

**TOWN OF ST. WALBURG**  
**AUDITORS' REPORT AND FINANCIAL STATEMENTS**  
**December 31, 2019**

***Pinnacle Business Solutions***  
***Chartered Professional Accountants P.C. Ltd.***

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**INDEPENDENT AUDITORS' REPORT**

To the Members of Town of St. Walburg

*Opinion*

We have audited the financial statements of Town of St. Walburg (the Organization), which comprise the statement of financial position as at December 31, 2019, and the statements of operations and accumulated deficit, changes in net financial assets (debt) and cash flows 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 Organization as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

*Auditors' Responsibility*

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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

Meadow Lake, Saskatchewan  
May 14, 2020

*Pinnacle Business Solutions*  
Chartered Professional Accountants

## Management's Responsibility

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

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

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

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

  
Mayer Deputy Mayor

  
CAO

**Town of St. Walburg**  
**Statement of Financial Position**  
**As at December 31, 2019**

Statement 1

	<u>2019</u>	<u>2018</u>
<b>FINANCIAL ASSETS</b>		
Cash and Temporary Investments (Note 2)	\$ 833,184	\$ 883,870
Taxes Receivable - Municipal (Note 3)	50,654	61,678
Other Accounts Receivable (Note 4)	120,509	88,394
Land for Resale (Note 5)	39,818	99,818
Long-Term Investments (Note 6)	13,948	16,084
Debt Charges Recoverable (Note 7)		
<b>Other (Specify)</b>		
<b>Total Financial Assets</b>	<b>1,058,113</b>	<b>1,149,844</b>
<b>LIABILITIES</b>		
Bank Indebtedness (Note 8)		
Accounts Payable	55,527	100,689
Accrued Liabilities Payable	13,606	7,051
Deposits	31,148	30,258
Deferred Revenue (Note 9)		1,036
Accrued Landfill Costs (Note 10)	45,000	45,000
Liability for Contaminated Sites (Note 11)		
Other Liabilities		
Long-Term Debt (Note 12)	1,846,927	1,419,908
Lease Obligations (Note 13)		
<b>Total Liabilities</b>	<b>1,992,208</b>	<b>1,603,942</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>(934,095)</b>	<b>(454,098)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Schedule 6, 7)	9,657,556	9,273,965
Prepayments and Deferred Charges	1,708	70,869
Stock and Supplies	50,182	27,272
Other (Note 14)		
<b>Total Non-Financial Assets</b>	<b>9,709,446</b>	<b>9,372,106</b>
<b>ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)</b>	<b>\$ 8,775,351</b>	<b>\$ 8,918,008</b>

Town of St. Walburg  
Statement of Operations  
As at December 31, 2019

Statement 2

	2019 Budget	2019	2018
<b>REVENUES</b>			
Taxes and Other Unconditional Revenue (Schedule 1)	\$ 839,300	\$ 867,105	\$ 823,209
Fees and Charges (Schedule 4, 5)	451,700	558,790	485,472
Conditional Grants (Schedule 4, 5)	20,000	86,919	49,517
Tangible Capital Asset Sales - Gain (Schedule 4, 5)		27,579	(495)
Land Sales - Gain (Schedule 4, 5)			
Investment Income and Commissions (Schedule 4, 5)	5,000	11,336	10,591
Restructurings (Schedule 4,5)			
Other Revenues (Schedule 4, 5)			5,768
<b>Total Revenues</b>	<b>\$ 1,316,000</b>	<b>\$ 1,551,729</b>	<b>\$ 1,374,062</b>
<b>EXPENSES</b>			
General Government Services (Schedule 3)	\$ 408,010	\$ 453,260	\$ 355,352
Protective Services (Schedule 3)	83,600	74,162	75,899
Transportation Services (Schedule 3)	240,250	379,089	422,375
Environmental and Public Health Services (Schedule 3)	197,500	180,600	253,701
Planning and Development Services (Schedule 3)	103,500	135,106	35,261
Recreation and Cultural Services (Schedule 3)	48,000	112,368	103,167
Utility Services (Schedule 3)	367,500	455,420	380,202
Restructurings (Schedule 3)			
<b>Total Expenses</b>	<b>\$ 1,448,360</b>	<b>\$ 1,790,005</b>	<b>\$ 1,625,957</b>
<b>Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions</b>	<b>(132,360)</b>	<b>(238,276)</b>	<b>(251,895)</b>
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	20,000	95,619	53,096
<b>Surplus (Deficit) of Revenues over Expenses</b>	<b>(112,360)</b>	<b>(142,657)</b>	<b>(198,799)</b>
<b>Accumulated Surplus (Deficit), Beginning of Year</b>		<b>8,918,008</b>	<b>9,116,807</b>
<b>Accumulated Surplus (Deficit), End of Year</b>		<b>\$ 8,775,351</b>	<b>\$ 8,918,008</b>

Town of St. Walburg  
Statement of Change in Net Financial Assets  
As at December 31, 2019

Statement 3

	2019 Budget	2019	2018
<b>Surplus (Deficit)</b>	\$ (112,360)	\$ (142,657)	\$ (198,799)
(Acquisition) of tangible capital assets		(725,388)	(1,404,226)
Amortization of tangible capital assets		289,297	290,295
Proceeds on disposal of tangible capital assets		80,079	31,060
Loss (gain) on the disposal of tangible capital assets		(27,579)	495
Transfer of Assets/Liabilities in Restructuring Transactions			
<b>Surplus (Deficit) of capital expenses over expenditures</b>		<b>(383,591)</b>	<b>(1,082,376)</b>
(Acquisition) of supplies inventories		(22,910)	(4,123)
(Acquisition) of prepaid expense		69,161	(67,433)
Consumption of supplies inventory			
Use of prepaid expense			
<b>Surplus (Deficit) of expenses of other non-financial over expenditures</b>		<b>46,251</b>	<b>(71,556)</b>
<b>Increase/Decrease in Net Financial Assets</b>		<b>(479,997)</b>	<b>(1,352,731)</b>
<b>Net Financial Assets (Debt) - Beginning of Year</b>		<b>(454,098)</b>	<b>898,633</b>
<b>Net Financial Assets (Debt) - End of Year</b>		<b>\$ (934,095)</b>	<b>\$ (454,098)</b>

Town of St. Walburg  
Statement of Cash Flow  
As at December 31, 2019

Statement 4

	<b>2019</b>	<b>2018</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating:</b>		
Surplus (Deficit)	\$ (142,657)	\$ (198,799)
Amortization	289,297	290,297
Loss (gain) on disposal of tangible capital assets	(27,579)	495
	<u>119,061</u>	<u>91,993</u>
<b>Change in assets/liabilities</b>		
Taxes Receivable - Municipal	11,024	19,210
Other Receivables	(32,115)	15,125
Land for Resale	60,000	10,066
Other Financial Assets		
Accounts and Accrued Liabilities Payable	(38,607)	5,083
Deposits	890	1,124
Deferred Revenue	(1,036)	
Accrued Landfill Costs		45,000
Liability for Contaminated Sites		
Other Liabilities		
Stock and Supplies	(22,910)	(4,123)
Prepayments and Deferred Charges	69,161	(67,433)
Other (Specify)		
<b>Cash provided by operating transactions</b>	<b>165,468</b>	<b>116,045</b>
<b>Capital:</b>		
Acquisition of capital assets	(725,388)	(1,404,226)
Proceeds from the disposal of capital assets	80,079	31,060
Other capital		
<b>Cash applied to capital transactions</b>	<b>(645,309)</b>	<b>(1,373,166)</b>
<b>Investing:</b>		
Long-term investments	2,136	2,243
Other investments		
<b>Cash provided by (applied to) investing transactions</b>	<b>2,136</b>	<b>2,243</b>
<b>Financing:</b>		
Debt charges recovered		
Long-term debt issued	557,200	1,193,767
Long-term debt repaid	(130,181)	(98,208)
Other financing		
<b>Cash provided by (applied to) financing transactions</b>	<b>427,019</b>	<b>1,095,559</b>
<b>Change in Cash and Temporary Investments during the year</b>	<b>(50,686)</b>	<b>(159,319)</b>
<b>Cash and Temporary Investments - Beginning of Year</b>	<b>883,870</b>	<b>1,043,189</b>
<b>Cash and Temporary Investments - End of Year</b>	<b>\$ 833,184</b>	<b>\$ 883,870</b>



## 1. Significant Accounting Policies

The financial statements of the municipality have been prepared by management in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the municipality are as follows:

**Basis of Accounting:** The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting requires revenues to be recognized as they become available and measurable and expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

- a) **Reporting Entity:** The financial statements consolidate the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources. Entities included in these consolidated financial statements are as follows:

<u>Entity</u>
Town of St. Walburg

All inter-organizational transactions and balances have been eliminated.

- b) **Collection of funds for other authorities:** Collection of funds by the municipality for school boards, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.
- c) **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 revenue in the period that the events giving rise to the transfer occur, providing:
- a) the transfers are authorized
  - b) any eligibility criteria have been met, and
  - c) reasonable estimates of the amounts can be made.
- Unearned government transfer amounts received will be recorded as deferred revenue.  
Earned government transfer amounts not received will be recorded as an amount receivable.
- d) **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.
- e) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- f) **Net Financial Assets:** Net Financial Assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.
- g) **Non-financial Assets:** Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.
- h) **Appropriated Reserves:** Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 8.
- i) **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.
- j) **Investments:** Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment.

Town of St. Walburg  
Notes to the Financial Statements  
As at December 31, 2019

1. Significant Accounting Policies - continued

- k) **Inventories:** Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.
- l) **Tangible Capital Assets:** All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant deflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. Tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<b>General Assets</b>	
Land	Indefinite
Land Improvements	5 to 20 Yrs
Buildings	10 to 50 Yrs
<b>Vehicles &amp; Equipment</b>	
Vehicles	5 to 10 Yrs
Machinery and Equipment	5 to 10 Yrs
<b>Infrastructure Assets</b>	
Infrastructure Assets	30 to 75 Yrs
Water & Sewer	40 Yrs
Road Network Assets	15 to 40 Yrs

**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.

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

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

- m) **Landfill Liability:**  
The municipality does not maintain a waste disposal transfer site. The municipality expenses annual monitoring costs when incurred. No amount has been recorded as an asset or a liability.
- n) **Trust Funds:** Funds held in trust for others, under a trust agreement or statute, are not included in the consolidated financial statements as they are not controlled by the municipality. Trust fund activities administered by the municipality are disclosed in Note 18.
- o) **Employee Benefit Plans:** Contributions to the municipality's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.
- p) **Liability for Contaminated Sites:** Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:
- a) an environmental standard exists;
  - b) contamination exceeds the environmental standard;
  - c) the municipality:
    - i. is directly responsible; or
    - ii. accepts responsibility;
  - d) it is expected that future economic benefits will be given up; and
  - e) a reasonable estimate of the amount can be made.

**I. Significant Accounting Policies - continued**

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

The measurement of materials and supplies are based on estimates of volume and quality.

The 'Opening Asset costs' of tangible capital assets have been estimated where actual costs were not available.

Amortization is based on the estimated useful lives of tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

- r) **Basis of Segmentation/Segment Report:** The municipality follows the Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the nature of specific borrowings.

The segments (functions) are as follows:

General Government: Provides for the administration of the municipality.

Protective Services: Comprised of expenses for Police and Fire protection.

Transportation Services: Responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

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

Planning and Development: Provides for neighbourhood development and sustainability.

Recreation and Culture: Provides for community services through the provision of recreation and leisure services.

Utility Services: Provides for delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

- s) **Budget Information:** Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on January 10, 2019.

**New Accounting Standards:**

- t) **Effective January 1, 2019,** the municipality adopted the following standard to comply with Public Sector Accounting Standards (PSAS). This standard applies to all public sector entities for years beginning on or after April 1, 2018. Adoption of this standard requires all public sector entities to assess information using definitions, criteria and exceptions provided in the standards and apply professional judgement to comply with the disclosure requirements of each standard.

**PS 3430 Restructuring Transactions** provides guidance on how to account for and report restructuring transactions by transferors and recipients of assets and/or liabilities. The new standard has been adopted on a prospective basis.

**Future Accounting 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. Effective in the period PS 3450 and PS 2601 are adopted.

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

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

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

**PS 3280 Asset Retirement Obligations**, 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 this new standard, existing Solid Waste Landfill Closure and Post-Closure Liability section PS 3270 will be withdrawn.

**Effective On or After April 1, 2022:**

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

The extent of the impact on adoption of these future standards is not known at this time.

Town of St. Walburg  
Notes to the Financial Statements  
As at December 31, 2019

2. Cash and Temporary Investments

	2019	2018
Cash	\$ 214,961	\$ 271,933
Temporary Investments		
Restricted Cash	618,223	611,937
<b>Total Cash and Temporary Investments</b>	<b>\$ 833,184</b>	<b>\$ 883,870</b>

Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

3. Taxes Receivable - Municipal

	2019	2018
Municipal - Current	\$ 43,691	\$ 48,657
- Arrears	17,053	23,111
	<b>60,744</b>	<b>71,768</b>
- Less Allowance for Uncollectible	<b>(10,090)</b>	<b>(10,090)</b>
Total municipal taxes receivable	<b>50,654</b>	61,678
School - Current	12,652	11,462
- Arrears	2,256	4,065
Total school taxes receivable	<b>14,908</b>	15,527
Other		
Total taxes and grants in lieu receivable	<b>65,562</b>	77,205
Deduct taxes receivable to be collected on behalf of other organizations	<b>(14,908)</b>	(15,527)
<b>Total Taxes Receivable - Municipal</b>	<b>\$ 50,654</b>	<b>\$ 61,678</b>

Town of St. Walburg  
Notes to the Financial Statements  
As at December 31, 2019

4. Other Accounts Receivable

	2019	2018
Federal Government	\$ 22,652	\$ 9,025
Provincial Government		
Local Government		12,250
Utility	54,468	46,148
Trade	42,058	20,971
Other (Specify)	1331	
<b>Total Other Accounts Receivable</b>	<b>120,509</b>	<b>88,394</b>
Less: Allowance for Uncollectible		
<b>Net Other Accounts Receivable</b>	<b>\$ 120,509</b>	<b>\$ 88,394</b>

5. Land for Resale

	2019	2018
Tax Title Property	\$ 10,095	\$ 10,095
Allowance for market value adjustment	(277)	(277)
Net Tax Title Property	9,818	9,818
Other Land	30,000	90,000
Allowance for market value adjustment		
Net Other Land	30,000	90,000
<b>Total Land for Resale</b>	<b>\$ 39,818</b>	<b>\$ 99,818</b>

6. Long-Term Investments

	2019	2018
St. Walburg Housing shares	\$ 12,465	\$ 12,465
Synergy Credit Union - member shares	1,483	3,619
<b>Total Long-Term Investments</b>	<b>\$ 13,948</b>	<b>\$ 16,084</b>

7. Debt Charges Recoverable

The municipality does not have any debt charges recoverable.

**Town of St. Walburg**  
**Notes to the Financial Statements**  
**As at December 31, 2019**

**8. Bank Indebtedness**

**Credit Arrangements**

At December 31, 2019, the municipality has a line of credit totaling \$640,000, none of which was drawn. Interest on the line of credit is 3.95% per annum. The following has been collateralized in connection with this line of credit:

- General security agreement; and
- Assignment of the municipality's municipal taxes receivable.

**9. Deferred Revenue**

	<u>2019</u>	<u>2018</u>
Tree committee funds	\$ -	1,036
<b>Total Deferred Revenue</b>	<b>\$ -</b>	<b>\$ 1,036</b>

**10. Accrued Landfill Costs**

	<u>2019</u>	<u>2018</u>
Environmental Liabilities	<b>\$ 45,000</b>	\$ 45,000

In 2019 the municipality has accrued an overall liability for environmental matters in the amount of \$45,000 (prior year - \$45,000) which represents management's best estimate of this liability. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.

Included in environmental liabilities is \$45,000 (prior year - \$45,000) of the estimated total landfill closure and post-closure care expenses.

Landfill closure and post-closure care requirements have been defined in accordance with The Environmental Management and Protection Act and include final covering and landscaping of the landfill, pumping of ground water, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a 20 year period using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The estimated remaining capacity of the landfill is nil cubic metres (prior year - nil cubic metres) as the landfill has reached its capacity and is awaiting closure and post-closure care.

The unfunded liability for the landfill will be paid for with operating funds.

**11. Liability for Contaminated Sites**

The municipality has no liability for contaminated sites.

**Town of St. Walburg**  
**Notes to the Financial Statements**  
**As at December 31, 2019**

**12. Long-Term Debt**

a) The debt limit of the municipality is \$1,110,459. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the *Municipalities Act* section 161(1)).

b) The Synergy Credit Union water treatment plant upgrades loan is secured by municipal taxes receivable and future water billings collections. Monthly payments are \$3,338 including interest at 5.75%. The loan is due January, 2027.

Future principal and interest payments are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Current Year Total</b>	<b>Prior Year Total</b>
2020	\$ 27,252	\$ 12,808	\$ 40,060	\$ 27,252
2021	28,861	11,199	40,060	28,861
2022	30,565	9,495	40,060	30,565
2023	32,370	7,690	40,060	32,370
2024	34,281	5,779	40,060	34,281
Thereafter	81,777	5,420	87,197	81,777
<b>Balance</b>	<b>\$ 235,106</b>	<b>\$ 52,391</b>	<b>\$ 287,497</b>	<b>\$ 235,106</b>

c) The Synergy Credit Union lagoon project loan is secured by municipal taxes receivable and future water billing collections. Monthly payments are \$10,012 including interest at 3.5%. The loan is due March, 2027.

Future principal repayments are estimated as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Current Year Total</b>	<b>Prior Year Total</b>
2020	\$ 70,052	\$ 76,630	\$ 146,682	\$ 70,052
2021	73,526	73,156	146,682	73,526
2022	77,172	69,509	146,681	77,172
2023	80,100	65,682	145,782	80,100
2024	85,017	61,665	146,682	85,017
Thereafter	1,225,954	155,003	1,380,957	1,225,954
<b>Balance</b>	<b>\$ 1,611,821</b>	<b>\$ 501,645</b>	<b>\$ 2,113,466</b>	<b>\$ 1,611,821</b>

**13. Lease Obligations**

The municipality does not have any lease obligations.

**Town of St. Walburg**  
**Notes to the Financial Statements**  
**As at December 31, 2019**

**14. Other Non-financial Assets**

The municipality does not have any other non-financial assets.

**15. Contingent Liabilities**

The municipality does not have any contingent liabilities.

**16. Pension Plan**

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer 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 municipality's pension expense in 2019 was \$29,644. The benefits accrued to the municipality's employees from MEPP are calculated using the following: Pensionable Years of Service, Highest Average Salary, and the plan accrual rate.

**17. Comparative Figures**

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

**18. Trusts Administered by the Municipality**

A summary of trust fund activity by the municipality during the year is as follows:

Hospital trust fund

	<u>Current Year Total</u>	<u>Prior Year Total</u>
Balance - Beginning of Year	\$ 17,287	\$ 17,140
Revenue ( <i>Specify</i> )		
Interest revenue	741	147
Expenditure ( <i>Specify</i> )		
<b>Balance - End of Year</b>	<b>\$ 18,028</b>	<b>\$ 17,287</b>



**19. Related Parties**

The financial statements include transactions with related parties. The municipality is related to *George Prndai, Jamie Hallett, Kim Gardiner, Kristin Lukian, Kim Mowery, Kim Scheinder, Jean Steinacher and Edward Wolfe* under the common control of the Council.

Transactions with these related parties are in the normal course of operations and are settled on normal trade terms.

**20. Contingent Assets**

Contingent assets are not recorded in the financial statements.

**21. 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 municipality does not have any significant contractual rights.

**22. Contractual Obligations and Commitments**

The municipality has no contractual obligations and commitments.

**Town of St. Walburg  
Notes to the Financial Statements  
As at December 31, 2019**

**23. Restructuring Transactions**

The municipality has no restructuring transactions.

Town of St. Walburg  
 Schedule of Taxes and Other Unconditional Revenue  
 As at December 31, 2019

Schedule 1

	2019 Budget	2019	2018
<b>TAXES</b>			
General municipal tax levy	\$ 621,000	\$ 655,616	\$ 622,233
Abatements and adjustments	(2,000)	(12,206)	(19,482)
Discount on current year taxes	(25,000)	(25,599)	(22,721)
<b>Net Municipal Taxes</b>	<b>594,000</b>	<b>617,811</b>	<b>580,030</b>
Potash tax share			
Trailer license fees			
Penalties on tax arrears	23,300	7,605	7,888
Special tax levy			
<b>Other (Specify)</b>			
<b>Total Taxes</b>	<b>\$ 617,300</b>	<b>\$ 625,416</b>	<b>\$ 587,918</b>
<b>UNCONDITIONAL GRANTS</b>			
Revenue Sharing (Organized Hamlet)	120,000	142,608	138,625
<b>Total Unconditional Grants</b>	<b>120,000</b>	<b>142,608</b>	<b>138,625</b>
<b>GRANTS IN LIEU OF TAXES</b>			
Federal	20,000	9,743	4,735
Provincial			
S.P.C. Electrical	56,000	57,864	45,794
SaskEnergy Gas			
TransGas			
Central Services			
SaskTel	2,000	1,975	2,519
<b>Other (Specify)</b>			3,434
Local/Other			
Housing Authority	24,000	29,499	40,184
C.P.R. Mainline			
Treaty Land Entitlement			
<b>Other (Specify)</b>			
Other Government Transfers			
S.P.C. Surcharge			
Sask Energy Surcharge			
<b>Other (Specify)</b>			
<b>Total Grants in Lieu of Taxes</b>	<b>102,000</b>	<b>99,081</b>	<b>96,666</b>
<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<b>\$ 839,300</b>	<b>\$ 867,105</b>	<b>\$ 823,209</b>

Town of St. Walburg  
 Schedule of Operating and Capital Revenue by Function  
 As at December 31, 2019

Schedule 2 - I

	2019 Budget	2019	2018
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 200	\$ 5,932	\$ 3,206
- Sales of supplies			63
- <b>Other (Specify)</b>	7,500	8,648	20,790
<b>Total Fees and Charges</b>	7,700	14,580	24,059
- Tangible capital asset sales - gain (loss)		23,664	
- Land sales - gain			
- Investment income and commissions	5,000	11,336	10,591
- <b>Other (Specify)</b>			
<b>Total Other Segmented Revenue</b>	12,700	49,580	34,650
Conditional Grants			
- Student Employment			
- <b>Other (Specify)</b>			
<b>Total Conditional Grants</b>			
<b>Total Operating</b>	12,700	49,580	34,650
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- <b>Other (Specify)</b>			
<b>Total Capital</b>			
<b>Restructuring Revenue (Specify, if any)</b>			
<b>Total General Government Services</b>	\$ 12,700	\$ 49,580	\$ 34,650

**PROTECTIVE SERVICES**

<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- <b>Other (pet licences, pound fees, fines)</b>	3,000	6,425	7,558
<b>Total Fees and Charges</b>	3,000	6,425	7,558
- Tangible capital asset sales - gain (loss)			
- <b>Other (Specify)</b>			
<b>Total Other Segmented Revenue</b>	3,000	6,425	7,558
Conditional Grants			
- Student Employment			
- Local government			
- <b>Other (Specify)</b>			
<b>Total Conditional Grants</b>			
<b>Total Operating</b>	3,000	6,425	7,558
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Local government			
- <b>Other (Specify)</b>			
<b>Total Capital</b>			
<b>Restructuring Revenue (Specify, if any)</b>			
<b>Total Protective Services</b>	\$ 3,000	\$ 6,425	\$ 7,558

Town of St. Walburg  
 Schedule of Operating and Capital Revenue by Function  
 As at December 31, 2019

Schedule 2 - 2

	2019 Budget	2019	2018
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work		\$ 425	\$ 1,794
- Sales of supplies			50
- Road Maintenance and Restoration Agreements			
- Frontage			
- <b>Other (Specify)</b>			
Total Fees and Charges		425	1,844
- Tangible capital asset sales - gain (loss)		3,915	(495)
- <b>Other (Specify)</b>			
Total Other Segmented Revenue		4,340	1,349
Conditional Grants			
- MREP (CTP)			
- Student Employment		6,194	5,261
- <b>Other (Specify)</b>			
Total Conditional Grants		6,194	5,261
<b>Total Operating</b>		<b>10,534</b>	<b>6,610</b>
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- MREP (Heavy Haul, CTP, Municipal Bridges)			
- Provincial Disaster Assistance			
- <b>Other (Specify)</b>			
<b>Total Capital</b>			
<b>Restructuring Revenue (Specify, if any)</b>			
<b>Total Transportation Services</b>		<b>\$ 10,534</b>	<b>\$ 6,610</b>

**ENVIRONMENTAL AND PUBLIC HEALTH SERVICES**

<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	\$ 41,500	\$ 49,471	\$ 45,573
- <b>Other (Housing Authority Surplus)</b>	2,500	6,119	4,351
Total Fees and Charges	44,000	55,590	49,924
- Tangible capital asset sales - gain (loss)			
- <b>Other (Specify)</b>			5,768
Total Other Segmented Revenue	44,000	55,590	55,692
Conditional Grants			
- Student Employment			
- TAPD	1,000	56,053	897
- Local government	19,000	24,672	28,359
- <b>Other (Specify)</b>			
Total Conditional Grants	20,000	80,725	29,256
<b>Total Operating</b>	<b>64,000</b>	<b>136,315</b>	<b>84,948</b>
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- TAPD			
- Provincial Disaster Assistance			
- <b>Other (Specify)</b>			
<b>Total Capital</b>			
<b>Restructuring Revenue (Specify, if any)</b>			
<b>Total Environmental and Public Health Services</b>	<b>\$ 64,000</b>	<b>\$ 136,315</b>	<b>\$ 84,948</b>

Town of St. Walburg  
 Schedule of Operating and Capital Revenue by Function  
 As at December 31, 2019

Schedule 2 - 3

	2019 Budget	2019	2018
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges			
- <b>Other (Specify)</b>			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- <b>Other (Specify)</b>			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- <b>Other</b>			
Total Conditional Grants			
<b>Total Operating</b>			
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- <b>Other (Specify)</b>			
<b>Total Capital</b>			
<b>Restructuring Revenue (Specify, if any)</b>			
<b>Total Planning and Development Services</b>			

**RECREATION AND CULTURAL SERVICES**

<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- <b>Other (Specify)</b>			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- <b>Other (Specify)</b>			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Local government			\$ 15,000
- <b>Other (Specify)</b>			
Total Conditional Grants			15,000
<b>Total Operating</b>			15,000
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- Local government			
- Provincial Disaster Assistance		\$ 7,345	9,348
- <b>Other (Specify)</b>			
<b>Total Capital</b>		7,345	9,348
<b>Restructuring Revenue (Specify, if any)</b>			
<b>Total Recreation and Cultural Services</b>		\$ 7,345	\$ 24,348

Town of St. Walburg  
 Schedule of Operating and Capital Revenue by Function  
 As at December 31, 2019

Schedule 2 - 4

	2019 Budget	2019	2018
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Water	\$ 220,500	\$ 261,949	\$ 233,327
- Sewer	175,000	216,463	167,095
- <b>Other</b>	1,500	3,358	1,665
<b>Total Fees and Charges</b>	397,000	481,770	402,087
- Tangible capital asset sales - gain (loss)			
- <b>Other (Specify)</b>			
<b>Total Other Segmented Revenue</b>	397,000	481,770	402,087
Conditional Grants			
- Student Employment			
- <b>Other (Specify)</b>			
<b>Total Conditional Grants</b>			
<b>Total Operating</b>	397,000	481,770	402,087
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax	20,000	88,274	43,748
- New Building Canada Fund (SCF, NRP)			
- Clean Water and Wastewater Fund			
- Provincial Disaster Assistance			
- <b>Other (Specify)</b>			
<b>Total Capital</b>	20,000	88,274	43,748
<b>Restructuring Revenue (Specify, if any)</b>			
<b>Total Utility Services</b>	\$ 417,000	\$ 570,044	\$ 445,835
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>\$ 496,700</b>	<b>\$ 780,243</b>	<b>\$ 603,949</b>

**SUMMARY**

Total Other Segmented Revenue	\$ 456,700	\$ 597,705	\$ 501,336
Total Conditional Grants	20,000	86,919	49,517
Total Capital Grants and Contributions	20,000	95,619	53,096
Restructuring Revenue			
<b>TOTAL REVENUE BY FUNCTION</b>	<b>\$ 496,700</b>	<b>\$ 780,243</b>	<b>\$ 603,949</b>

Town of St. Walburg  
 Total Expenses by Function  
 As at December 31, 2019

Schedule 3 - 1

	2019 Budget	2019	2018
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	\$ 35,000	\$ 44,359	\$ 26,724
Wages and benefits	181,410	200,059	161,994
Professional/Contractual services	136,300	137,837	103,567
Utilities	15,500	14,576	15,180
Maintenance, materials and supplies	39,800	44,665	21,283
Grants and contributions - operating			
- capital			5,769
Amortization		11,764	12,124
Interest			
Allowance for uncollectible			
Other (Specify)			8,711
<b>General Government Services</b>	<b>408,010</b>	<b>453,260</b>	<b>355,352</b>
<b>Restructuring (Specify, if any)</b>			
<b>Total General Government Services</b>	<b>\$ 408,010</b>	<b>\$ 453,260</b>	<b>\$ 355,352</b>

**PROTECTIVE SERVICES**

**Police protection**

Wages and benefits			\$ 1,513
Professional/Contractual services	\$ 51,000	\$ 51,780	50,833
Utilities			
Maintenance, material and supplies	500		206
Grants and contributions - operating			
- capital			
Other (Specify)			

**Fire protection**

Wages and benefits	1,000	650	650
Professional/Contractual services	29,600	21,068	21,648
Utilities	1,000		
Maintenance, material and supplies			579
Grants and contributions - operating			
- capital			
Amortization			
Interest	500	664	470
Other (Specify)			

<b>Protective Services</b>	<b>83,600</b>	<b>74,162</b>	<b>75,899</b>
<b>Restructuring (Specify, if any)</b>			
<b>Total Protective Services</b>	<b>\$ 83,600</b>	<b>\$ 74,162</b>	<b>\$ 75,899</b>

**TRANSPORTATION SERVICES**

Wages and benefits	\$ 87,300	\$ 79,081	\$ 85,157
Professional/Contractual Services	29,600	75,206	96,971
Utilities	31,600	29,572	27,871
Maintenance, materials, and supplies	81,750	57,384	94,828
Gravel	10,000	28,993	4,588
Grants and contributions - operating			
- capital			
Amortization		108,853	112,960
Interest			
Other (Specify)			

<b>Transportation Services</b>	<b>240,250</b>	<b>379,089</b>	<b>422,375</b>
<b>Restructuring (Specify, if any)</b>			
<b>Total Transportation Services</b>	<b>\$ 240,250</b>	<b>\$ 379,089</b>	<b>\$ 422,375</b>



Town of St. Walburg  
 Total Expenses by Function  
 As at December 31, 2019

Schedule 3 - 2

	2019 Budget	2019	2018
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Wages and benefits	\$ 40,000	\$ 31,655	\$ 65,270
Professional/Contractual services	141,300	113,088	160,953
Utilities	3,200	1,740	1,887
Maintenance, materials and supplies	13,000	24,030	15,504
Grants and contributions - operating			
o Waste disposal			
o Public Health			
- capital			
o Waste disposal			
o Public Health			
Amortization		10,087	10,087
Interest			
Other (Specify)			
<b>Environmental and Public Health Services</b>	<b>197,500</b>	<b>180,600</b>	<b>253,701</b>
Restructuring (Specify, if any)			
<b>Total Environmental and Public Health Services</b>	<b>\$ 197,500</b>	<b>\$ 180,600</b>	<b>\$ 253,701</b>

<b>PLANNING AND DEVELOPMENT SERVICES</b>			
Wages and benefits	\$ 27,500	\$ 13,750	
Professional/Contractual Services	66,000	116,276	\$ 32,587
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Other (Specify)	10,000	5,080	2,674
<b>Planning and Development Services</b>	<b>103,500</b>	<b>135,106</b>	<b>35,261</b>
Restructuring (Specify, if any)			
<b>Total Planning and Development Services</b>	<b>\$ 103,500</b>	<b>\$ 135,106</b>	<b>\$ 35,261</b>

<b>RECREATION AND CULTURAL SERVICES</b>			
Wages and benefits	\$ 16,500	\$ 12,584	\$ 28,953
Professional/Contractual services			
Utilities	1,500	2,810	6,621
Maintenance, materials and supplies			
Grants and contributions - operating	30,000	30,000	
- capital			
Amortization		66,974	67,593
Interest			
Allowance for uncollectible			
Other (Specify)			
<b>Recreation and Cultural Services</b>	<b>48,000</b>	<b>112,368</b>	<b>103,167</b>
Restructuring (Specify, if any)			
<b>Total Recreation and Cultural Services</b>	<b>\$ 48,000</b>	<b>\$ 112,368</b>	<b>\$ 103,167</b>



Town of St. Walburg  
Schedule of Segment Disclosure by Function  
As at December 31, 2019

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and Charges	\$ 14,580	\$ 6,425	\$ 425	\$ 55,590			\$ 481,770	\$ 558,790
Tangible Capital Asset Sales - Gain	23,664		3,915					27,579
Land Sales - Gain								
Investment Income and Commissions	11,336							11,336
Other Revenues								
Grants - Conditional			6,194	80,725				86,919
- Capital						\$ 7,345	88,274	95,619
Restructurings								
<b>Total Revenues</b>	<b>\$ 49,580</b>	<b>\$ 6,425</b>	<b>\$ 10,534</b>	<b>\$ 136,315</b>		<b>\$ 7,345</b>	<b>\$ 570,044</b>	<b>\$ 780,243</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	\$ 244,418	\$ 650	\$ 79,081	\$ 31,655	\$ 13,750	\$ 12,584	\$ 86,631	\$ 468,769
Professional/ Contractual Services	137,837	72,848	75,206	113,088	116,276		167,513	682,768
Utilities	14,576		29,572	1,740		2,810	27,760	76,458
Maintenance Materials and Supplies	44,665		86,377	24,030			67,571	222,643
Grants and Contributions						30,000		30,000
Amortization	11,764		108,853	10,087		66,974	91,619	289,297
Interest		664					14,326	14,990
Allowance for Uncollectible								
Restructurings								
Other					5,080			5,080
<b>Total Expenses</b>	<b>\$ 453,260</b>	<b>\$ 74,162</b>	<b>\$ 379,089</b>	<b>\$ 180,600</b>	<b>\$ 135,106</b>	<b>\$ 112,368</b>	<b>\$ 455,420</b>	<b>\$ 1,790,005</b>
<b>Surplus (Deficit) by Function</b>	<b>\$ (403,680)</b>	<b>\$ (67,737)</b>	<b>\$ (368,555)</b>	<b>\$ (44,285)</b>	<b>\$ (135,106)</b>	<b>\$ (105,023)</b>	<b>\$ 114,624</b>	<b>(1,009,762)</b>

Taxes and other unconditional revenue (Schedule 1)

867,105

Net Surplus (Deficit)

\$ (142,657)

Town of St. Walburg  
Schedule of Segment Disclosure by Function  
As at December 31, 2018

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and Charges	\$ 24,059	\$ 7,558	\$ 1,844	\$ 49,924			\$ 402,087	\$ 485,472
Tangible Capital Asset Sales - Gain			(495)					(495)
Land Sales - Gain								
Investment Income and Commissions	10,591							10,591
Other Revenues				5,768				5,768
Grants - Conditional			5,261	29,256		\$ 15,000		49,517
- Capital						9,348	43,748	53,096
Restructurings								
<b>Total Revenues</b>	<b>\$ 34,650</b>	<b>\$ 7,558</b>	<b>\$ 6,610</b>	<b>\$ 84,948</b>		<b>\$ 24,348</b>	<b>\$ 445,835</b>	<b>\$ 603,949</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	\$ 188,718	\$ 2,163	\$ 85,157	\$ 65,270		\$ 28,953	\$ 75,987	\$ 446,248
Professional/ Contractual Services	103,567	72,481	96,971	160,953	\$ 32,587		101,840	568,399
Utilities	15,180		27,871	1,887		6,621	24,177	75,736
Maintenance Materials and Supplies	21,283	785	99,416	15,504			74,905	211,893
Grants and Contributions	5,769							5,769
Amortization	12,124		112,960	10,087		67,593	87,533	290,297
Interest		470					15,760	16,230
Allowance for Uncollectible Restructurings								
Other	8,711				2,674			11,385
<b>Total Expenses</b>	<b>\$ 355,352</b>	<b>\$ 75,899</b>	<b>\$ 422,375</b>	<b>\$ 253,701</b>	<b>\$ 35,261</b>	<b>\$ 103,167</b>	<b>\$ 380,202</b>	<b>\$ 1,625,957</b>
<b>Surplus (Deficit) by Function</b>	<b>\$ (320,702)</b>	<b>\$ (68,341)</b>	<b>\$ (415,765)</b>	<b>\$ (168,753)</b>	<b>\$ (35,261)</b>	<b>\$ (78,819)</b>	<b>\$ 65,633</b>	<b>(1,022,008)</b>

Taxes and other unconditional revenue (Schedule 1)

823,209

Net Surplus (Deficit)

\$ (198,799)

Town of St. Walburg  
 Schedule of Tangible Capital Assets by Object  
 As at December 31, 2019

Schedule 6

		2019						2018		
		General Assets				Infrastructure Assets	General/Infrastructure Assets Under Construction	Total	Total	
		Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets			
Assets	Asset cost									
	Opening Asset costs	\$ 1,776,009	\$ 55,866	\$ 5,570,100	\$ 163,131	\$ 386,893	\$ 4,379,429	\$ 1,225,250	\$ 13,556,678	\$ 12,184,007
	Additions during the year	40,500			96,471	75,915	493,468	19,034	725,388	1,404,226
	Disposals and write-downs during the year	(40,500)				(20,000)			(60,500)	(31,555)
	Transfers (from) assets under construction Transfer of Capital Assets related to restructuring (Schedule 11)									
<b>Closing Asset Costs</b>	<b>\$ 1,776,009</b>	<b>\$ 55,866</b>	<b>\$ 5,570,100</b>	<b>\$ 259,602</b>	<b>\$ 442,808</b>	<b>\$ 4,872,897</b>	<b>\$ 1,244,284</b>	<b>\$ 14,221,566</b>	<b>\$ 13,556,678</b>	
Amortization	Accumulated Amortization Cost									
	Opening Accumulated Amortization Costs		\$ 54,435	\$ 1,934,945	\$ 128,804	\$ 183,227	\$ 1,981,302		\$ 4,282,713	\$ 3,992,418
	Add: Amortization taken		716	139,216	2,964	21,808	124,593		289,297	290,295
	Less: Accumulated amortization on disposals Transfer of Capital Assets related to restructuring (Schedule 11)					(8,000)			(8,000)	
	<b>Closing Accumulated</b>		<b>\$ 55,151</b>	<b>\$ 2,074,161</b>	<b>\$ 131,768</b>	<b>\$ 197,035</b>	<b>\$ 2,105,895</b>		<b>\$ 4,564,010</b>	<b>\$ 4,282,713</b>
<b>Net Book Value</b>	<b>\$ 1,776,009</b>	<b>\$ 715</b>	<b>\$ 3,495,939</b>	<b>\$ 127,834</b>	<b>\$ 245,773</b>	<b>\$ 2,767,002</b>	<b>\$ 1,244,284</b>	<b>\$ 9,657,556</b>	<b>\$ 9,273,965</b>	

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 Schedule 6

Town of St. Walburg  
 Schedule of Tangible Capital Assets by Function  
 As at December 31, 2019

Schedule 7

		2019						2018		
		General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
<b>Assets</b>	<b>Asset cost</b>									
	Opening Asset costs	\$ 838,767		\$ 3,678,746	\$ 282,111	\$ 45,760	\$ 2,995,271	\$ 5,716,023	\$ 13,556,678	\$ 12,184,007
	Additions during the year	40,500		569,383	96,471			19,034	725,388	1,404,226
	Disposals and write-downs during the year Transfer of Capital Assets related to restructuring (Schedule 11)	(40,500)		(20,000)					(60,500)	(31,555)
	<b>Closing Asset Costs</b>	<b>\$ 838,767</b>		<b>\$ 4,228,129</b>	<b>\$ 378,582</b>	<b>\$ 45,760</b>	<b>\$ 2,995,271</b>	<b>\$ 5,735,057</b>	<b>\$ 14,221,566</b>	<b>\$ 13,556,678</b>
<b>Amortization</b>	<b>Accumulated</b>									
	Opening Accumulated Amortization Costs	\$ 77,702		\$ 1,837,346	\$ 46,755		\$ 1,616,609	\$ 704,301	\$ 4,282,713	\$ 3,992,418
	Add: Amortization taken	11,764		108,853	10,087		66,974	91,619	289,297	290,295
	Less: Accumulated amortization on disposals Transfer of Capital Assets related to restructuring (Schedule 11)			(8,000)					(8,000)	
	<b>Closing Accumulated Amortization Costs</b>	<b>\$ 89,466</b>		<b>\$ 1,938,199</b>	<b>\$ 56,842</b>		<b>\$ 1,683,583</b>	<b>\$ 795,920</b>	<b>\$ 4,564,010</b>	<b>\$ 4,282,713</b>
	<b>Net Book Value</b>	<b>\$ 749,301</b>		<b>\$ 2,289,930</b>	<b>\$ 321,740</b>	<b>\$ 45,760</b>	<b>\$ 1,311,688</b>	<b>\$ 4,939,137</b>	<b>\$ 9,657,556</b>	<b>\$ 9,273,965</b>

Town of St. Walburg  
 Schedule of Accumulated Surplus  
 As at December 31, 2019

Schedule 8

	2018	Changes	2019
<b>UNAPPROPRIATED SURPLUS</b>	<b>\$ 485,614</b>	<b>\$ (105,515)</b>	<b>\$ 380,099</b>
<b>APPROPRIATED RESERVES</b>			
Machinery and Equipment	136,058		136,058
Public Reserve	9,000		9,000
Capital Trust			
Utility	221,405	26,286	247,691
Infrastructure	148,877		148,877
HandiVan	20,000	(20,000)	
Capital Lot Development	42,997		42,997
<b>Other (Specify)</b>			
<b>Total Appropriated</b>	<b>578,337</b>	<b>6,286</b>	<b>584,623</b>
<b>ORGANIZED HAMLETS (add lines if required)</b>			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
<b>Total Organized Hamlets</b>			
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>			
Tangible capital assets (Schedule 6, 7)	9,273,965	383,591	9,657,556
Less: Related debt	(1,419,908)	(427,019)	(1,846,927)
<b>Net Investment in Tangible Capital Assets</b>	<b>7,854,057</b>	<b>(43,428)</b>	<b>7,810,629</b>
<b>Total Accumulated Surplus</b>	<b>\$ 8,918,008</b>	<b>\$ (142,657)</b>	<b>\$ 8,775,351</b>

Town of St. Walburg  
 Schedule of Mill Rates and Assessments  
 As at December 31, 2019

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
<b>Taxable Assessment</b>	97,185	33,565,680			10,144,200		43,807,065
<b>Regional Park Assessment</b>							
<b>Total Assessment</b>							43,807,065
<b>Mill Rate Factor(s)</b>	1.0000	1.0000			1.8000		
<b>Total Base/Minimum Tax</b> (generated for each property class)	3,550	305,050			56,250		364,850
<b>Total Municipal Tax Levy</b> (include base and/or minimum tax and special levies)	4,094	493,018			158,504		655,616

MILL RATES:	MILLS
<b>Average Municipal*</b>	14.97
<b>Average School*</b>	4.61
<b>Potash Mill Rate</b>	
<b>Uniform Municipal Mill Rate</b>	5.60

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



Town of St. Walburg  
 Schedule of Council Remuneration  
 As at December 31, 2019

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Mayor	Prudat, George	\$ 4,155		\$ 4,155
Councillor	Gardiner, Kim	850		850
Councillor	Hallett, Jamie	5,038		5,038
Councillor	Lukian, Kristin	980		980
Councillor	Mowery, Kim	3,995		3,995
Councillor	Schneider, Kim	4,703		4,703
Councillor	Steinacher, Jean	4,025		4,025
Councillor	Wolfe, Edward	1,828		1,828
Total		\$ 21,418		\$ 21,418

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# TOWN OF ST. WALBURG

PO Box 368  
St. Walburg, SK  
S0M2T0

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May 14, 2020

Confidential

Client Number: 106240

Pinnacle Business Solutions  
307 Center Street  
Box 370  
Meadow Lake SK S9X 1Y3

Dear Sir / Madam:

This representation letter is provided in connection with your audit of the financial statements of Town of St. Walburg for the year ended December 31, 2018, for the purpose of you expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards.

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

## 1. Financial Statements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated November 7, 2018 for:

- Preparing and fairly presenting the financial statements in accordance with Canadian public sector accounting standards;
- Providing you with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:
    - A. Accounting records, supporting data and other relevant documentation,
    - B. Minutes of meetings (such as shareholders, board of directors and audit committees) or summaries of actions taken for which minutes have not yet been prepared, and
    - C. Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;
  - ii. Additional information that you have requested from us for the purpose of the audit; and
  - iii. Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.
- c) Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and
- d) Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements\* that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

## 2. Fraud and Non Compliance

We have disclosed to you:

## **2. Fraud and Non Compliance** *(continued)*

- a. All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:
  - i. Management;
  - ii. Employees who have significant roles in internal control; or
  - iii. Others where the fraud could have a material effect on the financial statements;
- b. All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;
- c. All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements;
- d. All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and
- e. The results of our risk assessments regarding possible fraud or error in the financial statements.

## **3. Related Parties**

We have disclosed to you the identity of all of the organization's related-party relationships and transactions of which we are aware. This includes sales, purchases, loans, transfers of assets, liabilities and services, leasing agreements, guarantees, non-monetary transactions, and transactions for no consideration for the period ended as well as related balances due to or from such parties at the period end.

All related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian public sector accounting standards.

## **4. Estimates**

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with Canadian public sector accounting standards. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the significant assumptions and measurement methods used by us in making accounting estimates, including those measured at fair value, are reasonable.

## **5. Commitments and Contingencies**

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

## **6. Adjustments**

We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

## **7. Accounting policies**

All significant accounting policies are disclosed in the financial statements and are consistent with those used in the previous period.

## **8. Inventories**

The inventories of supplies as at December 31, 2018 were the property of our entity and were determined by actual count, weight or measurement. They do not include any items billed to customers but not shipped, any items returned by customers for which credits have not been recorded, any items on consignment, bill-and-hold arrangements, or other arrangements either owned by us or by our suppliers.

Inventories were measured at the lower of actual cost and net realizable value. Cost is by average cost.

Inventories were measured on the same basis and were determined in the same manner as inventories at the end of the preceding period.

## **9. Journal entries**

We have approved all journal entries and other adjustments proposed by you, and they have been included in our financial statements.

## **10. Liabilities and contingencies**

All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

## **11. Material measurement uncertainties**

The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.

## **12. Pension costs, assets and obligations**

All of our pension plans and provisions of each plan have been fully disclosed to you.

## **13. Tangible capital assets**

Tangible capital assets are recorded at cost. We have good and valid title to all items of tangible capital assets reflected in the accounts relating thereto, and there are no liens or encumbrances on our assets. During the period ended December 31, 2018, no material amounts relating to additions or improvements of property, plant and equipment were charged to expense. The provision for amortization is based on the cost and expected economic useful lives of the property using the declining balance method.

## **14. Receivables**

The accounts receivable reflected in the accounts constitute valid claims against customers and other debtors. They do not include amounts for goods shipped on consignment, approval or under repurchase commitments, or for goods shipped after December 31, 2018.

## **15. Revenue recognition**

We have recorded all revenue that met the following criteria:

- a. Persuasive evidence of an arrangement exists;
- b. Delivery has occurred, or services have been rendered;
- c. Price is fixed or determinable; and
- d. Collectability is reasonably assured.

## **16. Subsequent events**

There have been no events between the balance sheet date and the date of this letter that would require recognition or disclosure in the financial statements.

There have been no events subsequent to the balance sheet date of the comparative financial statements that would require adjustment or disclosure in the current financial statements.

Acknowledged and agreed on behalf of Town of St. Walburg by:

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Date signed

***Pinnacle Business Solutions***  
***Chartered Professional Accountants P.C. Ltd.***

Laura L. Fechter, CPA, CA  
Karyn E. Knelsen, CPA, CA

Box 370  
719 1<sup>st</sup> Avenue West  
Meadow Lake, Saskatchewan  
S9X 1Y3  
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lauraf@pbsca.ca  
karynk@pbsca.ca

May 14, 2020  
Confidential

Town of St. Walburg  
PO Box 368  
St. Walburg SK S0M2T0

Dear Sir / Madam:

We have been engaged to audit the financial statements of Town of St. Walburg for the year ending December 31, 2019.

The purpose of this letter is to communicate with you regarding all relationships between Town of St. Walburg and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence.

The following comments have been prepared to facilitate our discussion with you regarding independence matters arising since February 18, 2019, the date of our last letter.

We hereby confirm that we:

- have complied with the requirements regarding independence in the Rules of Conduct of the Chartered Professional Accountants of Saskatchewan; and
- have disclosed all relationships and other matters between the Firm, network firm and the entity that in our opinion may reasonably be thought to bear on independence.

We are not aware of any relationships between Town of St. Walburg and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence, that have occurred from January 1, 2019 to May 14, 2020.

This letter is intended solely for the use of the audit committee, the board of directors, management, and others within the organization and should not be used for any other purpose.

Should you wish to discuss this matter with us further, please contact us at your earliest convenience.

Yours truly,



Laura L. Fechter, CPA, CA  
Partner