

Town of Lemberg
CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2019

Town of Lemberg
Lemberg, Saskatchewan
December 31, 2019

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Management's Responsibility

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

In discharging its responsibilities for the integrity and fair presentation of the consolidated 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 consolidated financial statements.

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

Baker Tilly SK LLP, an independent firm of chartered professional accountants, is appointed by the council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the council and management to discuss their audit findings.



Mayor



Administrator



Independent Auditors' Report

To the Council
Town of Lemberg

Qualified Opinion

We have audited the consolidated financial statements of Town of Lemberg, (the municipality), which comprise the consolidated Statement of Financial Position as at December 31, 2019 and the consolidated Statements of Operations, Changes in Net Financial Assets and Cash Flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the municipality as at December 31, 2019, and results of its operations and its consolidated cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The municipality is contingently liable for the landfill closure and post-closure care requirements as defined in accordance with the Environmental Act. These costs include final covering and landscaping of the landfill, pumping the grounds, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The Municipality is unable to determine a reasonable estimate of the liability at this time but has recorded accrued landfill costs of \$40,000.

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the municipality'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.

Council is responsible for overseeing the municipality's financial reporting process.



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated financial statements.

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

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

We communicate with 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.

Yorkton, SK
May 29, 2020

Baker Tilly SK LLP

Baker Tilly SK LLP

Town of Lemberg
Lemberg, Saskatchewan
Consolidated Statement of Financial Position as at December 31, 2019

Statement 1

	2019	2018 (Note 10)
Assets		
Financial Assets		
Cash and temporary investments - note 2	1,023,203	1,104,786
Taxes receivable - municipal - note 3	41,590	46,891
Other accounts receivable - note 4	49,307	34,857
Land for resale - note 5	10,727	29,548
Long-term investments - note 6	132,915	
Total Financial Assets	1,257,742	1,216,082
Liabilities		
Accounts payable	14,571	3,204
Deposits	3,252	2,950
Deferred grant revenue	57,227	21,991
Accrued landfill costs - note 7	40,000	20,000
Total Liabilities	115,050	48,145
Net Financial Assets	1,142,692	1,167,937
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	498,726	270,788
Prepayments and deferred charges	15,892	9,383
Stock and supplies	1,465	
Total Non-Financial Assets	516,083	280,171
Accumulated Surplus - schedule 8	\$ 1,658,775	\$ 1,448,108

Approved on behalf of the council:

Mayor

Councillor

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Lemberg
 Consolidated Statement of Operations
 For the year ended December 31, 2019

Statement 2

	2019 Budget [Note 1(s)]	2019 Actual	2018 Actual (Note 10)
Revenues			
Taxes and other unconditional revenue - schedule 1	427,582	422,558	394,809
Fees and charges - schedules 4 and 5	193,950	327,861	312,461
Conditional grants - schedules 4 and 5	6,400	157,745	23,516
Tangible capital asset sales - gain - schedules 4 and 5		(14,249)	
Investment income and commissions - schedules 4 and 5	10,301	16,391	12,839
Total Revenue	<u>638,233</u>	<u>910,306</u>	<u>743,625</u>
Expenses - schedule 3			
General government services	127,410	158,867	104,089
Protective services	22,192	51,051	40,304
Transportation services	228,065	144,349	155,506
Environmental and public health services	39,400	58,988	77,690
Recreation and cultural services	49,620	147,855	131,025
Utilities services	175,450	138,529	91,036
Total Expenses	<u>642,137</u>	<u>699,639</u>	<u>599,650</u>
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(3,904)	210,667	143,975
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>8,165</u>	<u>0</u>	<u>80</u>
Surplus of Revenue over Expenses	4,261	210,667	144,055
Accumulated Surplus, Beginning of Year	<u>1,448,108</u>	<u>1,448,108</u>	<u>1,304,053</u>
Accumulated Surplus, End of Year	<u>\$ 1,452,369</u>	<u>\$ 1,658,775</u>	<u>\$ 1,448,108</u>

*The notes to consolidated financial statements are an integral
 part of these consolidated financial statements.*

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

Statement 3

	2019 Budget [Note 1(s)]	2019 Actual	2018 Actual (Note 10)
Surplus	<u>4,261</u>	<u>210,667</u>	<u>144,055</u>
(Acquisition) of tangible capital assets		(278,900)	(89,541)
Amortization of tangible capital assets		32,961	39,986
Proceeds on disposal of tangible capital assets		3,751	
Loss on the disposal of tangible capital assets		<u>14,249</u>	
Surplus (Deficit) of Capital Expenses over Expenditures	<u>0</u>	<u>(227,939)</u>	<u>(49,555)</u>
(Acquisition) of supplies inventories		(1,465)	
(Acquisition) of prepaid expense		(6,508)	(9,382)
Use of prepaid expense			<u>11,289</u>
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>(7,973)</u>	<u>1,907</u>
Increase (Decrease) in Net Financial Assets	4,261	(25,245)	96,407
Net Financial Assets, beginning of year	<u>1,167,937</u>	<u>1,167,937</u>	<u>1,071,530</u>
Net Financial Assets, End of Year	<u>\$ 1,172,198</u>	<u>\$ 1,142,692</u>	<u>\$ 1,167,937</u>

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Lemberg
 Consolidated Statement of Cash Flow
 For the year ended December 31, 2019

Statement 4

	2019	2018 (Note 10)
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus	210,667	144,055
Amortization	32,961	39,986
Loss on disposal of tangible capital assets	14,249	
	257,877	184,041
Change in Assets/Liabilities		
Taxes receivable - municipal	5,302	(1,928)
Other receivables	(14,450)	(22,555)
Land for resale	18,821	
Accounts payable and accrued liabilities	11,368	(2,694)
Utility deposits	300	600
Deferred revenue	35,236	16,741
Other liabilities	20,000	
Stock and supplies for use	(1,465)	
Prepayments and deferred charges	(6,508)	1,909
Cash Provided by Operating Transactions	326,481	176,114
Capital:		
Acquisition of capital assets	(278,900)	(89,541)
Proceeds from the disposal of capital assets	3,751	
Cash Applied to Capital Transactions	(275,149)	(89,541)
Investing:		
Long-term investments	(132,915)	0
Change in Cash and Temporary Investments During the Year	(81,583)	86,573
Cash and temporary investments, beginning of year	1,104,786	1,018,213
Cash and Temporary Investments, End of Year	\$ 1,023,203	\$ 1,104,786

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Lemberg
Notes to Consolidated Financial Statements
For the year ended December 31, 2019

1. Significant Accounting Policies

The consolidated financial statements of the municipality are prepared by management in accordance with the local government accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies are as follows:

(a) Basis of accounting

The consolidated 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) Reporting entity

The consolidated financial statements consolidate the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the council for the administration of their financial affairs and resources.

Entities included in these consolidated financial statements are as follows:

Entity	Basis of Recording
Lemberg Community Hall Complex	Full consolidation
Lemberg Fire Brigade	Full consolidation
Lemberg Recreation Board	Full consolidation
Lemberg Rink Board	Full consolidation

All inter-organizational transactions and balances have been eliminated.

(c) Collection of funds for other authorities

Collection of funds by the municipality for the school board is collected and remitted in accordance with relevant legislation. The amounts collected are disclosed in note 3.

(d) Government transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or are 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:

- (i) the transfers are authorized;
- (ii) any eligibility criteria have been met; and
- (iii) a reasonable estimate of the amount 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.

Town of Lemberg
Notes to Consolidated Financial Statements
For the year ended December 31, 2019

1. **Significant Accounting Policies** - continued

(e) Deferred revenue - fees and charges

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

(f) 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) 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.

(j) 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 first in first out cost method. Net realizable value is the estimated selling price in the ordinary course of business.

Town of Lemberg
Notes to Consolidated Financial Statements
For the year ended December 31, 2019

1. **Significant Accounting Policies** - continued

(k) Tangible capital assets

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

Assets	Useful Life
General Assets	
Land	Indefinite
Land improvements	15 years
Buildings	40 years
Vehicles	10 years
Machinery and equipment	10 to 20 years
Linear assets	40 years

(l) 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.

(m) Capitalization of interest

The municipality does not capitalize interest incurred while a tangible capital asset is under construction.

(n) Leases

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

(o) Employee benefit plans

Contributions to the municipality's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.

Town of Lemberg
Notes to Consolidated Financial Statements
For the year ended December 31, 2019

1. **Significant Accounting Policies** - continued

(p) 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. Penalties on overdue taxes are recorded in the period levied.

Utility revenue is recognized in the period in which the service has been provided.

All other revenue is recorded when received, or receivable, collection is likely, and the amount can be reasonably determined.

(q) Measurement uncertainty

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

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

The opening asset costs of tangible capital assets have been estimated where actual costs were not available.

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

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

(r) Basis of segmentation/segment report

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

Town of Lemberg
Notes to Consolidated Financial Statements
For the year ended December 31, 2019

1. **Significant Accounting Policies** - continued

(r) Basis of segmentation/segment report - continued

The segments (functions) are as follows:

General government: provides for the administration of the municipality.

Protective services: comprised of expenses for police and fire protection.

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

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

Planning and development: provides for neighbourhood development and sustainability.

Recreation and culture: provides for community services through the provision of recreation and leisure services.

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

(s) Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on April 18, 2019.

(t) New accounting standards

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

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

Future accounting standards

Effective on or after April 1, 2021:

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

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

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

Town of Lemberg
Notes to Consolidated Financial Statements
For the year ended December 31, 2019

1. **Significant Accounting Policies** - continued

(t) New accounting standards - continued

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.

(u) 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:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) The municipality:
 - a) is directly responsible; or
 - b) accepts responsibility;
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

	2019	2018
2. Cash and Temporary Investments		
Cash	616,530	673,290
Temporary investments	406,673	431,496
Total Cash and Temporary Investments	\$ 1,023,203	\$ 1,104,786

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

Town of Lemberg
Notes to Consolidated Financial Statements
For the year ended December 31, 2019

	2019	2018
3. Taxes and Grants In Lieu Receivable		
Municipal - current	27,791	32,154
Municipal - arrears	27,749	17,166
	55,540	49,320
Less: Allowance for uncollectibles	13,950	2,429
Total municipal taxes receivable	41,590	46,891
School - current	3,016	5,026
School - arrears	4,383	2,093
Total school taxes receivable	7,399	7,119
Total taxes and grants in lieu receivable	48,989	54,010
Less: Taxes receivable to be collected on behalf of other organizations	7,399	7,119
Municipal and Grants In Lieu Taxes Receivable	\$ 41,590	\$ 46,891
4. Other Accounts Receivable		
Local government	4,526	
Utility	15,748	19,983
Trade	9,188	7,876
GST Receivable	19,845	8,998
Total other accounts receivable	49,307	36,857
Less: Allowance for uncollectibles	0	2,000
Net Other Accounts Receivable	\$ 49,307	\$ 34,857
5. Land for Resale		
Tax title property	48,814	48,814
Less: Allowance for market value adjustment	40,360	19,816
Net tax title property	8,454	28,998
Other land	2,273	550
Total Land for Resale	\$ 10,727	\$ 29,548
6. Long-Term Investments		
Term deposits	132,317	
CO-OP Equity	598	
	\$ 132,915	\$ 0

Town of Lemberg
Notes to Consolidated Financial Statements
For the year ended December 31, 2019

	2019	2018
7. Accrued Landfill Costs		
Accrued landfill costs	<u>\$ 40,000</u>	<u>\$ 20,000</u>

In 2019, the municipality has accrued an overall liability for environmental matters in the amount of \$40,000 (2018 - \$20,000) which represents management's best estimate of this liability. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.

Included in environmental liabilities is \$40,000 (2018 - \$20,000) of the estimated total landfill closure and post-closure care expenses. The estimated liability for these expenses is recognized as the landfill site's capacity is used and the reported liability represents the portion of the estimated total expenses recognized as at December 31, 2019 based on the cumulative capacity used at that date, compared to the total estimated landfill capacity.

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

The estimated remaining capacity of the landfill is unknown

8. Long-Term Debt

The debt limit of the municipality for 2020 is \$654,102. 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).

9. Employee Benefit Plans

The municipality participates in a contributory defined benefit pension plan for all its employees. For defined benefit plans considered to be multi-employer plans, contributions are expensed when they are due and payable. The municipality currently participates in the Municipal Employees Pension Plan.

The contributions by the participating employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. The portion of the annual benefit costs and of the asset surpluses (deficits) that are attributable to the municipality cannot be easily determined.

Accordingly, the multi-employer plans are accounted for on the defined contribution basis. No portion of the asset (deficit) surplus of the plan is recognized in these consolidated financial statements. The benefit expense reflected in the consolidated financial statements is equal to the municipality's contributions for the year.

Town of Lemberg
Notes to Consolidated Financial Statements
For the year ended December 31, 2019

9. **Employee Benefit Plans** - continued

All contributions by employees are matched equally by the employer. The contribution rates were updated on July 1, 2018. Employee contribution rates in effect for the year are as follows:

	2019	2018
General members	9.00 %	9.00 %
Designated members	12.50 %	12.50 %

Contributions to the plan during the year were as follows:

Benefit expense	\$ 11,107	\$ 12,695
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As per the most recently audited consolidated financial statements dated December 30, 2018, the plan surplus is \$463,236,000.

10. **Comparative Figures**

Certain balances for comparative purposes have been reclassified to conform with the current year's presentation.

The comparative financial statements have been restated to account for unrecorded deferred revenue, unrecorded amortization, and unrecorded capital additions. As a result, the comparative statement of financial position for the year ending December 31, 2018 has been restated as follows:

Balance of accumulated surplus, beginning of year, as previously stated	1,312,983
Adjustment to beginning balance	<u>(8,933)</u>
Balance of accumulated surplus, beginning of year, as restated	<u>\$ 1,304,050</u>

Line Item	As Restated	As Previously Stated	Difference
Revenues			
Provincial/Federal Capital Grants and contributions	80	16,821	<u>(16,741)</u>
Expenses			
Protective Services	40,304	39,383	921
Utilities Services	91,036	120,337	(29,301)
Transportation Services	155,506	157,554	<u>(2,048)</u>
			(30,428)
Adjustment to surplus (deficit) of revenue over expenses			13,687
Balance of accumulated surplus, end of year as previously stated			1,443,351
Effect of adjustment to beginning balance			<u>(8,933)</u>
Balance of accumulated surplus, end of year, as restated			<u>\$ 1,448,105</u>

Town of Lemberg
Notes to Consolidated Financial Statements
For the year ended December 31, 2019

10. **Comparative Figures** - continued

The comparative statement of financial position as at December 31, 2018 has been restated as follows:

Line Item	As Restated	As Previously Stated	Difference
Deferred revenue	\$ 21,991	\$ 0	\$ 21,991
Tangible capital assets	270,788	224,917	45,871

11. **Subsequent Events**

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the municipality's environment and in the global markets, possible disruption in supply chains and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the municipality's operations. The extent of this outbreak and related containment measures on the municipality's operations cannot be reliably estimated at this time.

12. **Commitments**

The Town has committed to the construction of a 28,000 cubic meter storage lagoon cell, approximately 22.2 ha. evaporation cells, lift station, force main, and all associated work. The municipality has qualified for the New Building Canada Small Communities Fund grant, with federal and provincial contributions up to \$1,790,000.

Town of Lemberg
 Consolidated Schedule of Taxes and Other Unconditional Revenue Schedule 1
 For the year ended December 31, 2019

	2019 Budget [Note 1(s)]	2019 Actual	2018 Actual (Note 10)
Taxes			
General municipal tax levy	312,693	312,693	296,962
Abatements and adjustments	(2,500)	(2,843)	(4,855)
Net municipal taxes	<u>310,193</u>	<u>309,850</u>	<u>292,107</u>
Penalties on tax arrears	<u>5,500</u>	<u>6,559</u>	<u>5,723</u>
Total Taxes	<u>315,693</u>	<u>316,409</u>	<u>297,830</u>
Unconditional Grants			
Equalization (revenue sharing)	<u>65,889</u>	<u>65,889</u>	<u>64,080</u>
Total Unconditional Grants	<u>65,889</u>	<u>65,889</u>	<u>64,080</u>
Grants In Lieu of Taxes			
Federal	1,662	1,662	3,124
Provincial			
SaskTel	1,939	1,939	1,839
Local/Other			
Housing authority	4,599	4,599	4,399
Other Government Transfers			
S.P.C. surcharge	24,000	21,120	18,716
Sask Energy Surcharge	<u>13,800</u>	<u>10,940</u>	<u>4,821</u>
Total Grants In Lieu of Taxes	<u>46,000</u>	<u>40,260</u>	<u>32,899</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 427,582</u>	<u>\$ 422,558</u>	<u>\$ 394,809</u>

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Lemberg

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-1
For the year ended December 31, 2019

	2019 Budget [Note 1(s)]	2019 Actual	2018 Actual (Note 10)
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	800	1,733	825
Sale of supplies	1,300	2,456	1,527
Rentals, licenses and permits	6,400	6,197	6,400
Fee #1	100	1,380	359
Total Fees and Charges	<u>8,600</u>	<u>11,766</u>	<u>9,111</u>
Investment income and commissions	10,301	16,391	12,839
Total Other Segmented Revenue	<u>18,901</u>	<u>28,157</u>	<u>21,950</u>
Conditional Grants			
Student employment	4,500	4,299	1,316
Total Conditional Grants	<u>4,500</u>	<u>4,299</u>	<u>1,316</u>
Total General Government Services	<u>\$ 23,401</u>	<u>\$ 32,456</u>	<u>\$ 23,266</u>
Protective Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Lemberg Fire Brigade		28,462	25,769
Total Other Segmented Revenue	<u>0</u>	<u>28,462</u>	<u>25,769</u>
Total Protective Services	<u>\$ 0</u>	<u>\$ 28,462</u>	<u>\$ 25,769</u>
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of supplies	50	90	30
Other		200	
Total Fees and Charges	<u>50</u>	<u>290</u>	<u>30</u>
Tangible capital asset proceeds		(14,249)	
Total Other Segmented Revenue	<u>50</u>	<u>(13,959)</u>	<u>30</u>
Total Operating	<u>50</u>	<u>(13,959)</u>	<u>30</u>
Capital			
Conditional Grants			
Gas tax	8,165		
Total Capital	<u>8,165</u>	<u>0</u>	<u>0</u>
Total Transportation Services	<u>\$ 8,215</u>	<u>\$ (13,959)</u>	<u>\$ 30</u>

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Lemberg

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-2
For the year ended December 31, 2019

	2019 Budget [Note 1(s)]	2019 Actual	2018 Actual (Note 10)
Environmental and Public Health Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Waste and disposal fees	21,300	19,591	7,152
Cemetery fees	1,000	1,600	975
Total Fees and Charges	<u>22,300</u>	<u>21,191</u>	<u>8,127</u>
Total Other Segmented Revenue	<u>22,300</u>	<u>21,191</u>	<u>8,127</u>
Conditional Grants			
Donations		1,000	
SARM - Pest control	1,600	1,600	1,600
Total Conditional Grants	<u>1,600</u>	<u>2,600</u>	<u>1,600</u>
Total Operating	<u>23,900</u>	<u>23,791</u>	<u>9,727</u>
Capital			
Conditional Grants			
Fine option			80
Total Capital	<u>0</u>	<u>0</u>	<u>80</u>
Total Environmental and Public Health Services	<u>\$ 23,900</u>	<u>\$ 23,791</u>	<u>\$ 9,807</u>

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Lemberg

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-3
For the year ended December 31, 2019

	2019 Budget [Note 1(s)]	2019 Actual	2018 Actual (Note 10)
Planning and Development Services			
Recreation and Cultural Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Recreation fees	500	1,715	2,576
Lemberg Community Hall Complex		38,823	32,662
Lemberg Recreation Board		4,549	4,449
Lemberg Rink Board		68,597	75,798
Total Fees and Charges	<u>500</u>	<u>113,684</u>	<u>115,485</u>
Total Other Segmented Revenue	<u>500</u>	<u>113,684</u>	<u>115,485</u>
Conditional Grants			
CIF-Summer Grant		4,499	
Donations		143,918	
Local government	300	300	600
Community Initiatives Fund-Children's Program		1,129	20,000
Provincial Culture Grant		1,000	
Total Conditional Grants	<u>300</u>	<u>150,846</u>	<u>20,600</u>
Total Recreation and Cultural Services	<u>\$ 800</u>	<u>\$ 264,530</u>	<u>\$ 136,085</u>
Utility Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Water & sewer	162,500	152,468	153,939
Total Other Segmented Revenue	<u>162,500</u>	<u>152,468</u>	<u>153,939</u>
Total Utility Services	<u>\$ 162,500</u>	<u>\$ 152,468</u>	<u>\$ 153,939</u>
Total Operating and Capital Revenue by Function	<u>\$ 218,816</u>	<u>\$ 487,748</u>	<u>\$ 348,896</u>
Summary			
Total Other Segmented Revenue	204,251	330,003	325,300
Total Conditional Grants	6,400	157,745	23,516
Total Capital Grants and Contributions	<u>8,165</u>		<u>80</u>
Total Operating and Capital Revenue by Function	<u>\$ 218,816</u>	<u>\$ 487,748</u>	<u>\$ 348,896</u>

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Lemberg
 Total Expenses by Function
 For the year ended December 31, 2019

Schedule 3-1

	2019 Budget [Note 1(s)]	2019 Actual	2018 Actual (Note 10)
General Government Services			
Council remuneration and travel	21,890	18,732	14,981
Wages and benefits	53,036	57,250	47,109
Professional/Contractual services	24,727	21,930	20,559
Utilities	10,157	8,539	8,243
Maintenance, materials and supplies	15,600	19,347	11,928
Amortization	1,400	284	751
Allowance for uncollectibles	400	32,065	353
Other	200	720	165
	<u> </u>	<u> </u>	<u> </u>
Total General Government Services	\$ 127,410	\$ 158,867	\$ 104,089
Protective Services			
Police protection			
Professional/Contractual services	16,892	18,412	14,493
Fire protection			
Professional/Contractual services	1,400	2,386	1,718
Utilities	3,900	4,832	3,580
Lemberg Fire Brigade		24,500	19,592
Amortization		921	921
	<u> </u>	<u> </u>	<u> </u>
Total Protective Services	\$ 22,192	\$ 51,051	\$ 40,304
Transportation Services			
Wages and benefits	73,920	44,338	60,153
Professional/Contractual services	16,300	4,798	2,152
Utilities	19,495	18,145	18,834
Maintenance, materials and supplies	90,850	49,224	44,871
Gravel	3,500	3,698	3,355
Culverts/drainage	1,000		
Amortization	23,000	24,146	26,141
	<u> </u>	<u> </u>	<u> </u>
Total Transportation Services	\$ 228,065	\$ 144,349	\$ 155,506
Environmental and Public Health Services			
Wages and benefits	21,000	18,243	20,565
Professional/Contractual services	17,800	39,779	56,532
Other	600	966	593
	<u> </u>	<u> </u>	<u> </u>
Total Environmental and Public Health Services	\$ 39,400	\$ 58,988	\$ 77,690

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Lemberg
 Total Expenses by Function
 For the year ended December 31, 2019

Schedule 3-2

	2019 Budget [Note 1(s)]	2019 Actual	2018 Actual (Note 10)
Recreation and Cultural Services			
Wages and benefits	4,000	5,588	1,645
Professional/Contractual services	6,600	8,881	6,338
Utilities	720	711	713
Maintenance, materials and supplies	10,700	16,202	1,818
Grants and contributions - operating	5,500	4,132	4,132
Amortization	10,500	1,324	4,891
Insurance	8,000	7,875	7,871
Lemberg Rink Board		55,043	71,730
Lemberg Community Hall Complex		43,652	27,424
Lemberg Recreation Board	3,600	4,447	4,463
	<u>3,600</u>	<u>4,447</u>	<u>4,463</u>
Total Recreation and Cultural Services	\$ 49,620	\$ 147,855	\$ 131,025
Utility Services			
Wages and benefits	37,600	44,743	35,831
Professional/Contractual services	101,450	64,780	20,419
Utilities	17,000	17,434	16,289
Maintenance, materials and supplies	12,100	7,286	11,215
Amortization	7,300	6,286	7,282
Allowance for uncollectibles		(2,000)	
	<u>7,300</u>	<u>(2,000)</u>	<u>7,282</u>
Total Utility Services	\$ 175,450	\$ 138,529	\$ 91,036
Total Expenses by Function	\$ 642,137	\$ 699,639	\$ 599,650

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Lemberg

Consolidated Schedule of Segment Disclosure by Function
For the year ended December 31, 2019

Schedule 4

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	11,766	28,462	290	21,191		113,684	152,468	327,861
Tangible capital asset sales - gain (loss)			(14,249)					(14,249)
Investment income and commissions	16,391							16,391
Grants - conditional	4,299			2,600		150,846		157,745
Total Revenues	<u>32,456</u>	<u>28,462</u>	<u>(13,959)</u>	<u>23,791</u>	<u>0</u>	<u>264,530</u>	<u>152,468</u>	<u>487,748</u>
Expenses - schedule 3								
Wages and benefits	57,250		44,338	18,243		5,588	44,743	170,162
Professional/contractual services	40,662	20,798	4,798	39,779		8,881	64,780	179,698
Utilities	8,539	4,832	18,145			711	17,434	49,661
Maintenance materials and supplies	19,347		52,922			16,202	7,286	95,757
Grants and contributions		24,500				4,132		28,632
Amortization	284	921	24,146			1,324	6,286	32,961
Insurance						7,875		7,875
Lemberg Rec Boards						103,142		103,142
Allowance for uncollectibles	32,065						(2,000)	30,065
Other	720			966				1,686
Total Expenses	<u>158,867</u>	<u>51,051</u>	<u>144,349</u>	<u>58,988</u>	<u>0</u>	<u>147,855</u>	<u>138,529</u>	<u>699,639</u>
Surplus (Deficit) by Function	<u>\$(126,411)</u>	<u>\$(22,589)</u>	<u>\$(158,308)</u>	<u>\$(35,197)</u>	<u>\$ 0</u>	<u>\$ 116,675</u>	<u>\$ 13,939</u>	<u>(211,891)</u>
Taxation and other unconditional revenue - schedule 1								<u>422,558</u>
Net Surplus								<u>\$ 210,667</u>

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Lemberg

Consolidated Schedule of Segment Disclosure by Function
For the year ended December 31, 2018

Schedule 5

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	9,111	25,769	30	8,127		115,485	153,939	312,461
Investment income and commissions	12,839							12,839
Grants - conditional	1,316			1,600		20,600		23,516
Grants - capital				80				80
Total Revenues	23,266	25,769	30	9,807	0	136,085	153,939	348,896
Expenses - schedule 3								
Wages and benefits	47,109		60,153	20,565		1,645	35,831	165,303
Professional/contractual services	35,540	16,211	2,152	56,532		6,338	20,419	137,192
Utilities	8,243	3,580	18,834			713	16,289	47,659
Maintenance materials and supplies	11,928		48,226			1,818	11,215	73,187
Grants and contributions		19,592				4,132		23,724
Amortization	751	921	26,141			4,891	7,282	39,986
Insurance						7,871		7,871
Lemberg Rec Boards						103,617		103,617
Allowance for uncollectibles	353							353
Other	165			593				758
Total Expenses	104,089	40,304	155,506	77,690	0	131,025	91,036	599,650
Surplus (Deficit) by Function	\$(80,823)	\$(14,535)	\$(155,476)	\$(67,883)	0	\$ 5,060	\$ 62,903	(250,754)
Taxation and other unconditional revenue - schedule 1								<u>394,809</u>
Net Surplus								<u>\$ 144,055</u>

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

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

Schedule 6

	2019							2018	
	General Assets					Infrastruct. Assets	General/ Infrastruct. Assets under Constr.	Total	Total
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Total		
Asset Cost									
Opening Asset Cost			232,563	54,743	157,355	589,627	31,350	1,065,638	976,097
Additions during the year		143,918				79,365	55,616	278,899	89,541
Disposals and write-down during the year				(20,000)				(20,000)	
Closing Asset Costs	0	143,918	232,563	34,743	157,355	668,992	86,966	1,324,537	1,065,638
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs			196,925	31,000	131,853	435,072		794,850	754,864
Add: Amortization taken			2,529	1,435	4,687	24,310		32,961	39,986
Less: Accumulated amortization on disposals				2,000				2,000	
Closing Accumulated Amortization Costs	0	0	199,454	30,435	136,540	459,382	0	825,811	794,850
Net Book Value	\$ 0	\$ 143,918	\$ 33,109	\$ 4,308	\$ 20,815	\$ 209,610	\$ 86,966	\$ 498,726	\$ 270,788

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

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

Schedule 7

	2019							2018	
	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Water & Sewer	Total	Total
Asset Cost									
Opening Asset Cost	34,167	36,824	508,817			166,583	319,247	1,065,638	976,097
Additions during the year			43,967			143,918	91,014	278,899	89,541
Disposals and write-down during the year			(20,000)					(20,000)	
Closing Asset Costs	<u>34,167</u>	<u>36,824</u>	<u>532,784</u>	<u>0</u>	<u>0</u>	<u>310,501</u>	<u>410,261</u>	<u>1,324,537</u>	<u>1,065,638</u>
Accumulated Amortization Cost									
Opening Accumulated Amortization costs	32,955	4,605	334,070			165,262	257,958	794,850	754,864
Add: Amortization taken	284	921	24,146			1,324	6,286	32,961	39,986
Less: Accumulated amortization on disposals			2,000					2,000	
Closing Accumulated Amortization Costs	<u>33,239</u>	<u>5,526</u>	<u>356,216</u>	<u>0</u>	<u>0</u>	<u>166,586</u>	<u>264,244</u>	<u>825,811</u>	<u>794,850</u>
Net Book Value	<u>\$ 928</u>	<u>\$ 31,298</u>	<u>\$ 176,568</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 143,915</u>	<u>\$ 146,017</u>	<u>\$ 498,726</u>	<u>\$ 270,788</u>

*The notes to consolidated financial statements are an integral
 part of these consolidated financial statements.*

Town of Lemberg
 Consolidated Schedule of Accumulated Surplus
 For the year ended December 31, 2019

Schedule 8

	2018	Changes	2019
Unappropriated Surplus	<u>894,319</u>	<u>(18,871)</u>	<u>875,448</u>
Appropriated Surplus			
Machinery and equipment			
Future expenditures	275,001	8,000	283,001
Capital trust	<u>8,000</u>	<u>(8,000)</u>	<u>283,001</u>
	283,001	0	283,001
Other			
Cemetery	<u>0</u>	<u>1,600</u>	<u>1,600</u>
Total Appropriated	<u>283,001</u>	<u>1,600</u>	<u>284,601</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	<u>270,788</u>	<u>227,938</u>	<u>498,726</u>
Net Investment in Tangible Capital Assets	<u>270,788</u>	<u>227,938</u>	<u>498,726</u>
Total Accumulated Surplus	<u>\$ 1,448,108</u>	<u>\$ 210,667</u>	<u>\$ 1,658,775</u>

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Lemberg
 Schedule of Mill Rates and Assessments
 For the year ended December 31, 2019

Schedule 9

	<u>Property Class</u>					Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	
Taxable Assessment	289,080	2,747,840			2,921,400	5,958,320
Regional Park Assessment						
Total Assessment						5,958,320
Mill Rate Factor(s)	7.2000	4.5000			4.5000	
Total Base/Minimum Tax (generated for each property class)		211,450			28,650	240,100
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	2,081	268,816			41,796	312,693
Mill Rates:						
Average Municipal*						
Average School*						
Uniform Municipal Mill Rate - Ag						
Uniform Municipal Mill Rate - Other						

*Average Mill Rates (multiply the total tax levy for each taxing authority by 1,000 and divide by the total assessment for the taxing authority).

Town of Lemberg
Schedule of Council Remuneration
For the year ended December 31, 2019

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Murray Clarke	2,790		2,790
Sandy Thompson	2,320	33	2,353
Herbert MacDonald	2,310	121	2,431
Robert Peace	2,200		2,200
Gerald Kohlert	2,505		2,505
Thomas Matt	2,200		2,200
Brad Hodel	2,475		2,475
	<u>2,475</u>	<u> </u>	<u>2,475</u>
	<u>\$ 16,800</u>	<u>\$ 154</u>	<u>\$ 16,954</u>

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part of these consolidated financial statements.*