

TOWN OF FORT QU'APPELLE

FINANCIAL STATEMENTS

December 31, 2018

Management's Responsibility

The Town of Fort Qu'Appelle ("the Town")'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 judgements 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 Town. 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 Town's external auditors.

Deloitte LLP, 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.



Mayor



Chief Administrative Officer



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Independent Auditor's Report

To the Mayor and Council of the Town of Fort Qu'Appelle

Qualified Opinion

We have audited the financial statements of the Town of Fort Qu'Appelle (the "Town"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, except for the possible effects on the comparative information of the matter described in the *Basis for Qualified Opinion* section of this report, and except for the possible effects of the matter described in the Basis for Qualified Opinion section of this report, the accompanying financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2018 and its results of operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Qualified Opinion

The predecessor auditor was not able to verify completeness of revenue from fees and charges except for fees and charges related to utilities. Since revenue from fees and charges affects the determination of the financial position, results of operations, changes in net financial assets and cash flows, the predecessor auditor was unable to determine whether adjustments to the statement of financial position as at December 31, 2017 and the results of operations and changes in net financial assets and cash flows for the year then ended might be necessary. The predecessor auditor's opinion on the financial statements for the year ended December 31, 2017 was modified accordingly because of the possible effects of this limitation of scope. As a result, our opinion on the current year's financial statements is also modified because of the possible effects of this matter on the current year results of operations, changes in net financial assets and cash flows and because of the possible effects of this matter on the comparability of the current year's financial position figures and the comparative information.

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Other Matter

The financial statements of the Town of Fort Qu'Appelle for the year ended December 31, 2017 were audited by another auditor who expressed a qualified opinion on those financial statements on May 30, 2018 for the reasons described in the *Basis for Qualified Opinion* section.

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 PSAS, 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 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS 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 GAAS, 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 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 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 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.



Chartered Professional Accountants
Regina, Saskatchewan
May 9, 2019

Town of Fort Qu'Appelle
Statement of Financial Position
As at December 31, 2018

	2018	2017
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	2,734,510	1,051,392
Taxes Receivable - Municipal (Note 3)	170,193	172,635
Other Accounts Receivable (Note 4)	600,360	1,205,468
Land for Resale (Note 5)	60,148	59,298
Other (Overpayment to School Division)	21,694	-
Total Financial Assets	3,586,905	2,488,793
LIABILITIES		
Accounts Payable	694,627	401,486
Deposits	59,666	50,531
Deferred Revenue (Note 7)	45,835	29,507
Other Liabilities	-	15,414
Long-Term Debt (Note 8)	1,051,554	-
Total Liabilities	1,851,682	496,938
NET FINANCIAL ASSETS	1,735,223	1,991,855
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	15,347,154	14,094,268
Prepayments and Deferred Charges	62,616	95,986
Stock and Supplies	-	4,068
Total Non-Financial Assets	15,409,770	14,194,322
ACCUMULATED SURPLUS (Schedule 8)	17,144,993	16,186,177

**Town of Fort Qu'Appelle
Statement of Operations
As at December 31, 2018**

Statement 2

	2018 Budget	2018	2017
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	2,598,873	2,750,106	2,650,477
Fees and Charges (Schedule 4, 5)	1,460,738	1,384,793	1,357,876
Conditional Grants (Schedule 4, 5)	49,126	114,694	69,479
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	-	-	(26,450)
Land Sales - Gain (Schedule 4, 5)	10,000	11,003	34,474
Investment Income and Commissions (Schedule 4, 5)	8,000	21,442	9,175
Other Revenues (Schedule 4, 5)	-	21,917	-
Total Revenues	4,126,737	4,303,955	4,095,031
EXPENSES			
General Government Services (Schedule 3)	930,655	939,551	636,902
Protective Services (Schedule 3)	279,682	299,260	304,730
Transportation Services (Schedule 3)	843,048	875,826	1,326,874
Environmental and Public Health Services (Schedule 3)	412,391	393,897	396,881
Planning and Development Services (Schedule 3)	7,384	3,888	1,411
Recreation and Cultural Services (Schedule 3)	811,555	771,915	763,417
Utility Services (Schedule 3)	814,502	897,147	905,309
Total Expenses	4,099,217	4,181,484	4,335,524
Surplus of Revenues over Expenses before Other Capital Contributions	27,520	122,471	(240,493)
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	408,919	836,345	830,162
Surplus of Revenues over Expenses	436,439	958,816	589,669
Accumulated Surplus, Beginning of Year	16,186,177	16,186,177	15,596,508
Accumulated Surplus, End of Year	16,622,616	17,144,993	16,186,177

Town of Fort Qu'Appelle
Statement of Change in Net Financial Assets
As at December 31, 2018

Statement 3

	2018 Budget	2018	2017
Surplus of Revenues over Expenses	436,439	958,816	589,669
Acquisition of tangible capital assets	-	(1,943,497)	(1,049,075)
Amortization of tangible capital assets	-	690,611	611,729
Proceeds on disposal of tangible capital assets	-	-	30,000
Loss on the disposal of tangible capital assets	-	-	26,450
Deficit of capital expenses over expenditures	-	(1,252,886)	(380,896)
Acquisition of prepaid expense	-	-	(51,596)
Consumption of supplies inventory	-	4,068	3,051
Use of prepaid expense	-	33,370	-
Surplus (Deficit) of expenses of other non-financial over expenditures	-	37,438	(48,545)
(Decrease) Increase in Net Financial Assets	436,439	(256,632)	160,228
Net Financial Assets - Beginning of Year	1,991,855	1,991,855	1,831,627
Net Financial Assets - End of Year	2,428,294	1,735,223	1,991,855

Town of Fort Qu'Appelle
Statement of Cash Flow
As at December 31, 2018

Statement 4

	2018	2017
Cash provided by (used for) the following activities		
Operating:		
Surplus of Revenues over Expenses	958,816	589,669
Amortization	690,611	611,729
Loss on disposal of tangible capital assets	-	26,450
	<u>1,649,427</u>	<u>1,227,848</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	2,442	(48,302)
Other Accounts Receivable	605,108	(739,972)
Land for Resale	(850)	2,275
Other Financial Assets	(21,694)	-
Accounts Payable	293,141	210,199
Deposits	9,135	12,431
Deferred Revenue	16,328	(17,157)
Other Liabilities	(15,414)	15,414
Stock and Supplies	4,068	3,051
Prepayments and Deferred Charges	33,370	(51,596)
Cash provided by operating transactions	<u>2,575,061</u>	<u>614,191</u>
Capital:		
Acquisition of capital assets	(1,943,497)	(1,049,075)
Proceeds from the disposal of capital assets	-	30,000
Cash used in capital transactions	<u>(1,943,497)</u>	<u>(1,019,075)</u>
Financing:		
Long-term debt issued	1,072,653	-
Long-term debt repaid	(21,099)	-
Cash provided by financing transactions	<u>1,051,554</u>	<u>-</u>
Change in Cash and Temporary Investments during the year	<u>1,683,118</u>	<u>(404,884)</u>
Cash and Temporary Investments - Beginning of Year	<u>1,051,392</u>	<u>1,456,276</u>
Cash and Temporary Investments - End of Year	<u>2,734,510</u>	<u>1,051,392</u>

Town of Fort Qu'Appelle
Notes to the Financial Statements
As at December 31, 2018

1. Significant Accounting Policies

The financial statements of the Town of Fort Qu'Appelle 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 Town are as follows:

- a) **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.
- b) **Collection of funds for other authorities:** Collection of funds by the Town for school boards, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.
- c) **Revenue Recognition:** Property tax revenue is based on assessments determined in accordance with provincial legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually. Penalties on overdue taxes are recorded in the period levied.

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.

Fees and charges are recognized when the related services are performed.

Utility revenue is recognized based on the established rates for sewer, water and waste water usage.

Investment income and commissions are recognized in the period in which they are earned.

- 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.

Town of Fort Qu'Appelle
Notes to the Financial Statements
As at December 31, 2018

1. Significant Accounting Policies - continued

- j) **Inventories:** Inventories of materials and supplies expected to be used by the Town 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 operations.
- k) **Tangible Capital Assets:** All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant 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 Town's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land Improvements	5 to 40 Yrs
Buildings	10 to 60 Yrs
Vehicles & Equipment	
Vehicles	5 to 25 Yrs
Machinery and Equipment	5 to 40 Yrs
<i>Infrastructure Assets</i>	
Water & Sewer	30 to 75 Yrs
Road Network Assets	30 to 75 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 Town does not capitalize interest incurred while a tangible capital asset is under construction.

Assets Under Construction: Assets under construction are not amortized until they are available for use.

Leases: All leases are recorded on the 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 basis, over their estimated useful lives. Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

- l) **Landfill Liability:** The Town does not maintain a waste disposal site.
- m) **Employee Benefit Plans:** Contributions to the Town's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the Town's obligations are limited to their contributions.
- n) **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 Town:
 - 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.

Town of Fort Qu'Appelle
Notes to the Financial Statements
As at December 31, 2018

1. Significant Accounting Policies - continued

- o) **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. Key estimates include the collectability of accounts receivable, and the useful lives of tangible capital assets.

Certain amounts of grant funding recognized as receivable and revenue in the year are based on management's best estimates as to the extent of the eligibility of various expenditures under the various funding programs for which the Town has been approved. Final determination as to the actual amount of funding provided to the Town under certain of these funding programs are made by government based on their evaluation of reports/claims provided to them by the Town. It is possible, under certain funding programs for there to be differences between the amount of management's estimated funding earned under the programs and the actual funding received.

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.

- p) **Basis of Segmentation/Segment Report:** The Town 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 purpose of specific borrowings.

The segments (functions) are as follows:

General Government: Provides for the administration of the Town.

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 Town.

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.

- q) **Budget Information:** Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on May 16, 2018.

- r) **New Accounting Standards:** Effective January 1, 2018, the Town adopted the following Canadian public sector accounting standards. The description of these changes and their impact on the financial statements is summarized:

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

PS 3320 Contingent Assets defines and establishes disclosure standards on the reporting and disclosure of possible assets that may arise from existing conditions or situations involving uncertainty. Disclosure is required when the occurrence of the confirming future event is likely. The Town does not have any reportable contingent assets.

PS 3380 Contractual Rights defines and establishes disclosure standards on contractual rights. Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future. The Town does not have any reportable contractual rights.

2. Cash and Temporary Investments

	2018
Cash	1,930,401
Temporary Investments	804,109
Total Cash and Temporary Investments	2,734,510

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

Town of Fort Qu'Appelle
Notes to the Financial Statements
As at December 31, 2018

3. Taxes Receivable - Municipal

	2018	2017
Municipal - Current	101,332	119,454
- Arrears	62,396	53,181
	163,728	172,635
- Less Allowance for Uncollectible	-	-
Total municipal taxes receivable	163,728	172,635
School - Current	3,310	49,618
- Arrears	24,065	22,789
Total school taxes receivable	27,375	72,407
Other	-	-
Total taxes and grants in lieu receivable	191,103	245,042
Deduct taxes receivable to be collected on behalf of other organizations	(20,910)	(72,407)
Total Taxes Receivable - Municipal	170,193	172,635

4. Other Accounts Receivable

	2018	2017
Federal Government	109,099	183,348
Provincial Government	311,634	771,150
Utility	191,729	197,619
Trade	-	65,453
Total Other Accounts Receivable	612,462	1,217,570
Less: Allowance for Uncollectible	(12,102)	(12,102)
Net Other Accounts Receivable	600,360	1,205,468

5. Land for Resale

	2018	2017
Other Land	60,148	59,298
Allowance for market value adjustment	-	-
Net Other Land	60,148	59,298
Total Land for Resale	60,148	59,298

Town of Fort Qu'Appelle
Notes to the Financial Statements
As at December 31, 2018

6. Bank Indebtedness

Credit Arrangements

At December 31, 2018, the Town had lines of credit totaling \$1,600,000 (2017 - \$100,000), none of which were drawn. The Town has collateralized in connection with this line of credit a general security agreement and specific personal property.

7. Deferred Revenue

	2018	2017
Prepaid taxes	39,631	25,337
Prepaid utilities	3,051	2,040
Other	3,153	2,130
Total Deferred Revenue	45,835	29,507

8. Long-Term Debt

The debt limit of the Town is \$3,306,128. The debt limit for the Town has been established by the Saskatchewan Municipal Board (the *Municipalities Act* section 161(2)).

There are three debenture debt repayable with annual installments of i) \$30,039 with an interest rate of 3.55% and maturity date on December 1, 2038; ii) \$90,562 with an interest rate of 3.20% and maturity date on November 1, 2025; and iii) \$30,835 with an interest rate of 3.53% maturity date on March 1, 2021.

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Year Total
2019	116,544	34,892	151,436
2020	120,439	30,997	151,436
2021	101,010	27,249	128,259
2022	96,442	24,159	120,601
2023	99,586	21,015	120,601
Thereafter	517,533	114,178	631,711
Balance	1,051,554	252,490	1,304,044

9. Lease Obligations

The Town has operating lease agreements with regards to office and maintenance equipment, with agreements expiring between April 2019 to April 2022.

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
2019	12,071
2020	11,536
2021	11,536
Capital Lease Liability	38,141

Town of Fort Qu'Appelle
Notes to the Financial Statements
As at December 31, 2018

10. Contingent Liabilities

The Town is contingently liable under terms of the Saskatchewan Association of Rural Municipalities Self-Insurance Plan for its proportionate share of claims and future claims in excess of the Plan's reserve fund.

11. Pension Plan

The Town 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 Town's pension expense in 2018 was \$42,665 (2017 - \$41,792). The benefits accrued to the Town's employees from MEPP are calculated using the following: Pensionable Years of Service, Highest Average Salary, and the plan accrual rate.

12. Contractual Obligations and Commitments

The Town has entered into a contract to complete capital improvements to its sewer system. As of December 31, 2018, \$1,760,996 of work has been completed. Total estimated cost to complete the improvements is \$45,683. Costs incurred as of December 31, 2018 for the assets that are not yet in use have been capitalized in Assets Under Construction.

Town of Fort Qu'Appelle
Schedule of Taxes and Other Unconditional Revenue
As at December 31, 2018

Schedule 1

	2018 Budget	2018	2017
TAXES			
General municipal tax levy	2,077,413	2,090,292	2,078,757
Abatements and adjustments	(16,000)	(9,179)	(18,377)
Discount on current year taxes	(98,723)	(79,799)	(98,787)
Net Municipal Taxes	1,962,690	2,001,314	1,961,593
Potash tax share	-	-	-
Trailer license fees	6,900	6,821	6,825
Penalties on tax arrears	20,000	23,916	16,505
Special tax levy	-	-	-
Other	-	-	-
Total Taxes	1,989,590	2,032,051	1,984,923
UNCONDITIONAL GRANTS			
Revenue Sharing	405,783	403,894	433,236
Total Unconditional Grants	405,783	403,894	433,236
GRANTS IN LIEU OF TAXES			
Federal	17,500	16,678	17,602
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
TransGas	-	-	-
Central Services	-	-	-
SaskTel	-	-	4,210
Other (SPM)	20,000	10,618	5,908
Local/Other			
Housing Authority	15,700	18,216	18,216
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	14,700	86,239	26,077
Other	-	-	-
Other Government Transfers			
S.P.C. Surcharge	135,600	140,441	136,025
Sask Energy Surcharge	-	41,969	24,280
Other	-	-	-
Total Grants in Lieu of Taxes	203,500	314,161	232,318
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	2,598,873	2,750,106	2,650,477

Town of Fort Qu'Appelle
 Schedule of Operating and Capital Revenue by Function
 As at December 31, 2018

Schedule 2 - 1

	2018 Budget	2018	2017
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	7,500	10,699	6,746
- Sales of supplies	-	-	-
- Other (cemetery certificates, licenses and other miscellaneous)	31,275	15,175	15,520
Total Fees and Charges	38,775	25,874	22,266
- Tangible capital asset sales - gain (loss)	-	-	-
- Land sales - gain	10,000	11,003	34,474
- Investment income and commissions	8,000	21,442	9,175
- Other	-	21,917	-
Total Other Segmented Revenue	56,775	80,236	65,915
Conditional Grants			
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	56,775	80,236	65,915
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Total General Government Services	56,775	80,236	65,915

PROTECTIVE SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (Police, fire and pound fees)	75,000	88,408	77,748
Total Fees and Charges	75,000	88,408	77,748
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	75,000	88,408	77,748
Conditional Grants			
- Student Employment	-	-	-
- Local government	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	75,000	88,408	77,748
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Local government	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Total Protective Services	75,000	88,408	77,748

Town of Fort Qu'Appelle
 Schedule of Operating and Capital Revenue by Function
 As at December 31, 2018

Schedule 2 - 2

	2018 Budget	2018	2017
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	-	-	-
- Sales of supplies	-	-	-
- Road Maintenance and Restoration Agreements	-	-	-
- Frontage	-	-	-
- Other	-	-	-
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)	-	-	(26,450)
- Other	-	-	-
Total Other Segmented Revenue	-	-	(26,450)
Conditional Grants			
- MREP (CTP)	-	-	-
- Student Employment	-	-	-
- Other (Ministry of Highway)	10,271	10,271	10,271
Total Conditional Grants	10,271	10,271	10,271
Total Operating	10,271	10,271	(16,179)
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- MREP (Heavy Haul, CTP, Municipal Bridges)	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Total Transportation Services	10,271	10,271	(16,179)

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	-	-	-
- Other (transit van)	9,000	7,639	6,951
Total Fees and Charges	9,000	7,639	6,951
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	9,000	7,639	6,951
Conditional Grants			
- Student Employment	-	-	-
- TAPD	-	-	-
- Local government	-	-	-
- Other (transit van, recycling)	2,659	10,089	12,138
Total Conditional Grants	2,659	10,089	12,138
Total Operating	11,659	17,728	19,089
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- TAPD	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Total Environmental and Public Health Services	11,659	17,728	19,089

Town of Fort Qu'Appelle
 Schedule of Operating and Capital Revenue by Function
 As at December 31, 2018

Schedule 2 - 3

	2018 Budget	2018	2017
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges	15,000	11,050	15,770
- Other	-	-	-
Total Fees and Charges	15,000	11,050	15,770
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	15,000	11,050	15,770
Conditional Grants			
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	15,000	11,050	15,770
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Total Planning and Development Services	15,000	11,050	15,770

RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (advertising, campground and rentals)	348,007	238,340	242,501
Total Fees and Charges	348,007	238,340	242,501
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	348,007	238,340	242,501
Conditional Grants			
- Student Employment	3,946	8,946	1,930
- Local government	8,000	8,000	10,500
- Other (Sask lotteries, donations, etc.)	24,250	77,388	34,640
Total Conditional Grants	36,196	94,334	47,070
Total Operating	384,203	332,674	289,571
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Local government	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (Living Sky Community Development, and donations)	-	98,929	(200)
Total Capital	-	98,929	(200)
Total Recreation and Cultural Services	384,203	431,603	289,371

Town of Fort Qu'Appelle
 Schedule of Operating and Capital Revenue by Function
 As at December 31, 2018

Schedule 2 - 4

	2018 Budget	2018	2017
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	229,700	239,821	265,887
- Sewer	723,200	742,238	726,753
- Other	22,056	31,423	-
Total Fees and Charges	974,956	1,013,482	992,640
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	974,956	1,013,482	992,640
Conditional Grants			
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	974,956	1,013,482	992,640
Capital			
Conditional Grants			
- Federal Gas Tax	408,919	124,277	123,667
- New Building Canada Fund (SCF, NRP)	-	-	-
- Clean Water and Wastewater Fund	-	613,139	706,695
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	408,919	737,416	830,362
Total Utility Services	1,383,875	1,750,898	1,823,002
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	1,936,783	2,390,194	2,274,716
SUMMARY			
Total Other Segmented Revenue	1,478,738	1,439,155	1,375,075
Total Conditional Grants	49,126	114,694	69,479
Total Capital Grants and Contributions	408,919	836,345	830,162
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	1,936,783	2,390,194	2,274,716

Town of Fort Qu'Appelle
 Total Expenses by Function
 As at December 31, 2018

Schedule 3 - I

	2018 Budget	2018	2017
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	59,893	56,217	68,993
Wages and benefits	365,726	358,801	270,402
Professional/Contractual services	412,053	420,675	200,397
Utilities	23,192	25,514	21,527
Maintenance, materials and supplies	43,541	40,587	54,020
Grants and contributions - operating	2,800	2,690	1,550
- capital	-	-	-
Amortization	-	20,400	9,387
Interest	22,950	6,309	2,626
Allowance for uncollectible	500	8,358	8,000
Other	-	-	-
Total Government Services	930,655	939,551	636,902
PROTECTIVE SERVICES			
Police protection			
Wages and benefits	-	-	-
Professional/Contractual services	154,508	154,262	159,084
Utilities	-	-	-
Maintenance, material and supplies	-	-	-
Grants and contributions - operating	-	-	-
- capital	-	-	-
Other	-	-	-
Fire protection			
Wages and benefits	58,300	66,088	56,525
Professional/Contractual services	5,304	5,295	6,143
Utilities	7,013	7,490	4,756
Maintenance, material and supplies	48,956	22,383	31,519
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	41,522	43,498
Interest	-	-	-
Other (Insurance, membership, and travel)	5,601	2,220	3,205
Total Protective Services	279,682	299,260	304,730
TRANSPORTATION SERVICES			
Wages and benefits	302,268	270,119	274,843
Professional/Contractual Services	116,500	33,419	404,774
Utilities	51,145	52,405	51,177
Maintenance, materials, and supplies	343,135	167,033	263,208
Gravel	30,000	22,637	27,132
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	330,213	305,740
Interest	-	-	-
Other	-	-	-
Total Transportation Services	843,048	875,826	1,326,874

Town of Fort Qu'Appelle
 Total Expenses by Function
 As at December 31, 2018

Schedule 3 - 2

	2018 Budget	2018	2017
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	115,306	97,490	98,408
Professional/Contractual services	278,370	272,304	272,414
Utilities	1,905	2,221	1,782
Maintenance, materials and supplies	15,310	17,529	20,143
Grants and contributions - operating			
o Waste disposal	-	-	-
o Public Health	-	-	-
- capital	-	-	-
o Waste disposal	-	-	-
o Public Health	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other (Cemetery)	1,500	4,353	4,134
Total Environmental and Public Health Services	412,391	393,897	396,881
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	-	-	-
Professional/Contractual Services	7,384	3,888	1,411
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Total Planning and Development Services	7,384	3,888	1,411
RECREATION AND CULTURAL SERVICES			
Wages and benefits	265,535	278,533	273,916
Professional/Contractual services	45,456	46,120	46,331
Utilities	144,551	137,103	141,156
Maintenance, materials and supplies	316,563	128,720	150,644
Grants and contributions - operating	39,450	62,597	33,749
- capital	-	-	-
Amortization	-	118,842	117,621
Interest	-	-	-
Allowance for uncollectible	-	-	-
Other	-	-	-
Total Recreation and Cultural Services	811,555	771,915	763,417

Town of Fort Qu'Appelle
 Total Expenses by Function
 As at December 31, 2018

Schedule 3 - 3

	2018 Budget	2018	2017
UTILITY SERVICES			
Wages and benefits	128,650	137,923	129,175
Professional/Contractual services	-	3,480	-
Utilities	480,902	476,723	478,460
Maintenance, materials and supplies	202,450	98,937	158,031
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	179,634	135,483
Interest	-	-	-
Allowance for Uncollectible	-	-	-
Other (Travel, Training and Membership)	2,500	450	4,160
Total Utility Services	814,502	897,147	905,309
TOTAL EXPENSES BY FUNCTION	4,099,217	4,181,484	4,335,524

Town of Fort Qu'Appelle
 Schedule of Segment Disclosure by Function
 As at December 31, 2018

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	25,874	88,408	-	7,639	11,050	238,340	1,013,482	1,384,793
Tangible Capital Asset Sales - Gain	-	-	-	-	-	-	-	-
Land Sales - Gain	11,003	-	-	-	-	-	-	11,003
Investment Income and Commissions	21,442	-	-	-	-	-	-	21,442
Other Revenues	21,917	-	-	-	-	-	-	21,917
Grants - Conditional	-	-	10,271	10,089	-	94,334	-	114,694
- Capital	-	-	-	-	-	98,929	737,416	836,345
Total Revenues	80,236	88,408	10,271	17,728	11,050	431,603	1,750,898	2,390,194
Expenses (Schedule 3)								
Wages & Benefits	415,018	66,088	270,119	97,490	-	278,533	137,923	1,265,171
Professional/ Contractual Services	420,675	159,557	33,419	272,304	3,888	46,120	3,480	939,443
Utilities	25,514	7,490	52,405	2,221	-	137,103	476,723	701,456
Maintenance Materials and Supplies	40,587	22,383	189,670	17,529	-	128,720	98,937	497,826
Grants and Contributions	2,690	-	-	-	-	62,597	-	65,287
Amortization	20,400	41,522	330,213	-	-	118,842	179,634	690,611
Interest	6,309	-	-	-	-	-	-	6,309
Allowance for Uncollectible	8,358	-	-	-	-	-	-	8,358
Other	-	2,220	-	4,353	-	-	450	7,023
Total Expenses	939,551	299,260	875,826	393,897	3,888	771,915	897,147	4,181,484
(Deficit) Surplus by Function	(859,315)	(210,852)	(865,555)	(376,169)	7,162	(340,312)	853,751	(1,791,290)
Taxes and other unconditional revenue (Schedule 1)								2,750,106
Surplus of Revenues over Expenses								958,816

Town of Fort Qu'Appelle
Schedule of Segment Disclosure by Function
As at December 31, 2017

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	22,266	77,748	-	6,951	15,770	242,501	992,640	1,357,876
Tangible Capital Asset Sales - Gain	-	-	(26,450)	-	-	-	-	(26,450)
Land Sales - Gain	34,474	-	-	-	-	-	-	34,474
Investment Income and Commissions	9,175	-	-	-	-	-	-	9,175
Other Revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	10,271	12,138	-	47,070	-	69,479
- Capital	-	-	-	-	-	(200)	-	830,162
Total Revenues	65,915	77,748	(16,179)	19,089	15,770	289,371	1,823,002	2,274,716
Expenses (Schedule 3)								
Wages & Benefits	339,395	56,525	274,843	98,408	-	273,916	129,175	1,172,262
Professional/ Contractual Services	200,397	165,227	404,774	272,414	1,411	46,331	-	1,090,554
Utilities	21,527	4,756	51,177	1,782	-	141,156	478,460	698,858
Maintenance Materials and Supplies	54,020	31,519	290,340	20,143	-	150,644	158,031	704,697
Grants and Contributions	1,550	-	-	-	-	33,749	-	35,299
Amortization	9,387	43,498	305,740	-	-	117,621	135,483	611,729
Interest	2,626	-	-	-	-	-	-	2,626
Allowance for Uncollectible	8,000	-	-	-	-	-	-	8,000
Other	-	3,205	-	4,134	-	-	4,160	11,499
Total Expenses	636,902	304,730	1,326,874	396,881	1,411	763,417	905,309	4,335,524
(Deficit) Surplus by Function	(570,987)	(226,982)	(1,343,053)	(377,792)	14,359	(474,046)	917,693	(2,060,808)
Taxes and other unconditional revenue (Schedule 1)								2,650,477
Surplus of Revenues over Expenses								589,669

Town of Fort Qu'Appelle
 Schedule of Tangible Capital Assets by Object
 As at December 31, 2018

Schedule 6

2017

2018

	2018						2017	
	General Assets			Infrastructure Assets	General/Infrastructure Assets Under Construction	Total	Total	Total
	Land	Land Improvements	Buildings					
Asset cost								
Opening Asset costs	1,063,976	678,420	6,901,543	1,629,767	1,240,736	16,984,266	980,641	28,605,413
Additions during the year	33,400	50,792	544,765	231,395	26,430	241,222	815,493	1,049,075
Disposals and write-downs during the year	-	-	-	-	-	-	-	(175,139)
Transfers (from) assets under construction	-	-	-	-	-	1,760,996	(1,760,996)	-
Closing Asset Costs	1,097,376	729,212	7,446,308	1,861,162	1,267,166	18,986,484	35,138	29,479,349
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	-	280,198	3,830,636	805,984	585,340	9,882,923	-	14,892,041
Add: Amortization taken	-	32,717	142,410	97,774	62,124	355,586	-	611,729
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	(118,689)
Closing Accumulated Amortization	-	312,915	3,973,046	903,758	647,464	10,238,509	-	15,385,081
Net Book Value	1,097,376	416,297	3,473,262	957,404	619,702	8,747,975	35,138	14,094,268

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

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

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

3. Amount of interest capitalized in Schedule 6 \$ -

Town of Fort Qu'Appelle
Schedule of Tangible Capital Assets by Function
As at December 31, 2018

Schedule 7

	2018						2017	
	General Government	Protective Services	Transportation & Public Health	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total
Assets								
Asset cost								
Opening Asset costs	704,192	1,133,434	14,913,199	23	-	4,781,458	7,947,043	29,479,349
Additions during the year	459,579	11,415	438,230	-	-	208,394	825,879	1,943,497
Disposals and write-downs during the year	-	-	-	-	-	-	-	-
Closing Asset Costs	1,163,771	1,144,849	15,351,429	23	-	4,989,852	8,772,922	29,479,349
Amortization								
Accumulated								
Opening Accumulated Amortization Costs	108,501	586,004	8,574,440	-	-	2,726,004	3,390,132	14,892,041
Add: Amortization taken	20,400	41,522	330,214	-	-	118,842	179,633	611,729
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	(118,689)
Closing Accumulated Amortization Costs	128,901	627,526	8,904,654	-	-	2,844,846	3,569,765	16,075,692
Net Book Value	1,034,870	517,323	6,446,775	23	-	2,145,006	5,203,157	14,094,268

Town of Fort Qu'Appelle
 Schedule of Accumulated Surplus
 As at December 31, 2018

Schedule 8

	2017	Changes	2018
UNAPPROPRIATED SURPLUS	1,527,181	757,484	2,284,665
APPROPRIATED RESERVES			
Public Reserve	564,728	(147,500)	417,228
Utility	-	22,500	22,500
Other	-	125,000	125,000
Total Appropriated	564,728	-	564,728
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6, 7)	14,094,268	1,252,886	15,347,154
Less: Related debt	-	(1,051,554)	(1,051,554)
Net Investment in Tangible Capital Assets	14,094,268	201,332	14,295,600
Total Accumulated Surplus	16,186,177	958,816	17,144,993

Town of Fort Qu'Appelle
 Schedule of Mill Rates and Assessments
 As at December 31, 2018

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	56,870	115,025,120	11,908,320	391,440	32,544,400	236,000	160,162,150
Regional Park Assessment							-
Total Assessment							160,162,150
Mill Rate Factor(s)	6.1000	6.1000	6.1000	6.1000	8.6620		
Total Base/Minimum Tax (generated for each property class)	1,540	843,840	55,290	1,940	126,710		1,029,320
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	1,887	1,545,493	127,931	4,328	410,653		2,090,292

MILL RATES: MILLS

Average Municipal*	13.05
Average School*	5.38
Potash Mill Rate	-
Uniform Municipal Mill Rate	6.10

* 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 Fort Qu'Appelle
 Schedule of Council Remuneration
 As at December 31, 2018**

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Mayor	Jerry Whiting	14,666	-	14,666
Councilor	Doug Blatter	8,291	-	8,291
Councilor	Brian Casper	6,934	-	6,934
Councilor	Lee Finishen	5,441	-	5,441
Councilor	Rebecca Hill	6,791	-	6,791
Councilor	Phillip Parfitt	4,466	-	4,466
Councilor	Larry Schultz	5,666	-	5,666
Total		52,255	-	52,255