

North Battleford, Saskatchewan, Canada
Year Ended December 31, 2018

ANNUAL REPORT

2018



**North
Battleford**

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14,315

Residents in the City of North Battleford. More people travel to North Battleford for work, education, shopping, healthcare or to enjoy outstanding recreation.

450,000

Users of the City's Leisure Service's Facilities in 2018

5th

Largest city in Saskatchewan

Message from the Mayor



Ryan Bater
Mayor of North Battleford

On behalf of North Battleford City Council, I am pleased to present the 2018 Annual Report. The report details the work delivered by the City throughout the year, all of which is key to ensuring the high quality of life enjoyed by those who make North Battleford their home.

2018 was a year of transition for the City government. We welcomed new additions to our impressive Management team, all of whom have brought new ideas and points of view to ensure that the services delivered by the City are serving our citizens in the most effective and efficient means possible.

We continued with key development initiatives including underground pipe and asphalt replacement under the UPAR Program, infrastructure investment in our Downtown, and the completion of the Yellow Sky Master Plan. We showcased the high caliber of our recreation facilities and hospitality to a provincial audience by hosting the Saskatchewan Winter Games. The City also took the historic step of permanently erecting the Treaty Six Flag at City Hall to serve as a permanent reminder that our community would not be here had the Indigenous Peoples of this area not agreed to share the land through Treaty Six. These are just a few examples of the City's key accomplishments in 2018.

Thank you to our professional City staff and my Council colleagues who work carefully and diligently to stay focused on service delivery to our residents and visitors. Together we ensure that North Battleford remains a place that we are all proud to call home.

“Together we ensure that North Battleford remains a place that we are all proud to call home.”

North Battleford City Council



DON BUGLAS



GREG LIGHTFOOT



KELLI HAWTIN



KENT LINDGREN



KEVIN STEINBORN



LEN TAYLOR

Message from the City Manager



Randy Patrick
City Manager

I am pleased to present the City of North Battlefords 2018 Annual Report. This report not only details the City's financial performance, but it highlights achievements over the year. This year's Annual Report follows a new format that strives to provide City Council and residents with a better sense of what the City has achieved, and highlights some of the costs involved in doing so.

In 2018 we focused on reducing the cost of local government and operating the City in a cost-effective manner. It was, and remains our goal, to better service citizens and continue to do our part in improving local social and economic infrastructure.

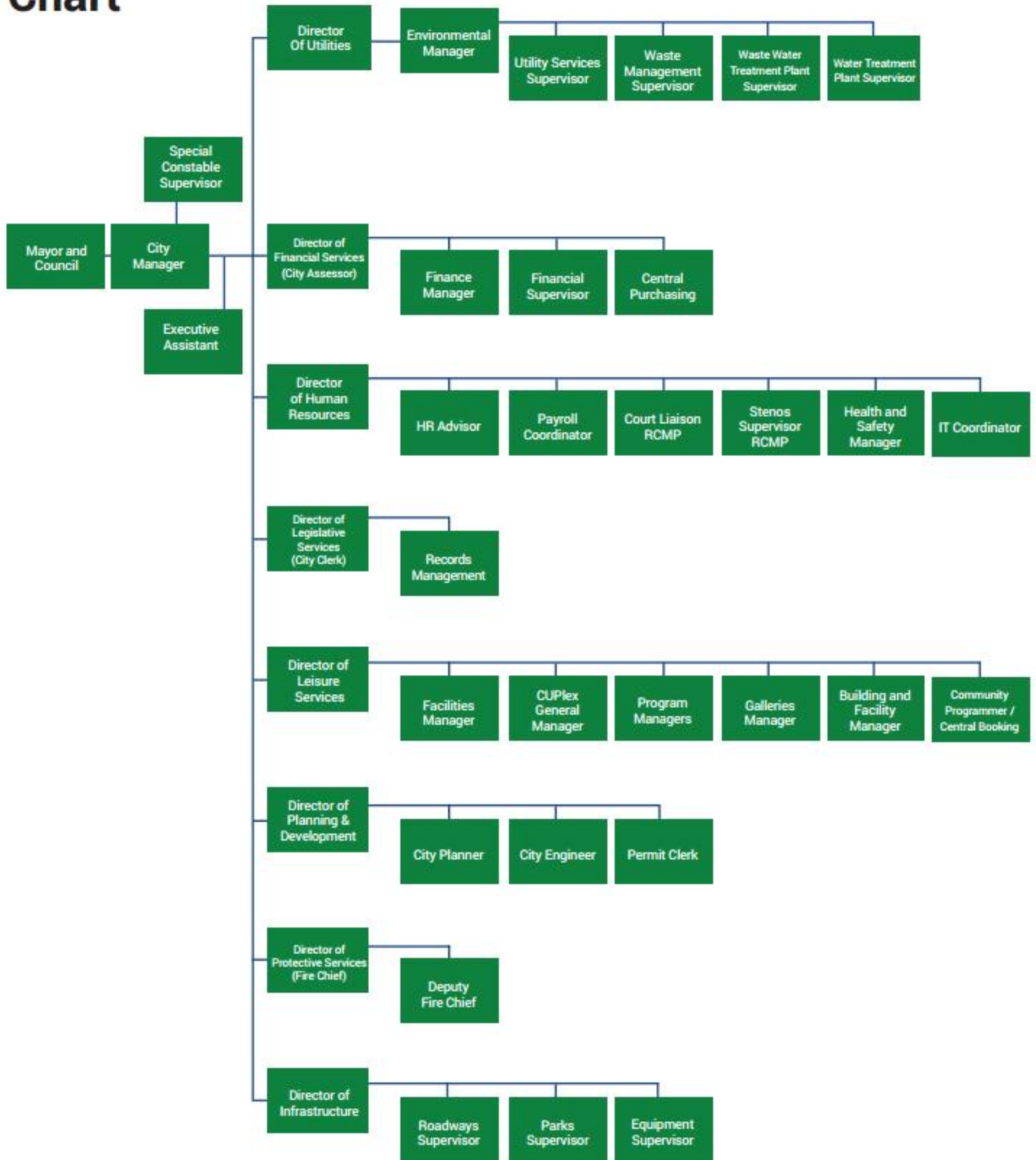
I want to thank everyone who played a role in the achievements that are highlighted here. I appreciate the dedication of City staff, their commitment to the public and the pride they show every day while delivering high quality services. I also want to recognize the contribution that our citizens and the business community have made to making our City a better place.

A handwritten signature in blue ink that reads "Randy Patrick". The signature is written in a cursive, flowing style.



Our goal is to better service citizens and continue to do our part in improving local social and economic infrastructure."

Organizational Chart



General Government

2018 was a year of change, improvements and notable events. A number of senior management and front line positions turned over in City Hall. The change brought in new ideas and challenges meeting the levels of service from the residents of North Battleford.

A significant event that occurred at City Hall in 2018 was the celebration of National Indigenous Day and the raising of the Treaty Six flag at City Hall. The City also successfully concluded union negotiations with the Canadian Union of Public Employees, which allows service levels to be delivered with no labour disruptions.

“A year of change, improvements and notable events”



21

FULL TIME STAFF

21

BYLAWS WERE CHANGED AND ADOPTED

300

STREET CLOSURE PERMITS WERE ISSUED

\$253,000

REDUCTION IN CORPORATE INSURANCE

6

MANAGEMENT POSITIONS STAFFED

STAFF PERFORMANCE MANAGEMENT SYSTEM DEVELOPED

TREATY SIX FLAG RAISED AT CITY HALL



GENERAL GOVERNMENT COST PER RESIDENT



\$314.43

Department Costs

\$151.05

Wages & Benefits

Policing Services



\$816.49

RCMP COST PER PROPERTY

36

SWORN MEMBERS FOR THE CITY OF NORTH BATTLEFORD

7

CITY STAFF EMPLOYED

7

OFFICERS ON SHIFT IN AND AROUND THE CITY AT ANY GIVEN TIME

7,264

CALLS IN 2018 OR 202 CALLS PER OFFICER

1,088

TICKETS WRITTEN



POLICING SERVICES COST PER RESIDENT



\$349.41

Department Costs

\$43.45

Wages & Benefits

**City employee wages only*

Community Safety Officer Services

2018 was a very busy year for the City's Community Safety Officer department, calls for service were up 18% from the previous year while operating for the majority of the year with two less Special Constables. Several joint operations were conducted with the RCMP and SGI that had a positive effect on community safety.



5

FULL TIME SPECIAL
CONSTABLES

1

ADMINISTRATIVE STAFF

7,200

CALLS FOR SERVICE

\$227,100

IN PARKING TICKETS ISSUED

1,225

PROVINCIAL TICKETS ISSUED

161

TICKETS ISSUED FOR
SPEEDING IN A SCHOOL ZONE



COMMUNITY SAFETY OFFICER SERVICES
COST PER RESIDENT



\$46.35

Department Costs

\$39.60

Wages & Benefits

Fire Services

The City's Fire Service experienced a number of changes, the most notable being a new Fire Chief and Deputy Fire Chief managing the department. The department saw a 19% increase year over year in call volumes due to needle pickup.

“19% increase in call volumes in 2018 due to needle pickup”



16

FULL TIME FIREFIGHTERS
10 PAID ON CALL FIREFIGHTERS
1 FIRE CHIEF
1 DEPUTY FIRE CHIEF
1 ADMINISTRATIVE STAFF

17

STRUCTURE FIRES

7,484

TRAINING HOURS

197

NEEDLES PICKED UP

411

FIRE PREVENTION
INSPECTIONS



FIRE SERVICES COST PER RESIDENT



\$195.40

Department Costs

\$159.62

Wages & Benefits

Leisure Services

In 2018, the Department of Leisure Services continued to envision a community that engages and supports meaningful and accessible leisure experiences that foster overall individual and community wellness. It was a financially challenging year for the department due mostly to aging facilities but it was also a rewarding year. For example, we successfully hosted the 2018 Saskatchewan Winter Games, opened a new Natural Play Space, installed new lighting at the Don Ross Arena and hosted the 3rd Annual Memorial Round Dance in memory of Allen Sapp and Walking With Our Sisters.



“A community that engages and supports meaningful and accessible leisure experiences”

54

FULL TIME EQUIVALENT STAFF

137,707

PATRONS USED THE CO-OP AQUATIC CENTRE

70,140

PATRONS USED THE NATIONS WEST FIELDHOUSE

\$24,337

IN GRANTS AND SPONSORSHIPS WERE RECEIVED FOR COMMUNITY PROGRAMMING

1,800

ATHLETES, COACHES, AND MANAGERS ATTENDED THE 2018 SASKATCHEWAN WINTER GAMES

14

EXHIBITIONS WERE SHOWCASED ON THE ALLEN SAPP AND CHAPEL GALLERY

745

ACRES OF PARKS AND OPEN SPACES MAINTAINED BY THE CITY



LEISURE SERVICES COST PER RESIDENT



\$435.14

Department Costs

\$210.32

Wages & Benefits

Planning and Development

Once again in 2018 significant provisions have been made for the replacement of aging infrastructure. This comes in the form of underground utility pipelines and surface improvements. The UPAR program has been making good progress and has represented a significant portion of the City's overall capital budget, but this still falls short of addressing the overall infrastructure replacement needs of the City. The adoption of the Downtown Master Plan in March of 2017 concluded two years of consultation and planning to revitalize the City's downtown core. Work began in 2017 and continued into 2018 which also saw the completion of the Yellow Sky Master Plan.

“Significant provisions have been made for the replacement of aging infrastructure”



8

FULL TIME STAFF

\$3,200,000

TOTAL UPAR BUDGET

11

KILOMETERS IN ASPHALT RESURFACING

2.14

KILOMETERS IN SEWER LINE REHABILITATION

2.6

KILOMETERS OF SIDEWALK REPLACEMENT

730

METERS IN WATER LINE INSTALLATION AND REPLACEMENT

1,040

BUSINESS LICENSES



PLANNING AND DEVELOPMENT COST PER RESIDENT



\$108.58

Department Costs

\$41.36

Wages & Benefits

Infrastructure

Infrastructure Services was one of the larger services in the City during 2018 and was made up of Roadways and Sidewalks Services, Parks and Cemeteries Services, Urban Forest and Greenhouse Services and finally Fleet Services.



“One of the largest services in the city during 2018 ”

54

FULL TIME STAFF

140

KILOMETERS OF ROADS MAINTAINED BY CITY STAFF

123

CITY FACILITIES AND STRUCTURES

149

VEHICLES AND EQUIPMENT

LED LIGHTING INSTALLED AT DON ROSS ARENA



INFRASTRUCTURE COST PER RESIDENT



\$707.83


Department Costs

\$186.63

Wages & Benefits

Water Services

The Water Services is responsible for the treatment, storage and pumping of potable water throughout the City of North Battleford. Water Services operates two plants, Water Treatment Plant #1 which is a ground water source plant and FE Holliday Water Treatment Plant which is a surface water plant taking water from the North Saskatchewan Water. The treated water undergoes several tests to ensure that it exceed both the Saskatchewan Water Security Agency minimum requirements for treated water as well as Health Canada minimum requirements.



“The treatment, storage and pumping of potable water throughout the city”

16

FULL TIME STAFF FOR WATER TREATMENT AND WATER INFRASTRUCTURE

1.84

MILLION CUBIC METERS PRODUCED

110

KILOMETERS OF WATER AND SEWER LINES

\$142,000

SPENT ON WATER TOWER IMPROVEMENTS

1/3

OF THE CITY WATER LINES WERE FLUSHED AS PART OF THE CITY'S UNIDIRECTIONAL FLUSHING PROGRAM



WATER SERVICES COST PER RESIDENT



\$303.35

Department Costs

\$102.01

Wages & Benefits

Sanitary Services

The Wastewater Services deals with the collection and treatment of sanitary sewage throughout the City. The majority of the City's wastewater collection system consists of underground pipes and pumping stations that flow the sewage to the Wastewater Treatment Plant for proper treatment and disposal. In addition, several businesses that are located in the Parsons Industrial Park, are connected to sewage holding tanks and transport their sewage by way of sewage pumping trucks, to the Wastewater Treatment Plant for processing.



“The treatment of sanitary sewage throughout the City”

7

FULL TIME STAFF

1.80

MILLION CUBIC METERS OF
WASTEWATER TREATED

\$194,000

SPENT ON UPGRADING
TECHNOLOGY

4,888

CUBIC METERS
OF REGISTERED
BIO-FERTILIZER CREATED



SANITARY SERVICES COST PER RESIDENT



\$231.96

Department Costs

\$51.38

Wages & Benefits

Waste Management Services

The Waste Management Services deals with proper disposal of both solid waste and recycling materials for the City of North Battleford and some of the surrounding communities. The Waste Management Services operate the City's Waste Management Facility and are constantly developing new methods to divert materials from the City's landfill. These diversion methods are helping to extend the life of the existing landfill cell, allowing the city to save more funds before constructing the last of the landfill cell. The Waste Management Facility abides to all Federal and Provincial regulations and guidelines for the operations of waste facilities.

“Constantly developing new methods to divert materials from the City's landfill”



6

FULL TIME STAFF

14,607

METRIC TONNES DISPOSED INTO LANDFILL

3,409

METRIC TONNES DIVERTED FROM LANDFILL OR 23%

9,500

LITERS OF USED OIL DIVERTED FROM LANDFILL

NEW ECOCENTRE INSTALLED AT LANDFILL IN PARTNERSHIP WITH SASKATCHEWAN ASSOCIATION FOR RESOURCE RECOVERY

FIRST CITY WIDE CURBSIDE GIVE AWAY WEEKEND HELD



WASTE MANAGEMENT SERVICES COST PER RESIDENT



\$98.56

Department Costs

\$32.53

Wages & Benefits

Financial Statement Discussion and Analysis



Introduction

The City of North Battleford's 2018 Annual Financial Report contains Consolidated Financial Statements prepared in accordance with the Public Sector Accounting Standards of the Chartered Professional Accountants of Canada, as required by The Cities Act.

The discussion and analysis of the City's financial performance for 2018 provides a general overview of the financial activities for the year ended December 31, 2018. The purpose of this discussion is to help users of the financial statements better understand the information contained within and what was realized in 2018.

FINANCIAL STATEMENT OVERVIEW

The City of North Battleford's consolidated financial statements combine the financial results of nine main operational areas as follows:

- **General Government** – contains the property tax revenue generated along with operational areas such as Finance, Human Resources and overall Corporate Governance at the City.
- **Policing Services** – contains all activities relating to the RCMP policing contract.
- **Fire and Protective Services** – contains all activities relating to Fire Services and the City's Community Safety Officers.
- **Infrastructure Services** – contains all activities related to Road Services, Parks Management, Airport and Fleet Services.
- **Waste Management Services** – contains all activities related to landfill operations, recycling and garbage pickup.
- **Planning and Development Services** – contains all activities related to the City's planning services, Engineering and Construction, Transit Services and Business Permits Services.
- **Leisure Services** – contains all activities related to Playgrounds, Pool, Fieldhouse, Arena Services, Galleries, Community Programs and other leisure activities.
- **Water Services** – contains all activities related to generating potable water for residents and the distribution network to get the water to the City's residents.
- **Sanitary Services** – contains all activities related to treating and disposing of the City's waste water products.

KEY FINANCIAL HIGHLIGHTS

- The City's net financial asset position improved by \$692,399 when compared to 2017 due to Killdeer Land Development being re-classified from a non-financial asset to a financial asset.
- The 2018 Statement of Operations shows a Surplus of Revenues over Expenses of \$1,944,635 compared to \$2,457,873 in 2017.
- The accumulated surplus at the end of 2018 was \$150,725,738, which was an increase of \$1,944,635 when compared to 2017.
- Overall revenues for 2018 was \$42,127,521 including capital grants, which was a decrease of \$1,762,188 when compared to 2017.
- Fees and Charges revenues for 2018 was \$12,684,652, which was a decrease of \$3,322,378 when compared to 2017.
- Conditional Grant revenue for 2018 was \$1,659,759, which was an increase of \$264,364 when compared to 2017.
- Land Sales Revenue for 2018 was \$1,100,457, which was an increase of \$774,912 when compared to 2017.
- Investment Income for 2018 was \$586,504, which was an increase of \$322,232 when compared to 2017.
- Wages and Benefits for 2018 was \$14,571,890, which was an increase of \$333,772 when compared to 2017.
- Total capital asset acquisitions for 2018 was \$7,924,439, which was a decrease of \$3,167,530 when compared to 2017 which was \$11,091,969.
- The City's 2018 appropriate reserve balance December 31, 2018 was \$5,250,142, which was a drop of \$2,777,105 when compared to December 31, 2017.

Statement of Operations

A summarized Statement of Operations (Statement 1) for the past five years is reflected in Table 1.0 below. A review of the operational revenues and expenses over five years indicate that while the City's revenues have increased 9.5% in that period, the City's operational expenses have increased by 13.1%. 2018 was a challenging year and anticipate those challenges to continue into 2019.

TABLE 1.0 - FIVE YEAR STATEMENT OF OPERATIONS

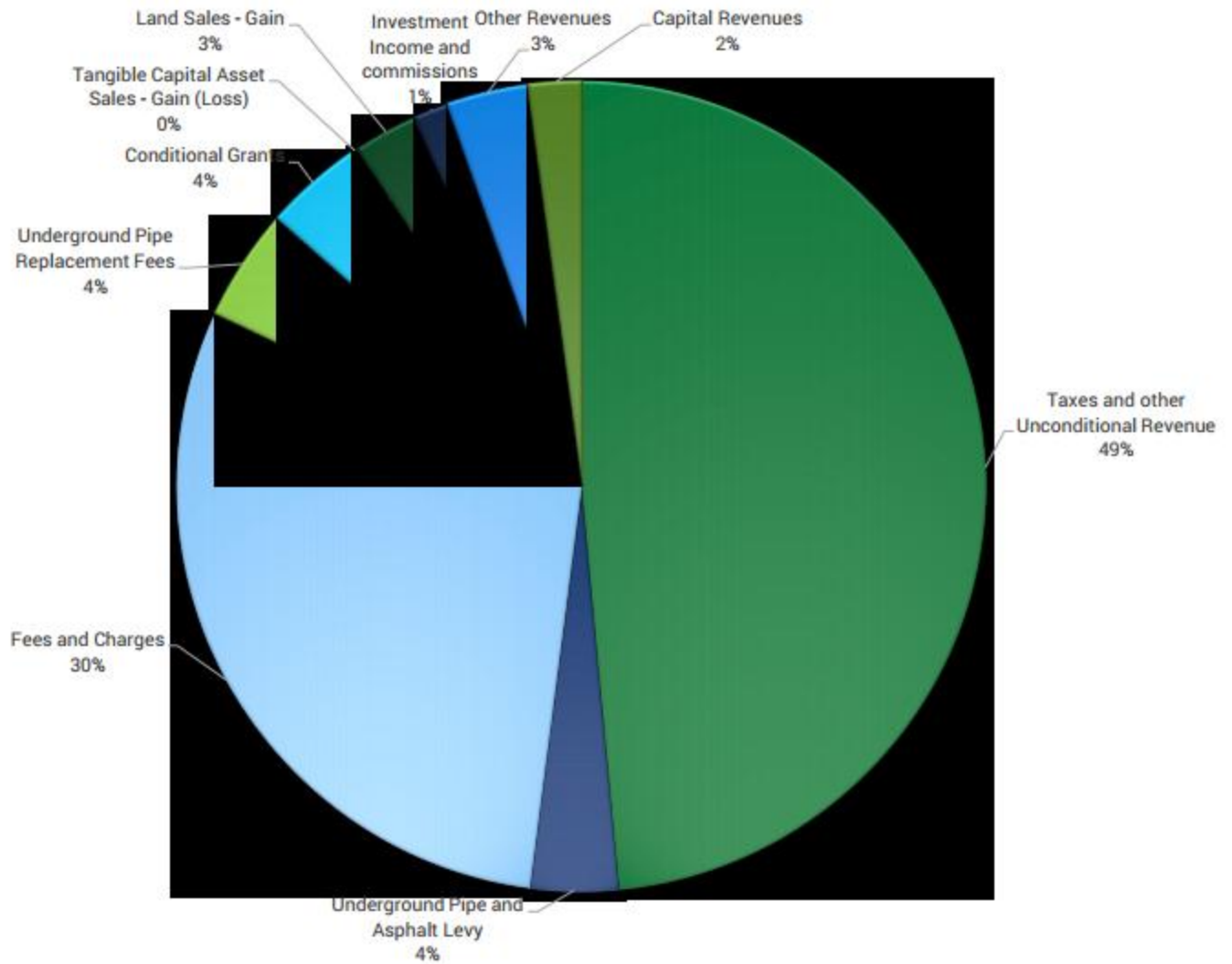
	2018	2017	2016	2015	2014	Change
Total Revenues	\$41,251,564	\$43,042,918	\$46,702,194	\$40,333,733	\$37,301,580	10.6%
Total Expenses	\$40,182,886	\$41,43,835	\$41,765,416	\$36,774,248	\$35,531,491	13.1%
Operating Surplus (Deficit)	\$1,068,678	\$1,611,083	\$4,936,778	\$3,559,485	\$1,770,089	
Capital Grants	\$875,957	\$846,790	\$810,682	\$361,705	\$1,156,709	-24.3%
Total Surplus (Deficit)	\$1,944,635	\$2,457,873	\$5,747,460	\$3,921,190	\$2,926,798	

Revenues

Total consolidated revenues decreased by \$1,762,187 from 2017 to 2018. The decreases were largely caused by pressures in property tax revenue and fees and charges.

The main sources of revenues are Property Taxes, Fees and Charges and Operating Grants.

TABLE 2.0 - 2018 SUMMARY OF REVENUES



REVENUES IN COMPARISON TO BUDGET

In 2018, consolidated operating revenues exceeded the amount budgeted by \$538,715. Revenues totaled \$41,251,564 compared to a budget of \$41,790,279 and is broken down as follows:

- Property Taxes of \$14,599,089 compared to a budget of \$15,026,960, which is \$427,871 less than budget.
- Fees and Charges was \$12,684,652 compared to a budget of \$12,977,424, which was \$292,772 less than budget.
- Operating grants which includes grants such as Revenue Sharing was \$2,520,569, which was \$116,440 less than budget.
- Utility Surcharge revenue received from SaskPower and SaskEnergy was \$2,025,148, which was \$261,148 more than budget.

TABLE 3.0 - FIVE YEAR SUMMARY OF REVENUES

	2018	2017	2016	2015	2014
Taxes and other Unconditional Revenue	\$ 20,548,863	\$ 20,428,443	\$ 20,633,046	\$ 19,871,624	\$ 18,917,107
Underground Pipe and Asphalt Levy	\$ 1,488,343	\$ 1,443,092	\$ 1,172,016	\$ 964,618	
Fees and Charges	\$ 12,684,652	\$ 15,905,028	\$ 18,728,166	\$ 12,592,643	\$ 13,344,075
Underground Pipe Replacement Fees	\$ 1,902,061	\$ 1,845,889	\$ 1,526,320	\$ 1,241,439	
Conditional Grants	\$ 1,659,759	\$ 1,395,395	\$ 1,630,847	\$ 2,218,587	\$ 2,448,487
Tangible Capital Asset Sales Gain (Loss)	\$ (105,441)	\$ 51,417	\$ 152,072	\$ 1,097	\$ 9,096
Land Sales - Gain	\$ 1,100,457	\$ 325,545	\$ 1,316,430	\$ 1,950,087	\$ 1,094,376
Investment Income and commissions	\$ 586,504	\$ 264,272	\$ 258,146	\$ 262,247	\$ 316,260
Other Revenues	\$ 1,386,367	\$ 1,383,837	\$ 1,285,151	\$ 1,231,391	\$ 1,172,179
Capital Revenues	\$ 875,957	\$ 846,790	\$ 810,682	\$ 361,705	\$ 1,163,681

Taxable Assessment and Property Taxation

TABLE 4.0 - FIVE YEAR SUMMARY OF PROPERTY TAXES

5 YEAR MILL RATES	2018	2017	2016	2015	2014
Taxable Assessment	\$ 1,118,044,275	\$ 1,147,890,980	\$ 813,480,277	\$ 798,828,827	\$ 766,904,917
Mill Rates					
Uniform Mill Rate	12.97	12.569	11.67	11.58	10.68
MUNICIPAL FACTOR					
Residential	0.3771	0.3779	0.5194	0.51	0.5505
Condominium	0.3771	0.3779	0.5194	0.51	0.5505
Condo Parking/Garage	0.3771	0.3779			
Vacant Residential Land	1.4474	1.4504	1.848	1.8177	1.943
Agriculture	1.7586	1.7622	3.554	3.495	3.722
Multi-Family	1.0718	1.074	1.903	1.8687	1.967
Elevators	1.3354	1.3382	1.796	1.7737	1.87
Pipelines & Railways	1.3354	1.3382	1.796	1.7737	1.87
Commercial	1.1155	1.1178	1.796	1.7737	1.87
Vacant Commercial Buildings - Key Commercial Corridor	3.3465	2.2356			
Minimum Tax	342.5	332.5	332.5	325	317
School Mill Rate	1.43-6.27	1.43-6.27	2.67-8.28	2.67-8.28	2.67-8.28
Base Taxes					
Residential	684.95	665.00	665.00	649.00	634.00
Condominium	684.95	665.00	665.00	649.00	634.00
Multi-Family	684.95	665.00	665.00	649.00	634.00
UPAR	4.36	4.36	3.6	3	NO UPAR

TABLE 5.0 - FIVE YEAR SUMMARY OF TAX REVENUE AND RECEIVABLES

	2018	2017	2016	2015	2014
Taxation Revenue	\$ 14,599,089	\$ 14,611,219	\$ 13,870,517	\$ 13,198,339	\$ 12,401,751
Population	\$ 14,315	\$ 14,315	\$ 14,315	\$ 13,888	\$ 13,888
Taxation Revenue per Person	\$ 1,019.85	\$ 1,020.69	\$ 968.95	\$ 950.34	\$ 892.98
Tax Receivable at end of year	\$ 1,568,641	\$ 1,334,283	\$ 1,270,145	\$ 842,802	\$ 1,031,479
Tax Receivable % of Tax Revenue	11%	9%	9%	6%	8%
Taxation as a % of overall revenue	35%	34%	30%	33%	33%

Expenses

In 2018 the total operating expenses were \$40,182,886 which included:

- Wages and Benefits \$14,563,607
- Contractual Services \$ 8,917,112
- Memberships \$193,282
- Utilities \$2,643,140
- Maintenance, Materials and Supplies \$3,348,804
- Travel \$80,126
- Amortization \$6,528,433
- Interest \$1,679,432
- Allowance for uncollectibles (\$43,874)
- Insurance \$734,603
- Grants and Contributions \$1,436,672
- Other \$93,266

EXPENSE OBSERVATIONS

Overall Salaries Wages and Benefits were \$14,563,607 in 2018 compared to a budget of \$14,956,696, which is broken down by operating area as follows:

- General Government Wages \$2,162,220 compared to budget at \$2,070,502
- Policing Services \$621,976 compared to budget at \$715,939
- Community Safety Officer \$566,875 compared to budget at \$575,158
- Fire Services \$2,285,009 compared to budget at \$2,337,366
- Public Works \$1,576,913 compared to budget at \$1,763,058
- Cemeteries \$165,529 compared to budget at \$181,830
- Parks and Forestry \$929,101 compared to budget at \$1,053,011
- Waste Management \$465,628 compared to budget at \$513,556
- Business and Economic Development \$146,866 compared to budget at \$166,336
- Engineering and Planning \$445,211 compared to budget at \$443,283
- Recreational Facilities \$2,734,415 compared to budget at \$2,483,514
- Galleries \$276,329 compared to budget at \$314,519
- Water Services \$1,460,250 compared to budget at \$1,310,124
- Sanitary Sewer Services \$735,567 compared to budget of \$1,036,783

Other expense observations are as follows:

- Maintenance, Materials and Supplies was \$3,348,804 for 2018 compared to budget at \$3,145,697
- Contractual Services was \$8,917,112 for 2018 compared to budget at \$9,197,350
- Utilities was \$2,643,140 for 2018 compared to budget at \$2,361,875
- Insurance was \$734,603 compared to budget at \$712,500

TABLE 6.0 - 2018 EXPENDITURES BY TYPE

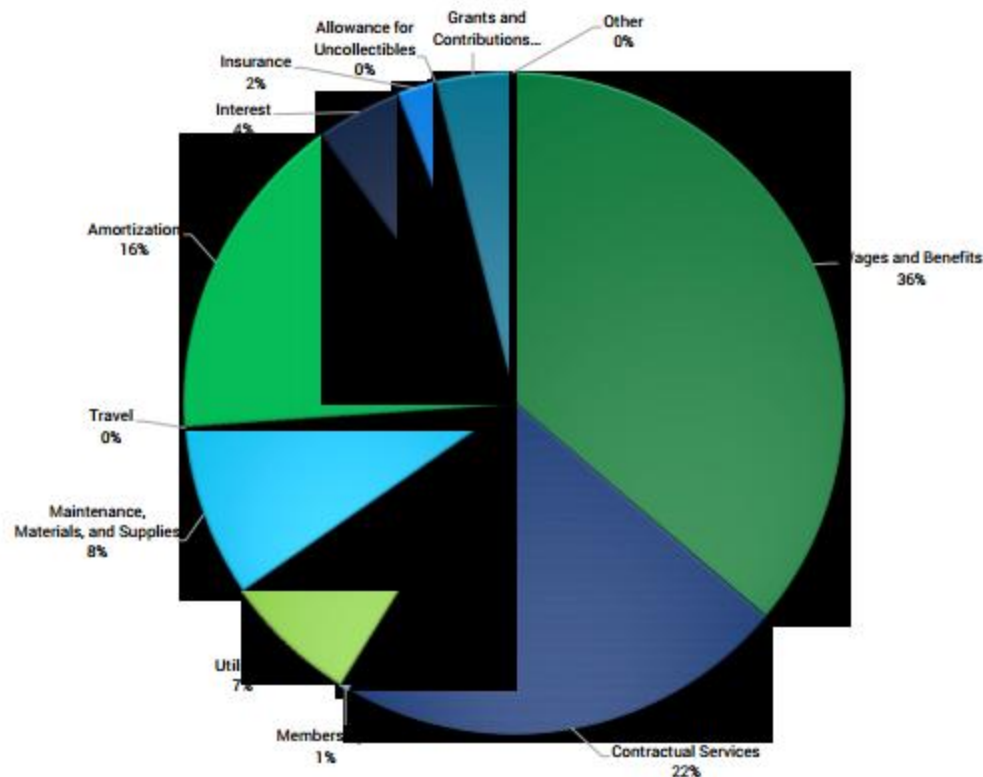


TABLE 7.0 - FIVE YEAR EXPENDITURES BY TYPE

	2018	2017	2016	2015	2014
Wages and Benefits	\$ 14,571,890	\$ 14,238,118	\$ 14,163,437	\$ 12,917,953	\$ 10,953,273
Contractual Services	\$ 8,917,112	\$ 10,879,647	\$ 11,599,807	\$ 8,738,129	\$ 9,621,090
Memberships	\$ 193,282	\$ 162,805	\$ 166,822	\$ 164,019	\$ 114,827
Utilities	\$ 2,643,140	\$ 2,608,440	\$ 2,467,745	\$ 2,410,407	2,283,336
Maintenance, Materials, and Supplies	\$ 3,348,804	\$ 3,324,402	\$ 3,399,373	\$ 3,239,202	\$ 3,048,889
Travel	\$ 80,126	\$ 77,325	\$ 93,590	\$ 91,119	\$ 64,660
Amortization	\$ 6,528,433	\$ 6,375,414	\$ 6,061,017	\$ 5,691,153	\$ 5,556,097
Interest	\$ 1,679,432	\$ 1,696,288	\$ 1,774,732	\$ 1,658,626	\$ 1,601,228
Insurance	\$ 734,603	\$ 630,170	\$ 592,201	\$ 510,233	\$ 302,330
Allowance for Uncollectibles	\$(43,874)	\$ 48,797	\$ 6,259	\$ 15,818	\$ 504,661
Grants and Contributions	\$ 1,436,672	\$ 1,230,848	\$ 1,308,329	\$ 1,155,438	\$ 1,167,507
Other	\$ 93,266	\$ 159,582	\$ 132,106	\$ 182,151	\$ 313,597
Total	\$ 40,182,886	\$ 41,431,836	\$ 41,765,418	\$ 36,774,248	\$ 35,531,495

TABLE 8.0 - 2018 EXPENDITURES BY FUNCTIONAL AREA

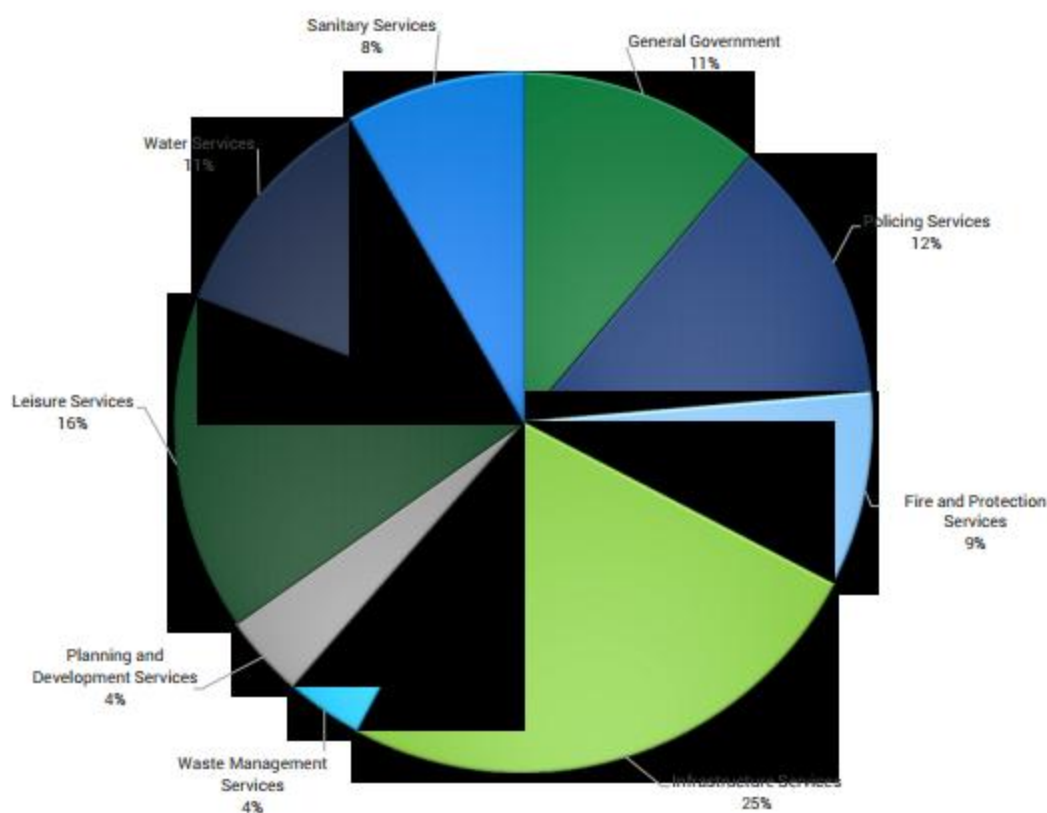


TABLE 9.0 - FIVE YEAR EXPENDITURES BY FUNCTIONAL AREA

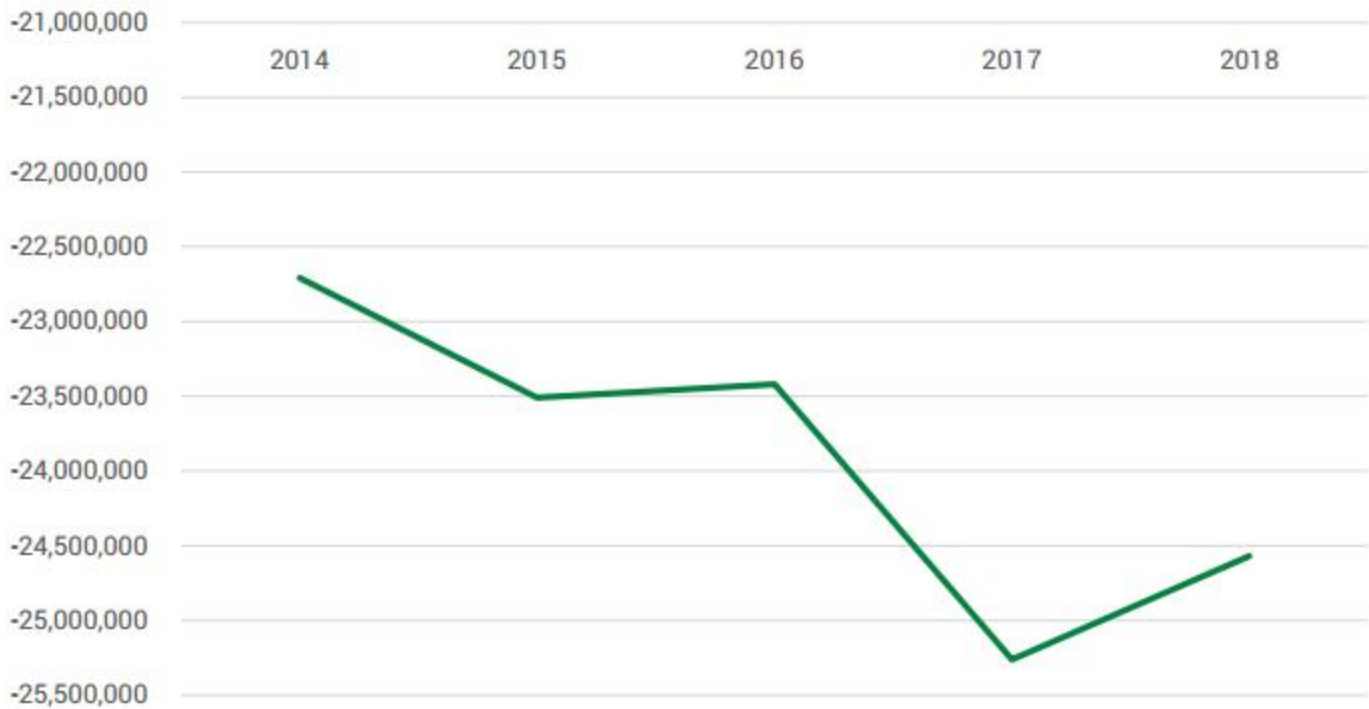
	2018	2017	2016	2015	2014
General Government	\$ 4,501,097	\$ 4,327,097	\$ 3,965,737	\$ 3,641,721	\$ 4,178,096
Policing Services	\$ 5,001,782	\$ 5,034,706	\$ 4,683,791	\$ 4,530,801	\$ 4,473,670
Fire and Protection Services	\$ 3,620,299	\$ 3,473,050	\$ 3,418,540	\$ 3,021,057	\$ 2,632,872
Infrastructure Services	\$ 10,132,546	\$ 9,563,493	\$ 9,543,647	\$ 8,871,672	\$ 8,337,186
Waste Management Services	\$ 1,410,943	\$ 1,742,171	\$ 1,780,448	\$ 1,717,389	\$ 2,144,514
Planning and Development Services	\$ 1,554,283	\$ 1,689,562	\$ 1,899,223	\$ 1,911,715	\$ 1,485,581
Leisure Services	\$ 6,299,009	\$ 6,111,933	\$ 6,036,429	\$ 5,952,213	\$ 5,965,305
Water Services	\$ 4,342,452	\$ 6,164,557	\$ 7,044,505	\$ 3,802,742	\$ 3,454,155
Sanitary Services	\$ 3,320,475	\$ 3,324,655	\$ 3,393,096	\$ 3,324,936	\$ 2,860,112
Total	\$ 40,182,886	\$ 41,431,224	\$ 41,765,416	\$ 36,774,246	\$ 35,531,491

Financial Position

TABLE 10.0 - FIVE YEAR SUMMARY OF STATEMENT OF FINANCIAL POSITION

	2018	2017	2016	2015	2014
Financial Assets	\$ 23,227,087	\$ 22,808,451	\$ 27,418,656	\$ 26,895,829	\$ 25,111,489
Financial Liabilities	\$ 47,797,375	\$ 48,071,139	\$ 50,838,507	\$ 50,405,097	\$ 47,819,052
Net Debt	\$(24,570,288)	\$(25,262,688)	\$(23,419,851)	\$(23,509,268)	\$(22,707,563)
Non-Financial Assets	\$ 175,296,026	\$ 174,043,790	\$ 169,743,081	\$ 164,085,038	159,362,141
Accumulated Surplus	\$ 150,725,738	\$ 148,781,102	\$ 146,323,230	\$ 140,575,770	\$ 136,654,578

TABLE 11.0 - NET FINANCIAL ASSET POSITION



Capital Assets

TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost, which include all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost less residual value of the tangible capital assets is amortized on a straight line basis over the asset's estimated useful lives, ranging from five to sixty years.

The City's total net book value of tangible capital assets rose by \$1,215,200 from \$173,532,140 in 2017 to \$174,747,340 in 2018.

The largest asset category is Linear Assets, which consists of roadways, water, sanitary and sewer infrastructure with a net book value of \$80,880,644. Table 12.0 reflects the net book value of tangible capital assets in 2018 compared to 2017.

TABLE 12.0 - TANGIBLE CAPITAL ASSETS BY CATEGORY

	2018	2017
Land	\$ 11,062,512	\$ 10,740,542
Land Improvement	\$ 2,705,317	\$ 2,905,702
Buildings	\$ 68,331,130	\$ 70,302,611
Vehicles	\$ 1,411,997	\$ 1,060,267
Machinery & Equipment	\$ 9,064,129	\$ 9,112,325
Linear Assets	\$ 80,880,644	\$ 74,052,032
Assets Under Construction	\$ 1,291,611	\$ 5,358,660
Total	\$ 174,747,340	\$ 173,532,139

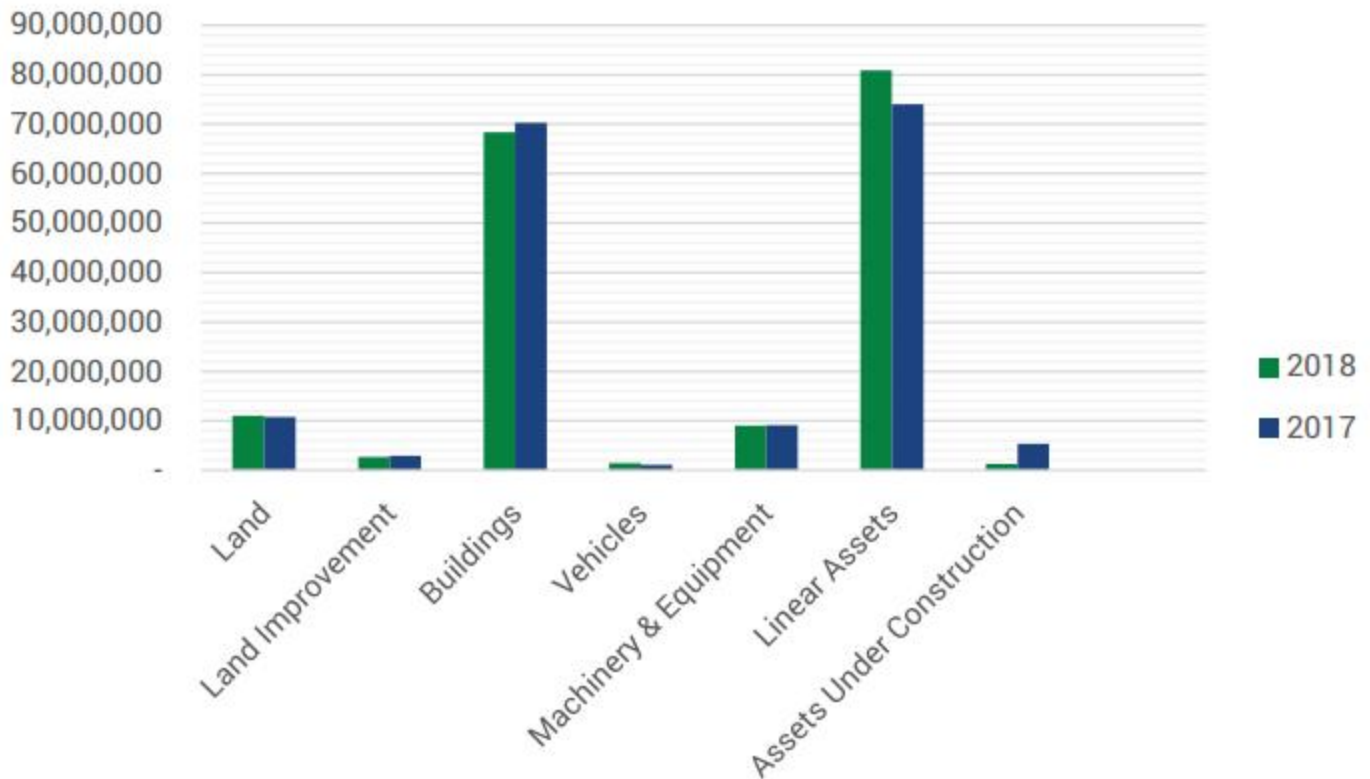
TABLE 12.1 - TANGIBLE CAPITAL ASSETS BY CATEGORY**FIVE YEAR SUMMARY OF CAPITAL ADDITIONS**

Table 12.0 below reflects the capital additions over the past five years in each of the City's operational areas.

TABLE 13.0 - FIVE YEAR SUMMARY OF TANGIBLE CAPITAL ASSETS ADDITIONS

	2018	2017	2016	2015	2014
General Government			\$ 254,880	\$ 14,558	
Policing Services		\$ 465,909			
Fire and Protection Services	\$ 212,584	\$ 119,608	\$ 79,544	\$ 109,873	\$ 672,786
Infrastructure Services	\$ 3,810,363	\$ 3,971,022	\$ 3,507,032	\$ 4,544,255	3,965,809
Waste Management Services	\$ 9,275	\$ 9,188	\$ 47,576	\$ 599,881	\$ 44,301
Planning and Development Services		\$ 3,627,735	\$ 2,526,749	\$ 1,608,306	\$ 81,556
Leisure Services	\$ 542,407	\$ 696,894	\$ 774,536	\$ 907,877	\$ 776,372
Water Services	\$ 1,523,124	\$ 1,528,396	\$ 3,298,260	\$ 1,655,071	\$ 1,360,130
Sanitary Services	\$ 1,826,686	\$ 673,217	\$ 870,603	\$ 1,124,829	\$ 5,080,393
Total	\$ 7,924,439	\$ 11,091,969	\$ 11,359,180	\$ 10,564,650	\$ 11,981,347

Debt

The financing of capital projects comes from various sources including operating revenues, user fees, development levies, reserve transfers, external funding and long-term debt.

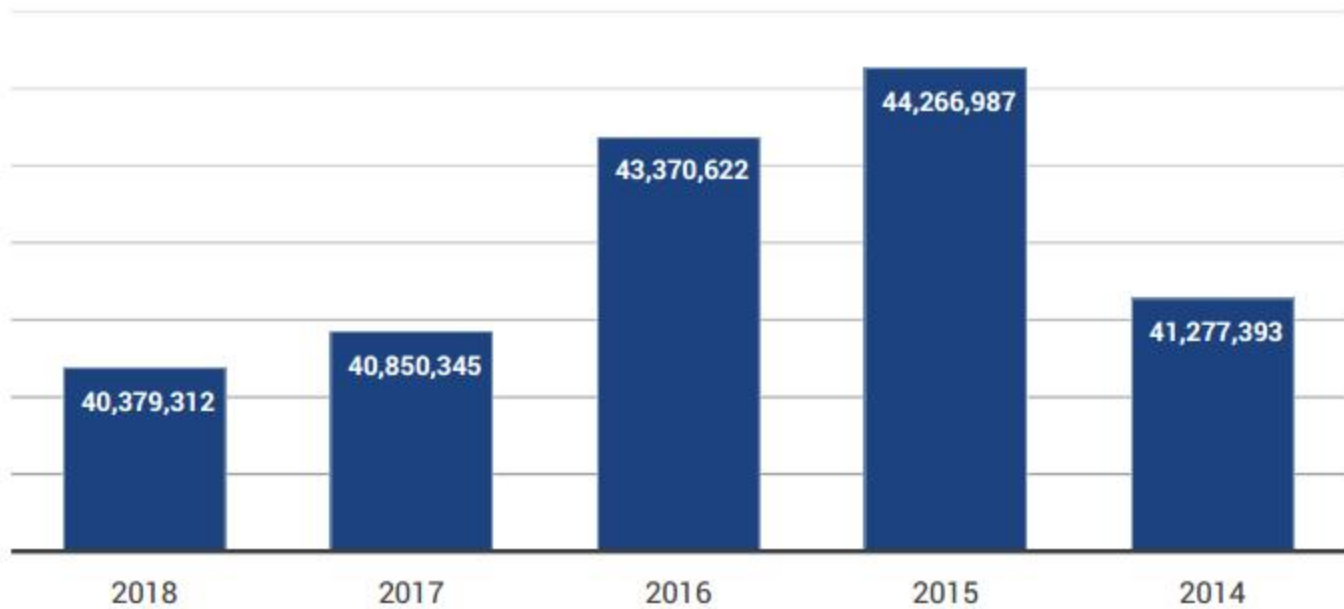
The funding of the capital projects is dependent on the project and varies from year to year. The City of North Battleford's current debt level is \$40,382,312 or \$2,820.98 per person.

TABLE 14.0 - LONG TERM DEBT SUMMARY

Lender	Loan Balance as at December 31, 2018	Loan Rate	Annual Debt Servicing for 2018	Purpose of Loan	Expiry
Royal Bank	\$158,000	4.10%	\$160,158	Kinsmen Park Storm Sewer	September 1, 2019
CMHC	\$1,189,249	3.98%	\$226,716	Kinsmen Park Storm Sewer	August 1, 2024
CMHC	\$1,342,004	3.83%	\$222,188	Water Treatment Plant	July 1, 2025
BMO	\$13,825,657	2.71%	\$2,100,000	Credit Union CUPlex	June 1, 2032
Royal Bank	\$9,420,000	5.70%	\$1,140,000	Sewage Treatment Plant	October 1, 2039
Royal Bank	\$4,210,000	4.09%	\$301,713	114th Street Expansion	December 1, 2040
Royal Bank	\$5,042,000	3.48%	\$331,944	Multiple Infrastructure Investments	December 1, 2041
Royal Bank	\$1,414,000	3.15%	\$87,154	Multiple Infrastructure Investments	December 1, 2041
Royal Bank	\$3,049,000	3.75%	\$199,508	Multiple Infrastructure Investments	January 31, 2043
Capital Leases	\$732,402	4.80%	\$47,886	Multiple Equipment, Building & Land	Jul 1, 2022 - Feb 1, 2023
Total	\$40,382,312		\$4,817,267		

TABLE 15.0 - FIVE YEAR PER PERSON LONG TERM DEBT

	2018	2017	2016	2015	2014
Gross External Debt	\$ 40,382,312	\$ 40,850,345	\$ 43,370,622	\$ 44,266,987	\$ 41,277,393
Population	\$ 14,315	\$ 14,315	\$ 14,315	\$ 13,888	\$ 13,888
Debt per person	\$ 2,820.77	\$ 2,853.67	\$ 3,029.73	\$ 3,187.43	\$ 2,972.16
Interest on Long Term Debt	\$ 1,696,444	\$ 1,715,235	\$ 1,791,875	\$ 1,658,626	1,601,228
Interest per person	\$ 118.51	\$ 119.82	\$ 125.17	\$ 119.43	\$ 115.30

TABLE 16.0 - FIVE YEAR GROSS EXTERNAL DEBT SUMMARY

Reserves

TABLE 17.0 - LONG TERM RESERVE SUMMARY

	2018	2017	2016	2015	2014
Unappropriated Surplus	\$ 11,110,568	\$ 7,972,062	\$ 9,762,941	\$ 11,650,101	\$ 10,994,151
Appropriated Surplus					
General Government	\$ 25,000	\$ 757,133	\$ 757,133	\$ 757,133	769,845
Fire	\$ 585,250	\$ 332,299	\$ 403,000	\$ 165,215	\$ 130,719
Infrastructure	\$ 2,132,815	\$ 1,777,171	\$ 1,927,000	\$ 2,746,796	\$ 2,687,157
Waste Management	\$ 570,833	\$ 184,500	\$ 227,000	\$ 32,000	\$ 70,192
Planning & Development	\$(1,551,316)	\$ 1,228,756	\$ 3,665,459	\$ 3,212,304	\$ 2,266,867
Leisure Services	\$ 688,841	\$ 618,903	\$ 1,300,000	\$ 1,642,317	\$ 892,425
Water Services	\$ 1,289,748	\$ 1,617,609	\$ 1,455,591	\$ 542,000	\$ 435,882
Sanitary Services	\$ 1,508,971	\$ 1,510,877	\$ 1,005,591	\$ 565,933	\$ 922,296
Total Appropriated Surplus	\$ 5,250,142	\$ 8,027,248	\$ 10,740,774	\$ 9,663,698	\$ 8,175,383

Economic Highlights

TABLE 18.0 - FIVE YEAR TABLE OF BUILDING PERMITS

	2018	2017	2016	2015	2014
Number of Permits	104	126	140	117	131
Construction Value	\$ 55,924,900	\$ 29,512,155	\$ 17,784,400	\$ 17,570,310	\$ 26,891,100

TABLE 19.0 - FIVE YEAR SUMMARY OF BUILDING PERMIT VALUE



TABLE 20.0 - FIVE YEAR SUMMARY OF BUILDING PERMITS

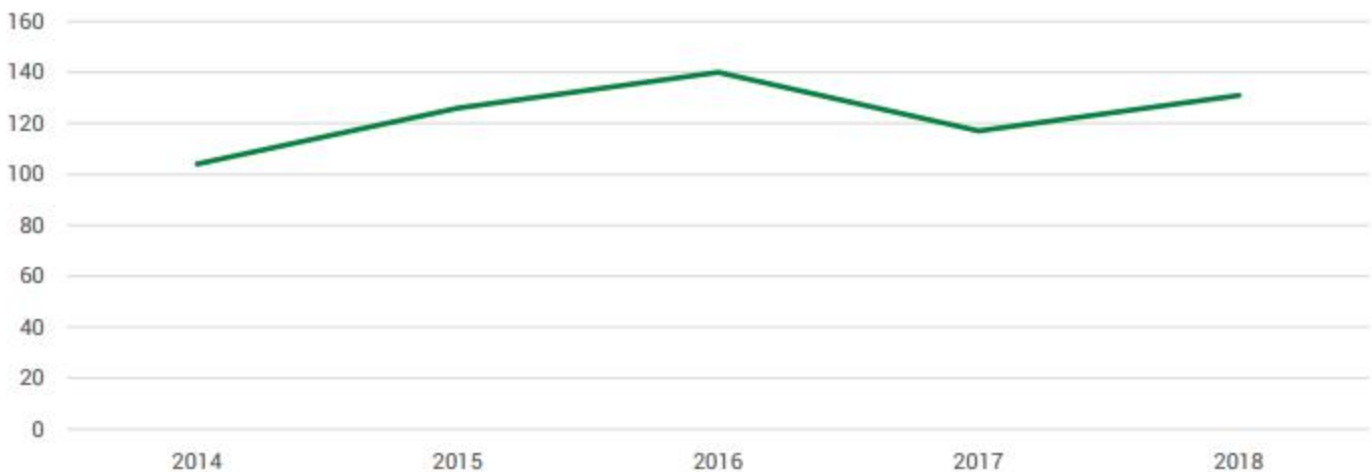


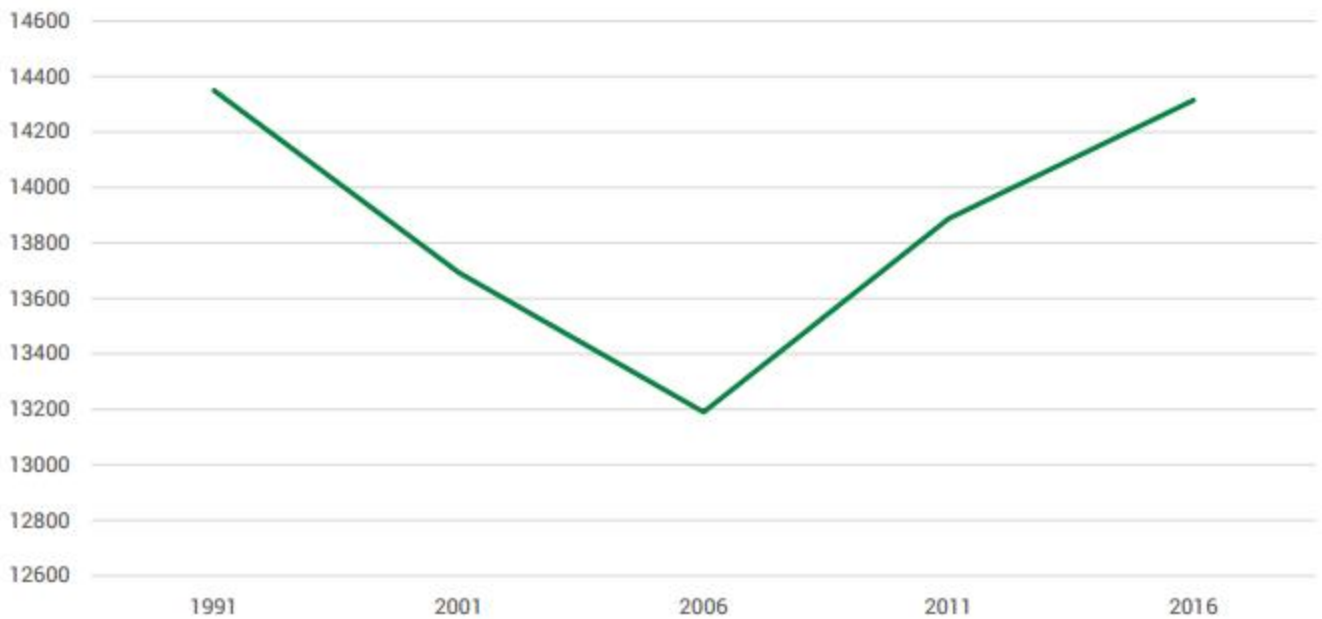
TABLE 21.0 - FIVE YEAR TABLE OF BUSINESS LICENSES

	2018	2017	2016	2015	2014
Number of Licenses	962	916	1008	991	1040

TABLE 22.0 - FIVE YEAR SUMMARY OF BUILDING LICENSES



TABLE 23.0 - NORTH BATTLEFORD POPULATION CENSUS DATA



Financial Statements

City of North Battleford

Annual Financial Statements and Supporting Schedules

Year End December 31, 2018



MANAGEMENT'S REPORT

For the Year Ended December 31, 2018

To the ratepayers and stakeholders of City of North Battleford;

The management of the City of North Battleford (hereafter referred to as the 'City') is responsible for the integrity, objectivity and accuracy of the financial information in the accompanying consolidated financial statements.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standard (PSAS) as established by the Public Sector Accounting Board of the Accounting Standards Oversight Council. A summary of the significant accounting policies is disclosed in Note 1 of the consolidated financial statements.

To meet its responsibility, management used appropriate accounting principles and methods to make reasonable decisions that were consistent in the measurement and recording of transactions in which objective judgment is required. Management is responsible to design and maintain the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements. Management is also responsible that the Annual Report which is separately prepared, is consistent in all respects to the enclosed financial statements.

The Planning Committee (formerly in part the Finance Committee, hereinafter referred to as 'Committee') a sub-committee of the City Council (hereinafter referred to as 'Council'), is composed of the elected officials responsible for carrying out the activities related to the City's audit and overseeing management in the performance of its financial reporting responsibilities. The Committee is responsible for recommending the appointment of the City's external auditors and overseeing the work of the external auditors performing the financial statement attest audits. While it is important to recognize that the external audit is an independent process, the Committee's role is to ensure that all significant audit issues are appropriately addressed and resolved. The Council as a whole reviews and approves the consolidated financial statements and discusses relevant matters with external auditors.

The 2018 consolidated financial statements have been examined by the City's external independent audit firm, Holm Raiche Oberg Chartered Professional Accountants P.C Ltd, as appointed by Council, and their report precedes the consolidated financial statements.

North Battleford, Saskatchewan, Canada
August 19, 2019



Director of Finance



City Manager

INDEPENDENT AUDITORS' REPORT

For the Year Ended December 31, 2018



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Website: www.hrocpa.ca

INDEPENDENT AUDITOR'S REPORT

To the Members of City of North Battleford

Opinion

We have audited the consolidated financial statements of City of North Battleford (the Organization), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations and accumulated surplus, changes in net financial debt and cash flows 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 Organization as at December 31, 2018, and the results of its operations 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 *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Organization 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 those 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Graham K. Holm, CPA, CA* (Retired) Loralie A. Raiche, CPA, CA, CFP* Dallan D. Oberg, CPA, CA*

*Denotes a professional corporation



INDEPENDENT AUDITORS' REPORT

For the Year Ended December 31, 2018

Independent Auditor's Report to the Members of City of North Battleford *(continued)*

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization 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.

North Battleford, Saskatchewan
August 19, 2019

Holm Raiche Oberg

Chartered Professional Accountants

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2018

STATEMENT 1

Assets	2018	2017
Financial Assets		
Cash and temporary investments (Note 2)	\$ 2,345,466	\$ 16,405,228
Taxes receivable - municipal (Note 3)	1,568,641	1,334,283
Other accounts receivable (Note 4)	3,022,348	2,591,817
Land for resale (Note 5)	3,290,115	1,506,266
Long-term investments (Note 6)	12,314,450	-
Long-term service agreements (Note 7)	603,442	951,104
Other	82,625	19,754
Total Financial Assets	23,227,087	22,808,451
Liabilities		
Accounts payable	3,497,695	4,481,729
Accrued liabilities payable	824,810	775,640
Utility deposits	146,461	137,594
Deferred revenue (Note 8)	1,924,428	933,283
Accrued landfill costs (Note 9)	1,021,669	992,547
Long-term debt (Note 10)	39,649,910	39,808,742
Lease and other obligations (Note 11)	732,402	941,603
Total Liabilities	47,797,375	48,071,139
Net Financial (Debt) Assets	(24,570,288)	(25,262,687)
Non-Financial Assets		
Tangible capital assets (Schedule 5, 6)	174,747,340	173,532,140
Prepayments and deferred charges	13,751	11,636
Stock and supplies	534,935	500,015
Total Non-Financial Assets	175,296,026	174,043,790
Accumulated Surplus (Schedule 7)	\$150,725,738	\$148,781,103

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2018

STATEMENT 2

Revenues	2018 Budget	2018	2017
Taxes and other unconditional revenue (Schedule 1)	\$ 20,703,899	\$ 20,548,863	\$ 20,428,443
Underground pipe and asphalt levy (Schedule 1)	1,442,764	1,488,343	1,443,092
Fees and charges (Schedule 2 & 3)	12,977,424	12,684,652	15,905,030
Underground pipe replacement fees (Schedule 2 & 3)	1,881,900	1,902,061	1,845,889
Conditional grants (Schedule 2 & 3)	1,563,250	1,659,759	1,395,395
Tangible capital asset sales - gain (loss) (Schedule 2 & 3)	-	(105,441)	51,417
Land sales - gain (Schedule 2 & 3)	1,203,000	1,100,457	325,545
Investment income and commissions (Schedule 2 & 3)	586,850	586,504	264,272
Other revenues (Schedule 2 & 3)	1,431,192	1,386,367	1,383,837
Total Revenues	41,790,279	41,251,564	43,042,918
Expenses			
General government services (Schedule 4)	4,292,971	4,501,097	4,327,708
Policing services (Schedule 4)	5,352,906	5,001,782	5,034,706
Fire and protective services (Schedule 4)	3,436,887	3,620,299	3,473,050
Operations services (Schedule 4)	6,345,812	10,132,546	9,563,493
Waste management services (Schedule 4)	1,465,447	1,410,943	1,742,171
Planning and development services (Schedule 4)	1,605,871	1,554,283	1,689,562
Leisure services (Schedule 4)	5,579,747	6,299,009	6,111,933
Water services (Schedule 4)	3,233,394	4,342,452	6,164,557
Sanitary sewer services (Schedule 4)	2,622,931	3,320,475	3,324,655
Total Expenses	33,935,967	40,182,886	41,431,835
Surplus of Revenues over Expenses	7,854,312	1,068,678	1,611,083
Other Capital Contributions			
Provincial/Federal Capital Grants and Contributions	848,557	873,557	844,390
Community Capital Pledges/Contributions	-	2,400	2,400
Surplus/(Deficit) of Revenues over Expenses	\$ 8,702,869	1,944,635	2,457,873
Accumulated Surplus, Beginning of Year		148,781,103	146,323,230
Accumulated Surplus, End of Year (Schedule 7)		\$150,725,738	\$148,781,103

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL DEBT

For the Year Ended December 31, 2018

STATEMENT 3

	<u>2018 Budget</u>	<u>2018</u>	<u>2017</u>
Surplus	\$ 8,702,869	\$ 1,944,635	\$ 2,457,873
(Acquisition) of tangible capital assets	(13,936,983)	(7,924,439)	(11,091,969)
Amortization of tangible capital assets	-	6,528,433	6,375,414
Proceeds on disposal of tangible capital assets	180,806	75,365	425,969
(Gain) loss on disposal of tangible capital assets	-	105,441	(51,417)
Surplus (Deficit) of Capital Expenditures over Expenses	<u>(13,756,177)</u>	<u>(1,215,200)</u>	<u>(4,342,003)</u>
(Acquisition) use of supplies inventories	-	(34,920)	24,084
Use of prepaid expense	-	(2,116)	17,210
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	-	(37,036)	41,294
Increase (Decrease) in Net Financial Assets	<u>\$ (5,053,308)</u>	692,399	(1,842,836)
Net Financial (Debt) Assets - Beginning of Year		<u>(25,262,687)</u>	<u>(23,419,851)</u>
Net Financial (Debt) Assets - End of Year		<u>\$ (24,570,288)</u>	<u>\$ (25,262,687)</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2018

STATEMENT 4

Cash Provided by (used for) the following activities:

Operating:

	2018	2017
Annual surplus (deficit)	\$ 1,944,635	\$ 2,457,873
Amortization of tangible capital assets	6,528,433	6,375,414
(Gain) loss on disposal of tangible capital assets	105,441	(51,417)
	<u>8,578,509</u>	<u>8,781,871</u>

Change in non-cash assets and liabilities related to operations:

Taxes receivable - municipal	(234,358)	(64,138)
Other accounts receivable	(430,531)	1,842,341
Other - accrued interest receivable	-	-
Land for resale	(1,783,849)	26,601
Other financial assets	(62,871)	(2,002)
Prepayments and deferred charges	(2,116)	17,210
Stock and supplies	(34,920)	24,084
Accounts payable	(984,034)	(492,731)
Accrued liabilities payable	49,170	95,040
Utility deposits	8,867	6,948
Deferred revenue	991,145	164,916
Accrued landfill costs	29,122	78,733

Cash provided by operating transactions

6,124,134 10,478,875

Capital:

Acquisition of tangible capital assets (excl. UPAR)	(4,402,347)	(7,640,350)
Underground pipe and asphalt replacement assets	(3,522,092)	(3,451,619)
Proceeds from the disposal of tangible capital assets	75,365	425,968

Cash applied to capital transactions

(7,849,075) (10,666,001)

Investing:

Long-term investments	(12,314,450)	-
Long-term service agreements	347,662	662,725

Cash provided by (applied to) investing transactions

(11,966,788) 662,725

Financing:

Long-term debt issued	3,112,000	-
Long-term debt repaid	(3,270,832)	(3,145,161)
Lease and other obligations repaid	(209,202)	(145,115)
Lease and other obligations issued	-	670,000

Cash provided by (applied to) financing transactions

(368,034) (2,620,276)

Net increase (Decrease) in cash during the year

(14,059,762) (2,144,677)

Cash - Beginning of Year

16,405,228 18,549,905

Cash - End of Year

\$2,345,466 \$16,405,228

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

The City of North Battleford (hereafter referred to as the 'City') is the largest city in Saskatchewan's North West and has been a service centre and transportation hub for more than 100 years. North Battleford was incorporated as a village in 1906, a town in 1907 and a city in 1913. The City operates under the provisions of The Cities Act of The Statutes of Saskatchewan, 2002 as amended by the Statutes of Saskatchewan, 2003.

1. Summary of Significant Accounting Policies

The consolidated financial statements of the City are prepared by management in accordance with Canadian Public Sector Accounting Standards as recommended by the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies are as follows:

a) Basis of accounting

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

b) Principles of consolidation

The consolidated financial statements include divisions of City business, facilities and operating entities of the City. The statements reflect the assets, liabilities, revenues and expenses of the general government operating fund, water utility fund, sanitary sewer utility fund, and reserves of the City. These statements do not include all of the organizations that are accountable for the administration of their financial affairs and resources to the City Council (hereafter referred to as 'Council') and are controlled by the City. Council understands that non-consolidated entities publish independent consolidated financial statements.

Consolidated entities:

The City of North Battleford

Arenas/Facilities:

Battlefords Co-Op Aquatic Centre
Cameron McIntosh Airfield
Civic Centre
Dekker Centre for Performing Arts Building
Don Ross Arena
Nations West Field House
Northland Power Curling Centre

Community Centres/Galleries:

Allen Sapp Gallery
Chapel Gallery
Don Ross Complex

Non-consolidated entities:

Animal Control & Humane Society
The Battlefords Transit System
Dekker Centre for the Performing Arts Inc.
Lakeland Library Region
North Battleford Golf and Country Club
North Battleford Public Library
Royal Canadian Mounted Police (RCMP) Battlefords Detachment
Twin Rivers Curling Club
North Battleford Business Improvement District Corp

All inter-fund assets and liabilities and sources of financing and expenses have been eliminated in these consolidated financial statements.

c) Collection of funds for other authorities

The education property tax (EPT) funds under the governance of the Ministry of Education for the respective school divisions, Light of Christ Roman Catholic Separate School Division (RCSSD) No. 16 and Living Sky School Division No. 202, have been collected and remitted by the City in accordance with relevant legislation. The amounts outstanding at December 31, 2018 are disclosed in Note 3.

d) Land sales

Land sales are recognized in the financial statements as revenues in the period in which the contract is signed and the ability to collect is reasonably assured.

1. Summary of Significant Accounting Policies - continued

e) 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. Taxes receivable and accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Allowances are determined through an annual review of outstanding amounts.

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 operations in the periods in which they become known.

f) 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 by Administration and approved annually by Council following the guidance of the Government of Saskatchewan. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal.

g) Government transfer of funds

Government transfers are transfers of assets from senior levels of government, Federal or Provincial government, that are not the result of an exchange transaction and are not expected to be repaid in the future. Government transfers are recognized as revenue in the fiscal year in which events giving rise to the transfer occurred, providing the transfers are authorized, eligibility criteria have been met and reasonable estimates of the amounts can be made.

Unearned federal or provincial government transfer amounts received but not earned will be recorded as deferred revenue. Earned government transfer amounts not received will be recorded as an account receivable.

h) 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.

i) Local improvement charges

Local improvement projects financed by frontage levies recognize any prepayment charges as revenue in the period in which the related expenditures occurred. A long-term receivable is recorded for the principal portion of unpaid frontage which are to be financed through frontage levies.

j) 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.

k) Non-financial assets

Tangible capital and other non-financial assets are accounted for as assets by the City 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 City unless they are sold.

l) Reserves

Reserves and reserve funds are comprised of funds set aside for specific purposes by Council and funds set aside for specific purposes by legislation, regulation or agreement. For financial reporting purposes, reserve funds set aside are reported as part of the accumulated surplus on the Consolidated Statement of Financial Position. See the appropriated reserves described on Schedule 7 for the funds that Council designated. The City's reserves were recorded in compliance with the operating and capital budgets approved by Council. The reserves are fully funded as of December 31, 2018 and December 31, 2017.

1. Summary of Significant Accounting Policies - continued

m) Investments

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. Investment income is reported as revenue in the period earned.

n) Inventories

Inventories of materials and supplies expected to be used by the City are valued at the lower of cost or replacement value. Inventories of land for sale, materials and supplies held for use are valued at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business.

o) Tangible capital assets

All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost in compliance with the City's Tangible Capital Policy, 2011. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The tangible capital assets are disclosed on Schedule 5. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The City's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
General Assets	
Land	Indefinite
Land Improvements	15 to 50 Yrs
Buildings	20 to 45 Yrs
Building Improvement	10 to 25 Yrs
Vehicles	10 Yrs
Machinery and Equipment	5 to 25 Yrs
Infrastructure Assets	
Water & Sewer	10 to 60 Yrs
Road Network Assets	20 to 50 Yrs
Other	15 to 60 Yrs

Government contributions

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

Works of Art

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

Capitalization of Interest

The City capitalizes interest incurred while a tangible capital asset is under construction.

p) Leases

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

q) Accounts receivable

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

1. Summary of Significant Accounting Policies - continued

r) Landfill liability

The municipality maintains a waste disposal site. The annual provision is reported as an expense and the accumulated provision is reported on the Consolidated Statement of Financial Position. Recommended disclosure is provided in Note 9.

s) Basis of segmentation by division

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

The segments (divisions) are as follows:

General Government Services: provides for the administration of the City.

Police Services: is comprised of expenses for police.

Fire & Protective Services: comprised of expenses for fire protection, bylaw enforcement and safety initiatives.

Operations & Maintenance Services: responsible for the delivery of public works services related to the development and maintenance of roadway systems, street lighting, airport maintenance, storm collection, city parks and cemeteries.

Waste Management Services: provides for solid waste collection and disposal.

Planning and Development Services: provides for neighbourhood development and sustainability.

Leisure Services: provides for community services through the provision of recreation and leisure services.

Water Services: provides for delivery of clean potable water.

Sanitary Water Services: provides for collecting and treating of wastewater and collection and disposal of solid waste

t) Employee benefit plans

Contributions to the City's defined benefit plans are expenses when contributions are made. Under the defined benefit plan, the City's obligations are limited to their contributions.

u) Recent accounting pronouncements

Effective January 1, 2018 the municipality adopted the following Canadian public sector accounting standards. The description of these changes and their impact on the consolidated financial statements is summarized:

PS2200 Related Party Disclosure (New)

Defines a related party and establishes disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the consolidated financial statements.

For more information refer to Note 17.

PS 3320 Contingent Assets (New)

In June 2015, new PS 3320 Contingent Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The section defines and establishes disclosure standards on the reporting and disclosure of possible assets that may arise from existing conditions or situations involving uncertainty. Disclosure is required when the occurrence of the confirming future event is likely.

The municipality does not have any reportable contingent assets.

PS 3380 Contractual Rights (New)

In June 2016, new PS 3380 Contractual Rights was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). This new section defines and establishes disclosure standards on contractual rights. Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.

The municipality does not have any reportable contractual rights.

2. Cash and Temporary Investments

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

	<u>2018</u>	<u>2017</u>
Cash	\$ 2,314,896	\$ 16,383,919
Temporary Investments	30,570	21,309
Total Cash and Temporary Investments	\$ 2,345,466	\$ 16,405,228

3. Taxes Receivable

Annually, the City bills and collects property tax revenues for municipal purposes as well as provincial EPT on behalf of the Minister of Education representing the Province of Saskatchewan for education purposes. The authority to levy and collect property taxes is established under The Cities Act, 2002, Tax Enforcement Act, The Education Act, and other legislation.

The amount of the total annual property tax levy is determined each year through Council's approval of the annual operating and capital budgets. Municipal tax rates are set annually by Council for each class or type of property, in accordance with legislation and Council-approved bylaws and policies, in order to raise the revenues required to meet operating budget requirements. Education tax rates are established by the Province each year in order to fund the cost of education on a Province-wide basis.

The property assessments, on which property taxes are based, are established by Saskatchewan Assessment Management Agency (SAMA) policies, standards and procedures; audit assessments, and review of City assessment rolls; and property valuation services. SAMA is an agency that was established in 1987 by the Saskatchewan Local Government Finance Commission. The current value assessment of a property represents an estimated market value of a property as of a fixed date. Assessed values for all properties within the municipality are provided to the City in the returned assessment roll once every four years per the Province.

The amount of property tax levied on an individual property is the product of the taxable assessed value (assessed by CD Consulting) and the tax rate for the class (approved by Council), together with any adjustments that reflect Council approved mitigation or other tax policy measures, and/or rebate programs.

Property taxes are billed by the City once per year, following Council's approval of the capital and operating budgets for the year, the total property tax levy, and the property tax policy and mill rate bylaws needed to fund the City's operations.

	<u>2018</u>	<u>2017</u>
Municipal Current	\$ 195,060	\$385,209
Arrears	1,463,453	1,032,091
	1,658,513	1,417,300
Les Allowance for Uncollectible	(89,872)	(83,017)
Total Taxes Receivable	\$ 1,568,641	\$ 1,334,283
School	1,337,191	667,985
Total Taxes Receivable	2,905,832	2,002,268
Deduct taxes receivable to be collected on behalf of other organizations	(1,337,191)	(667,985)
Total Taxes Receivable	\$ 1,568,641	\$ 1,334,283

4. Other Accounts Receivable

Other accounts receivable includes revenue associated with receivables for Goods and Services Tax (GST) receivable from the Federal government, grants and grants-in-lieu from the Provincial government and others, water and sanitary sewer, general operations, and local improvements.

	2018	2017
Federal government	\$ 308,138	\$ 406,583
Provincial government and other accruals	837,028	706,184
Husky Energy (Oil Spill Reimbursement)	295,668	678,906
Land sale receivable	818,710	6,529
Utility	280,087	102,839
Trade	477,457	602,880
Employee loans	1,810	5,960
Local improvements	160,460	198,656
Total Other Accounts Receivable	\$ 3,179,359	\$ 2,708,538
Less Allowance for Uncollectibles		
Utility	(30,363)	(53,453)
Other Accounts Receivable	(126,647)	(63,268)
	(157,010)	(116,721)
Net Other Accounts Receivable	\$ 3,022,349	\$ 2,591,817

5. Land for Resale

Land for resale, is recorded at the lower of cost to prepare the land for sale and the market value of the land. Costs to prepare the land for sale include leveling, grading and utility service connections. The land is considered available for sale when all the land preparation is completed.

Tax title property is property acquired through the tax enforcement process and temporarily held is recorded at the lesser of the carrying amount (cost equal to the outstanding taxes including any applicable penalties up to the date of acquisition plus any costs necessary to maintain after acquisition) and the net recoverable amount. Impairment losses are not reversed in subsequent years, if net recoverable value subsequently increases.

	2018	2017
Tax Title Property	\$ 827,688	\$ 827,687
Allowance for market value adjustment	(82,268)	(82,268)
Net Tax Title Property	745,420	745,419
Other Land	2,544,695	760,847
Allowance for market value adjustment	-	-
Net Other Land	2,544,695	760,847
Total Land for Resale	\$ 3,290,115	\$ 1,506,266

6. Long-Term Investments

Long-term investments consist of Provincial Government bonds, Canadian Government Bonds, Bank Notes and other securities. Long-term investments will mature between 2020 and 2041, with effective interest rates of 1.45% to 4%.

The carrying value of long-term investments at December 31, 2018 was \$12,314,450 (\$Nil in 2017) and market value was \$11,455,873 (\$Nil in 2017).

Of the funds above, the City has set aside funds to finance future expenditures based upon appropriated reserves (Schedule 7) as determined by Council via the yearly budget approval process. These appropriated reserves are internally restricted and based on working capital calculation are 100% funded as of December, 31, 2018 and 2017.

7. Long-Term Service Agreements

The 2018 consolidated financial statements provide disclosure for the CUplex community pledged revenue recorded on the Statement of Operations. The revenue recorded for community pledges is in the line Community Services- Community Capital Pledges/Contributions. The consolidated financial position considered an allowance of doubtful accounts in the amount of 1% for CUplex private funding agreements as of December 31, 2018 and 10% as of December 31, 2017.

The consolidated financial statements recorded the following as a long-term receivable:

	2018	2017
Utility	\$ 591,000	\$ 1,016,000
Trade	18,352	36,704
Employee loans		
Local improvements	(5,910)	(101,600)
Total Other Accounts Receivable	\$ 603,442	\$ 951,104

8. Deferred Revenue - Fees and charges

Certain user charges and fees are received pursuant to legislation, regulation or agreement and are collected for the conduct of certain programs or completion of specific work or services that have yet to be performed. These amounts were recorded as deferred revenue and recognized in the year that the related expenses are incurred or services are performed, as this is the time the eligibility criteria have been met and the revenue is earned. User charges relate to solid waste collection and utility charges for water and wastewater, licensing fees, fees for use of various programs and other fees imposed based on specific activities. Revenue is recognized in the period when the related expenses are incurred or services performed.

	2018	2017
River Valley Trust Funds	\$ 322,174	\$ 271,240
Property Tax Prepayments	1,179,795	504,270
Sask Lotteries Community Grant Funds	22,877	42,620
Land Purchase Options	-	33,753
Emergency Measures Trust Funds	26,426	26,426
Other Deferred Revenue	373,156	54,974
Total Deferred Revenue	\$ 1,924,428	\$ 933,283

9. Accrued Landfill Liability

The Saskatchewan Ministry of Environment requires closure and post closure care of solid waste landfill sites. Closure care includes final covering and landscaping of the landfill and implementation of drainage management plans. Post-closure care requirement includes cap maintenance, groundwater monitoring, inspections and annual reports. At December 31, 2018, the accrued liability is \$1,021,669 (2017 - \$992,547) and is based on cumulative capacity as well as the landfill rate of \$4.00 per tonne. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods, could be significant.

10. Long-Term Debt

Pursuant to individual loan bylaws, the City can incur bank indebtedness. The Council has passed a bylaw for each loan that creates debt not payable within the current year for projects that Council deems necessary, pursuant to Section 134 of The Cities Act. Council resolution 306, Council meeting #15, established the debt limit of \$45 Million. The City's authorized debt limit of \$45 Million was first approved in 2010 by the Saskatchewan Municipal Board (SMB) pursuant to the provisions of The Cities Act.

The City has maintained a total indebtedness less than the established debt limit.

Bank Indebtedness	2018	2017
Authorized debt limit	\$ 45,000,000	\$ 45,000,000
Long Term Debt at December 31	39,649,910	39,808,742
Interest rates	2.7 - 5.7%	2.7 - 5.7%
Interest costs for year (Net cash paid for interest on debt - Schedule 2)	\$ 1,679,432	\$ 1,696,288

10. Long-Term Debt - continued

Summary of long-term debt repayment schedule:

Year	Principal	Interest	Total
2019	\$ 3,302,998	\$ 1,426,539	\$ 4,729,537
2020	3,204,679	1,315,357	4,520,036
2021	3,269,894	1,182,796	4,452,691
2022	2,752,332	1,059,690	3,812,022
2023	2,402,014	965,475	3,367,489
2024 to Maturity	24,717,992	5,139,413	29,857,405
Total Long-Term Debt	\$ 39,649,910	\$ 11,089,270	\$ 50,739,180

Transportation Services - Kinsmen Park Storm Sewer

In 2008 and 2009, the City replaced the Kinsmen Park Storm Sewer in a two phase approach. The first phase occurred in 2008 with phase two being completed in 2009. To finance the work the City secured a Royal Bank interest rate swap loan that is repayable in monthly installments of approximately \$18,000 including principal and interest at a rate of 4.1%; due September 1, 2019. Future principal and interest payments are estimated as follows:

Year	Principal	Interest	Total
2019	\$ 158,000	\$2,158	\$ 160,158
	\$ 158,000	\$2,158	\$ 160,158

The second phase was financed through Canada Mortgage & Housing Corporation, Municipal Infrastructure Lending Program. The loan is repayable in yearly installments of \$226,716 including principal and interest at a rate of 3.98%; due August 1, 2024. Future principal and interest payments are estimated as follows:

Year	Principal	Interest	Total
2019	\$ 179,384	\$ 47,332	\$ 226,716
2020	186,523	40,193	226,716
2021	193,947	32,769	226,716
2022	201,666	25,050	226,716
2023	209,692	17,024	226,716
2024 to Maturity	218,038	8,678	226,716
	\$ 1,189,249	\$ 171,045	\$ 1,360,294

Recreation Cultural & Park - Credit Union CUplex

The City has financed the construction of the Credit Union CUplex capital asset facilities with a Bank of Montreal interest rate swap loan agreement. The overall loan consists of three phases linked to three of the four facilities constructed. Annual payment is for approximately \$2.1 Million which includes principal and interest. The rate of interest on the loan is 2.71%; due June 1, 2032. Future principal and interest payments are estimated as follows:

Year	Principal	Interest	Total
2019	\$ 1,775,825	\$ 417,488	\$ 2,193,313
2020	1,775,825	363,236	2,139,062
2021	1,775,825	303,181	2,079,006
2022	1,192,492	250,355	1,442,847
2023	775,825	222,373	998,199
2024 to Maturity	6,529,863	890,964	7,420,827
	\$ 13,825,657	\$ 2,447,597	\$ 16,273,254

10. Long-Term Debt - continued**Water Services - Water Treatment Plant**

The City has financed the expansion of the Water Treatment Plant through Canada Mortgage & Lending Program. The loan is repayable in yearly installments of \$222,188 including principal and Housing Corporation, Municipal Infrastructure interest at a rate of 3.830%; due July 1, 2025. Future principal and interest payments are estimated as follows:

Year	Principal	Interest	Total
2019	\$ 170,789	\$ 51,399	\$ 222,188
2020	177,331	44,858	222,188
2021	184,122	38,066	222,188
2022	191,174	31,014	222,188
2023	198,496	23,692	222,188
2024 to Maturity	420,091	24,285	444,376
	\$ 1,342,004	\$ 213,313	\$ 1,555,317

Sanitary Sewer Services - Sewage Treatment Plant

The City has a Royal Bank interest rate swap loan that is repayable in monthly installments of approximately \$95,000 including principal and interest at a rate of 5.70%; due October 1, 2030. Future principal and interest payments are estimated as follows:

Year	Principal	Interest	Total
2019	\$ 598,000	\$ 521,352	\$ 1,119,352
2020	629,000	490,424	1,119,424
2021	663,000	449,531	1,112,531
2022	699,000	409,724	1,108,724
2023	735,000	369,133	1,104,133
2024 to Maturity	6,096,000	1,254,671	7,350,671
	\$ 9,420,000	\$ 3,494,836	\$ 12,914,836

In 2014 the City borrowed \$4,725,000 from Royal Bank of Canada under a swap loan bankers acceptance arrangement at an all in interest rate of 4.09% amortized over 25 years. These funds were used to finance land development on 114th street and utilities expansion. Future principal and interest payments are estimated as follows:

Year	Principal	Interest	Total
2019	\$ 132,000	\$ 169,713	\$ 301,713
2020	138,000	165,542	303,542
2021	144,000	158,428	302,428
2022	150,000	152,025	302,025
2023	155,000	145,824	300,824
2024 to Maturity	3,491,000	1,243,967	4,734,967
	\$ 4,210,000	\$ 2,035,498	\$ 6,245,498

In 2015 the City borrowed \$5,500,000 from Royal Bank of Canada under a swap loan bankers acceptance arrangement at an all in interest rate of 3.48% amortized over 25 years. The proceeds were used to fund land development \$1,200,000, Leisure facility betterment \$800,000, Water utility water upgrades \$500,000, Road transportation improvement \$500,000, Waste management facility equipment \$500,000, and \$2,000,000 for land acquisition. Future principal and interest payments are as follows:

Year	Principal	Interest	Total
2019	\$ 159,000	\$ 172,944	\$ 331,944
2020	164,000	168,684	332,684
2021	170,000	159,714	329,714
2022	176,000	155,083	331,083
2023	182,000	149,306	331,306
2024 to Maturity	4,191,000	1,350,699	5,541,699
	\$ 5,042,000	\$ 2,156,430	\$ 7,198,430

10. Long-Term Debt - continued

In 2016 the City borrowed \$1,500,000 from Royal Bank of Canada under a swap loan bankers acceptance arrangement for Leisure facility betterments \$550,000 and road transportation improvements \$950,000. The rate of interest on the loan is 3.15%; due October 21, 2041. Future principal and interest payments are estimated as follows:

Year	Principal	Interest	Total
2019	\$ 43,000	\$ 44,154	\$ 87,154
2020	45,000	42,420	87,420
2021	46,000	41,108	87,108
2022	47,000	36,438	83,438
2023	49,000	38,124	87,124
2024 to Maturity	1,184,000	366,149	1,550,149
Total Long-Term Debt	\$ 1,414,000	\$ 568,393	\$ 1,982,393

In 2018 the City borrowed \$3,112,000 from Royal Bank of Canada under a swap loan bankers acceptance arrangement for the 2017 capital projects. The rate of interest on the loan is 3.75%; due March 31, 2043. Future principal and interest payments are estimated as follows:

Year	Principal	Interest	Total
2019	\$ 87,000	\$ 112,508	\$ 199,508
2020	89,000	109,847	198,847
2021	93,000	105,588	198,588
2022	95,000	102,378	197,378
2023	97,000	98,790	195,790
2024 to Maturity	2,588,000	1,030,823	3,618,823
	\$ 3,049,000	\$ 1,559,934	\$ 4,608,934

11. Lease and Other Obligations

Future minimum lease payments under the capital leases and land purchase agreements obligations are as follows:

Summary of Leases and Other Obligations

Year	Payment Amount
2019	\$ 220,252
2020	220,252
2021	120,252
2022	81,252
2023	138,280
Total future minimum lease payments	780,288
Amounts representing Interest at a weighted average rate of 4.8%	47,886
Capital Lease Liability at December 31, 2018	\$ 732,402

Details of Lease Obligations:**Key Equipment Finance Canada Ltd - Lease #1800106844**

Year	Payment Amount
2019	\$ 28,995
2020	28,995
2021	28,995
2022	28,995
2023	60,821
Total future minimum lease payments	176,801
Amounts representing Interest at a weighted average rate of 4.8%	22,005
Capital Lease Liability at December 31, 2018	\$ 154,796

11. Lease and Other Obligations - continued

Key Equipment Finance Canada Ltd - Lease #1800106840

Year	Payment Amount
2019	\$ 25,041
2020	25,041
2021	25,041
2022	25,041
2023	58,742
Total future minimum lease payments	158,906
Amounts representing Interest at a weighted average rate of 4.8%	20,137
Capital Lease Liability at December 31, 2018	\$ 138,769

Key Equipment Finance Canada Ltd - Lease #1800107201

Year	Payment Amount
2019	\$ 6,216
2020	6,216
2021	6,216
2022	6,216
2023	18,717
Total future minimum lease payments	43,581
Amounts representing Interest at a weighted average rate of 4.8%	5,744
Capital Lease Liability at December 31, 2018	\$ 37,837

Details of Land Purchase Agreements Obligations:**NW 16-44-16 W 3rd Land Purchase Agreement**

Year	Payment Amount
2019	\$ 100,000
2020	100,000
Capital Lease Liability at December 31, 2018	\$ 200,000

932 - 109th Street Building Purchase Agreement

Year	Payment Amount
2019	\$ 60,000
2020	60,000
2021	60,000
2022	21,000
Capital Lease Liability at December 31, 2018	\$ 201,000

12. Credit Facility Agreement

The City has an operating line of credit with Innovation Credit Union in the amount of \$1,000,000. Interest on the line of credit is at 3.45%. The balance at December 31, 2018 was zero (2017 - zero). The line of credit is secured by a Line of Credit Agreement and a General Security Agreement with an assignment of taxes and grants

13. Budget Information

Budget figures are reported for information purposes only and are not included in the scope of the external audit. The City has not included amortization expense as part of the annual operating budget. The budget was approved by Council on January 22, 2018.

14. Operating Lease Agreements

The City has lease agreements with external organizations to manage and operate City facilities.

The City signed an agreement with the Twin Rivers Curling Club, which is a non-profit corporation for the management and operations of the curling rink, restaurant and lounge. The term of the agreement took effect as of September 15, 2012.

The City signed a lease agreement with the Dekker Centre for the Performing Arts Inc. board, which is a non-profit corporation, for the management and operating of the performing arts centre whereby the City is required to provide an annual operating grant. The agreement took effect as of October 1, 2012.

The City also maintained a lease agreement for the use of the public golf course land with the North Battleford Golf and Country Club board, which is a non-profit organization. As part of the agreement, the City provided an annual grant in the amount of \$237,000 (2017 \$50,000).

15. Pension Plan

The City is an employer member of Municipal Employee Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The City pension expense in 2018 was \$976,076 (2017 \$897,806). The benefits accrued to the City employees from MEPP are calculated using the following: Pensionable Years of Service, Highest Average Salary, and the plan accrual rate.

16. Liability for contaminated sites

The Public Sector Accounting Board issued accounting standard PS3260, 'Liability for Contaminated Sites' in 2010. The accounting standard impacts federal, provincial, and municipal governments, as well as Crown corporations, universities, school boards, and hospitals reporting under the PSA Standards. The accounting standard addresses liabilities for remediation related to sites, or parts of a site no longer in active or productive use. PS3260 specifies that a liability for a contaminated site must be recognized when, as at the financial reporting date, all of the following criteria are met for a site or a portion of a site which is not in active use:

- a) An environmental standard exists through Federal, Provincial or local legislation,
- b) Contamination exceeds the environmental standard as verified by a qualified assessment,
- c) The government entity is directly responsible or accepts responsibility,
- d) It is expected that future economic benefits will be given up by the government entity by expending their own resources to clean up the contaminated site, and
- e) A reasonable estimate of the amount can be made.

In 2018, the City carried out an inventory of land owned by the city that was no longer in productive use and determined that there is one site owned by the City which is contaminated beyond the existing environmental standards as of the date of this financial statement. Detail as follows:

1001 - 103rd Street (Plan B 1929). In 2001 a qualified engineering firm carried out a Phase II Environmental Site Assessment which revealed that up to 1000 cubic meters of Petroleum Hydrocarbon (PHC) impacted soil is present on the site. The City has an estimate of \$100,000 to carry out remediation however this estimate was supplied in 2001 and has since not been updated.

1051 - 101st Street. In 2006 a qualified engineering firm carried out a Phase II Environmental Site Assessment which revealed the PHC impacted soil is not expected to exceed 3,000 cubic meters on the site. The City will monitor the contaminated site twice a year in 2019 to determine future outcome of the contamination. The City has an estimate of \$20,000 per year for monitoring fees.

17. Related Party Transactions

The City is a related party with organizations listed in Note number 1. Mayor, Councilors and key management personnel of the City and their close family members are also considered related parties. The City may enter into transactions with these entities and individuals in the normal course of operations and on normal terms.

During the year, the City conducted business transactions with related parties. The revenues and expenses incurred for these business transactions have been included in the Consolidated Statement of Operations, the transactions were recorded at market value and have not been separately quantified.

18. Subsequent Events

The following are subsequent events that occurred after the fiscal year-end for the consolidated financial statements:

In March 2019, Council passed a resolution to increase the operating line of credit from \$1,000,000 to \$4,000,000.

19. Comparative Figures

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

SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUE

For the Year Ended December 31, 2018

SCHEDULE 1

	<u>2018 Budget</u>	<u>2018</u>	<u>2017</u>
Taxes			
General municipal tax levy	\$ 14,699,228	\$ 14,259,243	\$ 14,342,259
Abatements and adjustments	-	(134,992)	(131,230)
Discount on current year taxes	-	-	-
Net municipal taxes	<u>14,699,228</u>	<u>14,124,251</u>	<u>14,211,029</u>
Penalties on tax arrears	274,000	430,171	356,237
Trailer park levies	53,732	44,667	43,954
Total Taxes	<u>15,026,960</u>	<u>14,599,089</u>	<u>14,611,219</u>
Unconditional Grants			
Municipal operating grants	2,637,009	2,520,569	2,697,559
Total Unconditional Grants	<u>2,637,009</u>	<u>2,520,569</u>	<u>2,697,559</u>
Grants in lieu of Taxes			
Sask Energy grant in lieu	209,485	399,377	184,001
Sask Property Management Corp.	205,115	195,967	197,099
Sask Tel grant in lieu	86,730	86,697	84,148
Provincial other grant in lieu	61,700	61,626	59,883
North Battleford Housing Authority	712,900	660,390	691,968
Total Grants in Lieu of Taxes	<u>1,275,930</u>	<u>1,404,057</u>	<u>1,217,098</u>
Surcharges			
Sask Power surcharge fees	1,764,000	2,025,148	1,902,567
Sask Energy surcharge fees	-	-	-
Total Surcharges	<u>1,764,000</u>	<u>2,025,148</u>	<u>1,902,567</u>
Underground Pipe and Asphalt Levy	1,442,764	1,488,343	1,443,092
Total Taxes and Other Unconditional Revenue	<u>\$ 22,146,663</u>	<u>\$ 22,037,206</u>	<u>\$ 21,871,535</u>

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY DIVISION

For the Year Ended December 31, 2018

SCHEDULE 2

	<u>General Government Services</u>	<u>Policing Services</u>	<u>Fire & Protective Services</u>	<u>Operations Services</u>	<u>Waste Management Services</u>
Revenues (Schedule 4)					
Fees and charges	219,652	108,859	1,036,823	301,936	1,354,383
Underground Pipe Replacement Fees	-	-	-	-	-
Tangible capital asset sales - gain	(105,441)	-	-	-	-
Land sales - gain	-	-	-	-	-
Investment income and commissions	557,961	-	-	-	-
Grants - conditional	5,600	997,769	-	146,235	60,324
- Capital	-	-	-	848,557	-
- Community capital pledges/contributions	-	-	-	-	-
Other revenues	-	321,098	40,648	27,330	997,290
Total Revenues	<u>677,772</u>	<u>1,427,727</u>	<u>1,077,471</u>	<u>1,324,058</u>	<u>2,411,998</u>
Expenses (Schedule 4)					
Wages and benefits	2,162,220	621,976	2,851,884	2,671,543	465,628
Professional/contractual services	940,407	4,101,797	183,765	1,322,556	637,591
Subscription/memberships	60,335	-	63,634	17,909	7,258
Utilities	161,138	77,507	63,620	727,983	6,703
Maintenance, materials and supplies	143,915	93,018	280,917	1,087,051	123,515
Travel	22,518	-	9,472	7,973	3,988
Amortization	57,623	101,643	166,500	3,954,965	120,548
Interest	-	5,842	-	130,739	16,590
Allowance for uncollectibles	(25,560)	-	-	-	-
Insurance	611,744	-	-	122,859	-
Medical	2,550	-	506	-	-
Grants and contributions	330,407	-	-	78,000	-
Other	33,800	-	-	10,967	29,122
Total Expenses	<u>4,501,097</u>	<u>5,001,782</u>	<u>3,620,299</u>	<u>10,132,546</u>	<u>1,410,943</u>
Surplus (Deficit) by Division	<u>(3,823,325)</u>	<u>(3,574,055)</u>	<u>(2,542,828)</u>	<u>(8,808,488)</u>	<u>1,001,055</u>

Taxation and other unconditional revenue (Schedule 1)

Net Surplus (Deficit)

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY DIVISION

For the Year Ended December 31, 2018

SCHEDULE 2 (CONTINUED)

	Planning & Development Services	Leisure Services	Water Services	Sanitary Sewer Services	Total
Revenues (Schedule 4)					
Fees and charges	535,162	2,030,374	3,720,996	3,376,468	12,684,652
Underground Pipe Replacement Fees	-	-	1,902,061	-	1,902,061
Tangible capital asset sales - gain	-	-	-	-	(105,441)
Land sales - gain	1,100,457	-	-	-	1,100,457
Investment income and commissions	-	-	28,543	-	586,504
Grants - conditional	294,423	155,407	-	-	1,659,759
- Capital	-	25,000	-	-	873,557
- Community capital pledges/contributions	-	2,400	-	-	2,400
Other revenues	-	-	-	-	1,386,367
Total Revenues	1,930,042	2,213,181	5,651,600	3,376,468	20,090,315
Expenses (Schedule 4)					
Wages and benefits	592,078	3,010,745	1,460,250	735,567	14,571,890
Professional/contractual services	159,162	460,499	930,838	180,497	8,917,112
Subscription/memberships	6,835	16,793	15,172	5,346	193,282
Utilities	-	912,063	380,023	314,103	2,643,140
Maintenance, materials and supplies	24,586	544,027	705,275	346,500	3,348,804
Travel	7,163	16,442	7,922	4,649	80,126
Amortization	-	274,912	769,991	1,082,252	6,528,433
Interest	242,824	540,733	91,142	651,561	1,679,432
Allowance for uncollectibles	-	-	(18,314)	-	(43,874)
Insurance	-	-	-	-	734,603
Medical	-	-	-	-	3,056
Grants and contributions	521,636	506,629	-	-	1,436,672
Other	-	16,166	155	-	90,210
Total Expenses	1,554,283	6,299,009	4,342,452	3,320,475	40,182,886
Surplus (Deficit) by Division	375,759	(4,085,829)	1,309,148	55,993	(20,092,571)
Taxation and other unconditional revenue (Schedule 1)					22,037,206
Net Surplus (Deficit)					1,944,635

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY DIVISION

For the Year Ended December 31, 2017

SCHEDULE 3

	<u>General Government Services</u>	<u>Policing Services</u>	<u>Fire & Protective Services</u>	<u>Operations Services</u>	<u>Waste Management Services</u>
Revenues (Schedule 4)					
Fees and charges	403,143	96,975	839,016	338,279	2,048,417
Underground Pipe Replacement Fees					
Tangible capital asset sales - gain	51,417	-	-	-	-
Land sales - gain	-	-	-	-	-
Investment income and commissions	236,734	-	-	-	-
Grants - conditional	20,700	817,905	-	66,791	60,145
- Capital	-	-	-	844,390	-
- Community capital pledges/contributions	-	-	-	-	-
Other revenues	-	356,668	21,099	26,561	979,509
Total Revenues	<u>711,994</u>	<u>1,271,548</u>	<u>860,115</u>	<u>1,276,022</u>	<u>3,088,071</u>
Expenses (Schedule 4)					
Wages and benefits	2,148,416	578,123	2,825,878	2,532,559	473,691
Professional/contractual services	963,003	4,194,140	135,396	776,742	874,832
Subscription/memberships	29,831	-	51,692	25,301	8,981
Utilities	143,981	82,919	66,732	729,329	6,171
Maintenance, materials and supplies	254,291	85,655	225,846	1,218,368	145,106
Travel	16,143	-	11,244	15,395	2,729
Amortization	60,156	93,868	152,982	3,876,942	135,077
Interest	-	-	-	140,474	16,850
Allowance for uncollectibles	33,473	-	-	-	-
Insurance	468,313	-	1,001	160,855	-
Medical	1,872	-	2,279	-	-
Grants and contributions	146,487	-	-	74,873	-
Other	61,742	-	-	12,655	78,733
Total Expenses	<u>4,327,708</u>	<u>5,034,706</u>	<u>3,473,050</u>	<u>9,563,493</u>	<u>1,742,171</u>
Surplus (Deficit) by Division	<u>(3,615,715)</u>	<u>(3,763,158)</u>	<u>(2,612,935)</u>	<u>(8,287,471)</u>	<u>1,345,900</u>

Taxation and other unconditional revenue (Schedule 1)

Net Surplus (Deficit)

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY DIVISION

For the Year Ended December 31, 2017

SCHEDULE 3 (CONTINUED)

	Planning & Development Services	Leisure Services	Water Services	Sanitary Sewer Services	Total
Revenues (Schedule 4)					
Fees and charges	535,172	2,270,373	6,092,809	3,280,846	15,905,030
Underground Pipe Replacement Fees			1,845,889		1,845,889
Tangible capital asset sales - gain	-	-	-	-	51,417
Land sales - gain	325,545	-	-	-	325,545
Investment income and commissions	-	-	27,537	-	264,272
Grants - conditional	334,322	95,531	-	-	1,395,395
- Capital	-	-	-	-	844,390
- Community capital pledges/contributions	-	2,400	-	-	2,400
Other revenues	-	-	-	-	1,383,837
Total Revenues	1,195,039	2,368,304	7,966,236	3,280,846	22,018,174
Expenses (Schedule 4)					
Wages and benefits	712,949	2,890,475	1,357,937	718,092	14,238,118
Professional/contractual services	215,039	462,331	3,013,874	244,290	10,879,647
Subscription/memberships	11,428	7,848	21,556	6,167	162,805
Utilities	-	922,285	348,346	308,677	2,608,440
Maintenance, materials and supplies	19,994	481,784	585,511	307,847	3,324,402
Travel	10,435	11,520	7,153	2,706	77,325
Amortization	-	257,151	737,144	1,062,094	6,375,414
Interest	198,989	587,635	77,558	674,782	1,696,288
Allowance for uncollectibles	-	-	15,324	-	48,797
Insurance	-	-	-	-	630,170
Medical	-	-	-	-	4,151
Grants and contributions	520,729	488,759	-	-	1,230,848
Other	-	2,146	155	-	155,431
Total Expenses	1,689,562	6,111,933	6,164,557	3,324,655	41,431,835
Surplus (Deficit) by Division	(494,523)	(3,743,630)	1,801,679	(43,810)	(19,413,662)
Taxation and other unconditional revenue (Schedule 1)					21,871,535
Net Surplus (Deficit)					2,457,873

CONSOLIDATED SCHEDULE OF OPERATIONS BY DIVISION

For the Year Ended December 31, 2018

SCHEDULE 4

	2018 Budget	2018	2017
General Government Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Sales of supplies	73,700	185,411	361,276
- Taxation services	17,000	12,271	13,960
- Expense recoveries	-	21,971	27,907
Total Fees and Charges	90,700	219,652	403,143
- Tangible capital asset sales - gain (loss)	-	(105,441)	51,417
- Investment & interest	566,850	557,961	236,734
Total Other Segmented Revenue	657,550	672,172	691,294
Conditional Grants and Donations			
- Grants	5,700	5,600	20,700
Total Operating Revenue	663,250	677,772	711,994
Operating Expenses			
Council remuneration and travel	227,629	243,854	240,070
Wages and benefits	1,842,873	1,918,366	1,908,346
Professional/contractual services	955,780	940,407	963,003
Subscription/memberships	35,460	60,335	29,831
Utilities	137,360	161,138	143,981
Maintenance, materials and supplies	152,074	143,915	254,291
Travel	28,538	22,518	16,143
Amortization	-	57,623	60,156
Interest	-	-	-
Allowance for uncollectibles	-	(25,560)	33,473
Insurance	580,000	611,744	468,313
Medical	2,000	2,550	1,872
Grants and contributions	329,907	330,407	146,487
Other	1,350	33,800	61,742
Total Government Services Expenses	4,292,971	4,501,097	4,327,708
Capital			
Conditional Grants			
- Capital grants	-	-	-
Total General Government Services Surplus (Deficit)	(3,629,721)	(3,823,325)	(3,615,715)

CONSOLIDATED SCHEDULE OF OPERATIONS BY DIVISION*For the Year Ended December 31, 2018*

SCHEDULE 4

	<u>2018 Budget</u>	<u>2018</u>	<u>2017</u>
Policing Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Policing fees/fines	83,500	108,859	96,975
Total Fees and Charges	83,500	108,859	96,975
- Total police services other revenue	370,942	321,098	356,668
Total Other Segmented Revenue	454,442	429,957	453,643
Conditional Grants			
- Grants	1,337,000	997,769	817,905
Total Operating Revenue	1,791,442	1,427,726	1,271,548
Operating Expenses			
Wages and benefits	715,939	621,976	578,123
Professional/contractual services	4,458,479	4,101,797	4,194,140
Subscription/memberships	-	-	-
Utilities	90,328	77,507	82,919
Maintenance, materials and supplies	88,160	93,018	85,655
Travel	-	-	-
Amortization	-	101,643	93,868
Interest	-	5,842	-
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	-	-
Total Policing Services Expenses	5,352,906	5,001,782	5,034,706
Total Policing Services Surplus (Deficit)	(3,561,464)	(3,574,056)	(3,763,158)

CONSOLIDATED SCHEDULE OF OPERATIONS BY DIVISION

For the Year Ended December 31, 2018

SCHEDULE 4

	<u>2018 Budget</u>	<u>2018</u>	<u>2017</u>
Fire and Protective Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Total fire services fees/fines	384,300	355,651	338,856
- Total Provincial Fines	300,000	169,782	233,010
- Total special constables fees/fines	262,000	511,390	267,151
Total Fees and Charges	946,300	1,036,823	839,016
- Total fire services other revenue	4,750	40,448	21,099
- Total special constables other revenue	-	200	-
Total Other Segmented Revenue	951,050	1,077,471	860,115
Conditional Grants			
- Grants	-	-	-
Total Operating Revenue	951,050	1,077,471	860,115
Operating Expenses			
Special Constables			
Wages and benefits	575,158	566,875	627,195
Professional/contractual services	-	-	-
Subscription/memberships	5,000	7,286	2,207
Utilities	3,780	4,435	9,130
Maintenance, materials and supplies	86,432	83,650	93,379
Travel	5,000	1,323	5,455
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Insurance	7,500	-	1,001
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	-	-
Total Special Constables Expenses	682,870	663,570	738,367
Fire Services			
Wages and benefits	2,337,366	2,285,009	2,198,350
Professional/contractual services	20,700	32,369	62,510
Subscription/memberships	37,400	51,348	44,485
Utilities	30,546	50,785	46,296
Maintenance, materials and supplies	150,850	194,637	130,769
Travel	5,300	8,148	5,789
Amortization	-	166,500	152,982
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	506	2,279
Grants and contributions	-	-	-
Other	-	-	-
Total Fire Services Expenses	2,582,162	2,789,304	2,643,460

CONSOLIDATED SCHEDULE OF OPERATIONS BY DIVISION*For the Year Ended December 31, 2018*

SCHEDULE 4

	<u>2018 Budget</u>	<u>2018</u>	<u>2017</u>
Emergency Preparedness			
Wages and benefits	-	-	-
Professional/contractual services	6,100	2,396	886
Subscription/memberships	5,000	5,000	5,000
Utilities	-	-	-
Maintenance, materials and supplies	600	458	871
Travel	1,550	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	-	-
Total Emergency Preparedness Expenses	<u>13,250</u>	<u>7,854</u>	<u>6,757</u>
Animal, Humane Society Expenses			
Wages and benefits	-	-	333
Professional/contractual services	149,000	149,000	72,000
Subscription/memberships	-	-	-
Utilities	9,105	8,399	11,306
Maintenance, materials and supplies	500	2,172	828
Travel	-	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	-	-
Total Animal, Humane Society Expenses	<u>158,605</u>	<u>159,571</u>	<u>84,467</u>
Total Fire and Protective Services Expenses	<u>3,436,887</u>	<u>3,620,299</u>	<u>3,473,050</u>
Capital			
Conditional Grants			
- Capital grants	-	-	-
Total Fire & Protective Services Surplus (Deficit)	<u>(2,485,837)</u>	<u>(2,542,828)</u>	<u>(2,612,935)</u>

CONSOLIDATED SCHEDULE OF OPERATIONS BY DIVISION

For the Year Ended December 31, 2018

SCHEDULE 4

	2018 Budget	2018	2017
Operation Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Aviation revenue	176,000	159,014	139,489
- Cemetery	155,000	142,922	198,790
Total Fees and Charges	331,000	301,936	338,279
- Expense recoveries	16,500	27,330	26,561
Total Other Segmented Revenue	347,500	329,266	364,841
Conditional Grants			
- Grants	54,200	146,235	66,791
Total Operating Revenue	401,700	475,500	431,631
Operating Expenses			
Public Works & Fleet			
Wages and benefits	1,763,058	1,576,913	1,419,284
Professional/contractual services	995,195	1,172,628	649,724
Subscription/memberships	21,180	17,909	25,301
Utilities	489,090	505,338	493,738
Maintenance, materials and supplies	1,027,775	952,452	1,033,516
Travel	24,308	7,973	15,395
Amortization	-	2,362,549	2,280,776
Interest	109,375	130,739	140,474
Allowance for uncollectibles	-	-	-
Insurance	125,000	122,859	160,855
Medical	-	-	-
Grants and contributions	-	-	-
Other	12,000	10,967	12,655
Total Public Works & Fleet Expenses	4,566,981	6,860,327	6,231,719
Cemeteries			
Wages and benefits	181,830	165,529	224,769
Professional/contractual services	13,000	4,298	5,679
Subscription/memberships	-	-	-
Utilities	13,050	21,851	25,272
Maintenance, materials and supplies	12,750	10,003	13,884
Travel	-	-	-
Amortization	-	3,565	3,565
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	-	-
Total Cemeteries Expenses	220,630	205,247	273,169

CONSOLIDATED SCHEDULE OF OPERATIONS BY DIVISION*For the Year Ended December 31, 2018*

SCHEDULE 4

	<u>2018 Budget</u>	<u>2018</u>	<u>2017</u>
Parks & Forestry			
Wages and benefits	1,053,011	929,101	888,506
Professional/contractual services	150,300	145,630	121,339
Subscription/memberships	-	-	-
Utilities	139,440	200,794	210,318
Maintenance, materials and supplies	137,450	124,597	170,968
Travel	-	-	-
Amortization	-	1,588,851	1,592,600
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	78,000	78,000	74,873
Other	-	-	-
Total Parks & Forestry Expenses	<u>1,558,201</u>	<u>3,066,972</u>	<u>3,058,604</u>
Total Operation Expenses	<u>6,345,812</u>	<u>10,132,546</u>	<u>9,563,493</u>
Capital			
Conditional Grants			
- Capital grants	848,557	848,557	844,390
Total Operations Surplus (Deficit)	<u>(5,095,555)</u>	<u>(8,808,489)</u>	<u>(8,287,471)</u>

CONSOLIDATED SCHEDULE OF OPERATIONS BY DIVISION

For the Year Ended December 31, 2018

SCHEDULE 4

	<u>2018 Budget</u>	<u>2018</u>	<u>2017</u>
Waste Management Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Waste and disposal fees	1,750,000	1,354,383	2,048,417
Total Fees and Charges	1,750,000	1,354,383	2,048,417
- Other revenue, garbage and recycling	1,039,000	997,290	979,509
Total Other Segmented Revenue	2,789,000	2,351,674	3,027,926
Conditional Grants			
- Grants	60,000	60,324	60,145
Total Operating Revenue	2,849,000	2,411,998	3,088,071
Operating Expenses			
Wages and benefits	513,556	465,628	473,691
Professional/contractual services	691,198	637,591	874,832
Subscription/memberships	6,915	7,258	8,981
Utilities	9,220	6,703	6,171
Maintenance, materials and supplies	172,900	123,515	145,106
Travel	7,494	3,988	2,729
Amortization	-	120,548	135,077
Interest	16,214	16,590	16,850
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	47,950	29,122	78,733
Total Waste Management Services Expenses	1,465,447	1,410,943	1,742,171
Capital			
Conditional Grants			
- Capital grants	-	-	-
Total Waste Management Services Surplus (Deficit)	1,383,553	1,001,055	1,345,900

CONSOLIDATED SCHEDULE OF OPERATIONS BY DIVISION

For the Year Ended December 31, 2018

SCHEDULE 4

	<u>2018 Budget</u>	<u>2018</u>	<u>2017</u>
Planning and Development Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Business licenses	220,000	237,241	334,322
- Building & development permits	118,200	162,741	1,195,039
- Development agreements	76,903	80,288	
- Land rent	27,495	54,892	
Total Fees and Charges	442,598	535,162	
- Land - gain (loss)	1,203,000	1,100,457	70,296
- Investment & interest	-	-	68,874
Total Other Segmented Revenue	1,645,598	1,635,619	-
Conditional Grants			
- Grants	48,500	294,423	2,119
Total Operating Revenue	1,694,098	1,930,042	-
Operating Expenses			
Business Licenses			
Wages and benefits	63,983	53,430	-
Professional/contractual services	90,000	104,533	-
Subscription/memberships	-	-	-
Utilities	-	-	-
Maintenance, materials and supplies	-	2,506	141,289
Travel	-	-	-
Amortization	-	-	-
Interest	-	-	87,417
Allowance for uncollectibles	-	-	-
Insurance	-	-	2,076
Medical	-	-	-
Grants and contributions	-	-	0
Other	-	-	3,889
Total Business Licenses Expenses	153,983	160,469	-
Economic Development			
Wages and benefits	102,353	93,436	-
Professional/contractual services	-	482	-
Subscription/memberships	3,500	1,629	520,729
Utilities	-	-	-
Maintenance, materials and supplies	-	0	614,111
Travel	5,700	2,770	5,789
Amortization	-	-	152,982
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	2,279
Grants and contributions	522,602	521,636	-
Other	-	-	-
Total Economic Development Expenses	634,155	619,953	2,643,460

CONSOLIDATED SCHEDULE OF OPERATIONS BY DIVISION

For the Year Ended December 31, 2018

SCHEDULE 4

	<u>2018 Budget</u>	<u>2018</u>	<u>2017</u>
Engineering			
Wages and benefits	243,312	257,089	290,792
Professional/contractual services	11,800	29,378	66,044
Subscription/memberships	7,150	3,719	6,396
Utilities	-	-	-
Maintenance, materials and supplies	8,700	21,232	15,968
Travel	7,900	2,398	2,930
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	-	-
Total Engineering Expenses	<u>278,862</u>	<u>313,817</u>	<u>382,129</u>
Planning			
Wages and benefits	199,971	188,122	264,444
Professional/contractual services	63,000	24,768	80,121
Subscription/memberships	3,300	1,487	2,956
Utilities	-	-	-
Maintenance, materials and supplies	1,250	848	1,907
Travel	8,200	1,995	3,616
Amortization	-	-	-
Interest	263,150	242,824	198,989
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	-	-
Total Planning Expenses	<u>538,871</u>	<u>460,044</u>	<u>552,033</u>
Total Planning and Development Services Expenses	<u>1,605,871</u>	<u>1,554,283</u>	<u>1,689,562</u>
Total Planning and Development Services Surplus (Deficit)	<u>88,228</u>	<u>375,759</u>	<u>(494,523)</u>

CONSOLIDATED SCHEDULE OF OPERATIONS BY DIVISION

For the Year Ended December 31, 2018

SCHEDULE 4

	2018 Budget	2018	2017
Leisure Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Recreation fees & services	1,019,502	914,162	1,017,563
- Galleries	70,300	64,233	83,295
- Recreation facilities rental	1,013,418	1,051,979	1,169,515
Total Fees and Charges	2,103,220	2,030,374	2,270,373
- Park expense recovery	-	-	-
Total Other Segmented Revenue	2,103,220	2,030,374	2,270,373
Conditional Grants			
- Grants	57,850	155,407	95,531
Total Operating Revenue	2,161,070	2,185,781	2,365,904
Operating Expenses			
Recreational Facilities & Programing			
Wages and benefits	2,483,514	2,734,415	2,612,603
Professional/contractual services	390,791	381,916	375,099
Subscription/memberships	21,995	16,208	7,604
Utilities	825,964	878,431	891,733
Maintenance, materials and supplies	323,676	496,841	431,982
Travel	15,217	14,103	8,600
Amortization	-	262,900	245,275
Interest	526,219	540,733	587,635
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	506,629	506,629	488,759
Other	6,400	16,166	2,146
Total Recreational Facilities & Programing Expenses	5,100,406	5,848,344	5,651,437
Galleries			
Wages and benefits	314,519	276,329	277,871
Professional/contractual services	82,727	78,583	87,231
Subscription/memberships	535	585	244
Utilities	30,250	33,632	30,552
Maintenance, materials and supplies	47,350	47,186	49,803
Travel	3,960	2,339	2,919
Amortization	-	12,012	11,876
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	-	-
Total Galleries Expenses	479,341	450,665	460,497

CONSOLIDATED SCHEDULE OF OPERATIONS BY DIVISION

For the Year Ended December 31, 2018

SCHEDULE 4

	<u>2018 Budget</u>	<u>2018</u>	<u>2017</u>
Total Leisure Services Expenses	5,579,747	6,299,009	6,111,933
Capital			
Conditional Grants			
- Capital grants	-	25,000	-
- Community capital pledges/contributions	-	2,400	2,400
Total Capital	-	27,400	2,399
Total Leisure Services Surplus (Deficit)	(3,418,677)	(4,085,829)	(3,743,630)

CONSOLIDATED SCHEDULE OF OPERATIONS BY DIVISION

For the Year Ended December 31, 2018

SCHEDULE 4

	<u>2018 Budget</u>	<u>2018</u>	<u>2017</u>
Water Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Water fees	3,616,732	3,638,946	3,303,412
- Water works expense recovery	15,450	82,049	2,789,397
Total Fees and Charges	<u>3,632,182</u>	<u>3,720,996</u>	<u>6,092,809</u>
- Investment & interest	20,000	28,543	27,537
Total Other Segmented Revenue	<u>3,652,182</u>	<u>3,749,539</u>	<u>6,120,347</u>
Conditional Grants			
- Grants	-	-	-
Total Operating Revenue	<u>3,652,182</u>	<u>3,749,539</u>	<u>6,120,347</u>
Operating Expenses			
Wages and benefits	1,310,124	1,460,250	1,357,937
Professional/contractual services	925,104	930,838	3,013,874
Subscription/memberships	27,646	15,172	21,556
Utilities	321,712	380,023	348,346
Maintenance, materials and supplies	561,355	705,275	585,511
Travel	13,540	7,922	7,153
Amortization	-	769,991	737,144
Interest	73,913	91,142	77,558
Allowance for uncollectibles	-	(18,314)	15,324
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	155	155
Total Water Services Expenses	<u>3,233,394</u>	<u>4,342,452</u>	<u>6,164,557</u>
Capital			
Conditional Grants			
- Capital grants	-	-	-
Total Water Services Surplus (Deficit)	<u>418,789</u>	<u>(592,913)</u>	<u>(44,210)</u>

CONSOLIDATED SCHEDULE OF OPERATIONS BY DIVISION

For the Year Ended December 31, 2018

SCHEDULE 4

	<u>2018 Budget</u>	<u>2018</u>	<u>2017</u>
Sanitary Sewer Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Sanitary sewer fees	3,567,024	3,369,287	3,262,877
- Sanitary sewer expense recovery	30,900	7,181	17,969
Total Other Segmented Revenue	<u>3,597,924</u>	<u>3,376,468</u>	<u>3,280,846</u>
Conditional Grants			
- Grants	-	-	-
Total Operating Revenue	<u>3,597,924</u>	<u>3,376,468</u>	<u>3,280,846</u>
Operating Expenses			
Wages and benefits	1,036,783	735,567	718,092
Professional/contractual services	271,176	180,497	244,290
Subscription/memberships	6,825	5,346	6,167
Utilities	262,030	314,103	308,677
Maintenance, materials and supplies	373,875	346,500	307,847
Travel	7,100	4,649	2,706
Amortization	-	1,082,252	1,062,094
Interest	665,142	651,561	674,782
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	-	-
Total Sanitary Sewer Services Expenses	<u>2,622,931</u>	<u>3,320,475</u>	<u>3,324,655</u>
Capital			
Conditional Grants			
- Capital grants	-	-	-
Total Sanitary Sewer Services Surplus (Deficit)	<u>974,993</u>	<u>55,993</u>	<u>(43,810)</u>

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

For the Year Ended December 31, 2018

SCHEDULE 5

		General Assets				
		Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment
ASSETS	Asset Cost					
	Opening asset costs	10,740,542	7,286,027	91,080,394	2,294,666	15,507,855
	Additions during the year	142,996	-	51,824	509,626	987,964
	Disposals and write-downs during the year	(3,681)	-	-	(79,616)	(207,688)
	Transfers (from) assets under construction	182,655	-	168,133	-	-
	Closing Asset Costs	11,062,512	7,286,027	91,300,351	2,724,676	16,288,131
AMORTIZATION	Accumulated Amortization Cost					
	Opening accumulated amortization costs	-	4,380,325	20,777,782	1,234,399	6,395,530
	Add: Amortization taken	-	200,385	2,191,439	157,897	859,367
	Less: Accumulated amortization on disposals	-	-	-	(79,616)	(30,895)
		Closing Accumulated Amortization Costs	-	4,580,710	22,969,221	1,312,680
	Net Book Value	11,062,512	2,705,317	68,331,130	1,411,997	9,064,129

Amount of interest capitalized \$NIL (2017 \$12,439)

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

For the Year Ended December 31, 2018

SCHEDULE 5 (CONTINUED)

	Operations Assets	General/ Infrastructure		
	Linear assets	Assets Under Construction	2018 Total	2017 Total
ASSETS				
Asset Cost				
Opening asset costs	147,459,991	5,358,660	279,728,135	269,149,088
Additions during the year	5,177,720	1,054,308	7,924,439	11,091,969
Disposals and write-downs during the year	(38,177)		(329,162)	(512,922)
Transfers (from) assets under construction	4,770,570	(5,121,358)	-	0
Closing Asset Costs	157,370,104	1,291,611	287,323,412	279,728,136
AMORTIZATION				
Accumulated Amortization Cost				
Opening accumulated amortization costs	73,407,959	-	106,195,995	99,958,951
Add: Amortization taken	3,119,346	-	6,528,433	6,375,414
Less: Accumulated amortization on disposals	(37,845)	-	(148,356)	(138,370)
Closing Accumulated Amortization Costs	76,489,460	-	112,576,072	106,195,996
Net Book Value	80,880,644	1,291,611	174,747,340	173,532,140

Amount of interest capitalized \$NIL (2017 \$12,439)

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS BY DIVISION

For the Year Ended December 31, 2018

SCHEDULE 6

	General Government Services	Policing Services	Fire & Protective Services	Operations Services	Waste Management Services
ASSETS					
Asset Cost					
Opening asset costs	1,744,590	4,256,455	4,463,578	102,805,855	2,954,201
Additions during the year	-	-	212,584	8,393,851	9,275
Disposals and write-downs during the year	-	-		(74,013)	(154,474)
Closing Asset Costs	1,744,590	4,256,455	4,676,162	111,125,694	2,809,001
AMORTIZATION					
Accumulated Amortization Cost					
Opening accumulated amortization costs	573,914	1,053,519	2,249,117	59,034,975	1,215,132
Add: Amortization taken	57,623	93,868	174,275	2,362,549	124,114
Less: Accumulated amortization on disposals	-	-	-	(20,800)	(30,895)
Closing Accumulated Amortization Costs	631,537	1,147,387	2,423,392	61,376,724	1,308,351
Net Book Value	1,113,053	3,109,068	2,252,770	49,748,969	1,500,650

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS BY DIVISION

For the Year Ended December 31, 2018

SCHEDULE 6 (CONTINUED)

	Planning & Development Services	Leisure Services	Water Services	Sanitary Sewer Services	2018 Total	2017 Total
ASSETS						
Asset Cost						
Opening asset costs	10,778,828	77,566,399	33,586,753	41,571,476	279,728,135	269,149,088
Additions during the year	(4,583,488)	542,407	1,523,124	1,826,686	7,924,439	11,091,969
Disposals and write-downs during the year	(3,681)	(77,349)	(15,720)	(3,925)	(329,162)	(512,922)
Closing Asset Costs	6,191,659	78,031,457	35,094,157	43,394,237	287,323,412	279,728,135
AMORTIZATION						
Accumulated Amortization Cost						
Opening accumulated amortization costs	-	16,181,237	11,724,254	14,163,847	106,195,995	99,958,950
Add: Amortization taken	-	1,863,762	769,991	1,082,252	6,528,433	6,375,414
Less: Accumulated amortization on disposals	-	(77,349)	(15,388)	(3,924)	(148,356)	(138,370)
Closing Accumulated Amortization Costs	-	17,967,650	12,478,856	15,242,174	112,576,072	106,195,995
Net Book Value	6,191,659	60,063,807	22,615,301	28,152,063	174,747,340	173,532,140

CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS

For the Year Ended December 31, 2018

SCHEDULE 7

	2017	Changes	2018
Unappropriated Surplus (Deficit)			
Government activities	\$ 7,760,867	\$ 3,486,159	\$ 11,247,026
Water	1,470,399	843,876	2,314,273
Sanitary sewer	(1,259,208)	(1,191,528)	(2,450,738)
Total Unappropriated Surplus (Deficit)	<u>7,972,062</u>	<u>3,138,506</u>	<u>11,110,568</u>
Appropriated Surplus			
General government	757,133	(732,133)	25,000
Fire and protective	332,299	252,951	585,250
Operations	1,777,171	355,644	2,132,815
Waste management	184,500	386,333	570,833
Planning & development	1,228,756	(2,780,072)	(1,551,316)
Leisure	618,903	69,939	688,841
Water	1,617,609	(327,861)	1,289,748
Sanitary sewer	1,510,877	(1,906)	1,508,971
Total Appropriated Surplus	<u>8,027,247</u>	<u>(2,777,105)</u>	<u>5,250,142</u>
Net Investment in Tangible Capital Assets			
Tangible capital assets (Schedule 5)	173,532,140	1,215,199	174,747,340
Less: Related long term debt	(39,808,742)	158,832	(39,649,910)
Less: Related Lease and other obligations	(941,603)	209,201	(732,402)
Net Investment in Tangible Capital Assets	<u>132,781,794</u>	<u>1,583,233</u>	<u>134,365,028</u>
Total Accumulated Surplus	<u>\$ 148,781,103</u>	<u>\$ 1,944,634</u>	<u>\$ 150,725,738</u>



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