

Town of Birch Hills
Consolidated Financial Statements
December 31, 2019

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Management's Responsibility

To the Ratepayers of the Town of Birch Hills:


The Town's management is responsible for the preparation and presentation of the accompanying consolidated 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 judgements and estimates by management is required.

In discharging its responsibilities for the integrity and fairness of the consolidated 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 consolidated 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 the administration and discussing relevant matters with external auditors. The Council is also responsible for appointing the municipality's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the council to audit the consolidated 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.

May 27, 2020



Mayor

Independent Auditor's Report

To the Mayor and Council of the Town of Birch Hills:

Opinion

We have audited the consolidated financial statements of the Town of Birch Hills (the "Town"), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations, changes in net financial assets, and cash flows, and related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town as at December 31, 2019, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with 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 the Mayor and Council for the Consolidated Financial Statements

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

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

The Mayor and Council are responsible for overseeing the Town's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report *(continued)*

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

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

We communicate with the Mayor and Council 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.

Prince Albert, Saskatchewan

May 27, 2020

MNP LLP

Chartered Professional Accountants

Town of Birch Hills
Consolidated Statement of Financial Position
As at December 31, 2019

Statement 1

	2019	2018
ASSETS		
Financial Assets		
Cash and Temporary Investments (Note 2)	1,188,562	1,103,421
Taxes Receivable - Municipal (Note 3)	511,140	543,505
Other Accounts Receivable (Note 4)	158,836	154,962
Land for Resale (Note 5)	425,984	424,686
Long-Term Investments (Note 6)	20,000	20,000
Debt Charges Recoverable	-	-
Other (Specify)	-	-
Total Financial Assets	2,304,522	2,246,574


LIABILITIES		
Bank Indebtedness (Note 7)	-	-
Accounts Payable	146,517	92,245
Accrued Liabilities Payable	32,641	23,619
Deposits	45,354	42,735
Deferred Revenue (Note 8)	316,506	34,722
Accrued Landfill Costs (Note 9)	7,129	7,129
Liability for Contaminated Sites	-	-
Other Liabilities	-	-
Long-Term Debt (Note 10)	1,198,536	1,460,598
Lease Obligations (Note 11)	25,563	39,265
Total Liabilities	1,772,246	1,700,313

NET FINANCIAL ASSETS (DEBT)	532,276	546,261
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Non-Financial Assets		
Tangible Capital Assets (Schedule 6, 7)	8,537,428	8,272,646
Prepayments and Deferred Charges	131	66,684
Stock and Supplies	26,488	29,196
Other	-	-
Total Non-Financial Assets	8,564,047	8,368,526

Accumulated Surplus (Schedule 8)	9,096,323	8,914,787
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Approved on behalf of Mayor and Council



 Mayor



 Councillor

Town of Birch Hills
Consolidated Statement of Operations
As at December 31, 2019

Statement 2

	2019 Budget (Note 1)	2019	2018
Revenues			
Taxes and Other Unconditional Revenue (Schedule 1)	1,305,041	1,245,738	2,093,263
Fees and Charges (Schedule 4, 5)	939,960	927,347	860,345
Conditional Grants (Schedule 4, 5)	54,870	62,308	35,713
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	-	812	-
Land Sales - Loss (Schedule 4, 5)	50,000	-	-
Investment Income and Commissions (Schedule 4, 5)	-	-	-
Other Revenues (Schedule 4, 5)	344,100	410,942	542,090
Total Revenues	2,693,971	2,647,147	3,531,411
Expenses			
General Government Services (Schedule 3)	516,150	508,270	434,275
Protective Services (Schedule 3)	108,220	102,348	89,815
Transportation Services (Schedule 3)	418,951	505,207	477,679
Environmental and Public Health Services (Schedule 3)	109,700	120,383	113,714
Planning and Development Services (Schedule 3)	-	-	2,116
Recreation and Cultural Services (Schedule 3)	723,466	805,214	772,438
Utility Services (Schedule 3)	359,200	424,189	455,081
Total Expenses	2,235,687	2,465,611	2,345,118
Surplus of Revenues over Expenses before Other Capital Contributions	458,284	181,536	1,186,293
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	66,600	-	65,010
Surplus of Revenues over Expenses	524,884	181,536	1,251,303
Accumulated Surplus, Beginning of Year	8,914,787	8,914,787	7,663,484
Accumulated Surplus, End of Year	9,439,671	9,096,323	8,914,787

See accompanying notes

Town of Birch Hills
Consolidated Statement of Changes in Net Financial Assets (Debt)
As at December 31, 2019

Statement 3

	2019 Budget (Note 1)	2019	2018
Surplus	524,884	181,536	1,251,303
(Acquisition) of tangible capital assets	(478,170)	(665,146)	(547,589)
Amortization of tangible capital assets	-	379,976	371,386
Proceeds on disposal of tangible capital assets	-	21,200	-
Loss on the disposal of tangible capital assets	-	(812)	-
Deficit of capital expenses over expenditures	(478,170)	(264,782)	(176,203)
(Acquisition) of supplies inventories	-	(26,488)	(29,196)
(Acquisition) of prepaid expense	-	(131)	(66,684)
Consumption of supplies inventory	-	29,196	23,092
Use of prepaid expense	-	66,684	61,247
Surplus (Deficit) of expenses of other non-financial over expenditure	-	69,261	(11,541)
Increase in Net Financial Assets	46,714	(13,985)	1,063,559
Net Financial Asset (Debt) - Beginning of Year	546,261	546,261	(517,298)
Net Financial Assets - End of Year	592,975	532,276	546,261

See accompanying notes

Town of Birch Hills
Consolidated Statement of Cash Flow
As at December 31, 2019

Statement 4

	2019	2018
Cash provided by (used for) the following activities		
Operating:		
Surplus	181,536	1,251,303
Amortization	379,976	371,388
Loss on disposal of tangible capital assets	(812)	-
	560,700	1,622,691
Change in assets/liabilities		
Taxes Receivable - Municipal	32,365	(438,937)
Other Receivables	(3,874)	43,369
Land for Resale	(1,298)	(27,996)
Other Financial Assets	-	-
Accounts and accrued liabilities payable	63,293	(25,944)
Deposits	2,619	615
Deferred Revenue	281,784	28,284
Accrued Landfill Costs	-	-
Liability for Contaminated Sites	-	-
Other Liabilities	-	-
Stock and supplies for use	2,708	(6,104)
Prepayments and Deferred Charges	66,553	(5,437)
Other (specify)	-	-
Cash provided by operating transactions	1,004,851	1,190,541
Capital:		
Acquisition of capital assets	(665,146)	(547,589)
Proceeds from the disposal of capital assets	21,200	-
Other capital	-	-
Cash applied to capital transactions	(643,946)	(547,589)
Investing:		
Long-term investments	-	-
Other investments	-	-
Cash provided by investing transactions	-	-
Financing:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	(262,062)	(255,629)
Other financing	(13,702)	24,971
Cash applied to financing transactions	(275,764)	(230,658)
Change in Cash and Temporary Investments during the year	85,141	412,294
Cash and Temporary Investments - Beginning of Year	1,103,421	691,126
Cash and Temporary Investments - End of Year	1,188,562	1,103,421

See accompanying notes

Town of Birch Hills
Notes to the Consolidated Financial Statements
As at December 31, 2019

1. Significant accounting policies

The consolidated financial statements of the town are prepared by management in accordance with the Canadian public sector accounting standards established by the Public Sector Accounting Board of the Accounting Standards Oversight Council. 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 recognized revenue 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 consolidates 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 financial statements are as follows:

<u>Entity</u>	<u>Basis of Reporting</u>
Birch Hills and District Recreation Board	100% Consolidation for capital 100% Consolidation for operating
North Central Saskatchewan Waste Management Corporation	2.58% Proportionate Consolidation of operations 2.58% Proportionate Consolidation of capital

All inter-organizational transactions and balances have been eliminated.

- c) **Collection of funds for other authorities:** Collection of funds by the municipality for the school board, municipal hail and conservation and development authorities are collected and remitted in accordance with 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 revenue in the period that the events giving rise to the transfer occur, providing:
 - 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, with stipulations, but not earned will be recorded as deferred revenue. Earned government transfer amounts not received will be recorded as an amount receivable.

- e) **Land Inventory Held for Resale:** Land Inventory, comprising land held for future development and resale, is valued at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for sale or service. Revenue from the land sales is recognized when the title is transferred to the buyer.
- f) **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.
- g) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- h) **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.
- i) **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.
- j) **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.

1. Significant accounting policies - continued

- k) **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.
- l) **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.
- m) **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. Inventory as it relates to the operations of the Birch Hills and District Recreation Board is valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method.
- n) **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 contribution. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
General Assets	
Land	Indefinite
Land Improvements	5 to 20 Yrs
Buildings	10 to 50 Yrs
Vehicles & Equipment	
Vehicles	5 to 10 Yrs
Machinery and Equipment	5 to 10 Yrs
Infrastructure Assets	
Infrastructure Assets	
Water & Sewer	40 Yrs
Road Network Asset:	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 financial statement as either a capital or operating lease. Any lease that transfers the majority of benefits and risk associated with the leased asset is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. Assets under capital leases are amortized on a straight line basis, over their estimated useful lives (lease term). Any other lease not meeting the before mentioned criteria is classified as a operating lease and rental payments are expensed as incurred.

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

Town of Birch Hills
Notes to the Consolidated Financial Statements
As at December 31, 2019

1. Significant accounting policies (continued)

- p) **Trust Funds:** Funds held in trust for others are neither included in the municipality's assets or equity. They are disclosed in Note 13.
- q) **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.
- r) **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.

- s) **Measurement Uncertainty:** The preparation of financial statements in conformity with Public Sector Accounting Board 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.

- t) **Basis of segmentation/Segment report:** The Municipality has adopted the new 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 purpose 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.

- u) **Budget Information:** Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on May 8, 2019.

Town of Birch Hills
Notes to the Consolidated Financial Statements
As at December 31, 2019

1. Significant accounting policies (continued)

v) **New Accounting Standards:**
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.

2. Cash and temporary investments

	2019	2018
Cash	1,034,355	950,740
Temporary Investments - GICs	154,207	152,681
Total Cash and temporary investments	1,188,562	1,103,421

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.

Town of Birch Hills
Notes to the Consolidated Financial Statements
As at December 31, 2019

3. Taxes and grants in lieu receivable

	2019	2018
Municipal		
- Current	98,970	67,648
- Arrears	64,540	50,901
	163,510	118,549
- Less Allowance for Uncollectibles	(4,933)	(4,933)
Total municipal taxes receivable	158,577	113,616
School		
- Current	22,134	13,493
- Arrears	10,953	9,971
Total school taxes receivable	33,087	23,464
Local improvement		
- Current	46,420	57,991
- Long term	306,143	371,898
Total local improvement receivable	352,563	429,889
Total taxes and grants in lieu receivable	544,227	566,969
Deduct taxes receivable to be collected on behalf of other organizations	(33,087)	(23,464)
Municipal and grants in lieu taxes receivable	511,140	543,505

4. Other Accounts Receivable

	2019	2018
Federal government	53,896	43,445
Provincial government	-	-
Local government	-	-
Utility	6,127	14,242
Trade	100,640	98,574
Other	-	-
Total Other Accounts Receivable	160,663	156,261
Less: Allowance for Uncollectibles	(1,827)	(1,299)
Net Other Accounts Receivable	158,836	154,962

5. Land for Resale

	2019	2018
Tax Title Property	32,725	31,427
Allowance for market value adjustment	-	-
Net Tax Title Property	32,725	31,427
Other Land	393,259	393,259
Allowance for market value adjustment	-	-
Net Other Land	393,259	393,259
Total Land for Resale	425,984	424,686

Town of Birch Hills

Notes to the Consolidated Financial Statements

As at December 31, 2019

6. Long term investments

	2019	2018
Investment in Railway	20,000	20,000

7. Bank indebtedness

Credit Arrangements

The Town has an authorized line of credit in the amount of \$250,000 (2018 - \$250,000) with the Affinity Credit Union. Interest is at prime and the line is secured by assignment of grants and receivables. The Town has utilized \$nil (2018 - \$nil) of this line of credit at December 31, 2019.

8. Deferred revenue

	2019	2018
Sask Lotteries		
Opening deferred revenue	7,231	6,438
Grant distributions	15,593	15,744
Eligible costs	(22,824)	(14,951)
	-	7,231
Multi-use Centre		
Opening deferred revenue	-	-
Donations	109,407	-
Eligible costs	(44,315)	-
	65,092	-
Gas tax - New Deal for Cities and Communities		
Opening deferred revenue	-	-
Grant distributions	131,447	65,010
Eligible costs	-	(65,010)
	131,447	-
Hesje Fund Donation (Arena Project)		
Opening deferred revenue	27,491	-
Donations	-	250,000
Eligible costs	(27,491)	(222,509)
	-	27,491
Golf Course Club House Project		
Opening deferred revenue	-	-
Donations	12,300	-
Eligible costs	-	-
	12,300	-
Farm Grow Project		
Opening deferred revenue	-	-
Project Revenue	140,853	-
Eligible costs	(33,186)	-
	107,667	-
Total deferred revenue	316,506	34,722

Town of Birch Hills
Notes to the Consolidated Financial Statements
As at December 31, 2019

9. Accrued landfill costs

	2019	2018
Environmental liabilities	7,129	7,129

Landfill closure and post-closure care requirements have been defined in accordance with the Environmental Act and include final covering and landscaping of the landfill, pumping of ground, 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 100-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 landfill closed in 2011; therefore, the remaining liability is for post-closure costs.

10. Long-term debt

The debt limit of the municipality is \$2,077,863. 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). The Saskatchewan Municipal Board approved Bylaw No. 11/17 to incur debt pursuant to subsection 163(4) of The Municipalities Act on December 22, 2017.

Utilities activities: Affinity Credit Union loans are repayable in monthly installments of \$9,763 including interest at 4.14%, secured by a general assignment of property taxes receivable, due October 18, 2021.

Future principal repayments are estimated as follows:

Year	Principal	Interest	Current Total	Prior Year Total
2019	-	-	-	117,151
2020	106,205	10,946	117,151	117,151
2021	110,687	6,464	117,151	117,151
2022	95,804	1,828	97,632	97,632
Balance	312,696	19,238	331,934	449,085

Transportation activities: Affinity Credit Union loans are repayable in monthly installments of \$16,013 including interest at 3.29%, secured by 1st charge general security agreement, 1st charge specific security agreement over existing grants and taxes and a promissory note, due December 30, 2022.

Future principal repayments are estimated as follows:

Year	Principal	Interest	Current Total	Prior Year Total
2019	-	-	-	192,159
2020	165,570	26,589	192,159	192,159
2021	171,100	21,059	192,159	192,159
2022	549,170	15,344	564,514	564,514
Balance	885,840	62,992	948,832	1,140,991

Town of Birch Hills
Notes to the Consolidated Financial Statements
As at December 31, 2019

11. Lease obligation

CWB National Leasing capital lease obligation for a Greens King Gas Plus Mower having a net book value of \$28,812, payable at \$1,120 per month plus taxes, six times a year including interest at 3.25%, due September 2023 with a purchase option at the end of the lease of \$1.00

Future minimum lease payments under the capital leases together with the balance of the obligation due under the capital leases are as follows:

Year	Payment Amount
2020	7,123
2021	7,123
2022	7,123
2023	5,937
<hr/>	
Total future minimum lease payments	27,306
Imputed interest	(1,743)
Capital Lease Liability	25,563

Tangible capital assets includes assets under capital lease with a gross cost of \$41,160 (2018 - \$78,210), and accumulated amortization of \$12,348 (2018 - \$15,194).

12. Pension Plan

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined contribution pension plan under which both the municipality and employees make contributions of 9.00% (2018 - 8.15%). 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 pension expense in 2019 was \$76,666 (2018 - \$64,995). 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.

13. Trusts Administered by the Municipality

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

Cemetery Trust Fund:

	2019	2018
Balance - Beginning of Year	45,233	50,990
Revenue	15,500	3,435
Interest revenue	1	253
Expenditure	(6,737)	(9,445)
Balance - End of Year	53,997	45,233

Town of Birch Hills
Notes to the Consolidated Financial Statements
As at December 31, 2019

14. Contractual Obligations and Commitments

The municipality has entered into multiple-year contracts for the delivery of services. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Significant contractual obligations and commitments of the municipality include:

Contractual Obligations and Commitments Type¹	Describe Nature Time and Extent	2019	2020	2021	2022	2023	2024	Current Year Total	Prior Year Total
Struthers Lake Regional Park ²	Annual	\$1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	\$ -	\$ 4,000	\$ 5,000
Success Office Systems ³	Annual	\$2,523	\$ 2,523	\$ -	\$ -	\$ -	\$ -	\$ 5,046	\$ 7,569
Civic Center Roof ⁴	One Time	\$119,630	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,630	\$ -
Water Treatment Plant Upgrade ⁵	One Time	\$1,239,363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,239,363	\$ -
G3 Electrical Multi-Use Facility ⁶	One Time	\$122,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,000	\$ -
UniTech Office Solutions Ltd ⁷	Annual	\$1,741	\$ 1,741	\$ 1,741	\$ 1,016	\$ -	\$ -	\$ 6,239	\$ 7,980
Total		\$1,486,257	\$ 5,264	\$ 2,741	\$ 2,016	\$ -	\$ -	\$ 1,496,278	\$ 20,549

¹ See Note 11 for Capital Lease obligations and Note 13 for Pension commitment obligations.

² Commencing in 2018, the Town has entered an agreement with the Struthers Lake Regional Park for the purpose of further developing and maintaining the regional park. The agreement involves an annual contribution to Struthers Lake Regional Park of \$1,000 per year until 2022.

³ In June 2017, the Town entered into a 3 year lease agreement to pay \$757 per quarter, including \$75 tax, to Success Office Systems to lease a photocopier until 2020.

⁴ In 2019 the Town entered into a contract with Thorpe Industries Ltd. to repair the Civic Center roof. The work is to be performed in 2020.

⁵ In 2019, the Town entered into a contract with VCM Construction Ltd. to perform distribution pump and electrical upgrades on the Water Treatment Plant in the amount of \$1,239,363, plus taxes. The work commenced on September 5, 2019 with an anticipated completion dated of May 28th, 2020.

⁶ In 2019, the Town entered into an agreement with G3 Electrical to perform Multiuse Facility mechanical system upgrades in the amount of \$122,000, plus taxes. The work commenced on February 2, 2020 with a completion date of April 15, 2020.

⁷ In 2018, the Recreation Board entered into a four year agreement to pay monthly payments of \$145 plus taxes, to UniTech Office Solutions for the lease of a photocopier until 2022.

15. Subsequent Events

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the municipality as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Town of Birch Hills
 Schedule of Taxes and Other Unconditional Revenue
 As at December 31, 2019

Schedule 1

	2019 Budget (Note 1)	2019	2018
TAXES			
General municipal tax levy	978,084	978,084	949,194
Abatements and adjustments	(8,000)	(10,074)	(6,573)
Discount on current year taxes	(35,000)	(34,893)	(35,236)
Net Municipal Taxes	935,084	933,117	907,385
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	20,000	22,573	19,247
Special tax levy	-	-	-
Other (Local improvement tax levy)	72,000	-	893,830
Total Taxes	1,027,084	955,690	1,820,462
UNCONDITIONAL GRANTS			
Equalization (Revenue Sharing)	212,797	212,797	206,825
Organized Hamlet	-	-	-
Total Unconditional Grants	212,797	212,797	206,825
GRANTS IN LIEU OF TAXES			
Federal	-	-	-
Provincial			
Federal Government/Agencies Can Post	1,390	1,441	1,390
SaskEnergy Gas	-	-	-
TransGas	-	-	-
SPMC - Municipal Share	-	-	-
SaskTel	3,770	3,921	3,766
Other (Specify)	-	-	-
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other (Specify)	-	-	-
Other Government Transfers			
S.P.C. Surcharge	60,000	71,889	60,820
Other (Specify)	-	-	-
Total Grants in Lieu of Taxes	65,160	77,251	65,976
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	1,305,041	1,245,738	2,093,263

Town of Birch Hills
 Consolidated Schedule of Operating and Capital Revenue by Function
 As at December 31, 2019

Schedule 2 - 1

	2019 Budget (Note 1)	2019	2018
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges	-	-	-
- Custom work	-	-	-
- Sales of supplies	1,700	899	156
- Other (Misc. fees)	8,300	10,687	3,437
Total Fees and Charges	10,000	11,586	3,593
- Tangible capital asset sales - gain (loss)	-	-	-
- Land sales - gain	50,000	-	-
- Investment income and commissions	-	-	-
- Other	43,500	22,087	20,643
Total Other Segmented Revenue	103,500	33,673	24,236
Conditional Grants			
- Student Employment	-	-	-
- Saskatchewan Infrastructure Growth Initiative	-	-	-
Total Conditional Grants	-	-	-
Total Operating	103,500	33,673	24,236
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Canada/Sask Municipal Rural Infrastructure Fund	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (Specify)	-	-	-
Total Capital	-	-	-
Total General Government Services	103,500	33,673	24,236

PROTECTIVE SERVICES

Operating

Other Segmented Revenue			
Fees and Charges	-	-	-
- Other (Fire protection and dog tag fees)	25,600	33,781	15,616
Total Fees and Charges	25,600	33,781	15,616
- Tangible capital asset sales - gain (loss)	-	-	-
- Donations	-	3,422	6,941
Total Other Segmented Revenue	25,600	37,203	22,557
Conditional Grants			
- Student Employment	-	-	-
- Local government	-	-	-
- Other (Specify)	-	-	-
Total Conditional Grants	-	-	-
Total Operating	25,600	37,203	22,557
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Local government	-	-	-
- Other (Specify)	-	-	-
Total Capital	-	-	-
Total Protective Services	25,600	37,203	22,557

Town of Birch Hills
 Consolidated Schedule of Operating and Capital Revenue by Function
 As at December 31, 2019

Schedule 2 - 2

	2019 Budget (Note 1)	2019	2018
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	-	-	-
- Sales of supplies	-	-	-
- Road Maintenance and Restoration Agreements	-	-	-
- Frontage	-	-	-
- Other (Airport Fuel, Interest)	25,000	72,860	44,564
Total Fees and Charges	25,000	72,860	44,564
- Tangible capital asset sales - gain (loss)	-	812	-
- Other (Specify)	-	-	-
Total Other Segmented Revenue	25,000	73,672	44,564
Conditional Grants			
- Primary Weight Corridor	-	-	-
- Student Employment	-	-	-
- Other (NCSWM)	-	-	-
Total Conditional Grants	-	-	-
Total Operating	25,000	73,672	44,564
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Canada/Sask Municipal Rural Infrastructure Fund	-	-	-
- Heavy Haul	-	-	-
- Designated Municipal Roads and Bridges	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (Specify)	-	-	-
Total Capital	-	-	-
Total Transportation Services	25,000	73,672	44,564

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	5,000	12,918	5,763
- Other (Specify)	-	-	-
Total Fees and Charges	5,000	12,918	5,763
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (NCSWM)	-	38,777	-
Total Other Segmented Revenue	5,000	51,695	5,763
Conditional Grants			
- NCSWM Grant	-	13,569	-
- Local government	-	-	-
- Transit Assistance	320	323	-
Total Conditional Grants	320	13,892	-
Total Operating	5,320	65,586	5,763
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Canada/Sask Municipal Rural Infrastructure Fund	-	-	-
- Transit for Disabled	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (Specify)	-	-	-
Total Capital	-	-	-
Total Environmental and Public Health Services	5,320	65,586	5,763

Town of Birch Hills
 Consolidated Schedule of Operating and Capital Revenue by Function
 As at December 31, 2019

Schedule 2 - 3

2019 Budget (Note 1) 2019 2018

PLANNING AND DEVELOPMENT SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges	-	-	-
- Other (Specify)	-	-	-
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (Specify)	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment	-	-	-
- Other (Specify)	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-

Capital

Conditional Grants			
- Federal Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (Specify)	-	-	-
Total Capital	-	-	-
Total Planning and Development Services	-	-	-

RECREATION AND CULTURAL SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Rec Board fees	260,700	266,436	240,338
Total Fees and Charges	260,700	266,436	240,338
- Tangible capital asset sales - gain (loss)	-	-	-
- Rec Board other income	300,600	302,341	487,928
- Donations - facilities	-	44,315	26,579
Total Other Segmented Revenue	561,300	613,092	754,845
Conditional Grants			
- Student Employment	-	-	-
- Local government	-	-	-
- Donations	-	-	-
- Other (Rec Board)	54,550	48,417	35,713
Total Conditional Grants	54,550	48,417	35,713
Total Operating	615,850	661,509	790,558

Capital

Conditional Grants			
- Federal Gas Tax	-	-	-
- Local government	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (Specify)	-	-	-
Total Capital	-	-	-
Total Recreation and Cultural Services	615,850	661,509	790,558

Town of Birch Hills
 Consolidated Schedule of Operating and Capital Revenue by Function
 As at December 31, 2019

Schedule 2 - 4

	2019 Budget (Note 1)	2019	2018
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	611,160	526,427	548,171
- Sewer	-	-	-
- Other	2,500	3,339	2,300
Total Fees and Charges	613,660	529,766	550,471
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (Insurance Proceeds)	-	-	-
Total Other Segmented Revenue	613,660	529,766	550,471
Conditional Grants			
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	613,660	529,766	550,471
Capital			
Conditional Grants			
- Federal Gas Tax	66,600	-	65,010
- Sask Water Corp.	-	-	-
- Provincial Disaster Assistance	-	-	-
- Saskatchewan Infrastructure Growth Initiative	-	-	-
Total Capital	66,600	-	65,010
Total Utility Services	680,260	529,766	615,481
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	1,455,530	1,401,409	1,503,159
SUMMARY			
Total Other Segmented Revenue	1,334,060	1,339,101	1,402,436
Total Conditional Grants	54,870	62,308	35,713
Total Capital Grants and Contributions	66,600	-	65,010
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	1,455,530	1,401,409	1,503,159

Town of Birch Hills
 Consolidated Schedule of Total Expenses by Function
 As at December 31, 2019

Schedule 3 - 1

	2019 Budget (Note 1)	2019	2018
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	90,000	85,522	77,311
Wages and benefits	178,200	171,923	157,987
Professional/Contractual services	202,600	201,384	146,395
Utilities	3,250	1,862	2,340
Maintenance, materials and supplies	37,800	33,126	39,148
Grants and contributions - operating	3,000	2,018	3,737
- capital	-	-	-
Amortization	-	7,468	7,469
Interest	-	-	-
Allowance for uncollectibles (recovery)	1,300	4,967	(112)
Other - Election	-	-	-
Total Government Services	516,150	508,270	434,275

PROTECTIVE SERVICES

Police protection

Wages and benefits	48,200	52,175	47,546
Professional/Contractual services	-	-	-
Utilities	-	-	-
Maintenance, material and supplies	-	-	-
Grants and contributions - operating	-	-	-
- capital	-	-	-
Other (Specify)	-	-	-

Fire protections

Wages and benefits	19,000	10,219	8,561
Professional/Contractual services	12,500	10,865	7,102
Utilities	10,520	4,792	4,682
Maintenance, material and supplies	16,000	14,061	10,977
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	9,547	9,547
Interest	-	-	-
Other - travel and convention	2,000	689	1,400
Total Protective Services	108,220	102,348	89,815

TRANSPORTATION SERVICES

Wages and benefits	161,800	173,250	195,075
Professional/Contractual Services	26,200	26,905	23,164
Utilities	29,500	29,596	29,128
Maintenance, materials, and supplies	126,451	58,500	48,434
Street Maintenance and gravel	75,000	63,867	27,335
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	121,083	116,390
Interest	-	32,006	38,153
Other (Specify)	-	-	-
Total Transportation Services	418,951	505,207	477,679

Town of Birch Hills
 Consolidated Schedule of Total Expenses by Function
 As at December 31, 2019

Schedule 3 - 2

	2019 Budget (Note 1)	2019	2018
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	109,500	92,639	103,220
Utilities	-	-	-
Maintenance, materials and supplies	200	-	156
Grants and contributions - operating	-	-	-
o Waste disposal	-	-	-
o Public Health	-	-	-
- capital	-	-	-
o Waste disposal	-	-	-
o Public Health	-	-	-
Amortization	-	8,879	10,338
Interest	-	-	-
Other (NCSWM)	-	18,865	-
Total Environmental and Public Health Services	109,700	120,383	113,714

PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	-	-	-
Professional/Contractual Services	-	-	2,116
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other (Specify)	-	-	-
Total Planning and Development Services	-	-	2,116

RECREATION AND CULTURAL SERVICES			
Wages and benefits	331,720	315,849	303,298
Professional/Contractual services	8,000	1,686	1,839
Utilities	60,305	68,876	66,150
Maintenance, materials and supplies	215,800	145,367	185,563
Grants and contributions - operating	26,500	92,961	53,024
- capital	-	-	-
Amortization	4,600	80,589	75,234
Interest	4,210	7,824	5,805
Allowance for uncollectibles	-	-	-
Other (Recreation Board expenses)	72,331	92,062	81,525
Total Recreation and Cultural Services	723,466	805,214	772,438

Town of Birch Hills
 Consolidated Schedule of Total Expenses by Function
 As at December 31, 2019

Schedule 3 - 3

	2019 Budget (Note 1)	2019	2018
UTILITY SERVICES			
Wages and benefits	50,000	50,000	50,000
Professional/Contractual services	9,200	10,919	9,886
Utilities	45,000	42,851	43,322
Maintenance, materials and supplies	215,000	152,766	180,095
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	152,410	152,410
Interest	40,000	15,243	19,368
Allowance for uncollectibles	-	-	-
Other (Bad debt)	-	-	-
Total Utility Services	359,200	424,189	455,081
TOTAL EXPENSES BY FUNCTION	2,235,687	2,465,611	2,345,118

Town of Birch Hills
 Consolidated Schedule of Current Year 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
Revenues (Schedule 2)								
Fees and Charges	11,586	33,781	72,860	12,918	-	266,436	529,766	927,347
Tangible Capital Asset Sales - Gain	-	-	812	-	-	-	-	812
Land Sales - Gain	-	-	-	-	-	-	-	-
Investment Income and Commissions	-	-	-	-	-	-	-	-
Other Revenues	22,087	3,422	-	38,777	-	346,656	-	410,942
Grants - Conditional	-	-	-	13,892	-	48,417	-	62,308
- Capital	-	-	-	-	-	-	-	-
Total revenues	33,673	37,203	73,672	65,586	-	661,509	529,766	1,401,409
Expenses (Schedule 3)								
Wages & Benefits	257,445	62,394	173,250	-	-	315,849	50,000	858,938
Professional/ Contractual Services	201,384	10,865	26,905	92,639	-	1,686	10,919	344,398
Utilities	1,862	4,792	29,596	-	-	68,876	42,851	147,977
Maintenance Materials and Supplies	33,126	14,061	122,367	-	-	145,367	152,766	467,687
Grants and Contributions	2,018	-	-	-	-	92,961	-	94,979
Amortization	7,468	9,547	121,083	8,879	-	80,589	152,410	379,976
Interest	-	-	32,006	-	-	7,824	15,243	55,073
Allowance for Uncollectibles	4,967	-	-	-	-	-	-	4,967
Other	-	689	-	18,865	-	92,062	-	111,616
Total expenses	508,270	102,348	505,207	120,383	-	805,214	424,189	2,465,611
Surplus (Deficit) by Function	(474,597)	(65,145)	(431,535)	(54,797)	-	(143,705)	105,577	(1,064,202)

Taxation and other unconditional revenue (Schedule 1)

1,245,738

Net Surplus (Deficit)

181,536

Town of Birch Hills
 Consolidated Schedule of Prior Year 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
Revenues (Schedule 2)								
Fees and Charges	3,593	15,616	44,564	5,763	-	240,338	550,471	860,345
Tangible Capital Asset Sales - Gain	-	-	-	-	-	-	-	-
Land Sales - Gain	-	-	-	-	-	-	-	-
Investment Income and Commissions	-	-	-	-	-	-	-	-
Other Revenues	20,643	6,941	-	-	-	514,506	-	542,090
Grants - Conditional	-	-	-	-	-	35,713	-	35,713
- Capital	-	-	-	-	-	-	65,010	65,010
Total revenues	24,236	22,557	44,564	5,763	-	790,557	615,481	1,503,158
Expenses (Schedule 3)								
Wages & Benefits	235,298	56,107	195,075	-	-	303,298	50,000	839,778
Professional/ Contractual Services	146,395	7,102	23,164	103,220	2,116	1,839	9,886	293,722
Utilities	2,340	4,682	29,128	-	-	66,150	43,322	145,622
Maintenance Materials and Supplies	39,148	10,977	75,769	156	-	185,563	180,095	491,708
Grants and Contributions	3,737	-	-	-	-	53,024	-	56,761
Amortization	7,469	9,547	116,390	10,338	-	75,234	152,410	371,388
Interest	-	-	38,153	-	-	5,805	19,368	63,326
Allowance for Uncollectibles	(112)	-	-	-	-	-	-	(112)
Other	-	1,400	-	-	-	81,525	-	82,925
Total expenses	434,275	89,815	477,679	113,714	2,116	772,438	455,081	2,345,118
Surplus (Deficit) by Function	(410,039)	(67,258)	(433,115)	(107,951)	(2,116)	18,119	160,400	(841,960)
Taxation and other unconditional revenue (Schedule 1)								2,093,263
Net Surplus (Deficit)								1,251,303

Town of Birch Hills
 Consolidated Schedule of Tangible Capital Assets by Object
 As at December 31, 2019

	2019							2018	
	General Assets				Infrastructure Assets	General / Infrastructure			
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Assets Under Construction	Total	
Assets									
Asset cost									
Opening Asset costs	16,000	577,411	4,693,697	495,186	1,112,043	8,781,687	163,175	15,839,199	15,291,610
Additions during the year	91,724	-	26,023	-	167,046	59,102	321,251	665,146	547,589
Disposals and write-downs during the year	-	(4,000)	-	-	(32,776)	-	-	(36,776)	-
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-
Closing Asset Costs	107,724	573,411	4,719,720	495,186	1,246,313	8,840,789	484,426	16,467,569	15,839,199
Amortization									
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	-	81,326	1,794,776	380,953	782,295	4,527,203	-	7,566,553	7,195,167
Add: Amortization taken	-	3,106	104,841	46,894	51,807	173,327	-	379,976	371,386
Less: Accumulated amortization on disposals	-	-	-	-	(16,388)	-	-	(16,388)	-
Closing Accumulated Amortization Costs	-	84,432	1,899,617	427,847	817,714	4,700,530	-	7,930,141	7,566,553
Net Book Value	107,724	488,979	2,820,102	67,339	428,599	4,140,259	484,426	8,537,428	8,272,646

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

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

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

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

Town of Birch Hills
 Consolidated 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
Assets									
Asset cost									
Opening Asset costs	686,376	171,962	4,471,048	148,487	-	3,485,197	6,876,129	15,839,199	15,291,610
Additions during the year	53,095	-	117,185	20,983	-	160,581	313,303	665,146	547,589
Disposals and write-downs during the year	(4,000)	-	(32,776)	-	-	-	-	(36,776)	-
Closing Asset Costs	735,471	171,962	4,555,457	169,470	-	3,645,778	7,189,432	16,467,569	15,839,199
Amortization									
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	195,015	112,098	1,906,755	132,545	-	2,431,682	2,788,458	7,566,553	7,195,167
Add: Amortization taken	23,110	9,547	121,083	8,879	-	44,030	173,327	379,976	371,386
Less: Accumulated amortization on disposals	-	-	(16,388)	-	-	-	-	(16,388)	-
Closing Accumulated Amortization Costs	218,125	121,645	2,011,450	141,424	-	2,475,712	2,961,785	7,930,141	7,566,553
Net Book Value	517,346	50,317	2,544,007	28,046	-	1,170,066	4,227,647	8,537,428	8,272,646

Town of Birch Hills
 Consolidated Schedule of Accumulated Surplus
 As at December 31, 2019

Schedule 8

	2018	Changes	2019
UNAPPROPRIATED SURPLUS	1,830,296	(404,035)	1,426,261
APPROPRIATED RESERVES			
Recreation Board operations	271,350	8,611	279,961
Fire Department Reserve	40,358	2,933	43,291
North Central Sask Waste Management Corp	-	33,480	33,480
Utility	-	-	-
Other (Specify)	-	-	-
Total Appropriated	311,708	45,024	356,732
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	8,272,646	264,782	8,537,428
Less: Related debt	(1,499,863)	275,764	(1,224,099)
Net Investment in Tangible Capital Assets	6,772,783	540,546	7,313,329
Total Accumulated Surplus	8,914,787	181,536	9,096,323

Town of Birch Hills
 Schedule of Mill Rates and Assessments
 As at December 31, 2019

	PROPERTY CLASS							Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)		
Taxable Assessment	160,435	62,054,960			6,008,500			68,223,895
Regional Park Assessment								
Total Assessment								68,223,895
Mill Rate Factor(s)	1.00	1.00			2.10			
Total Base/Minimum Tax (generated for each property class)		396,500			29,050			425,550
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	1,620	837,892			138,572			978,084

MILL RATES:

	MILLS
Average Municipal*	14.34
Average School*	4.3030
Potash Mill Rate	
Uniform Municipal Mill Rate	10.10

* 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 Birch Hills
 Schedule of Council Remuneration
 As at December 31, 2019

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Mayor	Dale Pratt	12,000	3,115	15,115
Councillor	Barry Evans	8,000	4,309	12,309
Councillor	John Herd	8,000	2,554	10,554
Councillor	Owen Stubbs	8,000	2,440	10,440
Councillor	Keith Matheson	8,000	2,090	10,090
Councillor	Graham Tweten	8,000	2,067	10,067
Councillor	Sharon Rolfes	8,000	1,614	9,614
Total		60,000	18,189	78,189