	9,002	7,668
Grants and contributions - operating	5,000	5,090	5,650
Insurance	17,733	17,733	16,700
Interest		10	
Allowance for uncollectibles		18,747	4,089
Other	3,000	2,104	
Total General Government Services	\$ 145,785	\$ 159,297	\$ 151,942
Protective Services			
Police protection			
Contractual services	21,000	20,904	20,177
Fire protection			
Contractual services	3,000	613	2,222
Utilities	3,000	2,327	2,478
Maintenance, materials and supplies			(380)
Grants and contributions - operating	2,388	2,388	7,100
Amortization		479	479
Total Protective Services	\$ 29,388	\$ 26,711	\$ 32,076
Transportation Services			
Wages and benefits	54,000	44,618	51,559
Contractual services - maintenance	65,447	44,396	61,786
Utilities	23,400	23,317	22,133
Gravel	10,600	18,300	7,956
Machinery costs/fuel/blades	12,100	8,748	9,691
Culverts/drainage	2,000		
Amortization		30,647	29,108
Interest			67
Other materials and supplies	89,250	17,623	9,181
Total Transportation Services	\$ 256,797	\$ 187,649	\$ 191,481

*The notes to financial statements are an integral
part of these financial statements.*

Town of Norquay
Total Expenses by Function
For the year ended December 31, 2020

Schedule 3-2

	2020 Budget [Note 1(t)]	2020 Actual	2019 Actual (Note 12)
Environmental and Public Health Services			
Wages and benefits	26,860	22,266	24,675
Contractual services - waste	2,955	6,332	1,641
Contractual services - pest and weed	28,500	28,516	27,893
Maintenance, materials and supplies	2,400	1,345	1,327
Grants and contributions - operating	<u>33,116</u>	<u>32,284</u>	<u>31,273</u>
Total Environmental and Public Health Services	\$ 93,831	\$ 90,743	\$ 86,809
Planning and Development Services			
Maintenance, materials and supplies	<u>\$ 50</u>	<u>\$ 0</u>	<u>\$ 0</u>
Recreation and Cultural Services			
Contractual services	38,000	3,242	6,853
Utilities	2,800	1,999	2,008
Maintenance, materials and supplies	11,200	10,255	12,227
Grants and contributions - operating	6,837	5,837	5,729
Amortization	<u></u>	<u>32,889</u>	<u>32,889</u>
Total Recreation and Cultural Services	\$ 58,837	\$ 54,222	\$ 59,706
Utility Services			
Wages and benefits	76,710	67,273	70,762
Contractual services	75,000	54,125	36,364
Utilities	24,450	25,404	23,149
Maintenance, materials and supplies	38,800	36,878	32,759
Amortization		86,580	88,102
Interest	<u>15,234</u>	<u>10,516</u>	<u>16,602</u>
Total Utility Services	\$ 230,194	\$ 280,776	\$ 267,738
Total Expenses by Function	\$ 814,882	\$ 799,398	\$ 789,752

Town of Norquay
Schedule of Segment Disclosure by Function
For the year ended December 31, 2020

Schedule 4

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	8,751	415		31,273		1,485	245,665	287,589
Land sales - gain	391							391
Investment income and commissions	4,609							4,609
Other revenues						350		350
Grants - capital							10,882	10,882
Total Revenues	13,751	415	0	31,273	0	1,835	256,547	303,821
Expenses - schedule 3								
Wages and benefits	47,006		44,618	22,266			67,273	181,163
Professional/contractual services	51,612	21,517	44,396	6,332		3,242	54,125	181,224
Utilities	7,993	2,327	23,317	28,516		1,999	25,404	89,556
Maintenance materials and supplies	9,002		18,300	1,345		10,255	36,878	75,780
Machinery costs/fuel/blades			8,748					8,748
Grants and contributions	5,090	2,388		32,284		5,837		45,599
Amortization		479	30,647			32,889	86,580	150,595
Insurance	17,733							17,733
Interest	10						10,516	10,526
Allowance for uncollectibles	18,747							18,747
Other	2,104		17,623					19,727
Total Expenses	159,297	26,711	187,649	90,743	0	54,222	280,776	799,398
Surplus (Deficit) by Function	\$ (145,546)	\$ (26,296)	\$ (187,649)	\$ (59,470)	\$ 0	\$ (52,387)	\$ (24,229)	(495,577)
Taxation and other unconditional revenue - schedule 1								521,873
Net Surplus								\$ 26,296

*The notes to financial statements are an integral
part of these financial statements.*

Town of Norquay
Schedule of Segment Disclosure by Function
For the year ended December 31, 2019

Schedule 5

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	7,595	642		32,564		749	240,248	281,798
Land sales - gain (loss)	(3,375)							(3,375)
Investment income and commissions	10,803							10,803
Total Revenues	<u>15,023</u>	<u>642</u>	<u>0</u>	<u>32,564</u>	<u>0</u>	<u>749</u>	<u>240,248</u>	<u>289,226</u>
Expenses - schedule 3								
Wages and benefits	45,915		51,559	24,675			70,762	192,911
Professional/contractual services	63,714	22,399	61,786	1,641		6,853	36,364	192,757
Utilities	8,206	2,478	22,133	27,893		2,008	23,149	85,867
Maintenance materials and supplies	7,668	(380)	7,956	1,327		12,227	32,759	61,557
Machinery costs/fuel/blades			9,691					9,691
Grants and contributions	5,650	7,100		31,273		5,729		49,752
Amortization		479	29,108			32,889	88,102	150,578
Insurance	16,700							16,700
Interest			67				16,602	16,669
Allowance for uncollectibles	4,089							4,089
Other			9,181					9,181
Total Expenses	<u>151,942</u>	<u>32,076</u>	<u>191,481</u>	<u>86,809</u>	<u>0</u>	<u>59,706</u>	<u>267,738</u>	<u>789,752</u>
Surplus (Deficit) by Function	<u>\$ (136,919)</u>	<u>\$ (31,434)</u>	<u>\$ (191,481)</u>	<u>\$ (54,245)</u>	<u>\$ 0</u>	<u>\$ (58,957)</u>	<u>\$ (27,490)</u>	<u>(500,526)</u>
Taxation and other unconditional revenue - schedule 1								<u>475,242</u>
Net Surplus (Deficit)								<u><u>\$ (25,284)</u></u>

*The notes to financial statements are an integral
part of these financial statements.*

Town of Norquay
Schedule of Tangible Capital Assets by Object
For the year ended December 31, 2020

Schedule 6

	2020							2019
	General Assets					Infrastruct. Assets	General/ Infrastruct. Assets under Constr.	Total
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets		Total
Asset Cost								
Opening Asset Cost	64,226	0	1,875,314	20,070	316,915	4,078,942	0	6,355,467
Additions during the year			10,882		8,981	82,600	9,351	28,983
Closing Asset Costs	64,226	0	1,886,196	20,070	325,896	4,161,542	9,351	6,355,467
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	0	0	1,284,260	11,007	202,471	2,245,499	0	3,592,659
Add: Amortization taken			43,931	1,008	24,252	81,404		150,578
Closing Accumulated Amortization Costs	0	0	1,328,191	12,015	226,723	2,326,903	0	3,743,237
Net Book Value	\$ 64,226	\$ 0	\$ 558,005	\$ 8,055	\$ 99,173	\$ 1,834,639	\$ 9,351	\$ 2,612,230

*The notes to financial statements are an integral
part of these financial statements.*

Town of Norquay
Schedule of Tangible Capital Assets by Function
For the year ended December 31, 2020

Schedule 7

	2020							2019	
	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Water & Sewer	Total	Total
Asset Cost									
Opening Asset Cost	44,281	39,150	1,252,515	21,002	0	1,315,554	3,682,965	6,355,467	6,326,484
Additions during the year			76,320			9,351	26,143	111,814	28,983
Closing Asset Costs	44,281	39,150	1,328,835	21,002	0	1,324,905	3,709,108	6,467,281	6,355,467
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	44,280	21,038	1,020,706	21,000	0	1,082,723	1,553,490	3,743,237	3,592,659
Add: Amortization taken		479	30,647			32,889	86,580	150,595	150,578
Closing Accumulated Amortization Costs	44,280	21,517	1,051,353	21,000	0	1,115,612	1,640,070	3,893,832	3,743,237
Net Book Value	\$ 1	\$ 17,633	\$ 277,482	\$ 2	\$ 0	\$ 209,293	\$ 2,069,038	\$ 2,573,449	\$ 2,612,230

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part of these financial statements.*

Town of Norquay
Schedule of Accumulated Surplus
For the year ended December 31, 2020

Schedule 8

	2019	Changes	2020
Unappropriated Surplus	<u>331,651</u>	<u>14,954</u>	<u>346,605</u>
Appropriated Surplus			
Utility			
Infrastructure levy	<u>12,000</u>	<u>0</u>	<u>12,000</u>
Other			
Protective services	14,100		14,100
Transportation services	78,150		78,150
Cemetery perpetual care	8,400		8,400
General government	<u>4,040</u>	<u>125</u>	<u>4,165</u>
	<u>104,690</u>	<u>125</u>	<u>104,815</u>
Total Appropriated	<u>116,690</u>	<u>125</u>	<u>116,815</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	2,612,230	(38,781)	2,573,449
Less: Related debt	<u>350,000</u>	<u>(50,000)</u>	<u>300,000</u>
Net Investment in Tangible Capital Assets	<u>2,262,230</u>	<u>11,219</u>	<u>2,273,449</u>
Total Accumulated Surplus	<u>\$ 2,710,571</u>	<u>\$ 26,298</u>	<u>\$ 2,736,869</u>

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part of these financial statements.*

Town of Norquay
Schedule of Mill Rates and Assessments
For the year ended December 31, 2020

Schedule 9

	Property Class					Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)
Taxable Assessment	41,250	14,092,600			2,565,000	16,698,850
Regional Park Assessment						
Total Assessment						16,698,850
Mill Rate Factor(s)	1.0000	1.0000			1.5000	
Total Base/Minimum Tax (generated for each property class)	600	182,600			12,650	195,850
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	600	289,451			58,933	348,984
Mill Rates:	Mills					
Average Municipal*	20.8987					
Average School*	4.4500					
Potash Mill Rate						
Uniform Municipal Mill Rate	13.5000					

*Average Mill Rates (multiply the total tax levy for each taxing authority by 1,000 and divide by the total assessment for the taxing authority).

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Town of Norquay
Schedule of Council Remuneration
For the year ended December 31, 2020

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Don Tower	4,154		4,154
Loretta Perrick	3,554		3,554
Ken Newell	3,150		3,150
Laura Dahl	2,175		2,175
Ken Paluck	2,265		2,265
Richard Dahlin	3,703		3,703
Darin Janzen	300		300
Jason Lukey	300		300
Kevin Ebert	300		300
	<u> </u>	<u> </u>	<u> </u>
	<u>\$ 19,901</u>	<u>\$ 0</u>	<u>\$ 19,901</u>

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part of these financial statements.*