

City of North Battleford

**Annual Financial Statements
And Supporting Schedules
For the year ended December 31, 2018**

DRAFT

Management's Report

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 Canadian Professional Accountants of Canada. 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.

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
TBA, 2019

Director of Finance

City Manager

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)

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.

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

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

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
Infrastructure 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

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

Consolidated Statement of Change in Net Financial Debt

for the year ended December 31, 2018

Statement 3

	2018 Budget	2018	2017
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	(13,756,177)	(1,215,200)	(4,342,003)
(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	\$ (5,053,308)	692,399	(1,842,836)
Net Financial (Debt) Assets - Beginning of Year		(25,262,687)	(23,419,851)
Net Financial (Debt) Assets - End of Year		\$ (24,570,288)	\$ (25,262,687)

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

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)
	8,578,509	8,781,871

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.

Notes to Consolidated Financial Statements

for the year ended December 31, 2018

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.

Notes to Consolidated Financial Statements

for the year ended December 31, 2018

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.

Notes to Consolidated Financial Statements

for the year ended December 31, 2018

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.

Notes to Consolidated Financial Statements

for the year ended December 31, 2018

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.

	2018	2017
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.

Municipal Current	\$ 195,060	\$ 385,209
Arrears	1,463,453	1,032,091
	1,658,513	1,417,300
Less 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

Notes to Consolidated Financial Statements

for the year ended December 31, 2018

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.

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.

Notes to Consolidated Financial Statements

for the year ended December 31, 2018

7. Long-Term Service Agreements - continued

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

	2018	2017
Credit Union CUplex - private funding agreements	\$ 591,000	\$ 1,016,000
Development service agreements	18,352	36,704
Less Allowance for Uncollectibles		
Credit Union CUplex - private funding agreements	(5,910)	(101,600)
Total Long-Term Service Agreements	\$ 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

Notes to Consolidated Financial Statements

for the year ended December 31, 2018

10. Long-Term Debt - continued

Summary of long-term debt repayment schedule:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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 instalments 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:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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

Notes to Consolidated Financial Statements

for the year ended December 31, 2018

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:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
	<u>\$ 1,342,004</u>	<u>\$ 213,313</u>	<u>\$ 1,555,317</u>

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:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
	<u>\$ 9,420,000</u>	<u>\$ 3,494,836</u>	<u>\$ 12,914,836</u>

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:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
	<u>\$ 4,210,000</u>	<u>\$ 2,035,498</u>	<u>\$ 6,245,498</u>

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:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
	<u>\$ 5,042,000</u>	<u>\$ 2,156,430</u>	<u>\$ 7,198,430</u>

Notes to Consolidated Financial Statements

for the year ended December 31, 2018

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
	<u>\$ 1,414,000</u>	<u>\$ 568,393</u>	<u>\$ 1,982,393</u>

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
	<u>\$ 3,049,000</u>	<u>\$ 1,559,934</u>	<u>\$ 4,608,934</u>

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	<u>\$ 732,402</u>

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	<u>\$ 154,796</u>

Notes to Consolidated Financial Statements

for the year ended December 31, 2018

11. Lease and Other Obligations

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, 2017	\$ 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
Total minimum land purchase agreement payments	\$ 200,000

932 - 109th Street Building Purchase Agreement

Year	Payment Amount
2019	\$ 60,000
2020	60,000
2021	60,000
2022	21,000
Total minimum land purchase agreement payments	\$ 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.

Notes to Consolidated Financial Statements

for the year ended December 31, 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 metres 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.

Notes to Consolidated Financial Statements

for the year ended December 31, 2018

17. Related Party Transactions

The City is a related party with organizations listed in Note number 1. Mayor, Councillors 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.

DRAFT

Schedule of Taxes and Other Unconditional Revenue

for the year ended December 31, 2018

Schedule 1

	2018 Budget	2018	2017
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	14,699,228	14,124,251	14,211,029
Penalties on tax arrears	274,000	430,171	356,237
Trailer park levies	53,732	44,667	43,954
Total Taxes	15,026,960	14,599,089	14,611,219
Unconditional Grants			
Municipal operating grants	2,637,009	2,520,569	2,697,559
Total Unconditional Grants	2,637,009	2,520,569	2,697,559
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	1,275,930	1,404,057	1,217,098
Surcharges			
Sask Power surcharge fees	1,764,000	2,025,148	1,902,567
Sask Energy surcharge fees	-	-	-
Total Surcharges	1,764,000	2,025,148	1,902,567
Underground Pipe and Asphalt Levy	1,442,764	1,488,343	1,443,092
Total Taxes and Other Unconditional Revenue	\$ 22,146,663	\$ 22,037,206	\$ 21,871,535

Consolidated Schedule of Segment Disclosure by Division

for the year ended December 31, 2018

Schedule 2

	General Government Services	Policing Services	Fire & Protective Services	Infrastructure Services	Waste Management Services	Planning & Development Services	Leisure Services	Water Services	Sanitary Sewer Services	Total
Revenues (Schedule 4)										
Fees and charges	219,652	108,859	1,036,823	301,936	1,354,383	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)	-	-	-	-	-	-	-	-	(105,441)
Land sales - gain	-	-	-	-	-	1,100,457	-	-	-	1,100,457
Investment income and commissions	557,961	-	-	-	-	-	-	28,543	-	586,504
Grants - conditional	5,600	997,769	-	146,235	60,324	294,423	155,407	-	-	1,659,759
- Capital	-	-	-	848,557	-	-	25,000	-	-	873,557
- Community capital pledges/contributions	-	-	-	-	-	-	2,400	-	-	2,400
Other revenues	-	321,098	40,648	27,330	997,290	-	-	-	-	1,386,367
Total Revenues	677,772	1,427,727	1,077,471	1,324,058	2,411,998	1,930,042	2,213,181	5,651,600	3,376,468	20,090,315
Expenses (Schedule 4)										
Wages and benefits	2,162,220	621,976	2,851,884	2,671,543	465,628	592,078	3,010,745	1,460,250	735,567	14,571,890
Professional/contractual services	940,407	4,101,797	183,765	1,322,556	637,591	159,162	460,499	930,838	180,497	8,917,112
Subscription/memberships	60,335	-	63,634	17,909	7,258	6,835	16,793	15,172	5,346	193,282
Utilities	161,138	77,507	63,620	727,983	6,703	-	912,063	380,023	314,103	2,643,140
Maintenance, materials and supplies	143,915	93,018	280,917	1,087,051	123,515	24,586	544,027	705,275	346,500	3,348,804
Travel	22,518	-	9,472	7,973	3,988	7,163	16,442	7,922	4,649	80,126
Amortization	57,623	101,643	166,500	3,954,965	120,548	-	274,912	769,991	1,082,252	6,528,433
Interest	-	5,842	-	130,739	16,590	242,824	540,733	91,142	651,561	1,679,432
Allowance for uncollectibles	(25,560)	-	-	-	-	-	-	(18,314)	-	(43,874)
Insurance	611,744	-	-	122,859	-	-	-	-	-	734,603
Medical	2,550	-	506	-	-	-	-	-	-	3,056
Grants and contributions	330,407	-	-	78,000	-	521,636	506,629	-	-	1,436,672
Other	33,800	-	-	10,967	29,122	-	16,166	155	-	90,210
Total Expenses	4,501,097	5,001,782	3,620,299	10,132,546	1,410,943	1,554,283	6,299,009	4,342,452	3,320,475	40,182,886
Surplus (Deficit) by Division	(3,823,325)	(3,574,055)	(2,542,828)	(8,808,488)	1,001,055	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

	General Government Services	Policing Services	Fire & Protective Services	Infrastructure Services	Waste Management Services	Planning & Development Services	Leisure Services	Water Services	Sanitary Sewer Services	Total
Revenues (Schedule 4)										
Fees and charges	403,143	96,975	839,016	338,279	2,048,417	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	-	-	-	-	-	-	-	-	51,417
Land sales - gain	-	-	-	-	-	325,545	-	-	-	325,545
Investment income and commissions	236,734	-	-	-	-	-	-	27,537	-	264,272
Grants - conditional	20,700	817,905	-	66,791	60,145	334,322	95,531	-	-	1,395,395
- Capital	-	-	-	844,390	-	-	-	-	-	844,390
- Community capital pledges/contributions	-	-	-	-	-	-	2,400	-	-	2,400
Other revenues	-	356,668	21,099	26,561	979,509	-	-	-	-	1,383,837
Total Revenues	711,994	1,271,548	860,115	1,276,022	3,088,071	1,195,039	2,368,304	7,966,236	3,280,846	22,018,174
Expenses (Schedule 4)										
Wages and benefits	2,148,416	578,123	2,825,878	2,532,559	473,691	712,949	2,890,475	1,357,937	718,092	14,238,118
Professional/contractual services	963,003	4,194,140	135,396	776,742	874,832	215,039	462,331	3,013,874	244,290	10,879,647
Subscription/memberships	29,831	-	51,692	25,301	8,981	11,428	7,848	21,556	6,167	162,805
Utilities	143,981	82,919	66,732	729,329	6,171	-	922,285	348,346	308,677	2,608,440
Maintenance, materials and supplies	254,291	85,655	225,846	1,218,368	145,106	19,994	481,784	585,511	307,847	3,324,402
Travel	16,143	-	11,244	15,395	2,729	10,435	11,520	7,153	2,706	77,325
Amortization	60,156	93,868	152,982	3,876,942	135,077	-	257,151	737,144	1,062,094	6,375,414
Interest	-	-	-	140,474	16,850	198,989	587,635	77,558	674,782	1,696,288
Allowance for uncollectibles	33,473	-	-	-	-	-	-	15,324	-	48,797
Insurance	468,313	-	1,001	160,855	-	-	-	-	-	630,170
Medical	1,872	-	2,279	-	-	-	-	-	-	4,151
Grants and contributions	146,487	-	-	74,873	-	520,729	488,759	-	-	1,230,848
Other	61,742	-	-	12,655	78,733	-	2,146	155	-	155,431
Total Expenses	4,327,708	5,034,706	3,473,050	9,563,493	1,742,171	1,689,562	6,111,933	6,164,557	3,324,655	41,431,835
Surplus (Deficit) by Division	(3,615,715)	(3,763,158)	(2,612,935)	(8,287,471)	1,345,900	(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

	2018 Budget	2018	2017
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	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 Expense	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

	2018 Budget	2018	2017
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

	2018 Budget	2018	2017
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	13,250	7,854	6,757
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	158,605	159,571	84,467
Total Fire and Protective Services Expenses	3,436,887	3,620,299	3,473,050
Capital			
Conditional Grants			
- Capital grants	-	-	-
Total Fire & Protective Services Surplus (Deficit)	(2,485,837)	(2,542,828)	(2,612,935)

Consolidated Schedule of Operations by Division

for the year ended December 31, 2018

Schedule 4

	2018 Budget	2018	2017
Infrastructure Services			
Infrastructure 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

	2018 Budget	2018	2017
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	1,558,201	3,066,972	3,058,604
Total Infrastructure Expenses	6,345,812	10,132,546	9,563,493
Capital			
Conditional Grants			
- Capital grants	848,557	848,557	844,390
Total Infrastructure Surplus (Deficit)	(5,095,555)	(8,808,489)	(8,287,471)

Consolidated Schedule of Operations by Division

for the year ended December 31, 2018

Schedule 4

	2018 Budget	2018	2017
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

	2018 Budget	2018	2017
Planning and Development Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Business licenses	220,000	237,241	227,027
- Building & development permits	118,200	162,741	102,228
- Development agreements	76,903	80,288	116,438
- Land rent	27,495	54,892	89,479
Total Fees and Charges	442,598	535,162	535,172
- Land - gain (loss)	1,203,000	1,100,457	325,545
- Investment & interest	-	-	-
Total Other Segmented Revenue	1,645,598	1,635,619	860,717
Conditional Grants			
- Grants	48,500	294,423	334,322
Total Operating Revenue	1,694,098	1,930,042	1,195,039
Operating Expenses			
Business Licenses			
Wages and benefits	63,983	53,430	70,296
Professional/contractual services	90,000	104,533	68,874
Subscription/memberships	-	-	-
Utilities	-	-	-
Maintenance, materials and supplies	-	2,506	2,119
Travel	-	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	-	-
Total Business Licenses Expenses	153,983	160,469	141,289
Economic Development			
Wages and benefits	102,353	93,436	87,417
Professional/contractual services	-	482	-
Subscription/memberships	3,500	1,629	2,076
Utilities	-	-	-
Maintenance, materials and supplies	-	0	0
Travel	5,700	2,770	3,889
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	522,602	521,636	520,729
Other	-	-	-
Total Economic Development Expenses	634,155	619,953	614,111

Consolidated Schedule of Operations by Division

for the year ended December 31, 2018

Schedule 4

	2018 Budget	2018	2017
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	278,862	313,817	382,129
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	538,871	460,044	552,033
Total Planning and Development Services Expenses	1,605,871	1,554,283	1,689,562
Total Planning and Development Services Surplus (Deficit)	88,228	375,759	(494,523)

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	-	-	-

Consolidated Schedule of Operations by Division

for the year ended December 31, 2018

Schedule 4

	2018 Budget	2018	2017
Grants and contributions	-	-	-
Other	-	-	-
Total Galleries Expenses	479,341	450,665	460,497
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)

DRAFT

Consolidated Schedule of Operations by Division

for the year ended December 31, 2018

Schedule 4

	2018 Budget	2018	2017
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	3,632,182	3,720,996	6,092,809
- Investment & interest	20,000	28,543	27,537
Total Other Segmented Revenue	3,652,182	3,749,539	6,120,347
Conditional Grants			
- Grants	-	-	-
Total Operating	3,652,182	3,749,539	6,120,347
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	3,233,394	4,342,452	6,164,557
Capital			
Conditional Grants			
- Capital grants	-	-	-
Total Water Services	418,789	(592,913)	(44,210)

Consolidated Schedule of Operations by Division

for the year ended December 31, 2018

Schedule 4

	2018 Budget	2018	2017
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	3,597,924	3,376,468	3,280,846
Conditional Grants			
- Grants	-	-	-
Total Operating Revenue	3,597,924	3,376,468	3,280,846
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	2,622,931	3,320,475	3,324,655
Capital			
Conditional Grants			
- Capital Grants	-	-	-
Total Sanitary Sewer Services	974,993	55,993	(43,810)
SUMMARY			
Total Other Segmented Revenue	16,198,466	15,652,539	17,930,100
Total Underground Pipe Replacement Fees	1,881,900	1,902,061	1,845,889
Total Conditional Grants	1,563,250	1,659,759	1,395,395
Total Capital Grants and Contributions	848,557	875,957	846,790
Total Operating and Capital Revenue by Division	20,492,173	20,090,315	22,018,174
TOTAL EXPENSES BY DIVISION	33,935,967	40,182,886	41,431,835

Consolidated Schedule of Tangible Capital Assets by Object

for the year ended December 31, 2018

Schedule 5

		2018						2017		
		General Assets					Infrastructure Assets	General/ Infrastructure		
		Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets	Assets Under Construction	Total	Total
Assets	Asset Cost									
	Opening asset costs	10,740,542	7,286,027	91,080,394	2,294,666	15,507,855	147,459,991	5,358,660	279,728,135	269,149,088
	Additions during the year	142,996	-	51,824	509,626	987,964	5,177,720	1,054,308	7,924,439	11,091,969
	Disposals and write-downs during the year	(3,681)	-	-	(79,616)	(207,688)	(38,177)	-	(329,162)	(512,922)
	Transfers (from) assets under construction	182,655	-	168,133	-	-	4,770,570	(5,121,358)	-	0
	Closing Asset Costs	11,062,512	7,286,027	91,300,351	2,724,676	16,288,131	157,370,104	1,291,611	287,323,412	279,728,136
Amortization	Accumulated Amortization Cost									
	Opening accumulated amortization costs	-	4,380,325	20,777,782	1,234,399	6,395,530	73,407,959	-	106,195,995	99,958,951
	Add: Amortization taken	-	200,385	2,191,439	157,897	859,367	3,119,346	-	6,528,433	6,375,414
	Less: Accumulated amortization on disposals	-	-	-	(79,616)	(30,895)	(37,845)	-	(148,356)	(138,370)
		Closing Accumulated Amortization Costs	-	4,580,710	22,969,221	1,312,680	7,224,001	76,489,460	-	112,576,072
	Net Book Value	11,062,512	2,705,317	68,331,130	1,411,997	9,064,129	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

		2018								2017		
		General Government Services	Policing Services	Fire & Protective Services	Infrastructure Services	Waste Management Services	Planning & Development Services	Leisure Services	Water Services	Sanitary Sewer Services	Total	Total
Assets	Asset Cost											
	Opening asset costs	1,744,590	4,256,455	4,463,578	102,805,855	2,954,201	10,778,828	77,566,399	33,586,753	41,571,476	279,728,135	269,149,088
	Additions during the year	-	-	212,584	8,393,851	9,275	(4,583,488)	542,407	1,523,124	1,826,686	7,924,439	11,091,969
	Disposals and write-downs during the year	-	-	-	(74,013)	(154,474)	(3,681)	(77,349)	(15,720)	(3,925)	(329,162)	(512,922)
	Closing Asset Costs	1,744,590	4,256,455	4,676,162	111,125,694	2,809,001	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	573,914	1,053,519	2,249,117	59,034,975	1,215,132	-	16,181,237	11,724,254	14,163,847	106,195,995	99,958,950
	Add: Amortization taken	57,623	93,868	174,275	2,362,549	124,114	-	1,863,762	769,991	1,082,252	6,528,433	6,375,414
	Less: Accumulated amortization on disposals	-	-	-	(20,800)	(30,895)	-	(77,349)	(15,388)	(3,924)	(148,356)	(138,370)
	Closing Accumulated Amortization Costs	631,537	1,147,387	2,423,392	61,376,724	1,308,351	-	17,967,650	12,478,856	15,242,174	112,576,072	106,195,995
	Net Book Value	1,113,053	3,109,068	2,252,770	49,748,969	1,500,650	6,191,659	60,063,807	22,615,301	28,152,063	174,747,340	173,532,140

DRAFT

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)	7,972,062	3,138,506	11,110,568
Appropriated Surplus			
General government	757,133	(732,133)	25,000
Fire and protective	332,299	252,951	585,250
Infrastructure	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	8,027,247	(2,777,105)	5,250,142
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	132,781,794	1,583,233	134,365,028
Total Accumulated Surplus	\$ 148,781,103	\$ 1,944,634	\$ 150,725,738



Financial Statement Discussion and Analysis
City of North Battleford
For the year ending December 31, 2018



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, Transit Service 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 and Business Permits Services.

- **Leisure Services** – contains all activities related to Playgrounds, Pool, Fieldhouse and Arena Services.
- **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 for 2018

- 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 \$42,132,521 including capital grants, which was a decrease of \$1,757,187 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 \$747,912 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.

DRAFT

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

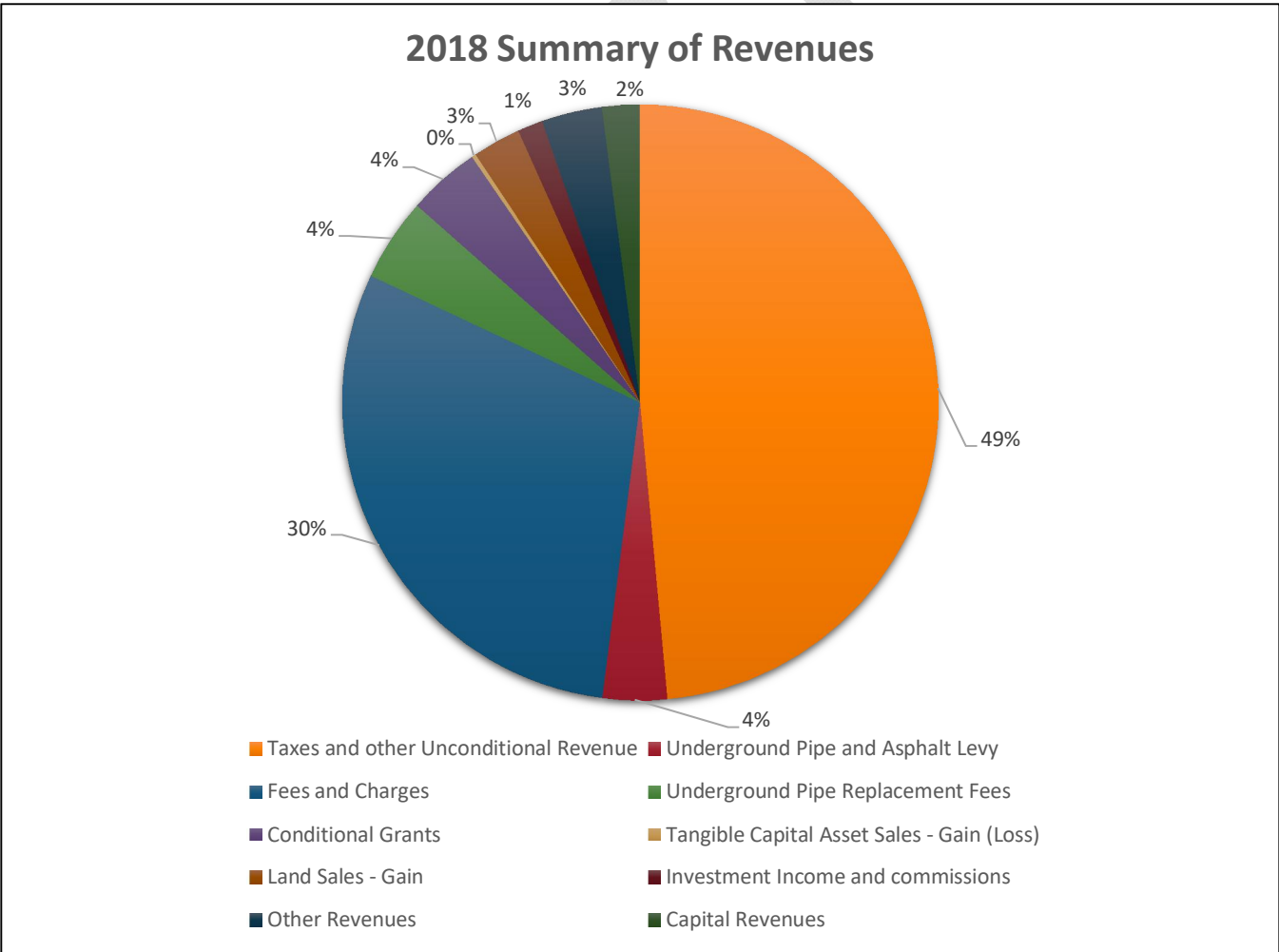
	2018	2017	2016	2015	2014	Change
Total Revenues	41,251,564	43,042,918	46,702,194	40,333,733	37,301,580	10.6%
Total Expenses	40,182,886	41,431,835	41,765,416	36,774,248	35,531,491	13.1%
Operating Surplus (Deficit)	1,068,678	1,611,083	4,936,778	3,559,485	1,770,089	
Capital Grants	875,957	846,790	810,682	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
Total	41,251,565	43,042,918	46,702,194	40,333,733	38,465,261

Taxable Assessment and Property Taxation

Table 4.0 – Five Year Summary of Property Tax Rates

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	0	0	0
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	0	0	0
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	0

Table 5.0 – Five Year Summary of Tax Revenue and Receivables

5 Year Summary of Taxes	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 \$14,571,890
- 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 \$14,571,890 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 \$575,158 compared to budget at \$566,875
- 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

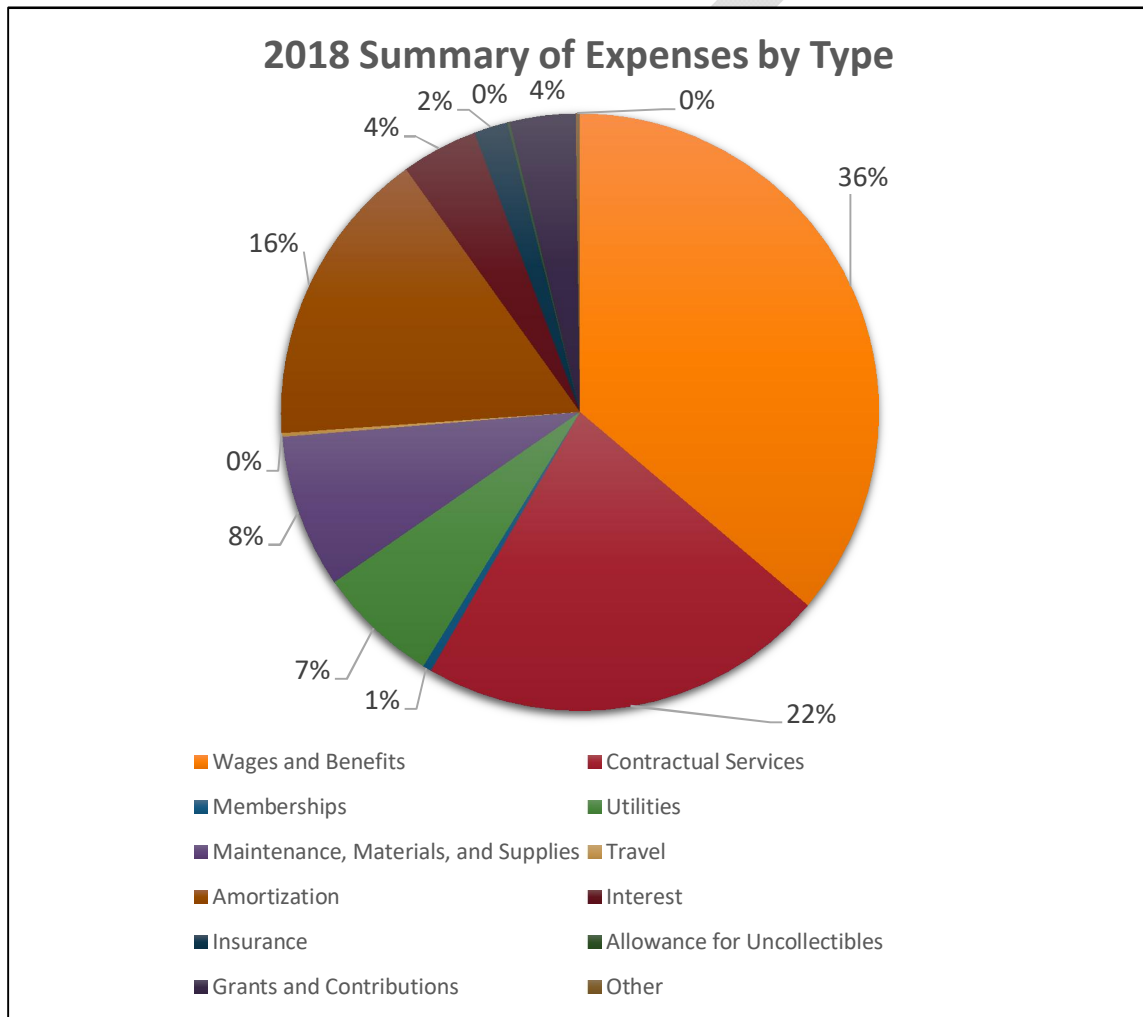


Table 7.0 – 2018 Expenditures by Functional Area

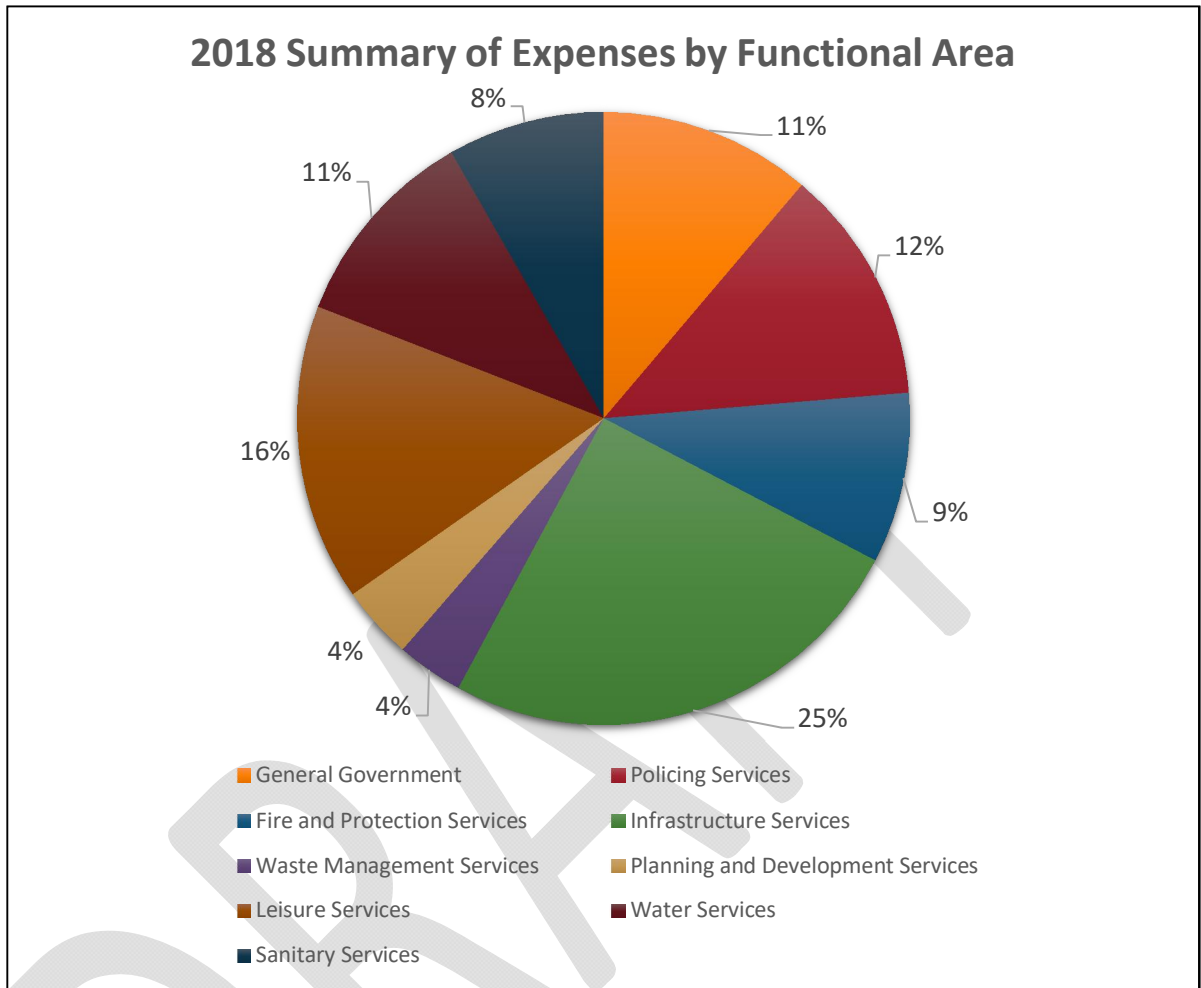


Table 8.0 – Five Year Summary of Expenditures by Type

	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 9.0 – Five Year Summary of Expenditures by Functional Area

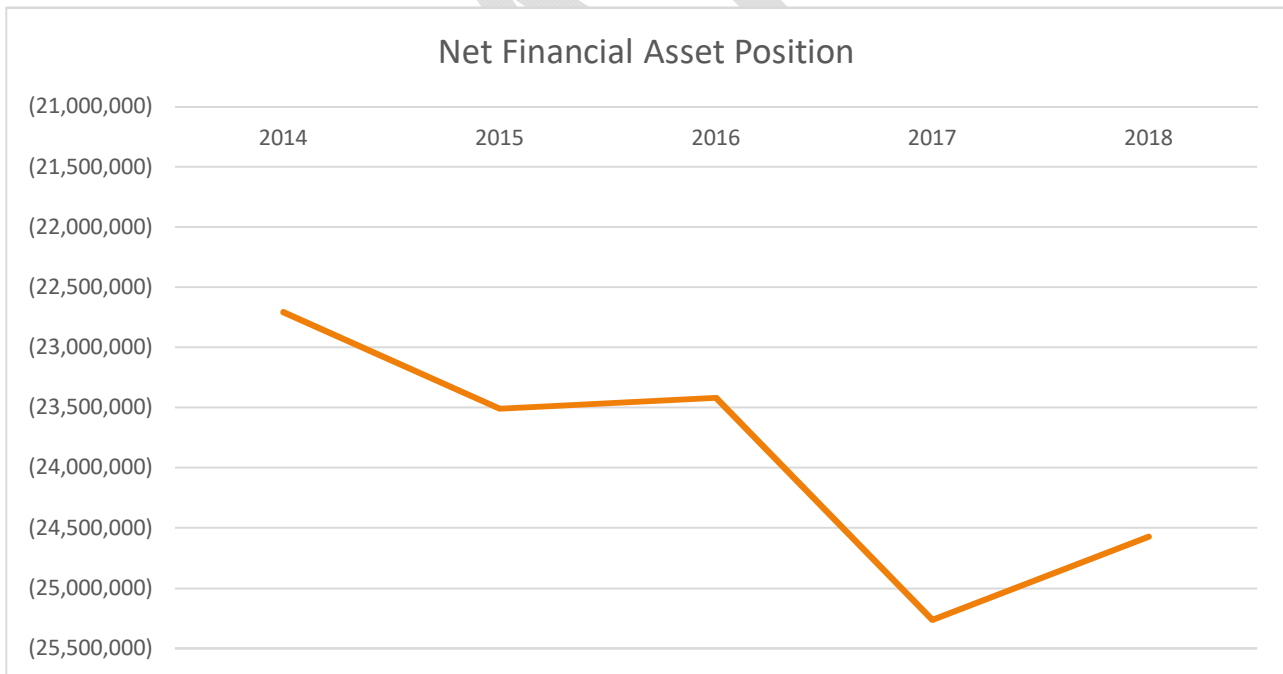
	2018	2017	2016	2015	2014
General Government	4,501,097	4,327,097	3,965,737	3,641,721	4,178,096
Policing Services	5,001,782	5,034,706	4,683,791	4,530,801	4,473,670
Fire and Protection Services	3,620,299	3,473,050	3,418,540	3,021,057	2,632,872
Infrastructure Services	10,132,546	9,563,493	9,543,647	8,871,672	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

Net Financial 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.

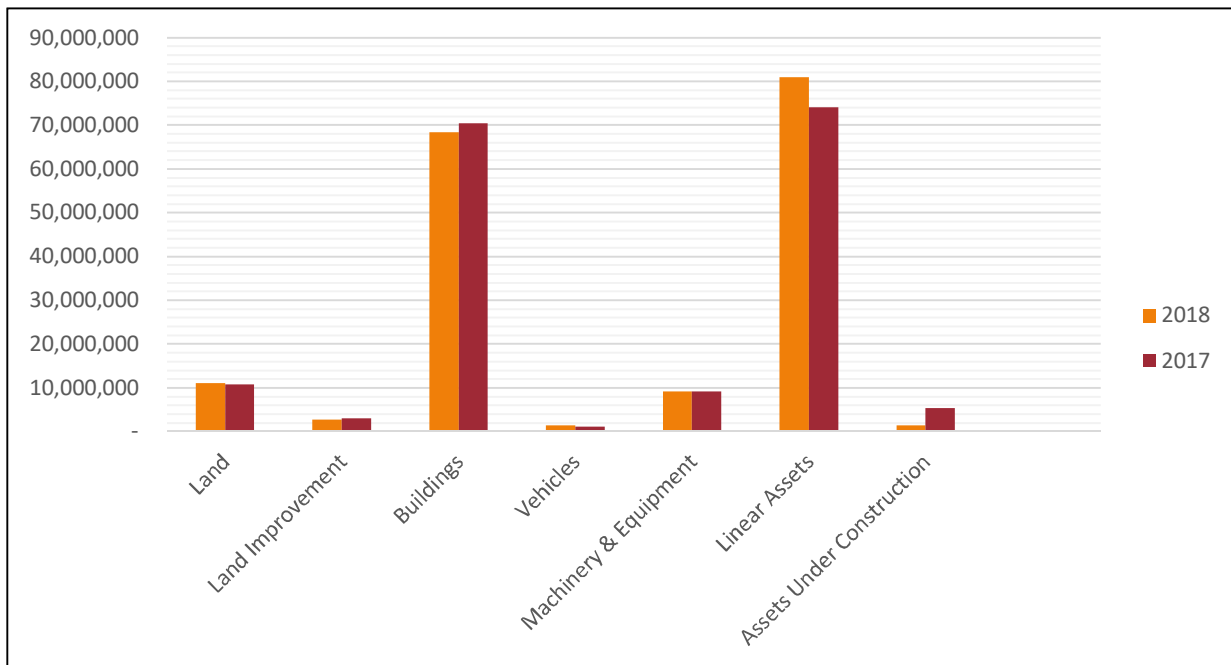
The City's total net book value of tangible capital assets rose by \$1,215,200 from \$173,532,140 in 2017 to \$174,747,340 in 2018.

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 11.0 – Five Year Summary of Statement of Financial Position

	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
	174,747,340	173,532,139

Table 11.1 – 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 12.0 – 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
	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 dependant on the project and varies from year to year. The City of North Battleford’s current debt level is \$39,649,910 or \$2,769.61 per person.

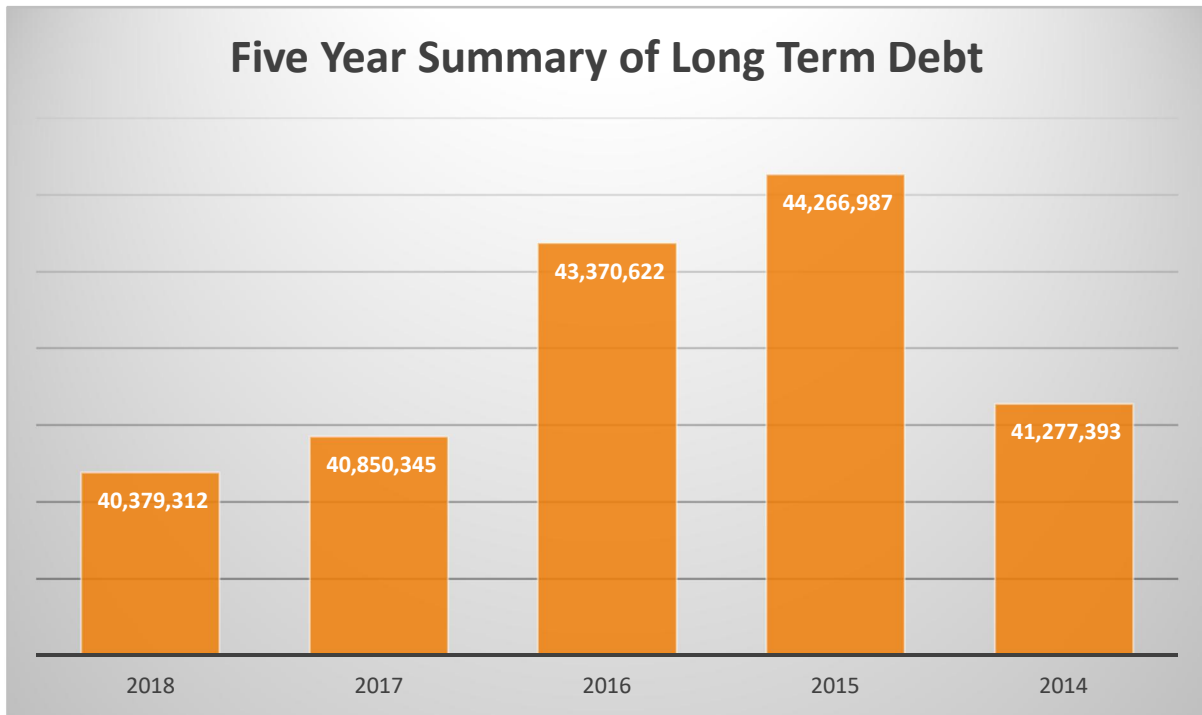
Table 13.0 – Long Term Debt Summary

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 14.0 – Five Year Per Person Long Term Debt

	2018	2017	2016	2015	2014
Gross External Debt	40,379,312	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 15.0 – Five Year Gross External Debt Summary





August 19, 2019

BE IT RESOLVED that the 2018 Draft Audited Financial Statements and supporting schedules for the year ended December 31, 2018, as prepared by Holm Raiche Oberg, be approved for adoption as the final 2018 Audited Financial Statements for the City of North Battleford.

Moved by Coun. _____

Seconded by Coun. _____

BE IT RESOLVED that the 2018 Draft Financial Statement Discussion and Analysis be approved and be submitted to GFOA Canada to be reviewed for a GFOA Canada Award in local government financial reporting.

Moved by Coun. _____

Seconded by Coun. _____