
RURAL MUNICIPALITY OF NORTH BATTLEFORD NO. 437

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020



Vantage

CHARTERED PROFESSIONAL ACCOUNTANTS

Management's Responsibility

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

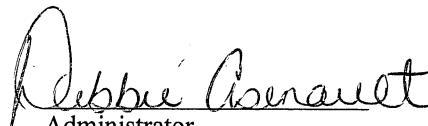
The municipality's management is responsible for the preparation and presentation of the accompanying consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles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

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

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

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


Reeve


Administrator

March 17, 2021

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of the Rural Municipality of North Battleford No. 437, which comprise the consolidated statement of financial position as at December 31, 2020, the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Rural Municipality of North Battleford No. 437 as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Rural Municipality of North Battleford No. 437 in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Rural Municipality of North Battleford No. 437's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Chartered Professional Accountants

North Battleford, Saskatchewan
March 17, 2021

Rural Municipality of North Battleford No. 437
Consolidated Statement of Financial Position
As at December 31, 2020

Statement 1

	2020	2019
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	4,084,839	3,564,322
Taxes Receivable - Municipal (Note 3)	286,120	318,665
Other Accounts Receivable (Note 4)	22,905	21,492
Land for Resale (Note 5)	18	18
Long-Term Investments (Note 6)	95,811	88,965
Debt Charges Recoverable		
Other (Specify)		
Total Financial Assets	4,489,693	3,993,462
LIABILITIES		
Bank Indebtedness		
Accounts Payable	44,969	104,844
Accrued Liabilities Payable		
Deposits		
Deferred Revenue		
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Long-Term Debt (Note 7)	1,400,042	1,559,666
Lease Obligations		
Total Liabilities	1,445,011	1,664,510
NET FINANCIAL ASSETS (DEBT)	3,044,682	2,328,952
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	4,395,831	4,195,875
Prepayments and Deferred Charges	116	66,192
Stock and Supplies	359,247	255,872
Other		
Total Non-Financial Assets	4,755,194	4,517,939
ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)	7,799,876	6,846,891

Rural Municipality of North Battleford No. 437
Consolidated Statement of Operations
For the year ended December 31, 2020

Statement 2

	2019 Budget	2020	2019
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	2,106,260	2,124,500	2,087,355
Fees and Charges (Schedule 4, 5)	64,350	134,649	142,148
Conditional Grants (Schedule 4, 5)	500	47,373	2,000
Tangible Capital Asset Sales - Gain (Schedule 4, 5)		(4,230)	(13,039)
Land Sales - Gain (Schedule 4, 5)			
Investment Income and Commissions (Schedule 4, 5)	42,500	18,544	52,994
Restructurings (Schedule 4,5)			
Other Revenues (Schedule 4, 5)	95,000	39,543	163,751
Total Revenues	2,308,610	2,360,379	2,435,209
EXPENSES			
General Government Services (Schedule 3)	690,596	425,721	440,048
Protective Services (Schedule 3)	220,000	173,309	361,082
Transportation Services (Schedule 3)	1,391,550	924,069	966,936
Environmental and Public Health Services (Schedule 3)	31,800	37,008	17,119
Planning and Development Services (Schedule 3)	10,000	6,510	6,743
Recreation and Cultural Services (Schedule 3)	9,300	9,142	9,142
Utility Services (Schedule 3)			
Restructurings (Schedule 3)			
Total Expenses	2,353,246	1,575,759	1,801,070
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(44,636)	784,620	634,139
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	45,000	168,365	90,949
Surplus (Deficit) of Revenues over Expenses	364	952,985	725,088
Accumulated Surplus (Deficit), Beginning of Year	6,846,891	6,846,891	6,121,803
Accumulated Surplus (Deficit), End of Year	6,847,255	7,799,876	6,846,891

Rural Municipality of North Battleford No. 437
 Consolidated Statement of Change in Net Financial Assets
 For the year ended December 31, 2020

Statement 3

	2019 Budget	2020	2019
Surplus (Deficit)	364	952,985	725,088
(Acquisition) of tangible capital assets		(371,427)	(699,172)
Amortization of tangible capital assets		167,241	201,180
Proceeds on disposal of tangible capital assets			676,185
Loss (gain) on the disposal of tangible capital assets		4,230	13,039
Transfer of assets/liabilities in restructuring transactions			
Surplus (Deficit) of capital expenses over expenditures		(199,956)	191,232
(Acquisition) of supplies inventories		(103,375)	
(Acquisition) of prepaid expense			(66,192)
Consumption of supplies inventory			121,730
Use of prepaid expense		66,076	
Surplus (Deficit) of expenses of other non-financial over expenditures		(37,299)	55,538
Increase/Decrease in Net Financial Assets	364	715,730	971,858
Net Financial Assets (Debt) - Beginning of Year	2,328,952	2,328,952	1,357,094
Net Financial Assets (Debt) - End of Year	2,329,316	3,044,682	2,328,952

Rural Municipality of North Battleford No. 437
 Consolidated Statement of Cash Flow
 For the year ended December 31, 2020

Statement 4

	2020	2019
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	952,985	725,088
Amortization	167,241	201,180
Loss (gain) on disposal of tangible capital assets	4,230	13,039
	1,124,456	939,307
Change in assets/liabilities		
Taxes Receivable - Municipal	32,545	13,325
Other Receivables	(1,413)	(3,548)
Land for Resale		
Other Financial Assets		
Accounts and Accrued Liabilities Payable	(59,875)	25,449
Deposits		
Deferred Revenue		
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Stock and Supplies	(103,375)	121,730
Prepayments and Deferred Charges	66,076	(66,192)
Other (Specify)		
Cash provided by operating transactions	1,058,414	1,030,071
Capital:		
Acquisition of capital assets	(371,427)	(699,172)
Proceeds from the disposal of capital assets		676,185
Other capital		
Cash applied to capital transactions	(371,427)	(22,987)
Investing:		
Long-term investments	(6,846)	(12,854)
Other investments		
Cash provided by (applied to) investing transactions	(6,846)	(12,854)
Financing:		
Debt charges recovered		
Long-term debt issued		
Long-term debt repaid	(159,624)	(153,513)
Other financing		
Cash provided by (applied to) financing transactions	(159,624)	(153,513)
Change in Cash and Temporary Investments during the year	520,517	840,717
Cash and Temporary Investments - Beginning of Year	3,564,322	2,723,605
Cash and Temporary Investments - End of Year	4,084,839	3,564,322

Rural Municipality of North Battleford No. 437
Notes to the Consolidated Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies

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

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

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

All inter-organizational transactions and balances have been eliminated.

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

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

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

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

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

Rural Municipality of North Battleford No. 437

Notes to the Consolidated Financial Statements

For the year ended December 31, 2020

1. Significant Accounting Policies - continued

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

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

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

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

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

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

m) **Employee Benefit Plans:** Contributions to the municipality's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.

n) **Liability for Contaminated Sites:** Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) the municipality:
 - i. is directly responsible; or
 - ii. accepts responsibility;
- d) it is expected that future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

Rural Municipality of North Battleford No. 437
Notes to the Consolidated Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

- o) **Measurement Uncertainty:** The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

The measurement of materials and supplies is based on estimates of volume and quality.

The 'Opening Asset Costs' of tangible capital assets have been estimated where actual costs were not available.

Amortization is based on the estimated useful lives of tangible capital assets.

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

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

The segments (functions) are as follows:

General Government: Provides for the administration of the municipality.

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

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

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

Planning and Development: Provides for neighbourhood development and sustainability.

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

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

- q) **Budget Information:** Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on April 8, 2020.

New Standards and Amendments to Standards:

- r) **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.

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.

Rural Municipality of North Battleford No. 437
Notes to the Consolidated Financial Statements
For the year ended December 31, 2020

2. Cash and Temporary Investments

	2020	2019
Cash	4,084,839	3,564,322
Temporary Investments		
Restricted Cash		
Total Cash and Temporary Investments	4,084,839	3,564,322

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

3. Taxes Receivable - Municipal

	2020	2019
Municipal - Current	135,769	177,192
- Arrears	151,796	142,918
	287,565	320,110
- Less Allowance for Uncollectible	(1,445)	(1,445)
Total municipal taxes receivable	286,120	318,665

School - Current	63,254	71,902
- Arrears	75,809	72,652
Total school taxes receivable	139,063	144,554

Other	3,489	6,847
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Total taxes and grants in lieu receivable 428,672 470,066

Deduct taxes receivable to be collected on behalf of other organizations (142,552) (151,401)

Total Taxes Receivable - Municipal **286,120 318,665**

4. Other Accounts Receivable

	2020	2019
Federal Government	19,698	19,378
Provincial Government		
Local Government		
Utility		
Trade	3,207	2,114
Other (Specify)		
Total Other Accounts Receivable	22,905	21,492
Less: Allowance for Uncollectible		
Net Other Accounts Receivable	22,905	21,492

Rural Municipality of North Battleford No. 437
Notes to the Consolidated Financial Statements
For the year ended December 31, 2020

5. Land for Resale

	2020	2019
Tax Title Property	262	262
Allowance for market value adjustment	(244)	(244)
Net Tax Title Property	18	18
Other Land		
Allowance for market value adjustment		
Net Other Land		
Total Land for Resale	18	18

6. Long-Term Investments

	2020	2019
Sask Association of Rural Municipalities - Self Insurance Fund	85,891	80,062
Other (Co-op and Credit Union equity)	9,920	8,903
Total Long-Term Investments	95,811	88,965

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

7. Long-Term Debt

a) The debt limit of the municipality is \$2,234,892. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the *Municipalities Act* section 161(1)).

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

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Year Total	Prior Year Principal
2020				159,624
2021	165,979	51,788	217,767	165,979
2022	172,586	45,181	217,767	172,586
2023	179,456	38,310	217,766	179,456
2024	186,600	31,167	217,767	186,600
Thereafter	695,421	48,557	743,978	695,421
Balance	1,400,042	215,003	1,615,045	1,559,666

Rural Municipality of North Battleford No. 437
Notes to the Consolidated Financial Statements
For the year ended December 31, 2020

8. Pension Plan

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality's pension expense in 2020 was \$29,414. The benefits accrued to the municipality's employees from MEPP are calculated using the following: pensionable years of service, highest average salary, and the plan accrual rate.

9. Comparative Figures

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

10. Subsequent Events

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern." This coronavirus continues to spread throughout the world and has adversely impacted global commercial activity and has contributed to significant declines and volatility in financial markets. The extent of COVID-19's effect on the municipality's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict. The rapid development and fluidity of this situation make it impossible to ascertain the ultimate adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the municipality, its performance, and its financial results.

Rural Municipality of North Battleford No. 437
Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2020

Schedule 1

	2019 Budget	2020	2019
TAXES			
General municipal tax levy	2,011,760	2,009,553	1,986,826
Abatements and adjustments		(9,426)	(418)
Discount on current year taxes	(80,000)	(78,862)	(84,331)
Net Municipal Taxes	1,931,760	1,921,265	1,902,077
Potash tax share			
Trailer license fees			900
Penalties on tax arrears	15,000	23,865	22,424
Special tax levy			
Other (<i>Specify</i>)			
Total Taxes	1,946,760	1,945,130	1,925,401
UNCONDITIONAL GRANTS			
Revenue Sharing (Organized Hamlet)	140,000	162,972	143,542
Total Unconditional Grants	140,000	162,972	143,542
GRANTS IN LIEU OF TAXES			
Federal			
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
Central Services			
SaskTel	12,000	10,347	11,153
Other (Safe Restart)			
Local/Other			
Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement	7,500	6,051	7,259
Other (<i>Specify</i>)			
Other Government Transfers			
S.P.C. Surcharge			
Sask Energy Surcharge			
Other (<i>Specify</i>)			
Total Grants in Lieu of Taxes	19,500	16,398	18,412
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	2,106,260	2,124,500	2,087,355

Rural Municipality of North Battleford No. 437
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2020

Schedule 2 - 1

	2019 Budget	2020	2019
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	2,000	1,120	2,150
- Sales of supplies	2,000	841	1,985
- Other (General office, recoveries)	1,700	4,077	1,015
Total Fees and Charges	5,700	6,038	5,150
- Tangible capital asset sales - gain (loss)			
- Land sales - gain			
- Investment income and commissions	42,500	18,544	52,994
- Other (Specify)	5,000	6,173	3,296
Total Other Segmented Revenue	53,200	30,755	61,440
Conditional Grants			
- Student Employment			
- Other (Safe Restart)		43,249	
Total Conditional Grants		43,249	
Total Operating	53,200	74,004	61,440
Capital			
Conditional Grants			
- Federal Gas Tax	45,000	64,162	90,949
- Provincial Disaster Assistance			
- Other (MEEP)		104,203	
Total Capital	45,000	168,365	90,949
Restructuring Revenue (Specify, if any)			
Total General Government Services	98,200	242,369	152,389

PROTECTIVE SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Other (Specify)	20,000	68,138	80,686
Total Fees and Charges	20,000	68,138	80,686
- Tangible capital asset sales - gain (loss)			
- Other (Gala/Donations)	75,000	26,400	160,455
Total Other Segmented Revenue	95,000	94,538	241,141
Conditional Grants			
- Student Employment			
- Local government			
- Other (Specify)			
Total Conditional Grants			
Total Operating	95,000	94,538	241,141

Capital

Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Local government			
- Other (Specify)			
Total Capital			
Restructuring Revenue (Specify, if any)			
Total Protective Services	95,000	94,538	241,141

Rural Municipality of North Battleford No. 437
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2020

Schedule 2 - 2

	2019 Budget	2020	2019
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work			
- Sales of supplies	500	7,449	720
- Road Maintenance and Restoration Agreements	20,350	22,119	24,833
- Frontage			
- Other (<i>Pasture Rental</i>)	1,200	1,350	1,350
Total Fees and Charges	22,050	30,918	26,903
- Tangible capital asset sales - gain (loss)		(4,230)	(13,039)
- Other (<i>Specify</i>)			
Total Other Segmented Revenue	22,050	26,688	13,864
Conditional Grants			
- MREP (CTP)			
- Student Employment			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating	22,050	26,688	13,864
Capital			
Conditional Grants			
- Federal Gas Tax			
- MREP (Heavy Haul, CTP, Municipal Bridges)			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Transportation Services	22,050	26,688	13,864

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees			
- Other (Pest Control)	15,100	21,375	21,309
Total Fees and Charges	15,100	21,375	21,309
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue	15,100	21,375	21,309
Conditional Grants			
- Student Employment			
- TAPD			
- Local government	500	4,124	2,000
- Other (<i>Specify</i>)			
Total Conditional Grants	500	4,124	2,000
Total Operating	15,600	25,499	23,309
Capital			
Conditional Grants			
- Federal Gas Tax			
- TAPD			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Environmental and Public Health Services	15,600	25,499	23,309

Rural Municipality of North Battleford No. 437
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2020

Schedule 2 - 3

	2019 Budget	2020	2019
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges	1,500	1,100	1,600
- Other (<i>Off Site Service Fees</i>)		7,080	6,500
Total Fees and Charges	1,500	8,180	8,100
- Tangible capital asset sales - gain (loss)			
- Other (<i>Building Permits</i>)	15,000	6,970	
Total Other Segmented Revenue	16,500	15,150	8,100
Conditional Grants			
- Student Employment			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating	16,500	15,150	8,100
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Planning and Development Services	16,500	15,150	8,100

RECREATION AND CULTURAL SERVICES

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

Rural Municipality of North Battleford No. 437
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2020

Schedule 2 - 4

	2019 Budget	2020	2019
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water			
- Sewer			
- Other (<i>Specify</i>)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating			
Capital			
Conditional Grants			
- Federal Gas Tax			
- New Building Canada Fund (SCF, NRP)			
- Clean Water and Wastewater Fund			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Utility Services			
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	247,350	404,244	438,803

SUMMARY

Total Other Segmented Revenue	201,850	188,506	345,854
Total Conditional Grants	500	47,373	2,000
Total Capital Grants and Contributions	45,000	168,365	90,949
Restructuring Revenue			
TOTAL REVENUE BY FUNCTION	247,350	404,244	438,803

Rural Municipality of North Battleford No. 437

Total Expenses by Function

For the year ended December 31, 2020

Schedule 3 - 1

	2019 Budget	2020	2019
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	41,700	32,553	41,156
Wages and benefits	229,116	215,480	225,539
Professional/Contractual services	53,600	53,674	50,452
Utilities	8,880	7,980	7,978
Maintenance, materials and supplies	34,100	40,000	29,965
Grants and contributions - operating	13,000	12,231	12,590
- capital	238,000		
Amortization	5,200	4,193	5,168
Interest	65,000	58,542	64,648
Allowance for uncollectible			
Other (<i>Specify</i>)	2,000	1,068	2,552
General Government Services	690,596	425,721	440,048
Restructuring (<i>Specify, if any</i>)			
Total General Government Services	690,596	425,721	440,048

PROTECTIVE SERVICES

Police protection

Wages and benefits			
Professional/Contractual services	34,000	34,920	33,706
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating		300	
- capital			
Other (<i>Specify</i>)			

Fire protection

Wages and benefits	61,500	64,301	105,509
Professional/Contractual services	64,000	21,754	73,940
Utilities		1,609	1,491
Maintenance, material and supplies	30,500	47,043	132,870
Grants and contributions - operating			
- capital	30,000		
Amortization		3,382	3,382
Interest			
Other (Fundraising)			10,184

Protective Services	220,000	173,309	361,082
Restructuring (<i>Specify, if any</i>)			
Total Protective Services	220,000	173,309	361,082

TRANSPORTATION SERVICES

Wages and benefits	325,500	238,857	305,068
Professional/Contractual Services	364,100	219,649	96,055
Utilities	15,000	14,831	16,248
Maintenance, materials and supplies	129,950	135,282	165,046
Gravel	300,000	155,784	191,889
Grants and contributions - operating			
- capital	50,000		
Amortization	207,000	159,666	192,630
Interest			
Other (<i>Grader Lease</i>)			

Transportation Services	1,391,550	924,069	966,936
Restructuring (<i>Specify, if any</i>)			
Total Transportation Services	1,391,550	924,069	966,936

Rural Municipality of North Battleford No. 437

Total Expenses by Function

For the year ended December 31, 2020

Schedule 3 - 2

	2019 Budget	2020	2019
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	24,800	7,699	11,582
Professional/Contractual services			
Utilities			
Maintenance, materials and supplies	7,000	29,309	5,537
Grants and contributions - operating			
o Waste disposal			
o Public Health			
- capital			
o Waste disposal			
o Public Health			
Amortization			
Interest			
Other (<i>Specify</i>)			
Environmental and Public Health Services	31,800	37,008	17,119
Restructuring (Specify, if any)			
Total Environmental and Public Health Services	31,800	37,008	17,119
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits			
Professional/Contractual Services	10,000	6,510	6,743
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Other (<i>Specify</i>)			
Planning and Development Services	10,000	6,510	6,743
Restructuring (Specify, if any)			
Total Planning and Development Services	10,000	6,510	6,743
RECREATION AND CULTURAL SERVICES			
Wages and benefits			
Professional/Contractual services			
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating	9,300	9,142	9,142
- capital			
Amortization			
Interest			
Allowance for uncollectible			
Other (<i>Specify</i>)			
Recreation and Cultural Services	9,300	9,142	9,142
Restructuring (Specify, if any)			
Total Recreation and Cultural Services	9,300	9,142	9,142

Rural Municipality of North Battleford No. 437
Total Expenses by Function
For the year ended December 31, 2020

Schedule 3 - 3

	2019 Budget	2020	2019
UTILITY SERVICES			
Wages and benefits			
Professional/Contractual services			
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Allowance for uncollectible			
Other (<i>Specify</i>)			
Utility Services			
Restructuring (Specify, if any)			
Total Utility Services			
TOTAL EXPENSES BY FUNCTION	2,353,246	1,575,759	1,801,070

Rural Municipality of North Battleford No. 437
 Consolidated Schedule of Segment Disclosure by Function
 For the year ended December 31, 2020

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	6,038	68,138	30,918	21,375	8,180			134,649
Tangible Capital Asset Sales - Gain			(4,230)					(4,230)
Land Sales - Gain								
Investment Income and Commissions	18,544							18,544
Other Revenues	6,173	26,400			6,970			39,543
Grants - Conditional	43,249			4,124				47,373
- Capital	168,365							168,365
Restructurings								
Total Revenues	242,369	94,538	26,688	25,499	15,150			404,244
Expenses (Schedule 3)								
Wages and Benefits	248,033	64,301	238,857	7,699				558,890
Professional/Contractual Services	53,674	56,674	219,649		6,510			336,507
Utilities	7,980	1,609	14,831					24,420
Maintenance, Materials and Supplies	40,000	47,043	291,066	29,309				407,418
Grants and Contributions	12,231	300				9,142		21,673
Amortization	4,193	3,382	159,666					167,241
Interest	58,542							58,542
Allowance for Uncollectible								
Restructurings								
Other	1,068							1,068
Total Expenses	425,721	173,309	924,069	37,008	6,510	9,142		1,575,759
Surplus (Deficit) by Function	(183,352)	(78,771)	(897,381)	(11,509)	8,640	(9,142)		(1,171,515)

Taxes and other unconditional revenue (Schedule 1) 2,124,500

Net Surplus (Deficit) **952,985**

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

Schedule 5

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

Rural Municipality of North Battleford No. 437
 Consolidated Schedule of Tangible Capital Assets by Object
 For the year ended December 31, 2020

Schedule 6

		2020						2019		
		General Assets				Infrastructure Assets	General/ Infrastructure			
		Land	Land Improvements	Buildings	Vehicles	Machinery and Equipment	Linear assets	Assets Under Construction	Total	Total
Assets	Asset costs									
	Opening Asset Costs		125,000	1,616,528		1,303,032	2,608,952	505,106	6,158,618	6,327,619
	Additions during the year			13,788		175,709		181,930	371,427	699,172
	Disposals and write-downs during the year					(29,966)			(29,966)	(868,173)
	Transfers (from) assets under construction									
	Transfer of capital assets related to restructuring (Schedule 11)									
	Closing Asset Costs		125,000	1,630,316		1,448,775	2,608,952	687,036	6,500,079	6,158,618
Amortization	Accumulated Amortization Costs									
	Opening Accumulated Amortization Costs			40,413		477,403	1,444,927		1,962,743	1,940,512
	Add: Amortization taken			40,413		80,143	46,685		167,241	201,180
	Less: Accumulated amortization on disposals					(25,736)			(25,736)	(178,949)
	Transfer of capital assets related to restructuring (Schedule 11)									
	Closing Accumulated Amortization Costs			80,826		531,810	1,491,612		2,104,248	1,962,743
	Net Book Value		125,000	1,549,490		916,965	1,117,340	687,036	4,395,831	4,195,875

1. Total contributed/donated assets received in 2020 are:
 - Infrastructure Assets Nil
 - Vehicles Nil
 - Machinery and Equipment Nil
3. Amount of interest capitalized in Schedule 6 Nil

Rural Municipality of North Battleford No. 437
 Consolidated Schedule of Tangible Capital Assets by Function
 For the year ended December 31, 2020

Schedule 7

		2020							2019	
		General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Water and Sewer	Total	Total
Assets	Asset costs									
	Opening Asset Costs	1,416,482	682,990	4,059,146					6,158,618	6,327,619
	Additions during the year	16,811	263,943	90,673					371,427	699,172
	Disposals and write-downs during the year	(29,966)							(29,966)	(868,173)
	Transfer of capital assets related to restructuring (Schedule 11)									
	Closing Asset Costs	1,403,327	946,933	4,149,819					6,500,079	6,158,618
Amortization	Accumulated Amortization Costs									
	Opening Accumulated Amortization Costs	47,912	33,823	1,881,008					1,962,743	1,940,512
	Add: Amortization taken	4,193	3,382	159,666					167,241	201,180
	Less: Accumulated amortization on disposals	(25,736)							(25,736)	(178,949)
	Transfer of capital assets related to restructuring (Schedule 11)									
	Closing Accumulated Amortization Costs	26,369	37,205	2,040,674					2,104,248	1,962,743
	Net Book Value	1,376,958	909,728	2,109,145					4,395,831	4,195,875

Rural Municipality of North Battleford No. 437
 Consolidated Schedule of Accumulated Surplus
 For the year ended December 31, 2020

Schedule 8

	2019	Changes	2020
UNAPPROPRIATED SURPLUS	4,039,506	593,405	4,632,911
APPROPRIATED RESERVES			
Machinery and Equipment	87,000		87,000
Public Reserve	84,176		84,176
Capital Trust			
Utility			
Other (Specify)			
Total Appropriated	171,176		171,176
INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6, 7)	4,195,875	199,956	4,395,831
Less: Related debt	(1,559,666)	159,624	(1,400,042)
Net Investment in Tangible Capital Assets	2,636,209	359,580	2,995,789
Total Accumulated Surplus	6,846,891	952,985	7,799,876

Rural Municipality of North Battleford No. 437
 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 and Industrial	Potash Mine(s)	
Taxable Assessment	124,881,090	37,947,230			97,394,400		260,222,720
Regional Park Assessment							
Total Assessment							260,222,720
Mill Rate Factor(s)	0.6000	0.8500			0.9500		
Total Base/Minimum Tax (generated for each property class)	1,055,255						1,055,255
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	761,755	322,551			925,247		2,009,553

MILL RATES:	MILLS
Average Municipal*	7.7224
Average School*	3.6339
Potash Mill Rate	
Uniform Municipal Mill Rate	10.0000

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

Rural Municipality of North Battleford No. 437
Schedule of Council Remuneration
For the year ended December 31, 2020

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Daniel Bartko	5,920	1,201	7,121
Councillor	Robert Hujdic	4,440	645	5,085
Councillor	Todd Illingworth	3,600	251	3,851
Councillor	Todd Winterhalt	3,000		3,000
Councillor	David Acaster	4,580	909	5,489
Councillor	Ryan Shepherd	3,300	116	3,416
Councillor	Gilles Fransoo	3,000		3,000
Total		27,840	3,122	30,962