

CITY OF MARTENSVILLE

Auditor's Report

Financial Statements

December 31, 2019

MANAGEMENT'S RESPONSIBILITY

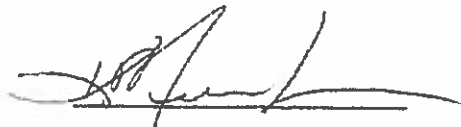
To the Ratepayers of
City of Martensville :

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

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

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

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



Mayor



City Manager



CHARTERED PROFESSIONAL ACCOUNTANTS

Bill Jensen, C.P.A. Prof. Corp.
Jeff Stromberg, C.P.A. Prof. Corp.

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of City of Martensville

Report on the Financial Statements

Opinion

We have audited the financial statements of **City of Martensville**, which comprise the statement of financial position as at **December 31, 2019** and the statements of financial activities, changes in net financial assets, and changes in financial position for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the City as at **December 31, 2019** and its financial performance and 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 Financial Statements* section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and the use of the going concern basis of accounting unless management either intends to liquidate the City or cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

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

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



Saskatoon, Saskatchewan
September 15, 2020

Chartered Professional Accountants

CITY OF MARTENSVILLE

Statement 1

STATEMENT OF FINANCIAL POSITION

December 31, 2019
with comparative figures for 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Financial assets:		
Cash and temporary investments (Note 2)	\$ 12,671,362	10,980,712
Taxes receivable - Municipal (Note 3)	666,499	500,480
Other accounts receivable (Note 4)	2,196,680	1,051,280
Land for re-sale (Note 5)	42,670	42,670
Long-term investments	-	-
Debt charges recoverable	-	-
Other	-	-
Loans and notes receivable (Note 6)	<u>10,000</u>	<u>200,000</u>
Total financial assets	15,587,211	12,775,142
<u>LIABILITIES</u>		
Bank indebtedness (Note 7)	-	-
Accounts payable	1,677,571	705,394
Accrued liabilities payable	-	-
Deposits	426,650	439,985
Deferred revenue	43,101	16,028
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	144,931	92,154
Long-term debt (Note 8)	17,880,704	19,709,887
Lease obligations	<u>-</u>	<u>-</u>
Total liabilities	<u>20,172,957</u>	<u>20,963,448</u>
NET FINANCIAL ASSETS (DEBT)	(4,585,746)	(8,188,306)
Non-financial assets:		
Tangible capital assets (Schedule 6, 7)	102,613,522	102,890,447
Prepaid and deferred charges	197,177	163,249
Stock and supplies	<u>-</u>	<u>-</u>
Total non-financial assets	<u>102,810,699</u>	<u>103,053,696</u>
Accumulated Surplus (Deficit) (Schedule 8)	<u>\$ 98,224,953</u>	<u>94,865,390</u>

APPROVED ON BEHALF OF COUNCIL:

_____ Mayor

_____ Councillor

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

Statement 2

STATEMENT OF FINANCIAL ACTIVITIES

Year ended December 31, 2019
with comparative figures for 2018

		<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Revenues:				
Taxes and other unconditional revenue	(Schedule 1)	\$ 10,568,600	10,813,916	10,025,819
Fees and charges	(Schedule 4, 5)	7,377,100	7,672,107	7,038,834
Conditional grants	(Schedule 4, 5)	161,500	215,446	178,006
Tangible capital asset sales - gain (loss)	(Schedule 4, 5)	-	(3,052)	(22,768)
Land sales - gain	(Schedule 4, 5)	-	-	-
Investment income and commissions	(Schedule 4, 5)	116,000	171,902	149,550
Restructurings	(Schedule 4, 5)	-	-	-
Other revenues	(Schedule 4, 5)	<u>77,100</u>	<u>141,559</u>	<u>232,383</u>
Total Revenues		18,300,300	19,011,878	17,601,824
Expenditures:				
General government services	(Schedule 3)	1,581,500	1,758,329	1,852,875
Protective services	(Schedule 3)	1,558,300	1,625,431	1,474,271
Transportation services	(Schedule 3)	1,803,400	3,083,806	3,003,039
Environmental and public health services	(Schedule 3)	784,700	804,560	779,367
Planning and development services	(Schedule 3)	901,700	778,936	1,005,280
Recreation and cultural services	(Schedule 3)	3,524,300	4,645,156	4,441,309
Utility services	(Schedule 3)	4,329,900	5,138,707	4,660,781
Restructurings	(Schedule 3)	-	-	-
Total Expenditures		<u>14,483,800</u>	<u>17,834,925</u>	<u>17,216,922</u>
Surplus (deficit) of revenues over expenditures before other capital contributions		<u>3,816,500</u>	<u>1,176,953</u>	<u>384,902</u>
Provincial/Federal capital grants and contributions	(Schedule 4, 5)	<u>593,500</u>	<u>2,182,610</u>	<u>701,948</u>
Surplus (deficit) of revenues over expenditures		4,410,000	3,359,563	1,086,850
Accumulated surplus (deficit), beginning of year		<u>94,865,390</u>	<u>94,865,390</u>	<u>93,778,540</u>
Accumulated surplus (deficit), end of year		<u>\$ 99,275,390</u>	<u>98,224,953</u>	<u>94,865,390</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

Statement 3

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2019
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Surplus (deficit)	\$ 4,410,000	3,359,563	1,086,850
(Acquisition) of tangible capital assets	-	(3,375,510)	(1,320,359)
Amortization of tangible capital assets	-	3,631,584	3,570,076
Proceeds on disposal of tangible capital assets	-	17,800	19,000
Loss (gain) on disposal of tangible capital assets	-	3,051	22,768
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (deficit) of capital expenses over expenditures	<u>-</u>	<u>276,925</u>	<u>2,291,485</u>
(Acquisition) of supplies inventories	-	-	-
(Acquisition) of prepaid expenses	-	(33,928)	25,676
Consumption of supplies inventories	-	-	-
Use of prepaid expenses	-	-	-
Surplus (deficit) of expenses of other non-financial over expenditures	<u>-</u>	<u>(33,928)</u>	<u>25,676</u>
Increase (decrease) in Net Financial Assets	4,410,000	3,602,560	3,404,011
Net Financial Assets (Debt) - Beginning of the year	<u>(8,188,306)</u>	<u>(8,188,306)</u>	<u>11,592,317</u>
Net Financial Assets (Debt)- End of year	<u>\$ (3,778,306)</u>	<u>(4,585,746)</u>	<u>(8,188,306)</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

Statement 4

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 2019
with comparative figures for 2018

	<u>2019</u>	<u>2018</u>
Cash provided by (used in) the following activities:		
Operating:		
Surplus (deficit)	\$ 3,359,563	1,086,850
Amortization	3,631,584	3,570,076
Loss (gain) on disposal of tangible capital assets	<u>3,051</u>	<u>22,768</u>
	6,994,198	4,679,694
Change in assets/liabilities		
Taxes receivable - Municipal	(166,019)	163,569
Other accounts receivable	(1,145,400)	1,001,693
Land for re-sale	-	-
Other financial assets	190,000	-
Accounts and accrued liabilities payable	972,174	2,212
Deposits	(13,335)	11,690
Deferred revenue	27,073	(3,627)
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	52,777	8,316
Stock and supplies	-	-
Prepayments and deferred charges	(33,927)	25,676
Other	<u>-</u>	<u>-</u>
Net cash from operations	<u>6,877,541</u>	<u>5,889,223</u>
Capital:		
Acquisition of capital assets	(3,375,510)	(1,320,359)
Proceeds from the disposal of capital assets	17,800	19,000
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(3,357,710)</u>	<u>(1,301,359)</u>
Investing:		
Long-term investments	-	-
Other investments	<u>-</u>	<u>-</u>
Net cash from investing	<u>-</u>	<u>-</u>
Financing activities:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	(1,829,181)	(1,893,891)
Other financing	<u>-</u>	<u>-</u>
Net cash used for financing	<u>(1,829,181)</u>	<u>(1,893,891)</u>
Increase (decrease) in cash resources	1,690,650	2,693,973
Cash and temporary investments, beginning of year	<u>10,980,712</u>	<u>8,286,739</u>
Cash and temporary investments, end of year (Note 2)	<u>\$ 12,671,362</u>	<u>10,980,712</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the City are prepared by management in accordance with the local government accounting standards established by the Public Sector Accounting Board. Significant aspects of the accounting policies are as follows:

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting 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) Reporting Entity

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

(c) Collection of funds for other authorities

Collection of funds by the City for the school board and conservation and development authorities are collected and remitted in accordance with the relevant legislation. The amounts collected are disclosed in Note 3.

(d) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as either expenditures or revenues in the period that the events giving rise to the transfer occurred, as long as:

- a) the transfer is authorized;
- b) eligibility criteria have been met by the recipient; and
- c) a reasonable estimate of the amount can be made

Unearned government transfer amounts received but not earned will be recorded as deferred revenue. Earned government transfer amounts not received will be recorded as an amount receivable.

(e) Deferred Revenue - Fees and Charges

Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.

(f) Local Improvement Charges

Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.

(g) 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.

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Non-Financial Assets

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

(i) Appropriated Reserves

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

(j) Property Tax Revenue

Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by Council following the guidance of the Government of Saskatchewan. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment.

Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment.

(k) Tangible Capital Assets

All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of the contribution. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The costs 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 tangible capital asset useful lives are estimated as follows:

<i>General Assets</i>	<u>Asset</u>	<u>Useful Life</u>
	Land	Indefinite
	Land improvements	15 to 20 years
	Buildings	20 to 60 years
	Vehicles and equipment	
	Vehicles	10 to 15 years
	Machinery & Equipment	5 to 30 years
<i>Infrastructure Assets</i>		
	Infrastructure assets	30 to 40 Years
	Water and sewer	30 to 75 years

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

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

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(l) Measurement Uncertainty

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

(m) Basis of Segmentation/Segment Report

The City follows 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 function). Revenues that are directly related to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the purpose of specific borrowing.

These segments (functions) are as follows:

General Government: The general government segment provides for the administration of the City.

Protective Services: Protective services is comprised of expenses for Police and Fire protection.

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

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

Planning and Development: The planning and development segment provides for neighbourhood development and sustainability.

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

Utility Services: The utility services segment provides for the delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

(n) New Accounting Standards

Effective January 1, 2019, the City adopted the following Canadian public sector accounting standard:

PS 3430 Restructuring Transactions defines a restructuring transaction and establishes standards for measuring assets and liabilities transferred in a restructuring transactions. The City did not have any restructuring transactions.

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

2. CASH AND TEMPORARY INVESTMENTS

	<u>2019</u>	<u>2018</u>
Cash	\$ 12,671,362	10,980,712
Temporary investments	<u>-</u>	<u>-</u>
	<u>\$ 12,671,362</u>	<u>10,980,712</u>

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

3. TAXES AND GRANTS IN LIEU RECEIVABLE

	<u>2019</u>	<u>2018</u>
Municipal: - Current	\$ 526,484	396,436
- Arrears	<u>140,015</u>	<u>104,044</u>
	666,499	500,480
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Total municipal taxes receivable	<u>666,499</u>	<u>500,480</u>
School: - Current	486,486	405,203
- Arrears	<u>129,377</u>	<u>106,345</u>
Total school taxes receivable	<u>615,863</u>	<u>511,548</u>
Other: - Current	-	-
- Arrears	<u>-</u>	<u>-</u>
Total other collections receivable	<u>-</u>	<u>-</u>
Total taxes and grants in lieu receivable	1,282,362	1,012,028
Deduct taxes receivable to be collected on behalf of other organizations	<u>(615,863)</u>	<u>(511,548)</u>
Total taxes receivable - Municipal	<u>\$ 666,499</u>	<u>500,480</u>

4. OTHER ACCOUNTS RECEIVABLE

	<u>2019</u>	<u>2018</u>
Federal government	\$ 732,342	142,635
Provincial government	600,146	76,857
Local government	-	-
Utility	478,218	410,936
Trade	385,974	420,852
Other	<u>-</u>	<u>-</u>
Total other accounts receivable	2,196,680	1,051,280
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Net other accounts receivable	<u>\$ 2,196,680</u>	<u>1,051,280</u>

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

5. LAND FOR RESALE

	<u>2019</u>	<u>2018</u>
Tax title property	\$ -	-
Less: - allowance for market value adjustment	<u>-</u>	<u>-</u>
Net tax title Property	<u>-</u>	<u>-</u>
Other land	42,670	42,670
Less: - allowance for market value adjustment	<u>-</u>	<u>-</u>
Net other land	<u>42,670</u>	<u>42,670</u>
Total land for resale	<u>\$ 42,670</u>	<u>42,670</u>

6. LOANS AND NOTES RECEIVABLE

	<u>2019</u>	<u>2018</u>
Construction agreement loan	\$ <u>10,000</u>	<u>200,000</u>

Loans and notes receivable includes a 5 year non-interest bearing loan that is repayable on May 30, 2024, for the purpose of completing a shade/shelter facility in the City of Martensville. Upon and following the due date, interest shall accrue at a rate of 7% per annum.

7. BANK INDEBTEDNESS

Credit Arrangements

At December 31, 2019, the City had a line of credit totaling \$1,500,000, bearing interest at 3.95%, none of which was drawn. The following has been collateralized in connection with this line of credit:

- General Security Agreement; and
- Assignment of municipal taxes receivable

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

8. LONG-TERM DEBT

a) The authorized debt limit for the City is \$40,000,000. The authorized debt limit for a City is the total amount of the City's own source revenues for the preceding year (the *Municipalities Act* section 161(1)). The incremental debt above the debt limit authorized in the *Municipalities Act* is approved by the Saskatchewan Municipal Board.

b) Debenture debt:

	<u>2019</u>	<u>2018</u>
Debenture, repayable in annual payments of \$444,886 including interest at 1.95%. Matures in 2020.	\$ 436,377	864,407
Debenture, repayable in annual payments of \$367,909; including interest at 4.00%; matures in 2034.	4,090,552	4,286,982
Debenture, repayable in annual payments of \$584,658 including interest at 2.95%; matures in 2024.	2,681,389	3,172,460
Debenture, repayable in annual payments of \$743,903 including interest at 3.90%; matures in 2034.	8,329,137	8,732,474
Debenture, repayable in annual payments of \$332,404 including interest at 2.90%; matures in 2027.	2,343,249	2,600,246
Debenture, repayable in annual payments of \$27,872 including interest at 4.55%; matures in 2019.	-	26,659
Debenture, repayable in annual payments of \$27,872 including interest at 4.55%; matures in 2019.	-	26,659
	<u>\$ 17,880,704</u>	<u>19,709,887</u>

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Total
2020	\$ 1,829,737	\$ 644,023	\$ 2,473,760
2021	1,440,458	588,416	2,028,874
2022	1,489,183	539,691	2,028,874
2023	1,539,591	489,282	2,028,873
2024	1,591,743	437,130	2,028,873
Thereafter	<u>9,989,992</u>	<u>2,125,339</u>	<u>12,115,331</u>
Balance	<u>\$ 17,880,704</u>	<u>\$ 4,823,881</u>	<u>\$ 22,704,585</u>

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

9. PENSION PLAN

The City is an employer member of the 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 2019 was \$307,790 (2018 - \$276,202). The benefits accrued to the City's employees from MEPP are calculated using the following: pensionable years of service, highest average salary, and the plan accrual rate.

Based on the latest information available (December 31, 2019 Audited Financial Statements) the Municipal Employees Pension Plan had a surplus in the net assets available for benefits of \$658,468,000. This is based on the most recent actuarial valuation, completed December 31, 2018. The City's portion of this is not readily determinable.

10. RECENT ACCOUNTING PRONOUNCEMENTS

A number of new and amended standards have been issued that may impact the City:

Standards Effective On Or After April 1, 2021

PS 1201 Financial Statement Presentation replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure in government financial statements. The standard is effective in the period PS 3450 and PS 2601 are adopted.

PS 2601 Foreign Currency Translation replaces PS 2600 with revised guidance on the recognition, presentation and disclosure of transactions that are denominated in foreign currency.

PS 3041 Portfolio Investments replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of portfolio investments. The standard is effective in the period PS 3450, PS 2601 and PS 1201 are adopted.

PS 3450 Financial Instruments is a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives.

PS 3280 Asset Retirement Obligations is a new standard establishing guidance on the recognition, measurement, presentation and disclosure of a liability for retirement of a tangible capital asset. As this standard includes solid waste landfill sites active and post-closing obligations upon adoption of the new standard, existing Solid Waste Landfill Closure and Post-Closure Liability Section 3270 will be withdrawn.

Standards Effective On Or After April 1, 2022

PS 3400 Revenue is a new standard establishing guidance on the recognition, measurement, presentation and disclosure of revenue

The City continues to assess the impacts of the above accounting standards. The extent of impact resulting from the adoption of these standards is not known at this time.

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

11. CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in an asset and revenue in the future. The Government of Canada and the Government of Saskatchewan have agreed to provide funding to the City of Martensville for the Wastewater Treatment and Drinking Water Distribution Upgrades project under the New Building Canada Fund (hereby referred to as: NBCF). Significant contractual rights of the City are as follows:

- | | |
|-----------------|---|
| Federal NBCF | Funding to the City per the agreement dated October 19, 2018 of one-third (33.33%) of total eligible expenditures for the project up to a maximum funding amount of \$6,721,294, agreement ending March 31, 2024. |
| Provincial NBCF | Funding to the City per the agreement dated October 19, 2018 of one-third (33.33%) of total eligible expenditures for the project up to a maximum funding amount of \$6,721,294, agreement ending September 30, 2024. |

12. BUDGET

The Financial Plan (Budget) adopted by Council on February 19, 2019 was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budgeted surplus expensed all tangible capital expenditures, included transfers to and from reserves, and included principal debenture payments. As a result, the budget figures presented in the statements of operations and change in net financial assets include the following adjustments:

	<u>2019</u>
Approved budget operating surplus for the year	\$ -
Add: Capital asset purchases	2,021,000
Transfer to reserves	1,593,100
Principal debenture payments	1,829,500
Less: Transfer from reserves	<u>(1,033,600)</u>
Budget surplus per statement of operations	<u>\$ 4,410,000</u>

CITY OF MARTENSVILLE

SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES

Year ended December 31, 2019
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
TAXES			
General municipal tax levy	\$ 8,060,000	8,056,224	7,541,731
Abatements and adjustments	(50,000)	(54,784)	(172,362)
Discount on current year taxes	-	-	-
Net municipal taxes	<u>8,010,000</u>	<u>8,001,440</u>	<u>7,369,369</u>
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	80,000	90,464	86,680
Special tax levy	-	-	-
Other	-	-	-
Total Taxes	<u>8,090,000</u>	<u>8,091,904</u>	<u>7,456,049</u>
UNCONDITIONAL GRANTS			
Revenue sharing	1,700,000	1,757,784	1,698,280
Organized Hamlet	-	-	-
Other	-	-	-
Total Unconditional Grants	<u>1,700,000</u>	<u>1,757,784</u>	<u>1,698,280</u>
GRANTS IN LIEU OF TAXES			
Federal	-	-	-
Provincial			
Provincial - S.P.C. Electrical	-	-	-
Sask. Energy Gas	120,000	175,635	86,372
TransGas	-	-	-
Central Services	-	-	-
Sasktel	3,500	5,990	3,464
Other	-	-	-
Local/Other			
Housing Authority	3,200	3,289	3,133
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Local/Other	15,900	15,906	15,906
Other Government Transfers			
S.P.C. Surcharge	636,000	763,408	762,615
Sask Energy Surcharge	-	-	-
Other	-	-	-
Total Grants in Lieu of Taxes	<u>778,600</u>	<u>964,228</u>	<u>871,490</u>
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	<u>\$ 10,568,600</u>	<u>10,813,916</u>	<u>10,025,819</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2019
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
GG - Custom work	\$ -	-	-
GG - Sales of supplies	5,000	5,676	6,316
Other Licences, permits and other	3,000	2,884	4,049
Total Fees and Charges	8,000	8,560	10,365
Tangible capital asset sales - gain (loss)	-	(2,492)	-
Land sales - gain	-	-	-
Investment income and commissions	116,000	171,902	149,550
Other Segmented Revenue (Insurance, rental)	36,200	88,653	183,558
Total other segmented revenue	160,200	266,623	343,473
Conditional Grants			
Federal - Student Employment	-	-	-
Other (Sask Lotteries)	-	-	-
Total Conditional Grants	-	-	-
Total Operating	<u>160,200</u>	<u>266,623</u>	<u>343,473</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial - Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total General Government Services	<u>160,200</u>	<u>266,623</u>	<u>343,473</u>
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other (Policing and fire fees)	89,500	132,909	114,254
Total Fees and Charges	89,500	132,909	114,254
Tangible capital asset sales - gain (loss)	-	15,700	-
Other Segmented Revenue	500	-	272
Total other segmented revenue	90,000	148,609	114,526
Conditional Grants			
Federal - Student Employment	-	-	-
Local government-Operating	-	-	-
Other (Donations, training grant)	-	-	-
Total Conditional Grants	-	-	-
Total Operating	<u>90,000</u>	<u>148,609</u>	<u>114,526</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial - Disaster Assistance	-	-	-
Local Government-Capital	110,000	80,937	80,000
Other (Capital revenue)	-	-	-
Total Capital	<u>110,000</u>	<u>80,937</u>	<u>80,000</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Protective Services	<u>200,000</u>	<u>229,546</u>	<u>194,526</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2019
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
GG - Custom work	\$ -	-	-
TS - Sale of gravel and supplies	-	-	-
Road maintenance and restoration agreements	-	-	-
Other (Frontage)	4,900	493	-
Total Fees and Charges	<u>4,900</u>	<u>493</u>	<u>-</u>
Tangible capital asset sales - gain (loss)	-	(16,560)	-
Other Segmented Revenue	-	-	-
Total other segmented revenue	<u>4,900</u>	<u>(16,067)</u>	<u>-</u>
Conditional Grants			
TS-Federal - Primary Weight Corridor	-	-	-
Federal - Student Employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>4,900</u>	<u>(16,067)</u>	<u>-</u>
Capital			
Conditional Grants			
Federal Gas Tax	483,500	1,016,776	471,448
MREP (Heavy Haul, CTP, Municipal Bridges)	-	-	-
Provincial - Disaster Assistance	-	-	-
Other (Capital revenue)	-	4,935	-
Total Capital	<u>483,500</u>	<u>1,021,711</u>	<u>471,448</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Transportation Services	<u>488,400</u>	<u>1,005,644</u>	<u>471,448</u>
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Waste and Disposal Charges	-	13,384	7,431
Other (Base tax levy)	799,000	790,965	672,750
Total Fees and Charges	<u>799,000</u>	<u>804,349</u>	<u>680,181</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue	-	-	-
Total other segmented revenue	<u>799,000</u>	<u>804,349</u>	<u>680,181</u>
Conditional Grants			
Federal - Student Employment	-	-	-
TAPD	-	-	-
Local government-Operating	38,500	90,986	19,006
Other	2,500	-	-
Total Conditional Grants	<u>41,000</u>	<u>90,986</u>	<u>19,006</u>
Total Operating	<u>840,000</u>	<u>895,335</u>	<u>699,187</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
TAPD	-	-	-
Provincial - Disaster Assistance	-	-	-
Other (Transit)	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Environmental and Public Health Services Services	<u>840,000</u>	<u>895,335</u>	<u>699,187</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2019
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Maintenance and development charges	\$ -	-	-
Other (Building permits and development)	127,500	151,945	145,422
Total Fees and Charges	<u>127,500</u>	<u>151,945</u>	<u>145,422</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue (Licences, permits and other)	40,400	52,054	46,570
Total other segmented revenue	<u>167,900</u>	<u>203,999</u>	<u>191,992</u>
Conditional Grants			
Federal - Student Employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>167,900</u>	<u>203,999</u>	<u>191,992</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial - Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Planning and Development Services	<u>167,900</u>	<u>203,999</u>	<u>191,992</u>
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other (Registration, fees and rentals)	1,423,300	1,430,900	1,344,405
Total Fees and Charges	<u>1,423,300</u>	<u>1,430,900</u>	<u>1,344,405</u>
Tangible capital asset sales - gain (loss)	-	300	(18,695)
Other Segmented Revenue (Insurance proceeds)	-	943	515
Total other segmented revenue	<u>1,423,300</u>	<u>1,432,143</u>	<u>1,326,225</u>
Conditional Grants			
Federal - Student Employment	10,000	11,268	5,000
Local government-Operating	81,700	82,824	86,744
Donations	28,800	30,308	67,256
Other	-	60	-
Total Conditional Grants	<u>120,500</u>	<u>124,460</u>	<u>159,000</u>
Total Operating	<u>1,543,800</u>	<u>1,556,603</u>	<u>1,485,225</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Local Government-Capital	-	-	-
Provincial - Disaster Assistance	-	-	-
Other (Recreation facility capital donation)	-	75,000	150,500
Total Capital	<u>-</u>	<u>75,000</u>	<u>150,500</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Recreation and Cultural Services	<u>1,543,800</u>	<u>1,631,603</u>	<u>1,635,725</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2019
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Water	\$ 3,388,900	3,714,776	3,343,786
Sewer	1,536,000	1,428,175	1,400,421
Other	-	-	-
Total Fees and Charges	<u>4,924,900</u>	<u>5,142,951</u>	<u>4,744,207</u>
Tangible capital asset sales - gain (loss)	-	-	(4,073)
Other Segmented Revenue (Insurance proceeds)	-	(91)	1,468
Total other segmented revenue	<u>4,924,900</u>	<u>5,142,860</u>	<u>4,741,602</u>
Conditional Grants			
Federal - Student Employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>4,924,900</u>	<u>5,142,860</u>	<u>4,741,602</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
New Building Canada Fund (SCF, NRP)	-	1,004,962	-
Clean Water and Wastewater Fund	-	-	-
Provincial - Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>1,004,962</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Services	<u>4,924,900</u>	<u>6,147,822</u>	<u>4,741,602</u>
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 8,325,200</u>	<u>10,380,572</u>	<u>8,277,953</u>
SUMMARY			
Total Other Segmented Revenue	\$ 7,570,200	7,982,516	7,397,999
Total Conditional Grants	161,500	215,446	178,006
Total Capital Grants and Contributions	593,500	2,182,610	701,948
Restructuring Revenue	-	-	-
TOTAL REVENUE BY FUNCTION	<u>\$ 8,325,200</u>	<u>10,380,572</u>	<u>8,277,953</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2019
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 142,200	164,788	121,646
Wages and benefits	738,000	748,160	721,480
Professional/Contractual services	276,500	287,010	280,842
Utilities	23,100	31,378	22,811
Maintenance, materials, and supplies	112,800	116,077	122,524
Grants and contributions	22,500	22,500	22,500
-operating	-	-	-
-capital	-	-	-
Amortization	-	132,712	129,998
Interest	266,400	255,767	278,123
Allowance for uncollectibles	-	-	-
Other (Flood expenses, elections)	-	(63)	152,951
General Government Services	<u>1,581,500</u>	<u>1,758,329</u>	<u>1,852,875</u>
Restructuring	-	-	-
Total General Government Services	<u>1,581,500</u>	<u>1,758,329</u>	<u>1,852,875</u>
PROTECTIVE SERVICES			
Police protection			
Wages and benefits	143,500	157,130	161,328
Professional/Contractual services	961,000	907,365	836,004
Utilities	5,800	5,983	5,117
Maintenance, materials, and supplies	16,100	20,129	15,191
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization - Protective services-Police	-	61,860	62,865
Interest	-	-	-
Other	-	-	-
Fire protection			
Wages and benefits	249,400	248,542	176,914
Professional/Contractual services	44,100	41,285	46,355
Utilities	17,400	16,666	17,498
Maintenance, materials, and supplies	119,700	108,366	97,274
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization - Protective services-Fire	-	56,892	53,352
Interest	1,300	1,213	2,373
Other	-	-	-
Protective Services	<u>1,558,300</u>	<u>1,625,431</u>	<u>1,474,271</u>
Restructuring	-	-	-
Total Protective Services	<u>1,558,300</u>	<u>1,625,431</u>	<u>1,474,271</u>
TRANSPORTATION SERVICES			
Wages and benefits	735,100	726,553	734,914
Professional/Contractual services	154,500	132,282	113,854
Utilities	150,000	155,862	157,071
Maintenance, materials, and supplies	608,300	518,697	459,946
Gravel	80,000	80,737	70,711
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization - Transportation services	-	1,394,268	1,384,793
Interest	75,500	75,407	81,750
Other	-	-	-
Transportation Services	<u>1,803,400</u>	<u>3,083,806</u>	<u>3,003,039</u>
Restructuring	-	-	-
Total Transportation Services	<u>1,803,400</u>	<u>3,083,806</u>	<u>3,003,039</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2019

with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
ENVIRONMENTAL SERVICES			
Wages and benefits	-	-	-
Contractual services	754,700	776,813	737,709
Utilities	-	-	-
Maintenance, materials, and supplies	30,000	27,747	41,658
Grants and contributions			
-operating			
Waste disposal	-	-	-
Public health	-	-	-
-capital			
Waste disposal	-	-	-
Public health	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Environmental and Public Health Services	<u>784,700</u>	<u>804,560</u>	<u>779,367</u>
Restructuring	-	-	-
Total Environmental and Public Health Services	<u>784,700</u>	<u>804,560</u>	<u>779,367</u>
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	350,900	352,170	385,765
Contractual services	548,300	425,083	618,103
Utilities	1,300	1,143	1,047
Maintenance, materials, and supplies	700	540	365
Grants and contributions			
-operating	-	-	-
-capital	-	-	-
Amortization - Planning and development services	-	-	-
Interest	-	-	-
Other	500	-	-
Planning and Development Services	<u>901,700</u>	<u>778,936</u>	<u>1,005,280</u>
Restructuring	-	-	-
Total Planning and Development Services	<u>901,700</u>	<u>778,936</u>	<u>1,005,280</u>
RECREATION AND CULTURAL SERVICES			
Wages and benefits	1,714,800	1,729,426	1,745,886
Contractual services	600,400	640,245	385,915
Utilities	344,300	325,314	359,972
Maintenance, materials, and supplies	348,200	351,759	359,718
Grants and contributions			
-operating	162,200	159,161	153,588
-capital	-	-	-
Amortization - Recreation and cultural services	-	1,091,096	1,075,498
Interest	354,400	348,155	360,732
Allowance for uncollectibles	-	-	-
Other	-	-	-
Recreation and Cultural Services	<u>3,524,300</u>	<u>4,645,156</u>	<u>4,441,309</u>
Restructuring	-	-	-
Total Recreation and Cultural Services	<u>3,524,300</u>	<u>4,645,156</u>	<u>4,441,309</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2019
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
UTILITY SERVICES			
Wages and benefits	716,800	687,690	500,165
Contractual services	87,000	61,684	78,433
Utilities	176,500	182,703	183,854
Maintenance, materials, and supplies	3,330,600	3,294,027	3,005,928
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	894,756	863,571
Interest	18,200	17,847	28,830
Allowance for uncollectibles	-	-	-
Other (Plumbing rebate)	800	-	-
Utility Services	<u>4,329,900</u>	<u>5,138,707</u>	<u>4,660,781</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Services	<u>4,329,900</u>	<u>5,138,707</u>	<u>4,660,781</u>
TOTAL EXPENDITURES BY FUNCTION	<u>\$ 14,483,800</u>	<u>17,834,925</u>	<u>17,216,922</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

Schedule 4

SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2019

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and charges	8,560	132,909	493	804,349	151,945	1,430,900	5,142,951	7,672,107
Tangible capital asset sales - Gain (loss)	(2,492)	15,700	(16,560)	-	-	300	-	(3,052)
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	171,902	-	-	-	-	-	-	171,902
Other revenues	88,653	-	-	-	52,054	943	(91)	141,559
Grants - Conditional	-	-	-	90,986	-	124,460	-	215,446
Grants - Capital	-	80,937	1,021,711	-	-	75,000	1,004,962	2,182,610
Restructurings	-	-	-	-	-	-	-	-
Total revenues	<u>266,623</u>	<u>229,546</u>	<u>1,005,644</u>	<u>895,335</u>	<u>203,999</u>	<u>1,631,603</u>	<u>6,147,822</u>	<u>10,380,572</u>
Expenses (Schedule 3)								
Wages & Benefits	912,948	405,672	726,553	-	352,170	1,729,426	687,690	4,814,459
Professional/Contractual Services	287,010	948,650	132,282	776,813	425,083	640,245	61,684	3,271,767
Utilities	31,378	22,649	155,862	-	1,143	325,314	182,703	719,049
Maintenance, materials and supplies	116,077	128,495	599,434	27,747	540	351,759	3,294,027	4,518,079
Grants and contributions	22,500	-	-	-	-	159,161	-	181,661
Amortization	132,712	118,752	1,394,268	-	-	1,091,096	894,756	3,631,584
Interest	255,767	1,213	75,407	-	-	348,155	17,847	698,389
Allowance for uncollectibles.	-	-	-	-	-	-	-	-
Other	(63)	-	-	-	-	-	-	(63)
Restructurings	-	-	-	-	-	-	-	-
Total expenses	<u>1,758,329</u>	<u>1,625,431</u>	<u>3,083,806</u>	<u>804,560</u>	<u>778,936</u>	<u>4,645,156</u>	<u>5,138,707</u>	<u>17,834,925</u>
Surplus (deficit) by function	(1,491,706)	(1,395,885)	(2,078,162)	90,775	(574,937)	(3,013,553)	1,009,115	(7,454,353)
Taxation and other unconditional revenue (Schedule 1)								
Net Surplus (Deficit)								<u>\$ 3,359,563</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2018

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and charges	\$ 10,365	114,254	-	680,181	145,422	1,344,405	4,744,207	7,038,834
Tangible capital asset sales - Gain (loss)	-	-	-	-	-	(18,695)	(4,073)	(22,768)
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	149,550	-	-	-	-	-	-	149,550
Other revenues	183,558	272	-	-	46,570	515	1,468	232,383
Grants - Conditional	-	-	-	19,006	-	159,000	-	178,006
Grants - Capital	-	80,000	471,448	-	-	150,500	-	701,948
Restructurings	-	-	-	-	-	-	-	-
Total revenues	343,473	194,526	471,448	699,187	191,992	1,635,725	4,741,602	8,277,953
Expenses (Schedule 3)								
Wages & Benefits	843,126	338,242	734,914	-	385,765	1,745,886	500,165	4,548,098
Professional/Contractual Services	280,842	882,359	113,854	737,709	618,103	385,915	78,433	3,097,215
Utilities	22,811	22,615	157,071	-	1,047	359,972	183,854	747,370
Maintenance, materials and supplies	122,524	112,465	530,657	41,658	365	359,718	3,005,928	4,173,315
Grants and contributions	22,500	-	-	-	-	153,588	-	176,088
Amortization	129,998	116,217	1,384,793	-	-	1,075,498	863,571	3,570,077
Interest	278,123	2,373	81,750	-	-	360,732	28,830	751,808
Allowance for uncollectibles.	-	-	-	-	-	-	-	-
Other	152,951	-	-	-	-	-	-	152,951
Restructurings	-	-	-	-	-	-	-	-
Total expenses	1,852,875	1,474,271	3,003,039	779,367	1,005,280	4,441,309	4,660,781	17,216,922
Surplus (deficit) by function	(1,509,402)	(1,279,745)	(2,531,591)	(80,180)	(813,288)	(2,805,584)	80,821	(8,938,969)
Taxation and other unconditional revenue (Schedule 1)								
Net Surplus (Deficit)								10,025,819
								\$ 1,086,850

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE
SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

Year ended December 31, 2019
with comparative figures for 2018

	2019						2018
	General Assets		Machinery & Equipment	Infrastructure Assets		General / Infrastructure Assets Under Construction	
	Land Improvements	Buildings		Vehicles	Linear Assets	Total	Total
Asset cost							
Opening asset costs	\$ 12,667,687	15,035,069	2,119,040	5,392,666	74,535,155	-	140,700,510
Additions during the year	-	576,278	51,575	1,431,348	624,345	-	1,320,359
Disposals and write-downs during the year	-	(8,690)	(49,252)	(179,908)	(107,472)	-	(135,540)
Transfers (from) assets under construction	-	-	-	-	-	-	-
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-
Closing asset costs	<u>12,667,687</u>	<u>15,602,657</u>	<u>2,121,363</u>	<u>6,644,106</u>	<u>75,052,028</u>	<u>-</u>	<u>141,885,329</u>
Accumulated amortization cost							
Opening accumulated amortization costs	-	4,697,124	975,407	2,946,493	22,516,141	-	35,518,578
Add: Amortization taken	-	729,898	144,473	268,976	1,785,107	-	3,570,076
Less: Accumulated amortization on disposals	-	(8,690)	(44,351)	(177,417)	(94,013)	-	(93,772)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-
Closing accumulated amortization costs	<u>-</u>	<u>5,418,332</u>	<u>1,075,529</u>	<u>3,038,052</u>	<u>24,207,235</u>	<u>-</u>	<u>38,994,882</u>
Net book value	<u>\$ 12,667,687</u>	<u>10,184,325</u>	<u>1,045,834</u>	<u>3,606,054</u>	<u>50,844,793</u>	<u>-</u>	<u>102,890,447</u>

1. Total contributed/donated assets received in 2019: \$ -

2. List of assets recognized at nominal value in 2019 are:

- Infrastructure Assets \$ -
- Vehicles \$ -
- Machinery and Equipment \$ -

3. Amount of interest capitalized in 2019: \$ -

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION

Year ended December 31, 2019
with comparative figures for 2018

	2019						2018		
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	
Asset cost									
Opening asset costs	\$ 16,569,332	2,983,422	44,041,598	-	-	35,061,926	43,229,050	141,885,328	140,700,510
Additions during the year	43,751	202,337	243,289	-	-	747,880	2,138,253	3,375,510	1,320,359
Disposals and write-downs during the year	(13,288)	(113,000)	(138,756)	-	-	(26,657)	(53,620)	(345,321)	(135,540)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing asset costs	<u>16,599,795</u>	<u>3,072,759</u>	<u>44,146,131</u>	<u>-</u>	<u>-</u>	<u>35,783,149</u>	<u>45,313,683</u>	<u>144,915,517</u>	<u>141,885,329</u>
Accumulated amortization cost									
Opening accumulated amortization costs	929,539	1,312,506	16,137,351	-	-	10,307,933	10,307,553	38,994,882	35,518,578
Add: Amortization taken	132,712	118,752	1,394,268	-	-	1,091,096	894,756	3,631,584	3,570,076
Less: Accumulated amortization on disposals	(10,797)	(113,000)	(122,197)	-	-	(24,857)	(53,620)	(324,471)	(93,772)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	<u>1,051,454</u>	<u>1,318,258</u>	<u>17,409,422</u>	<u>-</u>	<u>-</u>	<u>11,374,172</u>	<u>11,148,689</u>	<u>42,301,995</u>	<u>38,994,882</u>
Net book value	<u>\$ 15,548,341</u>	<u>1,754,501</u>	<u>26,736,709</u>	<u>-</u>	<u>-</u>	<u>24,408,977</u>	<u>34,164,994</u>	<u>102,613,522</u>	<u>102,890,447</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE
SCHEDULE OF ACCUMULATED SURPLUS
Year ended December 31, 2019

	<u>2018</u>	<u>Changes</u>	<u>2019</u>
UNAPPROPRIATED SURPLUS	\$ <u>2,280,616</u>	<u>19,482</u>	<u>2,300,098</u>
APPROPRIATED RESERVES			
Reserve for machinery and equipment	-	-	-
Public reserve	9,404,213	1,787,824	11,192,037
Capital trust fund	-	-	-
Utility reserve	-	-	-
Total Appropriated	<u>9,404,213</u>	<u>1,787,824</u>	<u>11,192,037</u>
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	102,890,447	(276,925)	102,613,522
Less: Related debt	<u>(19,709,886)</u>	<u>1,829,182</u>	<u>(17,880,704)</u>
Net Investment in Tangible Capital Assets	<u>83,180,561</u>	<u>1,552,257</u>	<u>84,732,818</u>
Total Accumulated Surplus	<u>\$ 94,865,390</u>	<u>3,359,563</u>	<u>98,224,953</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE
SCHEDULE OF MILL RATES AND ASSESSMENTS

Year ended December 31, 2019

	PROPERTY CLASS					Potash Mine(s)	Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial		
Taxable Assessment	\$ 274,670	822,031,695	122,344,800	-	108,551,000	-	\$1,053,202,165
Regional Park Assessment							-
Total Assessment							<u>\$1,053,202,165</u>
Mill Rate Factor(s)	1.0000	1.0000	1.0000	1.0000	1.0000		
Total Base/Minimum Tax (generated for each property class)	1,845	1,837,928	388,065	-	138,165		<u>2,366,003</u>
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ 3,298	6,187,649	1,035,269	-	830,008		<u>8,056,224</u>

MILL RATES:

Average Municipal*	7.649
Average School*	4.310
Potash Mill Rate	-
Uniform Municipal Mill Rate	5.290

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

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE
SCHEDULE OF COUNCIL REMUNERATION
Year ended December 31, 2019

Position	Name	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Mayor	Kent Muench	\$ 50,027	1,223	51,250
Councillor	Bob Blackwell	17,023	837	17,860
Councillor	Tyson Chillog	18,367	2,069	20,436
Councillor	Michael Cox	16,492	238	16,730
Councillor	Darren MacDonald	16,442	220	16,662
Councillor	Jamie Martens	17,292	964	18,256
Councillor	Deborah McGuire	<u>16,692</u>	<u>500</u>	<u>17,192</u>
Total		<u>\$ 152,335</u>	<u>6,051</u>	<u>158,386</u>

See accompanying notes to the financial statements.