

Town of Norquay
FINANCIAL STATEMENTS
Year Ended December 31, 2021

Town of Norquay
Norquay, Saskatchewan
December 31, 2021

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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, 2021 and the Statements of Operations, Change 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, 2021, 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 Auditors' 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 auditors' 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 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 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
April 12, 2022

Town of Norquay
Norquay, Saskatchewan
Statement of Financial Position as at December 31, 2021

Statement 1

	2021	2020
Assets		
Financial Assets		
Cash and temporary investments - note 2	546,700	575,348
Taxes receivable - municipal - note 3	26,846	29,557
Other accounts receivable - note 4	34,463	39,385
Land for resale - note 5	695	691
Long-term investments - note 7	12,464	12,157
Total Financial Assets	<u>621,168</u>	<u>657,138</u>
Liabilities		
Accounts payable	79,767	1,633
Accrued liabilities	5,908	6,279
Deferred revenue - note 9	99,734	244,732
Long-term debt - note 10	250,000	300,000
Total Liabilities	<u>435,409</u>	<u>552,644</u>
Net Financial Assets	<u>185,759</u>	<u>104,494</u>
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	2,712,082	2,573,449
Prepayments and deferred charges	856	22,963
Stock and supplies - note 6	35,963	35,963
Total Non-Financial Assets	<u>2,748,901</u>	<u>2,632,375</u>
Accumulated Surplus - schedule 8	<u>\$ 2,934,660</u>	<u>\$ 2,736,869</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, 2021

Statement 2

	2021 Budget [Note 1(t)]	2021 Actual	2020 Actual
Revenues			
Taxes and other unconditional revenue			
- schedule 1	497,705	497,528	521,873
Fees and charges - schedules 4 and 5	281,190	297,318	287,589
Conditional grants - schedules 4 and 5		36,094	
Land sales - gain - schedules 4 and 5	200		391
Investment income and commissions - schedules 4 and 5	4,000	2,999	4,609
Other revenues - schedules 4 and 5		100	350
Total Revenue	<u>783,095</u>	<u>834,039</u>	<u>814,812</u>
Expenses - schedule 3			
General government services	153,025	138,371	159,295
Protective services	28,388	26,259	26,711
Transportation services	260,186	180,814	187,649
Environmental and public health services	102,936	100,858	90,743
Recreation and cultural services	75,037	54,097	54,222
Utilities services	330,019	297,635	280,776
Total Expenses	<u>949,591</u>	<u>798,034</u>	<u>799,396</u>
Surplus (Deficit) of Revenues over Expenses Before Other Capital Contributions	(166,496)	36,005	15,416
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>26,000</u>	<u>161,786</u>	<u>10,882</u>
Surplus (Deficit) of Revenue over Expenses	(140,496)	197,791	26,298
Accumulated Surplus, Beginning of Year	<u>2,736,869</u>	<u>2,736,869</u>	<u>2,710,571</u>
Accumulated Surplus, End of Year	<u>\$ 2,596,373</u>	<u>\$ 2,934,660</u>	<u>\$ 2,736,869</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, 2021

Statement 3

	2021 Budget [Note 1(t)]	2021 Actual	2020 Actual
Surplus	<u>(140,496)</u>	<u>197,791</u>	<u>26,298</u>
(Acquisition) of tangible capital assets	(62,000)	(290,809)	(111,814)
Amortization of tangible capital assets	<u> </u>	<u>152,176</u>	<u>150,595</u>
Surplus (Deficit) of Capital Expenses over Expenditures	<u>(62,000)</u>	<u>(138,633)</u>	<u>38,781</u>
(Acquisition) of prepaid expense			(468)
Consumption of supplies inventory			6,300
Use of prepaid expense	<u> </u>	<u>22,107</u>	<u> </u>
Surplus of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>22,107</u>	<u>5,832</u>
Increase (Decrease) in Net Financial Assets	(202,496)	81,265	70,911
Net Financial Assets, beginning of year	<u>104,494</u>	<u>104,494</u>	<u>33,583</u>
Net Financial Assets, End of Year	<u><u>\$ (98,002)</u></u>	<u><u>\$ 185,759</u></u>	<u><u>\$ 104,494</u></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, 2021

Statement 4

	2021	2020
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus	197,791	26,298
Amortization	<u>152,176</u>	<u>150,595</u>
	349,967	176,893
Change in Assets/Liabilities		
Taxes receivable - municipal	2,711	7,661
Other receivables	4,924	(4,408)
Land for resale	(5)	2,981
Accounts payable	78,133	(5,556)
Accrued liabilities payable	(372)	(6,569)
Deferred revenue	(144,997)	101,695
Stock and supplies for use		6,300
Prepayments and deferred charges	<u>22,107</u>	<u>(468)</u>
Cash Provided by Operating Transactions	<u>312,468</u>	<u>278,529</u>
Capital:		
Acquisition of capital assets	(290,809)	(111,814)
Investing:		
Additions to long-term investments	<u>(307)</u>	<u>(363)</u>
Financing:		
Long-term debt repaid	<u>(50,000)</u>	<u>(50,000)</u>
Change in Cash and Temporary Investments During the Year	(28,648)	116,352
Cash and temporary investments, beginning of year	<u>575,348</u>	<u>458,996</u>
Cash and Temporary Investments, End of Year	<u>\$ 546,700</u>	<u>\$ 575,348</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, 2021

1. Significant Accounting Policies

The 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:

(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.

(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.

Town of Norquay
Notes to Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(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 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 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 first in first out method. Net realizable value is the estimated selling price in the ordinary course of business.

(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 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 in schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

General Assets

Land	Indefinite
Buildings	40 years
Vehicles	10 years
Machinery and equipment	10-20 years

Infrastructure Assets

Paving, sidewalks and roadways	30-40 years
Water and sewer	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.

Town of Norquay
Notes to Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(m) Works of art and other unrecognized assets

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

(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 substantially all of the benefits and risk associated with the leased asset is classified as capital leases 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 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.

(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.

Town of Norquay
Notes to Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(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.

(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 20, 2021.

Town of Norquay
Notes to Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(u) 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:

- (i) An environmental standard exists;
- (ii) Contamination exceeds the environmental standard;
- (iii) The municipality:
 - a) Is directly responsible; or
 - b) Accepts responsibility;
- (iv) It is expected that future economic benefits will be given up; and
- (v) A reasonable estimate of the amount can be made.

(v) 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.

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.

Town of Norquay
Notes to Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(v) New standards and amendments to standards - continued

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.

	2021	2020
2. Cash and Temporary Investments		
Cash	<u>\$ 546,700</u>	<u>\$ 575,348</u>

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

	2021	2020
3. Taxes and Grants In Lieu Receivable		
Municipal - current	14,695	20,148
Municipal - arrears	<u>13,319</u>	<u>14,838</u>
	28,014	34,986
Less: Allowance for uncollectibles	<u>1,168</u>	<u>5,429</u>
Total municipal taxes receivable	<u>26,846</u>	<u>29,557</u>
School - current	528	2,157
School - arrears	<u>1,016</u>	<u>2,243</u>
Total school taxes receivable	<u>1,544</u>	<u>4,400</u>
Total taxes and grants in lieu receivable	28,390	33,957
Less: Taxes receivable to be collected on behalf of other organizations	<u>1,544</u>	<u>4,400</u>
Municipal and Grants In Lieu Taxes Receivable	<u>\$ 26,846</u>	<u>\$ 29,557</u>

Town of Norquay
Notes to Financial Statements
For the year ended December 31, 2021

	2021	2020
4. Other Accounts Receivable		
Federal government	12,764	14,208
Provincial government	4,263	3,630
Utilities	13,413	15,093
Trade	<u>4,023</u>	<u>6,454</u>
Net Other Accounts Receivable	<u>\$ 34,463</u>	<u>\$ 39,385</u>

5. Land for Resale		
Tax title property	46,936	44,668
Less: Allowance for market value adjustment	<u>46,241</u>	<u>43,977</u>
Total Land for Resale	<u>\$ 695</u>	<u>\$ 691</u>

6. Stock and Supplies		
Stock and supplies are comprised of the following:		
Gravel	<u>\$ 35,963</u>	<u>\$ 35,963</u>

7. Long-Term Investments		
Co-op. equity	<u>\$ 12,464</u>	<u>\$ 12,157</u>

8. Bank Indebtedness		
Credit arrangements:		
At 2021, the municipality had lines of credit totaling 80,000, none of which were drawn.		

9. Deferred Revenue				
	Balance, Beginning of Year	Plus Amount Received	Less Amount Recognized	Balance, End of Year
Donation	3,956			3,956
Taxpayer deposits	200			200
Canada Community Building Fund	163,198	52,883	135,503	80,578
Municipal Economic Enhancement	62,378		62,378	
FCC	<u>15,000</u>			<u>15,000</u>
	<u>\$ 244,732</u>	<u>\$ 52,883</u>	<u>\$ 197,881</u>	<u>\$ 99,734</u>

Town of Norquay
Notes to Financial Statements
For the year ended December 31, 2021

10. Long-Term Debt

- (a) The debt limit of the municipality for 2022 is \$640,601. 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).
- (b) Bank loan is repayable [describe terms including interest rates, repayment dates and amounts, and whether any amount is due on demand].

Future principal repayments are estimated as follows:

	Principal	Interest	2021 Total	2020 Total
2022	50,000	7,375	57,375	57,375
2023	50,000	5,900	55,900	55,900
2024	50,000	4,425	54,425	54,425
2025	50,000	2,950	52,950	52,950
2026	50,000	1,475	51,475	51,475
	<u>\$ 250,000</u>	<u>\$ 22,125</u>	<u>\$ 272,125</u>	<u>\$ 272,125</u>

11. Employee Benefit Plans

The municipality participates in a contributory defined benefit pension plan for all 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:

	2021	2020
General members	9.00 %	9.00 %
Designated members	12.50 %	12.50 %

Contributions to the plan during the year were as follows:

Benefit expense	\$ 14,163	\$ 13,836
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As per the most recently audited financial statements dated December 31, 2020, the plan surplus is \$838,900,000.

Town of Norquay
Notes to Financial Statements
For the year ended December 31, 2021

12. Budget

The figures shown under the "Budget" column in the statement of operations and attached schedules have not been audited and are provided for information purposes only.

13. Impact of COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the municipality's 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 municipality's operations. The extent of this outbreak and related containment measures on the municipality's operations cannot be reliably estimated at this time.

Town of Norquay
Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2021

Schedule 1

	2021 Budget [Note 1(t)]	2021 Actual	2020 Actual
Taxes			
General municipal tax levy	351,000	351,523	348,984
Abatements and adjustments	(1,000)		(602)
Discount on current year taxes	(10,000)	(11,339)	(11,556)
Net municipal taxes	<u>340,000</u>	<u>340,184</u>	<u>336,826</u>
Penalties on tax arrears	<u>7,350</u>	<u>7,352</u>	<u>7,451</u>
Total Taxes	<u>347,350</u>	<u>347,536</u>	<u>344,277</u>
Unconditional Grants			
Equalization (revenue sharing)	99,393	99,393	100,280
Safe Restart			<u>25,890</u>
Total Unconditional Grants	<u>99,393</u>	<u>99,393</u>	<u>126,170</u>
Grants In Lieu of Taxes			
Federal	1,100	1,227	1,150
Provincial			
Sask. Energy Gas	12,000	11,995	12,011
SPMC - municipal share	1,174	1,201	1,111
SaskTel	1,488	1,250	1,545
Local/Other			
Housing authority	8,900	7,211	9,313
Other Government Transfers			
S.P.C. surcharge	<u>26,300</u>	<u>27,715</u>	<u>26,296</u>
Total Grants In Lieu of Taxes	<u>50,962</u>	<u>50,599</u>	<u>51,426</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 497,705</u>	<u>\$ 497,528</u>	<u>\$ 521,873</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, 2021

Schedule 2-1

	2021 Budget [Note 1(t)]	2021 Actual	2020 Actual
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Rentals	6,450	6,280	6,540
General office services	350	312	541
Licenses and permits	300	335	325
Other	1,500	1,653	1,345
Total Fees and Charges	<u>8,600</u>	<u>8,580</u>	<u>8,751</u>
Land sales - gain	200		391
Investment income and commissions	4,000	2,999	4,609
Total Other Segmented Revenue	<u>12,800</u>	<u>11,579</u>	<u>13,751</u>
Total General Government Services	<u>\$ 12,800</u>	<u>\$ 11,579</u>	<u>\$ 13,751</u>
Protective Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Policing and fire fees	200	685	415
Total Other Segmented Revenue	<u>200</u>	<u>685</u>	<u>415</u>
Total Protective Services	<u>\$ 200</u>	<u>\$ 685</u>	<u>\$ 415</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>
Capital			
Conditional Grants			
Canada Community Building Fund		67,734	
Total Capital	<u>0</u>	<u>67,734</u>	<u>0</u>
Total Transportation Services	<u>\$ 100</u>	<u>\$ 67,734</u>	<u>\$ 0</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, 2021

Schedule 2-2

	2021 Budget [Note 1(t)]	2021 Actual	2020 Actual
Environmental and Public Health Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Waste disposal fees	30,820	31,314	30,943
Cemetery fees	600		330
Total Fees and Charges	<u>31,420</u>	<u>31,314</u>	<u>31,273</u>
Total Other Segmented Revenue	<u>31,420</u>	<u>31,314</u>	<u>31,273</u>
Total Operating	<u>31,420</u>	<u>31,314</u>	<u>31,273</u>
Total Environmental and Public Health Services	<u>\$ 31,420</u>	<u>\$ 31,314</u>	<u>\$ 31,273</u>
Recreation and Cultural Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Campground income	1,000	975	1,485
Donations		15,000	
Total Fees and Charges	<u>1,000</u>	<u>15,975</u>	<u>1,485</u>
Other revenues	<u>300</u>	<u>100</u>	<u>350</u>
Total Other Segmented Revenue	<u>1,300</u>	<u>16,075</u>	<u>1,835</u>
Conditional Grants			
Canada Community Building Fund		36,094	
Total Conditional Grants	<u>0</u>	<u>36,094</u>	<u>0</u>
Total Recreation and Cultural Services	<u>\$ 1,300</u>	<u>\$ 52,169</u>	<u>\$ 1,835</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, 2021

Schedule 2-3

	2021 Budget [Note 1(t)]	2021 Actual	2020 Actual
Utility Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Water	116,600	117,045	122,382
Sewer	67,500	67,459	67,428
Other utilities	55,650	55,788	55,720
Expense recoveries	120	472	135
Total Fees and Charges	<u>239,870</u>	<u>240,764</u>	<u>245,665</u>
Total Other Segmented Revenue	<u>239,870</u>	<u>240,764</u>	<u>245,665</u>
Total Operating	<u>239,870</u>	<u>240,764</u>	<u>245,665</u>
Capital			
Conditional Grants			
Canada Community Building Fund	26,000	31,674	10,882
Municipal Economic Enhancement		<u>62,378</u>	
Total Capital	<u>26,000</u>	<u>94,052</u>	<u>10,882</u>
Total Utility Services	<u>\$ 265,870</u>	<u>\$ 334,816</u>	<u>\$ 256,547</u>
Total Operating and Capital Revenue by Function	<u>\$ 311,690</u>	<u>\$ 498,297</u>	<u>\$ 303,821</u>
Summary			
Total Other Segmented Revenue	285,690	300,417	292,939
Total Conditional Grants	0	36,094	0
Total Capital Grants and Contributions	<u>26,000</u>	<u>161,786</u>	<u>10,882</u>
Total Operating and Capital Revenue by Function	<u>\$ 311,690</u>	<u>\$ 498,297</u>	<u>\$ 303,821</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, 2021

Schedule 3-1

	2021 Budget [Note 1(t)]	2021 Actual	2020 Actual
General Government Services			
Council remuneration and travel	28,590	17,315	22,951
Wages and benefits	53,971	52,986	47,006
Contractual services - assessment	6,604	6,604	6,566
Contractual services - other	25,670	22,932	22,093
Utilities	8,640	8,028	7,993
Maintenance, materials and supplies	9,050	12,968	9,002
Grants and contributions - operating		500	5,090
Insurance	19,500	19,036	17,733
Interest			10
Allowance for uncollectibles		(1,998)	18,747
Other	1,000		2,104
Total General Government Services	\$ 153,025	\$ 138,371	\$ 159,295
Protective Services			
Police protection			
Contractual services	21,000	21,465	20,904
Fire protection			
Contractual services	2,000	641	613
Utilities	3,000	2,175	2,327
Grants and contributions - operating	2,388	1,500	2,388
Amortization		478	479
Total Protective Services	\$ 28,388	\$ 26,259	\$ 26,711
Transportation Services			
Wages and benefits	55,538	52,595	44,618
Contractual services - maintenance	93,798	42,289	44,396
Utilities	23,800	21,921	23,317
Gravel	9,000	3,979	18,300
Machinery costs/fuel/blades	12,300	11,927	8,748
Culverts/drainage	2,000		
Amortization		35,178	30,647
Other materials and supplies	63,750	12,925	17,623
Total Transportation Services	\$ 260,186	\$ 180,814	\$ 187,649

*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, 2021

Schedule 3-2

	2021 Budget [Note 1(t)]	2021 Actual	2020 Actual
Environmental and Public Health Services			
Wages and benefits	26,796	24,295	22,266
Contractual services - waste	6,705	3,004	6,332
Contractual services - pest and weed	30,821	36,484	28,516
Maintenance, materials and supplies	2,460	1,496	1,345
Grants and contributions - operating	<u>36,154</u>	<u>35,579</u>	<u>32,284</u>
Total Environmental and Public Health Services	<u>\$ 102,936</u>	<u>\$ 100,858</u>	<u>\$ 90,743</u>
Recreation and Cultural Services			
Contractual services	24,000	920	3,242
Utilities	2,800	2,260	1,999
Maintenance, materials and supplies	41,400	11,112	10,255
Grants and contributions - operating	6,837	6,916	5,837
Amortization	<u></u>	<u>32,889</u>	<u>32,889</u>
Total Recreation and Cultural Services	<u>\$ 75,037</u>	<u>\$ 54,097</u>	<u>\$ 54,222</u>
Utility Services			
Wages and benefits	79,369	73,768	67,273
Contractual services	84,300	75,117	54,125
Utilities	26,650	24,449	25,404
Maintenance, materials and supplies	130,700	32,562	36,878
Amortization		83,631	86,580
Interest	<u>9,000</u>	<u>8,108</u>	<u>10,516</u>
Total Utility Services	<u>\$ 330,019</u>	<u>\$ 297,635</u>	<u>\$ 280,776</u>
Total Expenses by Function	<u>\$ 949,591</u>	<u>\$ 798,034</u>	<u>\$ 799,396</u>

Town of Norquay
Schedule of Segment Disclosure by Function
For the year ended December 31, 2021

Schedule 4

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	8,580	685		31,314		15,975	240,764	297,318
Investment income and commissions	2,999							2,999
Other revenues						100		100
Grants - conditional						36,094		36,094
Grants - capital			67,734				94,052	161,786
Total Revenues	<u>11,579</u>	<u>685</u>	<u>67,734</u>	<u>31,314</u>	<u>0</u>	<u>52,169</u>	<u>334,816</u>	<u>498,297</u>
Expenses - schedule 3								
Wages and benefits	52,986		52,595	24,295			73,768	203,644
Professional/contractual services	46,851	22,106	42,289	3,004		920	75,117	190,287
Utilities	8,028	2,175	21,921	36,484		2,260	24,449	95,317
Maintenance materials and supplies	12,968		3,979	1,496		11,112	32,562	62,117
Machinery costs/fuel/blades			11,927					11,927
Grants and contributions	500	1,500		35,579		6,916		44,495
Amortization		478	35,178			32,889	83,631	152,176
Insurance	19,036							19,036
Interest							8,108	8,108
Allowance for uncollectibles	(1,998)							(1,998)
Other			12,925					12,925
Total Expenses	<u>138,371</u>	<u>26,259</u>	<u>180,814</u>	<u>100,858</u>	<u>0</u>	<u>54,097</u>	<u>297,635</u>	<u>798,034</u>
Surplus (Deficit) by Function	<u>\$ (126,792)</u>	<u>\$ (25,574)</u>	<u>\$ (113,080)</u>	<u>\$ (69,544)</u>	<u>\$ 0</u>	<u>\$ (1,928)</u>	<u>\$ 37,181</u>	<u>(299,737)</u>
Taxation and other unconditional revenue - schedule 1								<u>497,528</u>
Net Surplus								<u>\$ 197,791</u>

*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, 2020

Schedule 5

	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	51,610	21,517	44,396	6,332		3,242	54,125	181,222
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	159,295	26,711	187,649	90,743	0	54,222	280,776	799,396
Surplus (Deficit) by Function	\$(145,544)	\$(26,296)	\$(187,649)	\$(59,470)	\$ 0	\$(52,387)	\$(24,229)	(495,575)
Taxation and other unconditional revenue - schedule 1								521,873
Net Surplus								\$ 26,298

*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, 2021

Schedule 6

	2021							2020	
	General Assets					Infrastruct. Assets	General/ Infrastruct. Assets under Constr.	Total	Total
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
Asset Cost									
Opening Asset Cost	64,226	0	1,886,196	20,070	325,896	4,161,542	9,351	6,467,281	6,355,467
Additions during the year			36,094			239,715	15,000	290,809	111,814
Closing Asset Costs	64,226	0	1,922,290	20,070	325,896	4,401,257	24,351	6,758,090	6,467,281
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	0	0	1,328,190	12,014	226,724	2,326,904	0	3,893,832	3,743,237
Add: Amortization taken			44,202	1,007	23,696	83,271		152,176	150,595
Closing Accumulated Amortization Costs	0	0	1,372,392	13,021	250,420	2,410,175	0	4,046,008	3,893,832
Net Book Value	\$ 64,226	\$ 0	\$ 549,898	\$ 7,049	\$ 75,476	\$ 1,991,082	\$ 24,351	\$ 2,712,082	\$ 2,573,449

*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, 2021

Schedule 7

	2021							2020	
	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	1,328,835	21,002	0	1,324,905	3,709,108	6,467,281	6,355,467
Additions during the year			113,584			67,301	109,924	290,809	111,814
Closing Asset Costs	44,281	39,150	1,442,419	21,002	0	1,392,206	3,819,032	6,758,090	6,467,281
Accumulated Amortization Cost									
Opening 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
Add: Amortization taken		478	35,178			32,889	83,631	152,176	150,595
Closing Accumulated Amortization Costs	44,280	21,995	1,086,531	21,000	0	1,148,501	1,723,701	4,046,008	3,893,832
Net Book Value	\$ 1	\$ 17,155	\$ 355,888	\$ 2	\$ 0	\$ 243,705	\$ 2,095,331	\$ 2,712,082	\$ 2,573,449

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part of these financial statements.*

Town of Norquay
Schedule of Accumulated Surplus
For the year ended December 31, 2021

Schedule 8

	2020	Changes	2021
Unappropriated Surplus	<u>346,605</u>	<u>29,858</u>	<u>376,463</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	(20,700)	57,450
Cemetery perpetual care	8,400		8,400
General government	<u>4,165</u>		<u>4,165</u>
	<u>104,815</u>	<u>(20,700)</u>	<u>84,115</u>
Total Appropriated	<u>116,815</u>	<u>(20,700)</u>	<u>96,115</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	2,573,449	138,633	2,712,082
Less: Related debt	<u>300,000</u>	<u>(50,000)</u>	<u>250,000</u>
Net Investment in Tangible Capital Assets	<u>2,273,449</u>	<u>188,633</u>	<u>2,462,082</u>
Total Accumulated Surplus	<u>\$ 2,736,869</u>	<u>\$ 197,791</u>	<u>\$ 2,934,660</u>

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

Town of Norquay
Schedule of Mill Rates and Assessments
For the year ended December 31, 2021

Schedule 9

	Property Class					Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)
Taxable Assessment	51,535	16,491,295			1,979,480	18,522,310
Regional Park Assessment						
Total Assessment						18,522,310
Mill Rate Factor(s)	1.0000	1.0000			1.5000	
Total Base/Minimum Tax (generated for each property class)	625	221,875			25,000	247,500
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	625	305,957			44,941	351,523
Mill Rates:	Mills					
Average Municipal*	18.9784					
Average School*	4.7000					
Potash Mill Rate						
Uniform Municipal Mill Rate	11.0000					

*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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part of these financial statements.*

Town of Norquay
Schedule of Council Remuneration
For the year ended December 31, 2021

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Don Tower	2,875		2,875
Loretta Perrick	2,550		2,550
Ken Newell	3,225		3,225
Richard Dahlin	2,400		2,400
Darin Janzen	2,365		2,365
Jason Lukey	1,875		1,875
Kevin Ebert	2,025		2,025
	<u> </u>	<u> </u>	<u> </u>
	<u>\$ 17,315</u>	<u>\$ 0</u>	<u>\$ 17,315</u>