

Management's Responsibility

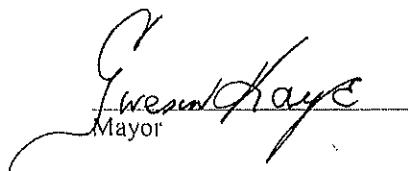
To the Ratepayers of Town of Cut Knife

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

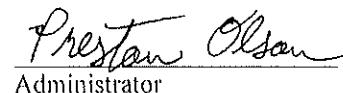
In discharging its responsibilities for the integrity and fair presentation of the financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately 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 municipality. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities. The Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the municipality's external auditors.

Vantage, 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.



C. Weston Kaye
Mayor



Preston Olson
Administrator

June 8, 2020



INDEPENDENT AUDITORS' REPORT

Mayor and Council
Town of Cut Knife
Cut Knife, Saskatchewan

Opinion

We have audited the accompanying financial statements of the Town of Cut Knife, which comprise the statement of financial position as at December 31, 2019, 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.

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

Basis for Opinion

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

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

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

In preparing the financial statements, management is responsible for assessing the Town of Cut Knife'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 municipality or to cease operations, or has no realistic alternative but to do so.

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

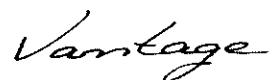
Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 municipality'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 municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the municipality 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.

The logo consists of the word "Vantage" written in a cursive, handwritten-style font.

Chartered Professional Accountants

North Battleford, Saskatchewan
June 8, 2020

Town of Cut Knife
Statement of Financial Position
As at December 31, 2019

Statement 1

	2019	2018
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	925,713	749,952
Taxes Receivable - Municipal (Note 3)	147,598	143,381
Other Accounts Receivable (Note 4)	152,128	149,946
Land for Resale (Note 5)	157,616	157,616
Long-Term Investments (Note 6)	3,780	2,998
Debt Charges Recoverable		
Other (Specify)		
Total Financial Assets	1,386,835	1,203,893
LIABILITIES		
Credit Union Indebtedness (Note 7)		
Accounts Payable	22,273	50,099
Accrued Liabilities Payable		
Deposits	10,500	9,250
Deferred Revenue		
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Long-Term Debt (Note 8)		
Lease Obligations (Note 9)	496,107	544,814
Total Liabilities	528,880	604,163
NET FINANCIAL ASSETS (DEBT)	857,955	599,730
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	2,772,302	2,820,869
Prepayments and Deferred Charges		
Stock and Supplies		
Other (Note 10)	5,852	503
Total Non-Financial Assets	2,778,154	2,821,372
ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)	3,636,109	3,421,102

Town of Cut Knife
Statement of Operations
For the year ended December 31, 2019

Statement 2

	2019 Budget	2019	2018
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	856,860	850,604	804,680
Fees and Charges (Schedule 4, 5)	585,430	625,747	634,812
Conditional Grants (Schedule 4, 5)	1,500	2,229	1,316
Tangible Capital Asset Sales - Gain (Loss) (Schedule 4, 5)		4,156	(7,158)
Land Sales - Gain (Schedule 4, 5)			
Investment Income and Commissions (Schedule 4, 5)	17,500	19,223	17,407
Restructurings (Schedule 4,5)			
Other Revenues (Schedule 4, 5)	3,520	75	102,664
Total Revenues	1,464,810	1,502,034	1,553,721
EXPENSES			
General Government Services (Schedule 3)	340,880	301,262	305,158
Protective Services (Schedule 3)	71,800	78,652	222,440
Transportation Services (Schedule 3)	435,420	382,523	382,573
Environmental and Public Health Services (Schedule 3)	140,365	135,862	139,628
Planning and Development Services (Schedule 3)	1,410	1,665	1,250
Recreation and Cultural Services (Schedule 3)	41,370	45,809	29,706
Utility Services (Schedule 3)	506,075	407,930	395,166
Restructurings (Schedule 3)			
Total Expenses	1,537,320	1,353,703	1,475,921
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(72,510)	148,331	77,800
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	32,459	66,676	31,652
Surplus (Deficit) of Revenues over Expenses	(40,051)	215,007	109,452
Accumulated Surplus (Deficit), Beginning of Year	3,421,102	3,421,102	3,311,650
Accumulated Surplus (Deficit), End of Year	3,381,051	3,636,109	3,421,102

Town of Cut Knife
Statement of Change in Net Financial Assets
For the year ended December 31, 2019

Statement 3

	2019 Budget	2019	2018
Surplus (Deficit)	(40,051)	215,007	109,452
(Acquisition) of tangible capital assets		(133,586)	(694,453)
Amortization of tangible capital assets		121,845	107,456
Proceeds on disposal of tangible capital assets		64,464	53,170
Loss (gain) on the disposal of tangible capital assets		(4,156)	7,158
Transfer of assets/liabilities in restructuring transactions			
Surplus (Deficit) of capital expenses over expenditures		48,567	(526,669)
(Acquisition) of supplies inventories			
(Acquisition) of prepaid expense		(5,349)	
Consumption of supplies inventory			
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures		(5,349)	
Increase/Decrease in Net Financial Assets	(40,051)	258,225	(417,217)
Net Financial Assets (Debt) - Beginning of Year	599,730	599,730	1,016,947
Net Financial Assets (Debt) - End of Year	559,679	857,955	599,730

Town of Cut Knife
Statement of Cash Flow
For the year ended December 31, 2019

Statement 4

	2019	2018
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	215,007	109,452
Amortization	121,845	107,456
Loss (gain) on disposal of tangible capital assets	(4,156)	7,158
	332,696	224,066
Change in assets/liabilities		
Taxes Receivable - Municipal	(4,217)	(24,991)
Other Receivables	(2,182)	(37,779)
Land for Resale		
Other Financial Assets		
Accounts and Accrued Liabilities Payable	(27,826)	(7,951)
Deposits	1,250	300
Deferred Revenue		
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Stock and Supplies		
Prepayments and Deferred Charges		
Other (Specify)	(5,349)	
Cash provided by operating transactions	294,372	153,645
Capital:		
Acquisition of capital assets	(133,586)	(694,453)
Proceeds from the disposal of capital assets	64,464	53,170
Other capital		
Cash applied to capital transactions	(69,122)	(641,283)
Investing:		
Long-term investments	(782)	(760)
Other investments		
Cash provided by (applied to) investing transactions	(782)	(760)
Financing:		
Debt charges recovered		(23,682)
Long-term debt issued		568,496
Long-term debt repaid	(48,707)	
Other financing		
Cash provided by (applied to) financing transactions	(48,707)	544,814
Change in Cash and Temporary Investments during the year	175,761	56,416
Cash and Temporary Investments - Beginning of Year	749,952	693,536
Cash and Temporary Investments - End of Year	925,713	749,952

Town of Cut Knife

Notes to the Financial Statements

For the year ended December 31, 2019

1. Significant Accounting Policies

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

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

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

All inter-organizational transactions and balances have been eliminated.

b) **Collection of Funds for Other Authorities:** Collection of funds by the municipality for school boards, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.

c) **Government Transfers:** Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occur, providing:

- a) the transfers are authorized
- b) any eligibility criteria have been met; and
- c) reasonable estimates of the amounts can be made.

Uncashed government transfer amounts received will be recorded as deferred revenue.

Earned government transfer amounts not received will be recorded as an amount receivable.

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

e) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.

f) **Net Financial Assets:** Net Financial Assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.

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

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

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

j) **Investments:** Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment. The long term investments in the Saskatchewan Association of Rural Municipalities - Self Insurance Fund are accounted for on the equity basis.

Town of Cut Knife
Notes to the Financial Statements
For the year ended December 31, 2019

1. Significant Accounting Policies - continued

k) **Inventories:** Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.

l) **Tangible Capital Assets:** All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant deflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. Tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land Improvements	15 Yrs
Buildings	40 Yrs
<i>Vehicles and Equipment</i>	
Vehicles	10 Yrs
Machinery and Equipment	3 to 20 Yrs
<i>Infrastructure Assets</i>	
Infrastructure Assets	
Water and Sewer	40 to 75 Yrs
Road Network Assets	15 to 40 Yrs

If method other than straight line used the method must be separately disclosed

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.

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 lease 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.

m) **Landfill Liability:** The Town of Cut Knife maintains a waste disposal site.

n) **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.

o) **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.

Town of Cut Knife

Notes to the Financial Statements

For the year ended December 31, 2019

1. Significant Accounting Policies - continued

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

The measurement of materials and supplies is 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.

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

r) **Budget Information:** Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on May 13, 2019.

New Accounting Standards:

s) **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 and has no impact on these financial statements.

Future Accounting Standards:

Effective On or After April 1, 2021:

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

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

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

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

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

Effective On or After April 1, 2022:

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

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

Town of Cut Knife

Notes to the Financial Statements

For the year ended December 31, 2019

2. Cash and Temporary Investments

	2019	2018
Cash on Hand	250	250
Cash	863,721	687,960
Restricted Cash	61,742	61,742
Total Cash and Temporary Investments	925,713	749,952

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

3. Taxes Receivable - Municipal

	2019	2018
Municipal		
- Current	91,570	93,339
- Arrears	121,028	90,042
	212,598	183,381
- Less Allowance for Uncollectible	(65,000)	(40,000)
Total municipal taxes receivable	147,598	143,381
School		
- Current	15,305	17,653
- Arrears	17,938	14,062
Total school taxes receivable	33,243	31,715
Other		
Total taxes and grants in lieu receivable	180,841	175,096
Deduct taxes receivable to be collected on behalf of other organizations	(33,243)	(31,715)
Total Taxes Receivable - Municipal	147,598	143,381

4. Other Accounts Receivable

	2019	2018
Federal Government	13,575	24,325
Provincial Government		
Local Government		2,426
Utility	126,112	119,094
Trade	11,886	3,547
Other (Specify)	3,458	3,457
Total Other Accounts Receivable	155,031	152,849
Less: Allowance for Uncollectible	(2,903)	(2,903)
Net Other Accounts Receivable	152,128	149,946

Town of Cut Knife
Notes to the Financial Statements
For the year ended December 31, 2019

5. Land for Resale

	2019	2018
Tax Title Property	89,140	89,140
Allowance for market value adjustment	(44,192)	(44,192)
Net Tax Title Property	44,948	44,948
Other Land	267,067	267,067
Allowance for market value adjustment	(154,399)	(154,399)
Net Other Land	112,668	112,668
Total Land for Resale	157,616	157,616

6. Long-Term Investments

	2019	2018
Co-op shares and credit union equity	3,780	2,998
Total Long-Term Investments	3,780	2,998

7. Credit Union Indebtedness

Credit Arrangements

At December 31, 2019, the Municipality had a line of credit totaling \$100,000, none of which was drawn.

8. Long-Term Debt

The debt limit of the municipality is \$1,222,778. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the *Municipalities Act* section 161(1)).

9. Lease Obligations

The Royal Bank lease is payable at \$34,361 semi-annually plus applicable taxes, with a termination date of August 28, 2028 and a purchase option of \$1.

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	68,722
2021	68,722
2022	68,722
2023	68,722
2024	68,722
Thereafter	240,527
Total future minimum lease payments	584,137
Amounts representing interest at a weighted average rate of 3.76%	(88,030)
Capital Lease Liability	496,107

10. Other Non-financial Assets

	2019	2018
Deposits and prepaid expenses	5,852	503

Town of Cut Knife

Notes to the Financial Statements

For the year ended December 31, 2019

11. Pension Plan

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality's pension expense in 2019 was \$22,026. 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.

12. Comparative Figures

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

Town of Cut Knife

Schedule of Taxes and Other Unconditional Revenue

For the year ended December 31, 2019

Schedule 1

	2019 Budget	2019	2018
TAXES			
General municipal tax levy	623,720	622,513	584,479
Abatements and adjustments	(4,400)	(5,803)	(778)
Discount on current year taxes	(17,000)	(20,000)	(15,806)
Net Municipal Taxes	602,320	596,710	567,895
Potash tax share			
Trailer license fees			
Penalties on tax arrears	20,050	33,253	22,035
Special tax levy			
Other (<i>Specify</i>)			
Total Taxes	622,370	629,963	589,930
UNCONDITIONAL GRANTS			
Revenue Sharing (Organized Hamlet)	118,940	118,939	115,627
Total Unconditional Grants	118,940	118,939	115,627
GRANTS IN LIEU OF TAXES			
Federal	39,000	27,763	38,895
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
Central Services			
SaskTel	1,350	1,405	1,305
Other (<i>Specify</i>)	7,750	8,337	7,737
Local/Other			
Housing Authority	9,450	9,521	9,421
C.P.R. Mainline			
Treaty Land Entitlement			
Other (<i>Specify</i>)			
Other Government Transfers			
S.P.C. Surcharge	39,000	39,237	38,972
Sask Energy Surcharge	19,000	15,439	2,793
Other (<i>Specify</i>)			
Total Grants in Lieu of Taxes	115,550	101,702	99,123
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	856,860	850,604	804,680

Town of Cut Knife
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2019

Schedule 2 - 1

	2019 Budget	2019	2018
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	150	100	
- Sales of supplies	19,610	19,744	29,600
- Other (<i>Specify</i>)			
Total Fees and Charges	19,760	19,844	29,600
- Tangible capital asset sales - gain (loss)			
- Land sales - gain			
- Investment income and commissions	17,500	19,223	17,407
- Other (<i>Specify</i>)	3,520	75	102,664
Total Other Segmented Revenue	40,780	39,142	149,671
Conditional Grants			
- Student Employment			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating	40,780	39,142	149,671
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total General Government Services	40,780	39,142	149,671
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (<i>Specify</i>)	10,000	7,504	
Total Fees and Charges	10,000	7,504	
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue	10,000	7,504	
Conditional Grants			
- Student Employment			
- Local government			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating	10,000	7,504	
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Local government			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Protective Services	10,000	7,504	

Town of Cut Knife

Schedule of Operating and Capital Revenue by Function

For the year ended December 31, 2019

Schedule 2 - 2

2019 Budget 2019 2018

TRANSPORTATION SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Custom work	2,020	5,270	1,881
- Sales of supplies			
- Road Maintenance and Restoration Agreements			
- Frontage			
- Other (<i>Specify</i>)			
Total Fees and Charges	2,020	5,270	1,881
- Tangible capital asset sales - gain (loss)		4,156	(7,158)
- Other (<i>Specify</i>)			
Total Other Segmented Revenue	2,020	9,426	(5,277)
Conditional Grants			
- MREP (CTP)			
- Student Employment			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating	2,020	9,426	(5,277)
Capital			
Conditional Grants			
- Federal Gas Tax			
- MREP (Heavy Haul, CTP, Municipal Bridges)			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Transportation Services	2,020	9,426	(5,277)

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	50,500	50,461	50,221
- Other (<i>Specify</i>)	33,200	66,993	88,600
Total Fees and Charges	83,700	117,454	138,821
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue	83,700	117,454	138,821
Conditional Grants			
- Student Employment			
- TAPD			
- Local government			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating	83,700	117,454	138,821

Capital

Conditional Grants			
- Federal Gas Tax			
- TAPD			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)	709	709	63
Total Capital	709	709	63
Restructuring Revenue (<i>Specify, if any</i>)			
Total Environmental and Public Health Services	84,409	118,163	138,884

Town of Cut Knife
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2019

Schedule 2 - 3

	2019 Budget	2019	2018
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges			
- Other (<i>Specify</i>)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating			
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Planning and Development Services			
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (<i>Specify</i>)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment	1,500	2,229	1,316
- Local government			
- Other (<i>Specify</i>)			
Total Conditional Grants	1,500	2,229	1,316
Total Operating	1,500	2,229	1,316
Capital			
Conditional Grants			
- Federal Gas Tax			
- Local government			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Recreation and Cultural Services	1,500	2,229	1,316

Town of Cut Knife
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2019

Schedule 2 - 4

	2019 Budget	2019	2018
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	281,950	291,481	277,140
- Sewer	93,500	89,880	93,054
- Other (<i>Specify</i>)	94,500	94,314	94,316
Total Fees and Charges	469,950	475,675	464,510
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue	469,950	475,675	464,510
Conditional Grants			
- Student Employment			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating	469,950	475,675	464,510
Capital			
Conditional Grants			
- Federal Gas Tax			
- New Building Canada Fund (SCF, NRP)	31,750	65,967	31,589
- Clean Water and Wastewater Fund			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital	31,750	65,967	31,589
Restructuring Revenue (<i>Specify, if any</i>)			
Total Utility Services	501,700	541,642	496,099
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	640,409	718,106	780,693

SUMMARY

Total Other Segmented Revenue	606,450	649,201	747,725
Total Conditional Grants	1,500	2,229	1,316
Total Capital Grants and Contributions	32,459	66,676	31,652
Restructuring Revenue			
TOTAL REVENUE BY FUNCTION	640,409	718,106	780,693

Town of Cut Knife

Total Expenses by Function

For the year ended December 31, 2019

Schedule 3 - 1

	2019 Budget	2019	2018
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	20,000	14,647	19,555
Wages and benefits	99,430	101,576	93,641
Professional/Contractual services	177,450	124,053	112,502
Utilities	11,400	8,664	10,817
Maintenance, materials and supplies	20,100	13,000	35,490
Grants and contributions - operating - capital			
Amortization	12,000	14,156	13,265
Interest			
Allowance for uncollectible		25,000	15,000
Other (Specify)	500	166	4,888
General Government Services	340,880	301,262	305,158
Restructuring (Specify, if any)			
Total General Government Services	340,880	301,262	305,158

PROTECTIVE SERVICES

Police protection			
Wages and benefits			
Professional/Contractual services	43,000	43,063	42,275
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating - capital			
Other (Specify)			
Fire protection			
Wages and benefits			
Professional/Contractual services	28,800	27,316	24,503
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating - capital		8,273	155,662
Amortization			
Interest			
Other (Specify)			
Protective Services	71,800	78,652	222,440
Restructuring (Specify, if any)			
Total Protective Services	71,800	78,652	222,440

TRANSPORTATION SERVICES

Transportation Services			
Wages and benefits	150,090	145,361	134,821
Professional/Contractual Services	77,050	50,308	21,355
Utilities	32,520	27,665	31,156
Maintenance, materials, and supplies	135,760	94,591	133,212
Gravel	30,000	25,645	16,346
Grants and contributions - operating - capital			
Amortization	10,000	38,953	45,683
Interest			
Other (Specify)			
Transportation Services	435,420	382,523	382,573
Restructuring (Specify, if any)			
Total Transportation Services	435,420	382,523	382,573

Town of Cut Knife

Total Expenses by Function

For the year ended December 31, 2019

Schedule 3 - 2

	2019 Budget	2019	2018
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	27,505	20,936	26,885
Professional/Contractual services	106,300	109,336	107,803
Utilities			
Maintenance, materials and supplies	4,060	3,090	2,440
Grants and contributions - operating	2,500	2,500	2,500
◦ Waste disposal			
◦ Public Health			
- capital			
◦ Waste disposal			
◦ Public Health			
Amortization			
Interest			
Other (Specify)			
Environmental and Public Health Services	140,365	135,862	139,628
Restructuring (Specify, if any)			
Total Environmental and Public Health Services	140,365	135,862	139,628
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits			
Professional/Contractual Services	1,000	1,665	1,250
Grants and contributions - operating	330		
- capital			
Amortization			
Interest			
Other (Specify)	80		
Planning and Development Services	1,410	1,665	1,250
Restructuring (Specify, if any)			
Total Planning and Development Services	1,410	1,665	1,250
RECREATION AND CULTURAL SERVICES			
Wages and benefits			
Professional/Contractual services	9,520	9,391	3,705
Utilities	1,600	1,971	1,508
Maintenance, materials and supplies	250	1,197	352
Grants and contributions - operating	30,000	30,000	23,391
- capital			
Amortization		3,250	750
Interest			
Allowance for uncollectible			
Other (Specify)			
Recreation and Cultural Services	41,370	45,809	29,706
Restructuring (Specify, if any)			
Total Recreation and Cultural Services	41,370	45,809	29,706

Town of Cut Knife

Total Expenses by Function

For the year ended December 31, 2019

Schedule 3 - 3

	2019 Budget	2019	2018
UTILITY SERVICES			
Wages and benefits	79,350	66,229	7,876
Professional/Contractual services	273,450	189,113	222,134
Utilities	39,025	31,380	36,958
Maintenance, materials and supplies	94,250	35,707	64,604
Grants and contributions - operating			
- capital			
Amortization	20,000	65,486	47,758
Interest		20,015	10,679
Allowance for uncollectible			
Other (<i>Specify</i>)			5,157
Utility Services	506,075	407,930	395,166
Restructuring (<i>Specify, if any</i>)			
Total Utility Services	506,075	407,930	395,166
 TOTAL EXPENSES BY FUNCTION			
	1,537,320	1,353,703	1,475,921

Town of Cut Knife
 Schedule of Segment Disclosure by Function
 For the year ended December 31, 2019

Schedule 4

General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)							
19,844	7,504	5,270 4,156	117,454			475,675	625,747 4,156
Fees and Charges							
Tangible Capital Asset Sales - Gain							
Land Sales - Gain							
Investment Income and Commissions							19,223
Other Revenues							75
Grants - Conditional Capital							2,229
Restructurings							66,676
Total Revenues	39,142	7,504	9,426	118,163	2,229	541,642	718,106
Expenses (Schedule 3)							
116,223		145,361	20,936				348,749
124,053	70,379	50,308	109,336	1,665	9,391	189,113	554,245
8,664		27,665			1,971	31,380	69,680
13,000		120,236	3,090		1,197	35,707	173,230
Grants and Contributions			2,500		30,000		40,773
Amortization					3,250	65,486	121,845
Interest						20,015	20,015
Allowance for Uncollectible						25,000	
Other							166
Restructurings							
Total Expenses	301,262	78,652	382,523	135,862	1,665	45,809	407,930
Surplus (Deficit) by Function							
(267,120)	(71,148)	(373,097)	(17,699)	(1,665)	(43,580)	133,712	(635,597)
							850,604
Net Surplus (Deficit)							
							215,007

¹Taxes and other unconditional revenue (Schedule 1)

Net Surplus (Deficit)

Town of Cut Knife
 Schedule of Segment Disclosure by Function
 For the year ended December 31, 2018

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	29,600		1,881	138,821			464,510	634,812
Tangible Capital Asset Sales - Gain (Loss)			(7,158)					(7,158)
Land Sales - Loss								
Investment Income and Commissions	17,407							17,407
Other Revenues	102,664							102,664
Grants - Conditional								1,316
- Capital				63			31,589	31,652
Restructurings								
Total Revenues	149,671		(5,277)	138,884		1,316	496,099	780,693
Expenses (Schedule 3)								
Wages and Benefits	113,196		134,821	26,885			7,876	282,778
Professional/Contractual Services	112,502		66,778	21,355	107,803	1,250	3,705	222,134
Utilities	10,817			31,156			1,508	36,958
Maintenance Materials and Supplies	35,490			149,558	2,440		352	64,604
Grants and Contributions					2,500		23,391	181,553
Amortization	13,265			45,683			750	47,758
Interest								10,679
Allowance for Uncollectible	15,000							15,000
Other	4,888							10,045
Restructurings								5,157
Total Expenses	305,158	222,440	382,573	139,628	1,250	29,706	395,166	1,475,921
Surplus (Deficit) by Function	(155,487)	(222,440)	(387,830)	(744)	(1,250)	(28,390)	100,933	(695,228)

¹Taxes and other unconditional revenue (Schedule 1)

804,680

Net Surplus (Deficit)

109,452

Town of Cut Knife
 Schedule of Tangible Capital Assets by Object
 For the year ended December 31, 2019

Schedule 6

2018

2019

	General Assets				Infrastructure Assets	General/Infrastructure
	Land	Land Improvements	Buildings	Vehicles		
						Total
Asset costs						
Opening Asset Costs	82,500		1,013,800	59,510	226,129	3,673,593
Additions during the year	15,560		49,712		67,529	
Disposals and write-downs during the year				(5,500)	(60,308)	
Transfers (from) assets under construction						
Transfer of capital assets related to restructuring (Schedule 11)						
Closing Asset Costs	98,060		1,063,512	54,010	233,350	3,673,593
785						
Accumulated Amortization Costs						
Opening Accumulated Amortization Costs			537,146	36,856	106,346	1,554,315
Add: Amortization taken			34,332	6,401	6,312	74,800
Less: Accumulated amortization on disposals				(5,500)		(5,500)
Transfer of capital assets related to restructuring (Schedule 11)						
Closing Accumulated Amortization Costs			571,478	37,757	112,658	1,629,115
785						
Net Book Value	98,060		492,034	16,253	120,692	2,044,478
						785

1. Total contributed/donated assets received in 2019
 a/c:

- Infrastructure Assets Nil
- Vehicles Nil
- Machinery and Equipment Nil
- 3. Amount of interest capitalized in Schedule 6 Nil

Town of Cut Knife
 Schedule of Tangible Capital Assets by Function
 For the year ended December 31, 2019

Schedule 7

	2019					2018		
	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Water and Sewer	Total
Assets								
Asset costs								
Opening Asset Costs	257,338	9,000	1,266,583			398,079	3,124,532	4,431,857
Additions during the year			83,089				50,497	694,453
Disposals and write-downs during the year			(65,808)					(70,778)
Transfer of capital assets related to restructuring (Schedule 11)								
Closing Asset Costs	257,338	9,000	1,283,864			398,079	3,175,029	5,123,310
Amortization								
Accumulated Amortization Costs								
Opening Accumulated Amortization Costs	103,670	6,400	856,671			117,400	1,150,522	2,234,663
Add: Amortization taken	14,156		38,953			3,250	65,486	121,845
Less: Accumulated amortization on disposals			(5,500)					(10,450)
Transfer of capital assets related to restructuring (Schedule 11)								
Closing Accumulated Amortization Costs	117,826	6,400	890,124			120,650	1,216,008	2,351,008
Net Book Value	139,512	2,600	393,740			277,429	1,959,021	2,772,302
								2,820,869

Town of Cut Knife
Schedule of Accumulated Surplus
For the year ended December 31, 2019

Schedule 8

	2018	Changes	2019
UNAPPROPRIATED SURPLUS	319,116	63,574	382,690

APPROPRIATED RESERVES

Machinery and Equipment	16,040		16,040
Public Reserve	4,895		4,895
Capital Trust	50,000		50,000
Utility	15,328		15,328
Other (Specify)	194,854	200,000	394,854
Total Appropriated	281,117	200,000	481,117

ORGANIZED HAMLETS (add lines if required)

Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Total Organized Hamlets			

INVESTMENT IN TANGIBLE CAPITAL ASSETS

Tangible capital assets (Schedule 6, 7)	2,820,869	(48,567)	2,772,302
Less: Related debt			
Net Investment in Tangible Capital Assets	2,820,869	(48,567)	2,772,302

Total Accumulated Surplus	3,421,102	215,007	3,636,109
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Town of Cut Knife
Schedule of Mill Rates and Assessments
For the year ended December 31, 2019

Schedule 9

PROPERTY CLASS					
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial and Industrial
Taxable Assessment	88,8880	20,763,760			8,357,700
Regional Park Assessment					29,210,340
Total Assessment					29,210,340
Mill Rate Factor(s)	1.0000	1.0000			1.0000
Total Base/Minimum Tax (generated for each property class)	1,200	156,000			33,600
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	2,515	463,304			156,694
					622,513

MILL RATES:

MILLS
Average Municipal*
Average School*
Potash Mill Rate
Uniform Municipal Mill Rate

* 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 Cut Knife
Schedule of Council Remuneration
For the year ended December 31, 2019

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Mayor	Gwenn Kaye	5,775	234	6,009
Councillor	Lyle Cronk	1,213		1,213
Councillor	Lucinda Heupel	1,275		1,275
Councillor	Jason Lloyd	1,000		1,000
Councillor	Douglas Robertson	1,313		1,313
Councillor	Alfred Roschker	2,037		2,037
Councillor	Daryl Sperling	1,800		1,800
Total		14,413	234	14,647