

CITY OF MARTENSVILLE

Auditor's Report

Financial Statements

December 31, 2018

MANAGEMENT'S RESPONSIBILITY

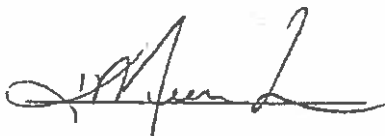
To the Ratepayers of
City of Martensville :

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 and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

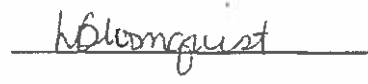
In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The 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, 2018** 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, 2018** 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
August 27, 2019



Chartered Professional Accountants

CITY OF MARTENSVILLE

Statement 1

STATEMENT OF FINANCIAL POSITION

December 31, 2018
with comparative figures for 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Financial assets:		
Cash and temporary investments (Note 2)	\$ 10,980,712	8,286,739
Taxes receivable - Municipal (Note 3)	500,480	664,049
Other accounts receivable (Note 4)	1,051,280	2,052,974
Land for re-sale (Note 5)	42,670	42,670
Long-term investments	-	-
Other	-	-
Loans and notes receivable (Note 6)	<u>200,000</u>	<u>200,000</u>
Total financial assets	12,775,142	11,246,432
<u>LIABILITIES</u>		
Bank indebtedness (Note 7)	-	-
Accounts payable	705,394	703,185
Accrued liabilities payable	-	-
Deposits	439,985	428,295
Deferred revenue	16,028	19,654
Accrued landfill costs	-	-
Other liabilities	92,154	83,838
Long-term debt (Note 8)	19,709,887	21,603,778
Lease obligations	<u>-</u>	<u>-</u>
Total liabilities	<u>20,963,448</u>	<u>22,838,750</u>
NET FINANCIAL ASSETS (DEBT)	(8,188,306)	(11,592,318)
Non-financial assets:		
Tangible capital assets (Schedule 6, 7)	102,890,447	105,181,932
Prepaid and deferred charges	163,249	188,926
Stock and supplies	<u>-</u>	<u>-</u>
Total non-financial assets	<u>103,053,696</u>	<u>105,370,858</u>
Accumulated Surplus (Deficit) (Schedule 8)	<u>\$ 94,865,390</u>	<u>93,778,540</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, 2018
with comparative figures for 2017

		<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Revenues:				
Taxes and other unconditional revenue	(Schedule 1)	\$ 9,654,700	10,025,819	9,856,791
Fees and charges	(Schedule 4, 5)	6,991,100	7,038,834	7,295,375
Conditional grants	(Schedule 4, 5)	170,500	178,006	277,293
Tangible capital asset sales - gain (loss)	(Schedule 4, 5)	-	(22,768)	(99,515)
Land sales - gain	(Schedule 4, 5)	-	-	-
Investment income and commissions	(Schedule 4, 5)	110,000	149,550	112,952
Other revenues	(Schedule 4, 5)	<u>94,400</u>	<u>232,383</u>	<u>519,714</u>
Total Revenues		17,020,700	17,601,824	17,962,610
Expenditures:				
General government services	(Schedule 3)	1,563,700	1,852,875	1,743,260
Protective services	(Schedule 3)	1,528,800	1,474,271	1,459,441
Transportation services	(Schedule 3)	2,276,300	3,003,039	2,869,775
Environmental and public health services	(Schedule 3)	722,700	779,367	729,997
Planning and development services	(Schedule 3)	1,166,800	1,005,280	720,491
Recreation and cultural services	(Schedule 3)	3,285,500	4,441,309	4,215,191
Utility services	(Schedule 3)	<u>3,910,900</u>	<u>4,660,781</u>	<u>4,794,831</u>
Total Expenditures		<u>14,454,700</u>	<u>17,216,922</u>	<u>16,532,986</u>
Surplus (deficit) of revenues over expenditures before other capital contributions		<u>2,566,000</u>	<u>384,902</u>	<u>1,429,624</u>
Provincial/Federal capital grants and contributions	(Schedule 4, 5)	<u>533,500</u>	<u>701,948</u>	<u>1,502,015</u>
Surplus (deficit) of revenues over expenditures		3,099,500	1,086,850	2,931,639
Accumulated surplus (deficit), beginning of year		<u>93,778,540</u>	<u>93,778,540</u>	<u>90,846,901</u>
Accumulated surplus (deficit), end of year		<u>\$ 96,878,040</u>	<u>94,865,390</u>	<u>93,778,540</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

Statement 3

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2018
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Surplus (deficit)	\$ <u>3,099,500</u>	<u>1,086,850</u>	<u>2,931,639</u>
(Acquisition) of tangible capital assets	-	(1,320,359)	(5,916,773)
Amortization of tangible capital assets	-	3,570,076	3,476,310
Proceeds on disposal of tangible capital assets	-	19,000	17,429
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>22,768</u>	<u>99,514</u>
Surplus (deficit) of capital expenses over expenditures	<u>-</u>	<u>2,291,485</u>	<u>(2,323,520)</u>
(Acquisition) of supplies inventories	-	-	-
(Acquisition) of prepaid expenses	-	25,677	(10,290)
Consumption of supplies inventories	-	-	-
Use of prepaid expenses	<u>-</u>	<u>-</u>	<u>-</u>
Surplus (deficit) of expenses of other non-financial over expenditures	<u>-</u>	<u>25,677</u>	<u>(10,290)</u>
Increase (decrease) in Net Financial Assets	3,099,500	3,404,012	597,829
Net Financial Assets (Debt) - Beginning of the year	<u>(11,592,318)</u>	<u>(11,592,318)</u>	<u>12,190,147</u>
Net Financial Assets (Debt)- End of year	<u>\$ (8,492,818)</u>	<u>(8,188,306)</u>	<u>11,592,318</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

Statement 4

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 2018
with comparative figures for 2017

	<u>2018</u>	<u>2017</u>
Cash provided by (used in) the following activities:		
Operating:		
Surplus (deficit)	\$ 1,086,850	2,931,639
Amortization	3,570,076	3,476,310
Loss (gain) on disposal of tangible capital assets	<u>22,768</u>	<u>99,514</u>
	4,679,694	6,507,463
Change in assets/liabilities		
Taxes receivable - Municipal	163,569	(96,347)
Other accounts receivable	1,001,693	(1,069,319)
Land for re-sale	-	-
Other financial assets	-	-
Accounts and accrued liabilities payable	2,212	(48,190)
Deposits	11,690	18,305
Deferred revenue	(3,627)	(6,719)
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	8,316	5,255
Stock and supplies	-	-
Prepayments and deferred charges	25,676	(10,289)
Other	<u>-</u>	<u>-</u>
Net cash from operations	<u>5,889,223</u>	<u>5,300,159</u>
Capital:		
Acquisition of capital assets	(1,320,359)	(5,916,773)
Proceeds from the disposal of capital assets	19,000	17,429
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(1,301,359)</u>	<u>(5,899,344)</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	-	2,850,000
Long-term debt repaid	(1,893,891)	(1,593,787)
Other financing	<u>-</u>	<u>-</u>
Net cash from (used for) financing	<u>(1,893,891)</u>	<u>1,256,213</u>
Increase (decrease) in cash resources	2,693,973	657,028
Cash and temporary investments, beginning of year	<u>8,286,739</u>	<u>7,629,711</u>
Cash and temporary investments, end of year (Note 2)	<u>\$ 10,980,712</u>	<u>8,286,739</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES

The 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.

(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.

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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	20 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: 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.

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

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) New Accounting Standards

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

PS 2200 Related Party Disclosures defines a related party and establishes disclosures required for related party transactions. Disclosure of information about related party transactions and the relationships 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. The City does not have any significant related party relationships to disclose.

PS 3210 Assets provides additional guidance for applying the definition of assets and establishing disclosure requirements for assets. Disclosure about the major categories of assets that are not recognized is required. When an asset is not recognized because a reasonable estimate cannot be made, the reasons for this should be disclosed. The adoption of this standard has no impact on the consolidated financial statements.

PS 3320 Contingent Assets 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 event is likely.

The City does not have any reportable contingent assets.

PS 3380 Contractual Rights 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 City does not have any contractual rights to disclose.

PS 3240 Inter-Entity Transactions establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. The City does not have any inter-entity transactions to disclose.

2. CASH AND TEMPORARY INVESTMENTS

	<u>2018</u>	<u>2017</u>
Cash	\$ 10,980,712	8,286,739
Temporary investments	<u>-</u>	<u>-</u>
	<u>\$ 10,980,712</u>	<u>8,286,739</u>

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

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

3. TAXES AND GRANTS IN LIEU RECEIVABLE

	<u>2018</u>	<u>2017</u>
Municipal: - Current	\$ 396,436	497,570
- Arrears	<u>104,044</u>	<u>166,479</u>
	500,480	664,049
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Total municipal taxes receivable	<u>500,480</u>	<u>664,049</u>
School: - Current	405,203	292,727
- Arrears	<u>106,345</u>	<u>97,942</u>
Total school taxes receivable	<u>511,548</u>	<u>390,669</u>
Other: - Current	-	-
- Arrears	<u>-</u>	<u>-</u>
Total other collections receivable	<u>-</u>	<u>-</u>
Total taxes and grants in lieu receivable	1,012,028	1,054,718
Deduct taxes receivable to be collected on behalf of other organizations	<u>(511,548)</u>	<u>(390,669)</u>
Total taxes receivable - Municipal	<u>\$ 500,480</u>	<u>664,049</u>

4. OTHER ACCOUNTS RECEIVABLE

	<u>2018</u>	<u>2017</u>
Federal government	\$ 142,635	270,235
Provincial government	76,857	283,931
Local government	-	-
Utility	410,936	403,865
Trade	420,852	1,094,943
Other	<u>-</u>	<u>-</u>
Total other accounts receivable	1,051,280	2,052,974
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Net other accounts receivable	<u>\$ 1,051,280</u>	<u>2,052,974</u>

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

5. LAND FOR RESALE

	<u>2018</u>	<u>2017</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>2018</u>	<u>2017</u>
Medical incentive loan	\$ <u>200,000</u>	<u>200,000</u>

Loans and notes receivable includes a non-interest bearing loan that is repayable on November 15, 2019, for the purpose of establishing and carrying on a medical practice 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, 2018, the City had a line of credit totaling \$1,500,000, 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, 2018

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>2018</u>	<u>2017</u>
Credit Union loan, repayable in annual payments of \$444,886 including interest at 1.95%. Matures in 2020.	\$ 864,407	1,284,251
Debenture, repayable in annual payments of \$367,909; including interest at 4.00%; matures in 2034.	4,286,982	4,475,856
Debenture, repayable in annual payments of \$584,658 including interest at 2.95%; matures in 2024.	3,172,460	3,649,458
Debenture, repayable in annual payments of \$743,903 including interest at 3.90%; matures in 2034.	8,732,474	9,120,671
Debenture, repayable in annual payments of \$332,404 including interest at 2.90%; matures in 2027.	2,600,246	2,850,000
Debenture, repayable in annual payments of \$34,459 including interest at 4.70%; matures in 2018.	-	32,912
Debenture, repayable in annual payments of \$27,872 including interest at 4.55%; matures in 2019.	26,659	52,157
Debenture, repayable in annual payments of \$27,872 including interest at 4.55%; matures in 2019.	26,659	52,157
Debenture, repayable in annual payments of \$49,935 including interest at 3.75%; matures in 2018	-	48,130
Debenture, repayable in annual payments of \$39,618 including interest at 3.75%; matures in 2018	-	38,186
	<u>\$ 19,709,887</u>	<u>21,603,778</u>

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Total	Prior Year Total
2019	\$ 1,829,181	\$ 700,322	\$ 2,529,503	\$ 2,653,514
2020	1,829,737	644,023	2,473,760	2,529,503
2021	1,440,458	588,416	2,028,874	2,473,760
2022	1,489,183	539,691	2,028,874	2,028,874
2023	1,539,591	489,282	2,028,873	2,028,873
Thereafter	<u>11,581,737</u>	<u>2,562,469</u>	<u>14,144,206</u>	<u>16,173,079</u>
Balance	<u>\$ 19,709,887</u>	<u>5,524,203</u>	<u>25,234,090</u>	<u>\$ 27,887,603</u>

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

9. BUDGET

The Financial Plan (Budget) adopted by Council on February 20, 2018 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 does not include amounts transferred to reserves. As a result, the budget figures presented in the statements of operations and change in net financial assets include the following adjustments:

	<u>2018</u>
Approved budget operating surplus for the year	\$ -
Add: Transfers to reserves	1,552,700
Principal debenture payments	1,894,200
Capital asset purchases	755,000
Less: Transfers from reserves	<u>(1,102,400)</u>
Budget surplus (deficit) per statement of operations	<u>3,099,500</u>

10. PENSION PLAN

Employees of the City participate in the Municipal Employees Pension Plan ("MEPP") and contributions are a percentage of salary. All members contributed 8.15% to the plan. The City matches all the employees' contributions to the plan. Pension expense for the year included in the Salaries, Wages and Benefits expenses is \$276,202 (2017 \$249,990).

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

11. 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, 2018

Restructuring Transactions

PS 3430, Restructuring Transactions establishes how to record and report restructuring transactions, for both transferors and recipients, the transfer of assets and/or liabilities together with related programs or operations responsibilities.

Standards Effective On Or After April 1, 2021

Financial Statement Presentation

PS 1201, Financial Statement Presentation requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currencies as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships.

Foreign Currency Translation

PS 2601, Foreign Currency Translation requires that monetary assets and liabilities denominated in a foreign currency and non-monetary items included in the fair value category, denominated in foreign currency, be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses are to be presented in the statement of re-measurement gains and losses.

Portfolio Investments

PS 3041, Portfolio Investments has removed the distinction between temporary and portfolio investments. This section was amended to conform to PS 3450, Financial Instruments and now includes pooled investments in its scope. Upon adoption of PS 3450 and PS 3041, PS 3030, Temporary Investments will no longer apply.

Financial Instruments

PS 3450, Financial Instruments establishes recognition, measurement and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments that are quoted in an active market; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of remeasurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

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

SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES

Year ended December 31, 2018
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
TAXES			
General municipal tax levy	\$ 7,450,500	7,541,731	7,326,156
Abatements and adjustments	(150,000)	(172,362)	(158,579)
Discount on current year taxes	-	-	-
Net municipal taxes	<u>7,300,500</u>	<u>7,369,369</u>	<u>7,167,577</u>
Potash tax share	-	-	-
Trailer license fees	500	-	-
Penalties on tax arrears	73,000	86,680	83,260
Special tax levy	-	-	-
Other	-	-	-
Total Taxes	<u>7,374,000</u>	<u>7,456,049</u>	<u>7,250,837</u>
UNCONDITIONAL GRANTS			
Revenue sharing	1,700,000	1,698,280	1,817,531
Organized Hamlet	-	-	-
Other	-	-	-
Total Unconditional Grants	<u>1,700,000</u>	<u>1,698,280</u>	<u>1,817,531</u>
GRANTS IN LIEU OF TAXES			
Federal	-	-	-
Provincial	-	-	-
Provincial - S.P.C. Electrical	-	-	-
Provincial - Sask. Energy Gas	-	86,372	40,985
TransGas	-	-	-
Provincial - SPMC - Municipal Share	-	-	-
Provincial - Sasktel	5,800	3,464	3,347
Provincial - other	-	-	-
Local/Other	-	-	-
Local/Other - Housing Authority	3,000	3,133	3,015
Local/Other - C.P.R. Mainline	-	-	-
Local/Other - Treaty Land Entitlement	-	-	-
Local/Other	15,900	15,906	15,406
Other Government Transfers	-	-	-
Other Government Transfers - S.P.C. Surcharge	556,000	762,615	725,670
Other Government Transfers	-	-	-
Total Grants in Lieu of Taxes	<u>580,700</u>	<u>871,490</u>	<u>788,423</u>
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	<u>\$ 9,654,700</u>	<u>10,025,819</u>	<u>9,856,791</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2018
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
GG - Custom work	\$ -	-	-
GG - Sales of supplies	4,000	6,316	4,898
Other Licences, permits and other	2,700	4,049	2,370
Total Fees and Charges	6,700	10,365	7,268
Tangible capital asset sales - gain (loss)	-	-	-
Land sales - gain	-	-	-
Investment income and commissions	110,000	149,550	112,952
Other Segmented Revenue (Insurance, rental)	36,200	183,558	133,005
Total other segmented revenue	152,900	343,473	253,225
Total other segmented revenue	152,900	343,473	253,225
Conditional Grants			
Federal - Student Employment	-	-	-
Other Sask Lotteries	-	-	-
Total Conditional Grants	-	-	-
Total Operating	<u>152,900</u>	<u>343,473</u>	<u>253,225</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial - Disaster Assistance	-	-	-
Other SARM internship	-	-	-
Total Capital	-	-	-
Total General Government Services	<u>152,900</u>	<u>343,473</u>	<u>253,225</u>
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other Policing and fire fees	84,000	114,254	89,689
Total Fees and Charges	84,000	114,254	89,689
Tangible capital asset sales - gain (loss)	-	-	3,947
Other Segmented Revenue	1,000	272	1,440
Total other segmented revenue	85,000	114,526	95,076
Total other segmented revenue	85,000	114,526	95,076
Conditional Grants			
Federal - Student Employment	-	-	-
Local government-Operating	-	-	-
Other Donations and fundraising	-	-	13,091
Total Conditional Grants	-	-	13,091
Total Operating	<u>85,000</u>	<u>114,526</u>	<u>108,167</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial - Disaster Assistance	-	-	-
Local Government-Capital	50,000	80,000	80,000
Other Capital revenue	-	-	-
Total Capital	50,000	80,000	80,000
Total Protective Services	<u>135,000</u>	<u>194,526</u>	<u>188,167</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2018
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</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	-	-	-
Frontage	4,900	-	4,254
Other drainage easement	-	-	-
Total Fees and Charges	<u>4,900</u>	<u>-</u>	<u>4,254</u>
Tangible capital asset sales - gain (loss)	-	-	(112,444)
Other Segmented Revenue Local improvement charges	-	-	-
Total other segmented revenue	<u>4,900</u>	<u>-</u>	<u>(108,190)</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>-</u>	<u>(108,190)</u>
Capital			
Conditional Grants			
Federal Gas Tax	483,500	471,448	469,133
MREP (Heavy Haul, CTP, Municipal Bridges)	-	-	-
Provincial - Disaster Assistance	-	-	395,483
Other (Assets constructed by developers)	-	-	-
Total Capital	<u>483,500</u>	<u>471,448</u>	<u>864,616</u>
Total Transportation Services	<u>488,400</u>	<u>471,448</u>	<u>756,426</u>
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Waste and Disposal Charges	-	7,431	4,650
Other (Base tax levy)	665,700	672,750	662,040
Total Fees and Charges	<u>665,700</u>	<u>680,181</u>	<u>666,690</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue	-	-	-
Total other segmented revenue	<u>665,700</u>	<u>680,181</u>	<u>666,690</u>
Conditional Grants			
Federal - Student Employment	-	-	-
TAPD	-	-	-
Local government-Operating	25,000	19,006	38,012
Other (Transit)	2,500	-	-
Total Conditional Grants	<u>27,500</u>	<u>19,006</u>	<u>38,012</u>
Total Operating	<u>693,200</u>	<u>699,187</u>	<u>704,702</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
TAPD	-	-	-
Provincial - Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Total Environmental and Public Health Services Services	<u>693,200</u>	<u>699,187</u>	<u>704,702</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2018
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Maintenance and development charges	\$ -	-	-
Other (Building permits and development)	<u>139,500</u>	<u>145,422</u>	<u>723,528</u>
Total Fees and Charges	<u>139,500</u>	<u>145,422</u>	<u>723,528</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue (Licences, permits and other)	<u>39,200</u>	<u>46,570</u>	<u>39,545</u>
Total other segmented revenue	<u>178,700</u>	<u>191,992</u>	<u>763,073</u>
Conditional Grants			
Federal - Student Employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	<u>178,700</u>	<u>191,992</u>	<u>763,073</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial - Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Total Planning and Development Services	<u>178,700</u>	<u>191,992</u>	<u>763,073</u>
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other (Registration, fees and rentals)	<u>1,456,700</u>	<u>1,344,405</u>	<u>1,134,610</u>
Total Fees and Charges	<u>1,456,700</u>	<u>1,344,405</u>	<u>1,134,610</u>
Tangible capital asset sales - gain (loss)	-	(18,695)	1,088
Other Segmented Revenue (Insurance proceeds)	<u>18,000</u>	<u>515</u>	<u>1,426</u>
Total other segmented revenue	<u>1,474,700</u>	<u>1,326,225</u>	<u>1,137,124</u>
Conditional Grants			
Federal - Student Employment	10,000	5,000	10,575
Local government-Operating	81,200	86,744	80,660
Donations	51,800	67,256	134,955
Other	-	-	-
Total Conditional Grants	<u>143,000</u>	<u>159,000</u>	<u>226,190</u>
Total Operating	<u>1,617,700</u>	<u>1,485,225</u>	<u>1,363,314</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Local Government-Capital	-	-	-
Provincial - Disaster Assistance	-	-	-
Other (Recreation facility capital donation)	-	150,500	-
Total Capital	-	<u>150,500</u>	-
Total Recreation and Cultural Services	<u>1,617,700</u>	<u>1,635,725</u>	<u>1,363,314</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2018
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Water	\$ 3,105,600	3,343,786	3,287,253
Sewer	1,528,000	1,400,421	1,382,083
Other	-	-	-
Total Fees and Charges	<u>4,633,600</u>	<u>4,744,207</u>	<u>4,669,336</u>
Tangible capital asset sales - gain (loss)	-	(4,073)	7,894
Other Segmented Revenue (Insurance proceeds)	-	1,468	344,298
Total other segmented revenue	<u>4,633,600</u>	<u>4,741,602</u>	<u>5,021,528</u>
Conditional Grants			
Federal - Student Employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>4,633,600</u>	<u>4,741,602</u>	<u>5,021,528</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
New Building Canada Fund (SCF, NRP)	-	-	-
Clean Water and Wastewater Fund	-	-	-
Provincial - Disaster Assistance	-	-	-
Other (Assets constructed by developers)	-	-	557,399
Total Capital	<u>-</u>	<u>-</u>	<u>557,399</u>
Total Utility Services	<u>4,633,600</u>	<u>4,741,602</u>	<u>5,578,927</u>
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 7,899,500</u>	<u>8,277,953</u>	<u>9,607,834</u>
SUMMARY			
Total Other Segmented Revenue	\$ 7,195,500	7,397,999	7,828,526
Total Conditional Grants	170,500	178,006	277,293
Total Capital Grants and Contributions	<u>533,500</u>	<u>701,948</u>	<u>1,502,015</u>
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 7,899,500</u>	<u>8,277,953</u>	<u>9,607,834</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2018
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 119,000	121,646	121,598
Wages and benefits	693,900	721,480	681,818
Professional/Contractual services	286,600	280,842	260,307
Utilities	23,100	22,811	23,205
Maintenance, materials, and supplies	130,100	122,524	134,614
Grants and contributions	-operating -capital	22,500 -	30,000 -
Amortization	-	129,998	131,451
Interest	288,500	278,123	299,809
Allowance for uncollectibles	-	-	-
Other (Flood expenses, elections)	-	152,951	60,458
Total Government Services	<u>1,563,700</u>	<u>1,852,875</u>	<u>1,743,260</u>
PROTECTIVE SERVICES - POLICING			
Police protection			
Wages and benefits	138,800	161,328	144,095
Professional/Contractual services	954,600	836,004	796,548
Utilities	5,800	5,117	4,673
Maintenance, materials, and supplies	17,600	15,191	14,926
Grants and contributions	-operating -capital	- -	- -
Amortization - Protective services-Police	-	62,865	65,915
Interest	-	-	-
Other	-	-	53
Fire protection			
Wages and benefits	215,200	176,914	154,081
Professional/Contractual services	63,300	46,355	50,556
Utilities	17,400	17,498	15,821
Maintenance, materials, and supplies	113,700	97,274	157,890
Grants and contributions	-operating -capital	- -	- -
Amortization - Protective services-Fire	-	53,352	51,400
Interest	2,400	2,373	3,483
Other	-	-	-
Total Protective Services	<u>1,528,800</u>	<u>1,474,271</u>	<u>1,459,441</u>
TRANSPORTATION SERVICES - MAINTENANCE			
Wages and benefits	762,200	734,914	738,119
Professional/Contractual services	175,600	113,854	157,001
Utilities	150,000	157,071	147,759
Maintenance, materials, and supplies	1,034,000	459,946	423,209
Gravel	70,000	70,711	68,198
Grants and contributions	-operating -capital	- -	- -
Amortization - Transportation services	-	1,384,793	1,334,551
Interest	84,500	81,750	938
Other	-	-	-
Total Transportation Services	<u>2,276,300</u>	<u>3,003,039</u>	<u>2,869,775</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2018
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
ENVIRONMENTAL SERVICES			
Wages and benefits	-	-	-
Contractual services	692,700	737,709	703,569
Utilities	-	-	-
Maintenance, materials, and supplies	30,000	41,658	26,428
Grants and contributions			
-operating			
Grants and contributions-operating	-	-	-
Grants and contributions-operating	-	-	-
-capital			
Grants and contributions-capital	-	-	-
Grants and contributions-capital	-	-	-
Amortization - Environmental health services	-	-	-
Interest	-	-	-
Other	-	-	-
Total Environmental and Public Health Services	<u>722,700</u>	<u>779,367</u>	<u>729,997</u>
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	376,700	385,765	372,071
Contractual services	787,900	618,103	338,898
Utilities	1,100	1,047	1,149
Maintenance, materials, and supplies	600	365	1,771
Grants and contributions			
-operating	-	-	-
-capital	-	-	-
Amortization - Planning and development services	-	-	-
Interest	-	-	-
Other	500	-	6,602
Total Planning and Development Services	<u>1,166,800</u>	<u>1,005,280</u>	<u>720,491</u>
RECREATION AND CULTURAL SERVICES			
Wages and benefits	1,629,200	1,745,886	1,631,306
Contractual services	271,400	385,915	227,032
Utilities	330,000	359,972	344,096
Maintenance, materials, and supplies	536,900	359,718	374,681
Grants and contributions			
-operating	160,700	153,588	149,969
-capital	-	-	80,000
Amortization - Recreation and cultural services	-	1,075,498	1,034,828
Interest	357,100	360,732	370,758
Allowance for uncollectibles	-	-	-
Other Swim capital land improvement	200	-	2,521
Total Recreation and Cultural Services	<u>3,285,500</u>	<u>4,441,309</u>	<u>4,215,191</u>
UTILITIES - WATER			
Wages and benefits	510,500	500,165	495,354
Contractual services	158,200	78,433	76,065
Utilities	194,000	183,854	148,303
Maintenance, materials, and supplies	3,017,000	3,005,928	3,175,709
Grants and contributions			
-operating	-	-	-
-capital	-	-	-
Amortization	-	863,571	858,163
Interest	30,600	28,830	40,889
Allowance for uncollectibles	-	-	(47)
Other Plumbing rebate	600	-	395
Total Utility Services	<u>3,910,900</u>	<u>4,660,781</u>	<u>4,794,831</u>
TOTAL EXPENDITURES BY FUNCTION	<u>\$ 14,454,700</u>	<u>17,216,922</u>	<u>16,532,986</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)	-	-	-	-	-	-	-	149,550
Investment income and commissions	149,550	-	-	-	46,570	-	1,468	232,383
Other revenues	183,558	272	-	-	-	159,000	-	178,006
Grants	-	80,000	471,448	19,006	-	150,500	-	701,948
- Conditional	-	-	-	-	-	-	-	-
- Capital	-	80,000	471,448	19,006	-	150,500	-	701,948
Total revenues	<u>343,473</u>	<u>194,526</u>	<u>471,448</u>	<u>699,187</u>	<u>191,992</u>	<u>1,635,725</u>	<u>4,741,602</u>	<u>8,277,953</u>
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
Total expenses	<u>1,852,875</u>	<u>1,474,271</u>	<u>3,003,039</u>	<u>779,367</u>	<u>1,005,280</u>	<u>4,441,309</u>	<u>4,660,781</u>	<u>17,216,922</u>
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)								<u>\$ 1,086,850</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2017

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and charges	\$ 7,268	89,689	4,254	666,690	723,528	1,134,610	4,669,336	7,295,375
Tangible capital asset sales - Gain (loss)	-	3,947	(112,444)	-	-	1,088	7,894	(99,515)
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	112,952	-	-	-	-	-	-	112,952
Other revenues	133,005	1,440	-	-	39,545	1,426	344,298	519,714
Grants	-	13,091	-	38,012	-	226,190	-	277,293
- Conditional	-	-	-	-	-	-	557,399	1,502,015
- Capital	-	80,000	864,616	-	-	-	-	-
Total revenues	<u>253,225</u>	<u>188,167</u>	<u>756,426</u>	<u>704,702</u>	<u>763,073</u>	<u>1,363,314</u>	<u>5,578,927</u>	<u>9,607,834</u>
Expenses (Schedule 3)								
Wages & Benefits	803,416	298,176	738,119	-	372,071	1,631,306	495,354	4,338,442
Professional/Contractual Services	260,307	847,104	157,001	703,569	338,898	227,032	76,065	2,609,976
Utilities	23,205	20,494	147,759	-	1,149	344,096	148,303	685,006
Maintenance, materials and supplies	134,614	172,816	491,407	26,428	1,771	377,202	3,175,709	4,379,947
Grants and contributions	30,000	-	-	-	-	229,969	-	259,969
Amortization	131,451	117,315	1,334,551	-	-	1,034,828	858,163	3,476,308
Interest	299,809	3,483	938	-	-	370,758	40,889	715,877
Allowance for uncollectibles.	-	-	-	-	-	-	(47)	(47)
Other	60,458	53	-	-	6,602	-	395	67,508
Total expenses	<u>1,743,260</u>	<u>1,459,441</u>	<u>2,869,775</u>	<u>729,997</u>	<u>720,491</u>	<u>4,215,191</u>	<u>4,794,831</u>	<u>16,532,986</u>
Surplus (deficit) by function	(1,490,035)	(1,271,274)	(2,113,349)	(25,295)	42,582	(2,851,877)	784,096	(6,925,152)
Taxation and other unconditional revenue (Schedule 1)								9,856,791
Net Surplus (Deficit)								<u>\$ 2,931,639</u>

See accompanying notes to the financial statements.



CITY OF MARTENSVILLE
SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

Year ended December 31, 2018
 with comparative figures for 2017

	2018						2017	
	General Assets			Infrastructure Assets		General / Infrastructure Assets Under Construction		Total
	Land	Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Total	
	Land	Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Total	
Asset cost								
Opening asset costs	\$ 12,667,687	14,848,805	32,135,712	2,119,040	5,310,533	73,618,733	-	140,700,510
Additions during the year	-	186,264	-	-	154,115	979,980	-	1,320,359
Disposals and write-downs during the year	-	-	-	-	(71,982)	(63,558)	-	(135,540)
Transfers (from) assets under construction	-	-	-	-	-	-	-	-
Closing asset costs	<u>\$ 12,667,687</u>	<u>15,035,069</u>	<u>32,135,712</u>	<u>2,119,040</u>	<u>5,392,666</u>	<u>74,535,155</u>	<u>-</u>	<u>141,885,329</u>
Accumulated amortization cost								
Opening accumulated amortization costs	-	3,978,714	7,163,726	830,863	2,742,910	20,802,365	-	35,518,578
Add: Amortization taken	-	718,410	695,991	144,544	233,797	1,777,334	-	3,570,076
Less: Accumulated amortization on disposals	-	-	-	-	(30,214)	(63,558)	-	(93,772)
Closing accumulated amortization costs	<u>-</u>	<u>4,697,124</u>	<u>7,859,717</u>	<u>975,407</u>	<u>2,946,493</u>	<u>22,516,141</u>	<u>-</u>	<u>38,994,882</u>
Net book value	<u>\$ 12,667,687</u>	<u>10,337,945</u>	<u>24,275,995</u>	<u>1,143,633</u>	<u>2,446,173</u>	<u>52,019,014</u>	<u>-</u>	<u>102,890,447</u>

1. Total contributed/donated assets received in 2018: \$ -

2. List of assets recognized at nominal value in 2018 are:

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

3. Amount of interest capitalized in 2018: \$ -

See accompanying notes to the financial statements.



CITY OF MARTENSVILLE

SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION

Year ended December 31, 2018

with comparative figures for 2017

	2018						2017	
	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	43,061,799	-	-	34,876,097	43,209,860	140,700,510
Additions during the year	-	-	1,043,357	-	-	246,141	30,861	1,320,359
Disposals and write-downs during the year	-	-	(63,558)	-	-	(60,312)	(11,670)	(135,540)
Closing asset costs	<u>16,569,332</u>	<u>2,983,422</u>	<u>44,041,598</u>	<u>-</u>	<u>-</u>	<u>35,061,926</u>	<u>43,229,051</u>	<u>141,885,329</u>
Accumulated amortization cost								
Opening accumulated amortization costs	799,541	1,196,289	14,816,116	-	-	9,255,052	9,451,580	32,263,593
Add: Amortization taken	129,998	116,217	1,384,792	-	-	1,075,498	863,571	3,476,310
Less: Accumulated amortization on disposals	-	-	(63,558)	-	-	(22,617)	(7,597)	(93,772)
Closing accumulated amortization costs	<u>929,539</u>	<u>1,312,506</u>	<u>16,137,350</u>	<u>-</u>	<u>-</u>	<u>10,307,933</u>	<u>10,307,554</u>	<u>38,994,882</u>
Net book value	<u>\$ 15,639,793</u>	<u>1,670,916</u>	<u>27,904,248</u>	<u>-</u>	<u>-</u>	<u>24,753,993</u>	<u>32,921,497</u>	<u>102,890,447</u>
								<u>105,181,932</u>

See accompanying notes to the financial statements.



CITY OF MARTENSVILLE
SCHEDULE OF ACCUMULATED SURPLUS
Year ended December 31, 2018

	<u>2017</u>	<u>Changes</u>	<u>2018</u>
UNAPPROPRIATED SURPLUS	\$ <u>2,280,023</u>	<u>593</u>	<u>2,280,616</u>
APPROPRIATED RESERVES			
Reserve for machinery and equipment	-	-	-
Public reserve	7,920,362	1,483,851	9,404,213
Capital trust fund	-	-	-
Utility reserve	<u>-</u>	<u>-</u>	<u>-</u>
Total Appropriated	<u>7,920,362</u>	<u>1,483,851</u>	<u>9,404,213</u>
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	105,181,932	(2,291,485)	102,890,447
Less: Related debt	<u>(21,603,777)</u>	<u>1,893,891</u>	<u>(19,709,886)</u>
Net Investment in Tangible Capital Assets	<u>83,578,155</u>	<u>(397,594)</u>	<u>83,180,561</u>
Total Accumulated Surplus	\$ <u>93,778,540</u>	<u>1,086,850</u>	<u>94,865,390</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE
SCHEDULE OF MILL RATES AND ASSESSMENTS

Year ended December 31, 2018
 with comparative figures for 2017

	PROPERTY CLASS					Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	
Taxable Assessment	\$ 274,670	807,728,895	118,907,520	-	93,196,300	\$1,020,107,385
Regional Park Assessment						-
Total Assessment	1.0000	1.1633	1.0000	-	1.0000	\$1,020,107,385
Mill Rate Factor(s)						
Total Base/Minimum Tax (generated for each property class)	615	1,823,168	383,145	-	125,355	2,332,283
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ 1,152	5,869,226	978,819	-	692,534	7,541,731

MILL RATES:

Average Municipal*	7.393
Average School*	4.310
Potash Mill Rate	-
Uniform Municipal Mill Rate	14.000

* 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, 2018
with comparative figures for 2017

Position	Name	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Mayor	Kent Muench	\$ 42,208	346	42,554
Councillor	Tyson Chillog	15,462	1,153	16,615
Councillor	Debbie McGuire	15,200	510	15,710
Councillor	Darren MacDonald	14,549	-	14,549
Councillor	Michael Cox	14,249	72	14,321
Councillor	Bob Blackwell	14,068	97	14,165
Councillor	Jamie Martens	13,987	-	13,987
Total		\$ <u>129,723</u>	<u>2,178</u>	<u>131,901</u>

See accompanying notes to the financial statements.