

Northern Municipal Trust Account Annual Report for 2021

Table of Contents

- Letter of Transmittal 2
- Organizational Chart 3
- Overview 4
- Minister’s Mandate..... 6
- 2021 Highlights 6
- 2021 Performance 7
- 2022 Outlook 17
- Appendix 1 – Northern Municipal Trust Account 19
- Appendix 2 – Northern Municipal Trust Account 21
- MANAGEMENT’S REPORT 22
- INDEPENDENT AUDITOR’S REPORT 24
- Notes to the Financial Statements..... 30
- Schedule 1..... 44
- Segmented and Restricted Assets..... 44

Letter of Transmittal

Minister's Letter of Transmittal

The Honourable Russell Mirasty
Lieutenant Governor of Saskatchewan

Your Honour:

It is my privilege to submit to you the Annual Report of the Northern Municipal Trust Account for the fiscal year ending December 31, 2021.

Respectfully submitted,



Don McMorris
Minister of Government Relations
Minister Responsible for First Nations, Métis and Northern Affairs Minister
Responsible for Provincial Capital Commission

Deputy Minister's Letter of Transmittal

Honourable Don McMorris
Minister of Government Relations

Dear Minister:

I have the honour of submitting the Annual Report of the Northern Municipal Trust Account for the fiscal year ending December 31, 2021.

Respectfully submitted,



Sheldon Green
Acting Deputy Minister of Government Relations and
Deputy Minister of First Nations, Métis, and Northern Affairs

Overview

The Northern Municipal Trust Account (NMTA) is a special account established under *The Northern Municipalities Act, 2010* (Act). The purpose of the NMTA is to provide for the administration of funds and property held by the Minister of Government Relations for the following purposes:

- to assist municipalities in the Northern Saskatchewan Administration District (NSAD) with providing quality services to their residents by funding operating and capital needs; and
- to administer and fund the municipal functions of the District.

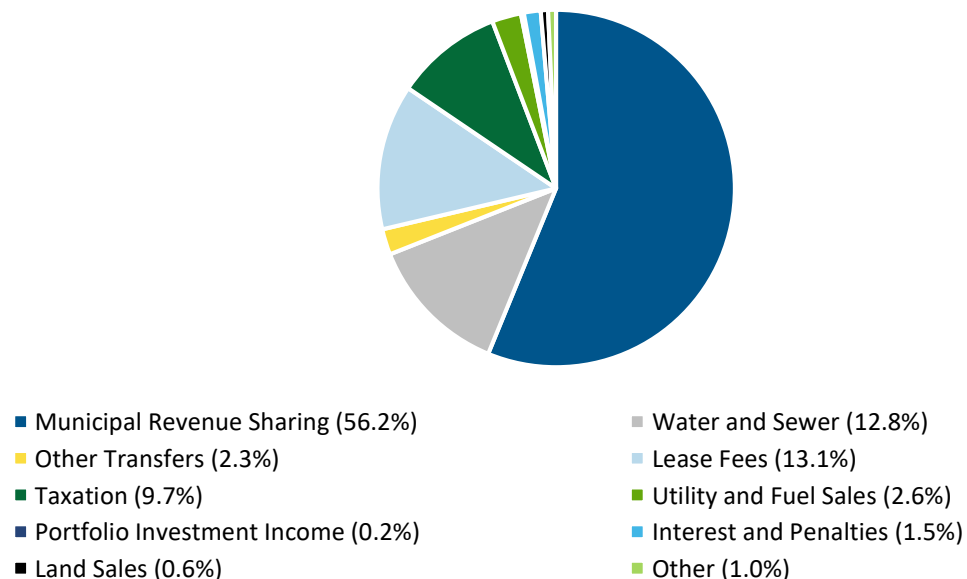
The NMTA provides programs and services to the two towns, 11 villages and 11 hamlets in the north, as well as the 11 settlements, 14 resort subdivisions and the unorganized portion of the District. The District's 321,000 square kilometres had a 2021 population of 35,986 (19,051 on reserve, 15,064 in municipalities and 1,871 in the District).

In 2021, the NMTA completed the year with an accumulated surplus of \$53.57 million, based on \$46.75 million in net financial assets and \$6.82 million of non-financial assets.

Total revenues were \$36.04 million, and expenses were \$34.74 million. NMTA revenues were received primarily from the following:

- transfers from the general revenue fund for northern Municipal Revenue Sharing (MRS);
- transfers from federally and provincially funded infrastructure programs;
- own source revenue lease fees, property taxes and penalties collected on land in the District; and
- utility and fuel sales.

NMTA Revenues - 2021



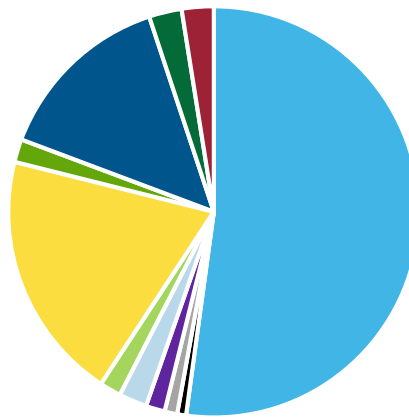
NMTA expenses primarily relate to the following three northern municipal programs:

- Municipal revenue sharing
- Water and sewer infrastructure
- Northern capital grants

Other expenses include:

- Municipal services
- Fuel operating costs
- Regional solid waste
- Northern residential subdivision

NMTA Expenses - 2021



- | | | |
|---|-------------------------------|------------------------------|
| ■ Municipal Revenue Sharing (52.2%) | ■ Regional Solid Waste (0.7%) | ■ New North (1.0%) |
| ■ Northern Residential Subdivision (1.5%) | ■ Fuel Operating Costs (2.2%) | ■ Bad Debt (1.7%) |
| ■ Water and Sewer (19.7%) | ■ Northern Capital (1.8%) | ■ Municipal Services (14.2%) |
| ■ Landfill Decommissioning (2.6%) | ■ Other Transfers (2.4%) | |

Minister's Mandate

The NMTA is mandated under the Act to provide for the administration of funds and property held by the Minister for the following purposes:

- the benefit of northern municipalities generally;
- the administration of the District as a northern municipality; and
- the disbursement of revenues derived from tax collection and other revenues on behalf of northern hamlets and the District, including northern settlements and resort subdivisions.

The Minister functions as the District's municipal council that serves 11 northern settlements, 14 resort subdivisions and the northern dispositions (unorganized portion), and collects property taxes in northern hamlets. Staff from the ministry's NMS branch undertake the day-to-day activities of this work, including regular contact with the local advisory committee (LAC) in each settlement and District cabin owners' associations.

2021 Highlights

Northern Municipal Revenue Sharing Program

For 2021-22, funding provided to communities through the MRS pool was \$20.26 million, a 0.88 per cent decrease from the amount allocated in 2020-21. Overall, the MRS pool has increased by \$10.07 million or 98.9 per cent since 2007.

Northern Water and Sewer Program

The Northern Water and Sewer (NWS) program provided \$6.86 million in funding to upgrade 24 water and sewer systems in 17 northern communities, ensuring safe drinking water and enabling their growth and development. Municipalities benefitting from water and sewer funding are Stanley Mission, Weyakwin, Pinehouse, Île-à-la-Crosse, La Loche, Green Lake, Stony Rapids, Pelican Narrows, Sandy Bay, Brabant Lake, Cumberland House, Creighton, Denare Beach, Buffalo Narrows, Michel Village, Timber Bay and St. George's Hill.

Northern Regional Solid Waste Management

The Northern Regional Solid Waste Management program provided \$237,000 in funding for 2021-22 to construct the Lac La Ronge regional solid waste facility and transfer stations in Timber Bay, Weyakwin, Missinipe and Brabant Lake, as well as to decommission existing landfills in these participating communities.

2021 Performance

Government Goal – Growth and Opportunity

Sustaining growth and opportunities for Saskatchewan people

Engage municipalities in increasing capacity for sustainable development

Results:

Explore the concept of establishing regional municipal service districts or other forms of shared services among municipalities.

NMS continues to lead the establishment and delivery of regional solid waste management infrastructure in northern Saskatchewan in partnership with northern municipalities and First Nations. Discussions on various forms of regional services are ongoing.

Provide administrative training, financial and operational support services to northern administrators and clerks via the Municipal Administrative Support program.

NMS staff continue to work with New North and the NMTA Management Board to maintain a professional association of northern municipal administrators and clerks to supplement the capacity building services provided by NMS and develop champions who would ensure a sustainable future for northern Saskatchewan.

Protect against the NMTA's financial risks by ensuring Asset Management:

- assets are inventoried and inspected on a regular basis;
- appropriate insurance is maintained;
- costs are monitored; and
- local mill rates are adjusted when required to address increased operational costs.

Insurance and asset inventories are maintained on an ongoing basis. District and northern hamlet mill rates have been adjusted to achieve revenue neutrality.

Champion and support effective community planning

Results:

Increase engagement with northern communities to develop, implement, and monitor long range community plans under the Planning for Growth North program.

Since 2010, the Planning for Growth North (P4GN) program has delivered 19 official community plans (OCP) and 20 zoning bylaws (ZB) to northern municipalities. In 2021, one OCP, one ZB, nine planning bylaw amendments and two other bylaws were delivered.

Work on land use planning initiatives with the government, communities, First Nations

Inter-ministry cooperation continues with the ministries of Environment, SaskBuilds and Procurement and Highways, as well as Saskatchewan Housing Corporation to address issues identified by Government Relations, including the administration of crown-owned lands within municipal boundaries, municipal boundary alterations, future housing needs and comprehensive municipal and regional plans.

Government Goal – Quality of Life
 Securing a better quality of life for all Saskatchewan people

Enable municipalities to achieve vibrant, safe, healthy communities

Results:

Manage the Emergency Water and Sewer program to provide northern municipalities with access to funding for timely and efficient emergency repairs to their water and sewer facilities.

The Emergency Water and Sewer (EWS) program assists northern municipalities and settlements with emergency funding in case of unforeseen problems, which threaten the safe and efficient operation of community water and sewer systems.

For 2021, EWS program expenditures were \$11,318.

Emergency Water and Sewer Program <i>(thousands of dollars)</i>										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program Expense	-	15	26	29	8	-	9	5	5	11
Towns	-	-	-	-	-	-	-	-	-	-
Villages	56	1	42	65	20	-	-	-	-	-
Hamlets	83	8	-	93	2	6	-	-	-	-
Subtotal	139	24	68	187	30	6	9	5	5	11
Settlements	94	3	-	-	-	-	-	-	-	-
Total	233	27	68	187	30	6	9	5	5	11

Implement and expand Northern Water and Sewer program infrastructure projects in compliance with the regulations under the Saskatchewan Drinking Water Strategy and to meet capacity and condition concerns.

Under phase 4 and 5 of the Northern Water and Sewer program, 43 projects in 23 municipalities were identified at an estimated cost of \$124.40 million.

Work with communities to ensure emergency plans are developed and updated to deal with fires, floods and other dangers.

Emergency plans were prepared for all northern settlements. LACs and their Northern Municipal Advisors have received copies of the plans. The plans will continue to be updated annually.

Manage the Northern Residential Subdivision Development program to assist northern municipalities in creating opportunities to improve resident quality of life by providing a basis for new housing developments.

The Northern Residential Subdivision (NRSD) program helps northern municipalities develop serviced residential lots to meet housing demands.

\$8.23 million in development costs have been incurred in nine communities since 2007.

Government Goal – Challenges of Growth Meeting the challenges of growth

Assist municipalities in addressing infrastructure needs to support growth

Results:

Explore options to prevent net financial assets in the general account from falling below \$6 million.

In order to ensure its long-term sustainability, the NMTA maintains more than \$6 million of net financial assets in the general account to ensure adequate cash flow to meet financial programming commitments. Even though the general account net financial assets of \$35.65 million are above the \$6 million threshold, the NMTA will review the municipal mill rate on the isolated dispositions of the District to determine the effectiveness of future mill rate changes to assist in addressing cost increases.

Use defined servicing agreements to ensure appropriate infrastructure development.

NMS has ongoing service and municipal agreements with developers in the District to construct and upgrade lands and infrastructure including roads, public works and dedicated lands.

Deliver the Northern Residential Subdivision Development program revolving fund of \$6 million to help meet increasing demands for new residential lots.

The NRSD program is a \$6 million revolving fund helping communities meet needs for serviced residential lots. Most northern municipalities lack the financial resources needed to develop new residential subdivisions. Therefore, the northern municipality provides the land at no cost to the NMTA, which incurs the land development costs. The program requires that the municipality sign an agreement to repay development costs over a five-year period. This payment structure is contractually guaranteed through assignment of the municipality's revenue sharing grant. This agreement ensures the NMTA fully recovers lot development costs. Any excess funds are returned to the community.

For 2021, NRSD program expenditures were \$504,000. The two active projects under the program are subdivision developments in the Northern Villages of La Loche and Pinehouse.

Continue to deliver the Northern Water and Sewer program.

The NWS program has been implemented in four phases to coincide with federal and provincial infrastructure funding programs. The NWS program continues to address high-priority infrastructure needs in the north:

- Phase 1 of the program launched in 2003 and was completed in 2010, at a final cost of \$34.10 million.
- Phase 2 of the program launched in 2006 and was completed in 2014, at a final cost of \$22 million.
- Phase 3 of the program launched in 2009 and was completed in 2016, at a final cost of \$45.34 million.

Phase 3 Source of Funding (\$000's)	
Federal	7,509
Band	3,472
Provincial	7,509
Municipal	426
NMTA	26,422
Total	45,338

- Phase 4 began in 2014 and is expected to be completed in 2022 at an estimated final cost of \$92.41 million.

Phase 4 Source of Funding (\$000's)	
Federal	13,146
Band	42,596
Provincial	9,999
Municipal	5,352
MRS	4,033
NMTA	17,285
Total	92,411

- Phase 5 began in 2019 and is expected to be completed in 2023 at an estimated final cost of \$32.43 million.

Phase 5 Source of Funding (\$000's)	
Federal	8,215
Band	3,897
Provincial	8,215
Municipal	2,395
NMTA	8,710
Total	31,432

Northern Water and Sewer Program (thousands of dollars)										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program Expense	241	217	279	279	240	269	420	432	208	147
Towns	105	13	181	313	3,207	2,969	1,518	1,264	142	296
Villages	7,464	6,625	6,293	2,114	1,383	5,440	7,988	5,210	4,866	5,816
Hamlets	207	1,314	120	101	345	510	5,489	3,310	1,770	588
Subtotal	8,017	8,169	6,873	2,807	5,175	9,188	15,415	10,216	6,986	6,847
Settlements	16	114	93	88	47	338	(39)	9	304	845
Total	8,033	8,283	6,966	2,895	5,222	9,526	15,376	10,225	7,290	7,692

Provide financial and technical assistance to northern communities for the construction or upgrading of municipal facilities and for the acquisition of municipal equipment through the renewed five-year Northern Capital Grants program.

The Northern Capital Grants (NCG) program has supported northern municipalities and settlements by providing capital funding for acquiring, constructing or upgrading municipal facilities, furniture, fixtures and equipment.

When the NCG program expired on September 30, 2018, the ministry conducted a review with the NMTA Management Board and New North. Based on positive results of the review, the NCG program was extended for another five years, until September 30, 2023.

Northern Capital Grants Program (thousands of dollars)										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Towns	388	402	-	27	34	114	1,276	53	30	-
Villages	444	341	10	798	947	104	930	198	212	552
Hamlets	40	105	-	-	100	28	14	74	-	60
Subtotal	872	848	10	825	1,081	246	2,220	325	242	612
Settlements	12	46	-	-	-	-	111	-	-	-
Total	884	894	10	825	1,081	246	2,331	325	242	612

Implement a policy for adjusting the District and northern hamlet mill rates that ensures fair levels of taxation and meets the needs of the NMTA.

The municipal mill rate averages are as follows:

Northern Settlements residential	4.70
Northern Settlements commercial	9.71
Northern Hamlets residential	5.62
Northern Hamlets commercial	6.28
Resort Subdivisions residential	2.13
Resort Subdivisions commercial	2.88
Resource District agricultural	2.00
Resource District residential	2.79
Resource District commercial	8.34

In 2021, District mill rates were adjusted to ensure appropriate taxation.

Monitor Circuit Rider program to ensure it remains an effective means of providing insight into the operation and maintenance of northern water and sewer infrastructure.

The Circuit Rider program helps communities and the NMTA by ensuring water and sewer systems are being effectively run and maintained. Technical resources provide operators training and mentoring. Each year, two visits are made to all 31 northern communities with water and sewer systems to provide training and technical assistance to the operators. Operational reports are prepared for each community. In 2021, the Training and Technical Assistance Contract expenditure was \$385,000. The Circuit Rider program has existed since 2003, and its success has helped reduce Emergency Water and Sewer claims.

The Circuit Rider program was renewed in 2020 through the execution of an Advanced Contract Award Notice for five more years.

Support effective and sustainable municipal infrastructure management policies and practices.

Policies and practices are monitored ensuring that the delivered programs support effective and sustainable municipal infrastructure management.

Implement improvements to infrastructure projects through programs such as the Northern Capital Grants program, Northern Municipal Revenue Sharing program and Northern Water and Sewer program.

On February 26, 2016, changes were approved to the northern Municipal Revenue Sharing Grants section of *The Northern Municipalities Regulations* which included a complete breakdown of the Northern Municipal Revenue Sharing formula. The regulation changes were required to reflect the motion the Legislative and Regulation Review Committee made in 2014 on not submitting amendment regulations each year.

This increased accountability and transparency by making the formula available for independent review and by communicating grant amounts to each municipality in writing, including a breakdown of the four pillar amounts, per-capita amount, as well as the utility fee and commercial tax amounts that the formula expects communities to generate on their own.

Reduce the cost of living in northern municipalities

Results:

Ensure that the unconditional northern Municipal Revenue Sharing grant pool is allocated in accordance with the revenue sharing formula to appropriately fund the operating needs of northern communities.

For 2021, \$18.13 million was paid to northern municipalities based on the formula developed in 2009.

Letters were sent to all northern municipalities in June 2021 informing them of their 2021-22 MRS amount, including a breakdown of the four core cost estimates, utility fees, commercial taxes, and the per capita amount.

Government Goal – Responsive and Responsible Delivering responsive and responsible government

Increase NMTA's financial and operational transparency and accountability

Results:

Support municipal compliance with Public Sector Accounting Board and legislative requirements.

NMS officials are addressing municipal legislative compliance issues through advisory services, education and training of municipal council and employees in partnership with New North. NMS is participating in all New North gatherings to increase accessibility of advisory services to northern municipalities and to utilize the events for face-to-face consultations on compliance issues.

Implement a strategy to address property tax arrears and mill rates within the District and northern hamlets.

NMS is considering strategic measures to enhance the collection and enforcement of taxes as there are property owners in the District and northern hamlets with significant tax arrears who are based in remote communities with limited economic opportunities. NMS continues to work with other government agencies and stakeholders potentially impacted to improve the recovery rate of arrears in the District and northern hamlets.

Continue promoting accountability and transparency by:

- *providing quarterly reports to the ministry;*
- *preparing an annual strategic plan and budget by December 31;*
- *releasing an annual report in accordance with legislated timelines;*
- *undertaking ongoing review and update of the Policy and Procedures Manual;*
- *ensuring a free flow of information between the ministry and the NMTA Management Board;*
- *continuing to address auditor recommendations in a timely and complete manner; and*
- *reviewing and updating financial reporting formats to increase readability, transparency and accountability.*

The 2021 Executive Summary, Budget, Strategic Plan and Business Plan were approved on December 22, 2021.

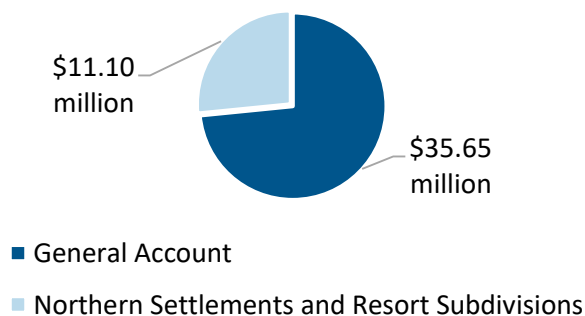
Performance Measures

Measure: Net financial assets in the general account do not fall below six million

Significance of the measure

In order to ensure its long-term sustainability, the NMTA maintains more than six million dollars of net financial assets in the general account to ensure adequate cash flow to meet financial programming commitments.

2021 Net Financial Assets (\$46.75 million)



Measure: Internal reports and financial statements are tabled on time

The NMTA policy states internal quarterly financial reports are to be filed within 52 days of the end of the quarter, except for the fourth quarter report which is tied to the preparation of the yearend financial statements. For 2021, quarterly reports were filed and approved on time, except quarter one. A redesign of existing financial services staff roles and responsibilities is being undertaken to ensure that filings and approvals are received within timelines as stated in NMTA policy.

Significance of the measure

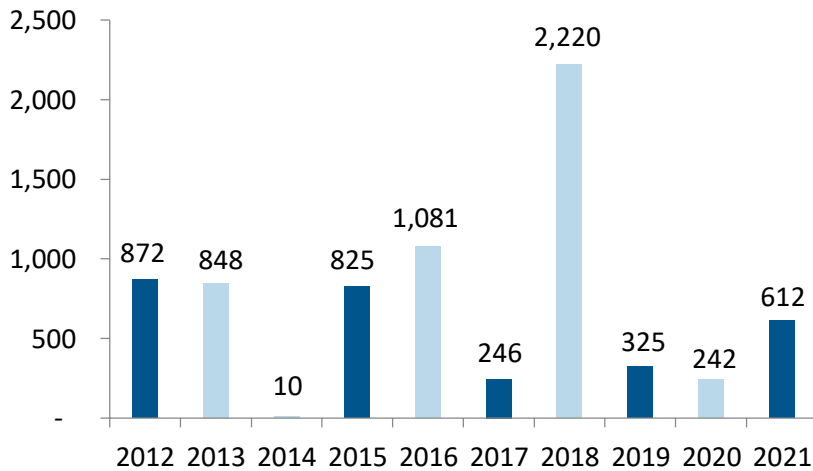
The NMTA is accountable to provide timely and accurate information to the Ministry of Government Relations, the Legislative Assembly and the public.

Measure: Amount provided to municipalities under the Northern Capital Grant, Northern Water and Sewer and Northern Municipal Revenue Sharing Grant programs

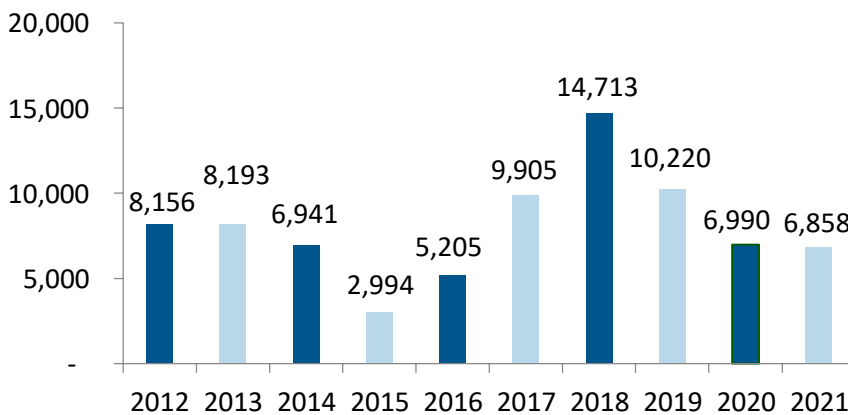
Significance of the measure

The NCG and NWS programs fund infrastructure upgrades and expansion. Northern communities depend on the MRS grant to support operations and administration. Local tax bases are limited and, without federal and provincial support, many communities could not deliver these services to their residents.

Northern Capital Grant (in thousands)

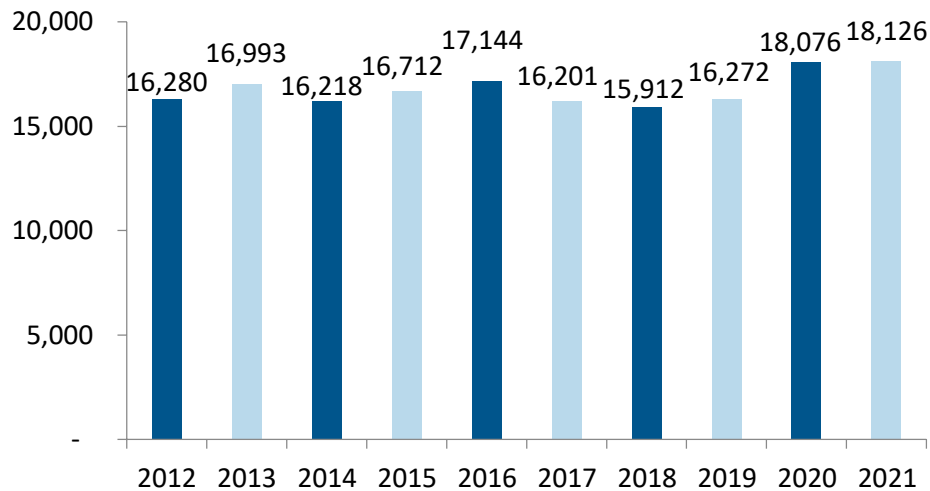


Northern Water and Sewer (in thousands)



Program	2021 Projects	2021 Communities	2021 Funding
NCG	18	7	\$612,000
NWS	24	17	\$6,858,000

Northern Municipal Revenue Sharing (in thousands)



Note: These figures represent expenses to incorporated northern municipalities on a calendar year basis and do not reflect expenses to settlements, or amounts redirected for funding the NWS program.

Measure: Number of lots and roadways developed under the Northern Residential Subdivision Development program

Significance of the measure

Development of residential lots and roadways is essential to enable northern municipalities to meet their residents' housing needs. Improved subdivisions enhance community residents' quality of life.

Year	# of Lots Developed	Area of Parks & Open Space Set Aside (Hectares)	Area of Roadways Developed (Metres)	Value
2007 - 2013	130	2	1,834	\$5,043,522
2014	-	-	-	\$1,543,269
2015	-	-	-	\$94,652
2016	-	-	-	-
2017	-	-	-	\$2,228
2018	19	1	253	\$157,913
2019	-	-	-	\$19,898
2020	62	1	886	\$869,972
2021	-	-	-	\$504,451

2022 Outlook

The 2022 NMTA consolidated budget projects a \$444,000 surplus. This is expected to increase the accumulated surplus to \$53.60 million by the end of the year.

Municipal Revenue Sharing

For 2022-23, northern municipalities are forecasted to receive \$17.40 million through the MRS program. This is a 4 per cent decrease from the previous year.

Water and Sewer

Phase 4 is expected to be completed in 2022 at an estimated final cost of \$92.41 million. Of this amount, Indigenous Services Canada (ISC) is expected to contribute \$42.60 million on behalf of First Nations sharing water and sewer systems with neighbouring municipalities. The remaining \$49.81 million will be sourced from The New Building Canada Fund (\$23.15 million), municipal contributions (\$5.35 million), and the NMTA (\$21.31 million).

Phase 5 is expected to be completed in 2022 at an estimated final cost of \$31.43 million. Of this amount, ISC is expected to contribute \$3.90 million on behalf of First Nations sharing water and sewer systems with neighbouring municipalities. The remaining \$27.53 million will be sourced from the New Building Canada Fund (\$18.70 million), municipal contributions (\$2.39 million), and the NMTA (\$6.44 million).

For 2022, the NMTA budgeted \$11.67 million to deliver the water and sewer program.

Federal/Provincial Investment in Regional Solid Waste Management

This program is to assist northern municipalities and First Nations in establishing and operating sustainable solid waste management infrastructure as well as the partnerships and agreements needed to facilitate good governance practices, utilize multi-jurisdictional funding sources and enable regional economies of scale.

In 2022, \$7.48 million was budgeted for this program.

Municipal Administrative Support

In 2022, \$500,000 has been budgeted to deliver a municipal administrative circuit rider program, to give municipal administrators hands-on, direct assistance twice per year while providing the ministry and NMTA Board with further insight into the causes of municipal non-compliance. \$45,000 has been budgeted to develop additional support systems such as an administrator's resource bank to guide improvements in northern governance and administration. Also, \$75,000 was budgeted in 2022 to support and develop the northern municipal administrator's association.

In 2013, the NMTA Management Board selected the Northern Village of Cumberland House as a pilot project under the Municipal Administrative Support program. Cumberland House received tactical capacity assistance from New North under the program on cost-recovery basis spread over five years. They received capacity assistance worth \$321,237 to be repaid over five years. In 2022, their scheduled repayment to the NMTA is \$62,861.

Residential Subdivision Development

\$2.325 million was budgeted in 2022 for the ongoing subdivision development work in the Northern Villages of La Loche and Pinehouse.

Planning for Growth North

In 2022, the P4GN program will continue assisting northern communities develop official community plans and zoning bylaws. Northern subdivision consultation and review will continue being administered from the La Ronge office. A total of \$291,000 was budgeted in 2022 for hiring and retaining three professional planners.

Mill Rate Review

In order to ensure its long-term sustainability, the NMTA maintains a \$6 million minimum amount of net financial assets in the general account to ensure adequate cash flow to meet financial programming commitments. Even though the general account net financial assets are above the \$6 million threshold, the NMTA reviewed the municipal mill rate on the District's isolated dispositions and changed the 2022 tax levy.

Northern Capital Grants

For 2022, the NMTA budgeted \$1.0 million to fund the NCG program.

When the NCG program expired on September 30, 2018, the ministry conducted a NCG program review in consultation with the NMTA Board, New North and the ministry's NMS branch. Based on positive results of that review, the NCG program was renewed for another five years, until September 30, 2023.

Circuit Rider Program

Assists northern municipalities and settlements with training water plant operators and regular operation and maintenance of their water and sewer systems. The program reduces the need for the emergency program and protects the investment the NMTA is making in the systems under the Northern Water and Sewer program. Following the contract expiry at the end of 2020, a public procurement request was issued and awarded to the previous incumbent. 2021 costs as per the contract are \$385,000.

Appendix 1 – Northern Municipal Trust Account

Goods and Services

Listed are payees who received \$50,000 or more for the provision of goods and services, including supplies, communication, contracts and equipment.

AECOM Canada Ltd.	\$ 267,917
Alex Robertson Public Library	\$ 54,466
Amachewespimawin Co-op	\$ 51,944
Associated Engineering (SASK)	\$ 719,770
ATAP Infrastructure	\$ 210,147
BCL Engineering Ltd.	\$ 933,911
Bedrock	\$ 96,020
Brandt Tractor Ltd.	\$ 134,417
Brodsky Construction Inc.	\$ 399,886
Filtrum Construction	\$ 220,830
Flyer Electric	\$ 639,555
Fusion West Manufacturing Ltd.	\$ 59,674
Garson Energy Inc.	\$ 116,550
Gee Bee Construction	\$ 109,882
Get Green Erosion Control Ltd.	\$ 857,744
Greenland Waste Disposal Ltd.	\$ 51,140
Hipperson Construction	\$2,560,927
Hub International Insurance	\$ 125,058
Ixom Watercare Inc.	\$ 101,653
Jensen, Ken	\$ 83,169
JRT Excavating Ltd.	\$ 474,175
JS Industries	\$ 122,279
Lac La Ronge Regional	\$ 65,783
Living Waters Development Co.	\$ 64,436
Majic Environmental Ltd.	\$ 77,489
Maystruck, Gary	\$ 172,012
Miners Construction Co. Ltd.	\$ 497,292
Nagyl Construction	\$ 64,263
P. Machibroda Engineering Ltd.	\$ 81,358
Pinehouse Business North LP	\$ 423,231
Points North Freight	\$ 664,399
Prince Albert Grand Council	\$ 71,928
Receiver General	\$ 311,900
TSL Mechanical	\$ 145,551
Unicon Pipeline Ltd.	\$2,111,861
Unrau Contracting	\$ 97,882
Uranium City Bulk Fuel Ltd.	\$ 191,823

Personal Services

Listed are payments made to an individual for salaries, wages, honorariums, etc. which total \$50,000 or more.

Carissa Donaldson	\$ 82,089
Erik Trenouth	\$ 87,169
Fabian Caron	\$ 92,070
Heather Bernardin	\$ 84,090
Joey Montgrand	\$ 61,645
Wayne Powder	\$ 53,065

Payments Made to Related Parties

Listed are related parties that received \$50,000 or more for the provision of goods and services, including supplies, communication, contracts and equipment.

Saskatchewan Water Corporation	\$ 534,612
Saskatchewan Power Corporation	\$ 500,085
Saskatchewan Research Council	\$ 119,637
Saskatchewan Assessment Management Agency	\$ 95,009

Appendix 2 – Northern Municipal Trust Account

Payment of Transfers

Recipient	Revenue Sharing	Capital Grant	Other
New North	-	-	\$525,000
Towns			
Creighton	\$931,229	-	-
La Ronge	\$1,438,074	-	-
Villages			
Air Ronge	\$790,816	-	-
Beauval	\$628,390	-	\$37,111
Buffalo Narrows	\$775,164	-	-
Cumberland House	\$479,486	-	-
Denare Beach	\$666,139	\$43,822	-
Green Lake	\$430,247	-	-
Ile a La Crosse	\$903,410	\$430,988	-
La Loche	\$954,082	-	-
Pelican Narrows	\$254,793	\$71,375	-
Pinehouse	\$735,927	\$6,207	-
Sandy Bay	\$637,572	-	-
Northern Hamlets			
Black Point	\$164,088	-	-
Cole Bay	\$253,836	-	-
Dore Lake	\$197,750	\$30,000	-
Jans Bay	\$225,765	\$29,960	-
Michel Village	\$240,041	-	-
Patuanak	\$247,413	-	-
St. George's Hill	\$226,704	-	-
Stony Rapids	\$286,683	-	-
Timber Bay	\$209,073	-	-
Turnor Lake	\$149,538	-	\$48,113
Weyakwin	\$218,573	-	-
Northern Settlements			
Bear Creek	\$203,186	-	-
Brabant Lake	\$304,274	-	-
Camsell Portage	\$53,213	-	-
Descharme Lake	\$62,394	-	-
Garson Lake	\$70,252	-	-
Missinipe	\$209,819	-	-
Sled Lake	\$286,205	-	-
Southend	\$35,957	-	-
Stanley Mission	\$192,408	-	-
Uranium City	\$502,829	-	-
Wollaston Lake	\$208,277	-	-
Total	\$14,173,607	\$612,352	\$610,224

Note: Payments to Settlements are eliminated when preparing the consolidated financial statements

MANAGEMENT'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

As members of management of the Northern Municipal Trust Account, we are responsible for the preparation and presentation of the following financial statements in accordance with Canadian public sector accounting standards applied on a basis consistent with that of the preceding year.

The significant accounting policies adopted in the preparation of the financial statements are fully and fairly disclosed in the financial statements.

We believe the Northern Municipal Trust Account has a system of internal control adequate to provide reasonable assurance that the accounts are faithfully and properly kept to permit the preparation of accurate financial statements in accordance with Canadian public sector accounting standards.

We enclose the financial statements of the Northern Municipal Trust Account for the year ended December 31, 2021 and the Provincial Auditor's report on these financial statements.



Sheldon Green
Acting Deputy Minister
Government Relations



Ralph Leibel
Acting Assistant Deputy Minister
Government Relations



Brad Henry
Executive Director
Northern Municipal Services
Government Relations



Deanna Roos
Director, Finance and Accounting
Northern Municipal Services
Government Relations



Ken Kowalczyk
Manager, Financial Services
Northern Municipal Services
Government Relations

**NORTHERN MUNICIPAL TRUST ACCOUNT
FINANCIAL STATEMENTS
For the Year Ended December 31, 2021**

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

Opinion

We have audited the consolidated financial statements of the Northern Municipal Trust Account, which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations and accumulated surplus, change 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Northern Municipal Trust Account as at December 31, 2021, and the consolidated results of its operations, consolidated changes in its net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Northern Municipal Trust Account 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or any knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, 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 Northern Municipal Trust Account'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 Northern Municipal

Trust Account or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Northern Municipal Trust Account's financial reporting process.

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

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

Regina, Saskatchewan



Tara Clemett, CPA, CA, CISA
Acting Provincial Auditor
Office of the Provincial Auditor

NORTHERN MUNICIPAL TRUST ACCOUNT
Consolidated Statement of Financial Position
As at December 31
(thousands of dollars)

Financial Asset	2021	2020
Cash	7,752	6,489
Temporary investments	34,563	33,554
Accounts receivable (note 4)	18,700	12,356
Inventory for resale	358	463
Total Financial Assets (schedule 1)	61,373	52,862

Liabilities		
Grants payable	6,807	3,268
Unearned revenue (note 5)	1,377	24
Advance payments (note 6)	1,775	1,898
Accounts payable	630	825
Accrued landfill decommissioning (note 7)	1,190	277
Accrued landfill liability - LLRRWMC	59	58
Accrued contaminated site remediation (note 17)	61	61
Revenues collected for others (note 8)	2,720	223
Total Liabilities (schedule 1)	14,619	6,634
Net Financial Assets (schedule 1)	46,754	46,228
Non-financial Assets		
Tangible capital assets (note 9)	6,659	5,993
Prepaid expenses	151	48
Inventory held for consumption	10	13
Total Non-financial Assets (schedule 1)	6,820	6,054
Accumulated Surplus (schedule 1)	53,574	52,282

Contractual obligations (note 14)

Contractual rights (note 15)

The accompanying notes and schedules are an integral part of these financial statements.

NORTHERN MUNICIPAL TRUST ACCOUNT
Consolidated Statement of Operations and Accumulated Surplus
For the year ended December 31
(thousands of dollars)

	2021		2020
	Budget	Actual	Actual
(note 10)			
Revenue (schedule 1)			
Transfers			
Northern revenue sharing	21,000	20,256	20,436
Water and sewer	12,258	4,604	4,323
Regional solid waste	7,999	-	-
Safe restart	-	-	1,083
Other transfers	1,238	840	451
Lease fees	6,211	4,737	5,401
Taxation	4,740	3,507	4,809
Utility and fuel sales	611	949	831
Portfolio investment income (note 2bii)	90	90	90
Interest and penalties	983	558	749
Land sales	3,977	229	152
Other	574	265	292
Total Revenue	59,681	36,035	38,617
Expense (schedule 1 and note 16)			
Transfers			
Northern revenue sharing	18,826	18,126	18,076
Water and sewer	16,773	6,858	6,990
Regional solid waste	10,554	237	1,044
Northern capital	1,500	612	242
New North	360	360	350
Safe restart	-	-	1,015
Other transfers	894	854	421
Canada Community-Building Fund (CCBF)	372	-	-
Northern residential subdivision	2,681	504	870
Municipal services (note 11)	7,782	4,939	5,534
Fuel operating costs	486	752	661
Landfill decommissioning (note 7)	47	912	(18)
Bad debt expense	202	589	449
Total Expense	60,477	34,743	35,634
Surplus (Deficit) (schedule 1)	(796)	1,292	2,983
Accumulated surplus, beginning of year	-	52,282	49,299
Accumulated Surplus, End of Year (schedule 1)	-	53,574	52,282

The accompanying notes and schedules are an integral part of these financial statements.

NORTHERN MUNICIPAL TRUST ACCOUNT
Consolidated Statement of Change in Net Financial Assets
For the year ended December 31
(thousands of dollars)

	2021		2020
	Budget	Actual	Actual
	(note 10)		
Surplus (Deficit)	(796)	1,292	2,983
Tangible Capital Assets			
Acquisition of tangible capital assets (note 9)	(4,605)	(1,167)	(1,213)
Amortization of tangible capital assets (note 9)	526	498	553
Disposals/write-downs of tangible capital assets (note 9)	-	3	-
Net (Addition) Reduction of Tangible Capital Assets	(4,079)	(666)	(660)
Other Non-Financial Assets			
(Increase) decrease in prepaid expenses	(360)	(103)	(39)
Decrease (increase) in inventory held for consumption	-	3	(4)
Net (Increase) Decrease of Other Non-Financial Assets	(360)	(100)	(43)
Increase (decrease) in net financial assets	(5,235)	526	2,280
Net financial assets, beginning of year	-	46,228	43,948
Net Financial Assets, End of Year	-	46,754	46,228

The accompanying notes and schedules are an integral part of these financial statements.

NORTHERN MUNICIPAL TRUST ACCOUNT
Consolidated Statement of Cash Flow
For the year ended December 31
(thousands of dollars)

	2021	2020
Operating Activities		
Surplus	1,292	2,983
Non-cash items		
Landfill decommissioning	913	(19)
Amortization expense	498	553
Gain on asset disposal	(7)	-
Credit Unions – member equity	(8)	(1)
Change in Working Capital Balances		
Accounts receivable	(6,344)	503
Inventory for resale	104	92
Inventory held for consumption	3	(4)
Grants payable	3,539	(1,898)
Unearned revenue	1,353	(308)
Advance payments	(123)	(1,396)
Accounts payable	(195)	(701)
Accrued landfill liability	-	1
Contaminated site remediation (note 17)	-	-
Revenue collected for others	2,497	2
Prepaid expenses	(103)	(39)
Cash (Used for) Provided by Operating Activities	3,419	(232)
Capital Activities		
Cash used to acquire tangible capital assets	(1,167)	(1,213)
Proceeds from disposal of tangible capital assets and tax title properties	11	-
Cash (Used for) Capital Activities	(1,156)	(1,213)
Investing Activities		
Proceeds from disposal of temporary investments	33,540	44,540
Purchase of temporary investments	(34,540)	(43,540)
Cash Provided by (Used for) Investing Activities	(1,000)	1,000
Increase (decrease) in Cash	1,263	(445)
Cash, beginning of year	6,489	6,934
Cash, End of Year	7,752	6,489

The accompanying notes and schedules are an integral part of these financial statements.

NORTHERN MUNICIPAL TRUST ACCOUNT

Notes to the Financial Statements

December 31, 2021

1. Authority and Organization Description

The Northern Municipal Trust Account (NMTA) was established by Section 426 of *The Northern Municipalities Act, 2010* (Act). NMTA is administered by the Northern Municipal Services Branch of the Ministry of Government Relations (GR). NMTA administers all revenues relating to the Northern Saskatchewan Administration District (NSAD) and all moneys appropriated by the Legislature for the purposes of northern revenue sharing and other grant programs. The NSAD is a geographical area defined under *The Northern Municipalities Regulations*. NMTA also acts as the municipal operating fund for the unincorporated area in the district (i.e., northern settlements and resort subdivisions).

The Northern Water and Sewer Program provides funding to northern municipalities to develop and install or upgrade water and sewer systems to ensure residents have access to a safe potable water supply.

The Northern Capital Grant Program provides funding to northern municipalities with limited sources of revenue to assist in the construction and upgrade of municipal facilities and equipment.

The Saskatchewan Association of Northern Communities (New North) serves as a liaison between the northern municipalities and GR, and is an advocate voice for northern municipalities. The transfer to New North, on behalf of northern municipalities and settlements, is to assist them in promoting membership in their association.

The Northern Residential Subdivision Development Program provides for the development of residential lots. Many municipalities in the NSAD do not have sufficient tax bases or other sources of revenue necessary to develop a subdivision.

Pursuant to the Act, NMTA collects taxes for northern hamlets and the Ministry of Government Relations. Taxes levied on behalf of northern hamlets and Ministry of Government Relations are not considered revenue of NMTA and are not reflected in the Statement of Operations and Accumulated Surplus. These taxes are remitted to the respective entities when received.

The Ministry of Environment has the legislative responsibility for crown land dispositions within the Province of Saskatchewan, including those within the NSAD, and is the government billing agency for all crown land dispositions. Revenues, net of GST, that are received from dispositions, either by leases, land sales, permits, royalties, etc., are remitted to NMTA per section 426(3)(d) of the Act.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards as established by the Public Sector Accounting Standards Board.

Significant aspects of the accounting policies adopted by NMTA are as follows:

- a) **Reporting Entity:** The consolidated financial statements consolidate the assets, liabilities and flow of resources of the NMTA. The reporting entity also includes NMTA's share of the following entity:

Entity	Basis of Reporting
Lac La Ronge Waste Management Corporation	4.15 per cent proportionate consolidation

All inter-organization transactions and balances have been eliminated. See Note 12.

b) Inventory for resale

Fuel held for resale, by the northern settlement of Uranium City, is valued at the lower of cost, determined on a first in first out basis, and net realizable value.

c) Investments

- i. Temporary

Temporary investments are term deposits that have maturity dates less than 1 year from year end. They are recorded at cost, which approximates their market value.

- ii. Portfolio

Portfolio investments are investments that are not controlled by NMTA. These investments are recorded at cost (\$0), and revenue from them is recorded as investment income when receivable. The NMTA has an 18% interest in the Athabasca Basin Development Limited Partnership (ABDLP).

ABDLP was established in 2002 to provide employment and economic development in the north. The northern settlements of Wollaston Lake, Uranium City and Camsell Portage each have a six percent limited partnership interest in ABDLP. First Nations in the far north hold the remaining interest.

d) Landfill decommissioning and post decommissioning care

The costs to decommission landfill sites and the post-decommissioning care are recognized over their estimated remaining lives based on the total estimated landfill capacity and the accumulated capacity used at year end.

Total estimated costs will be adjusted in the year when events indicating a change is required become known.

e) 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 the maximum acceptable concentrations under an environmental standard. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- i. An environmental standard exists;
- ii. Contamination exceeds the environmental standard;
- iii. NMTA:
 - o is directly responsible; or
 - o accepts responsibility
 - o NMTA expects that future economic benefits will be given up; and
 - o A reasonable estimate of the amount can be made.

Liabilities are accrued to record the estimated costs related to the management of remediation of contaminated sites where NMTA is obligated or likely to be obligated to incur such costs. The liability estimate includes costs directly attributable to the remediation activities and reflects the costs required to bring the site up to the current environmental standard for its use prior to contamination. The liability is recorded net of any expected recoveries.

Total estimated costs will be adjusted in the year when events indicating a change is required become known.

Details of the accrued liability for contaminated sites is included in Note 17 – Contaminated site remediation.

f) Tangible capital assets

Tangible capital assets are recorded at cost in the year acquired less accumulated amortization. NMTA's tangible capital asset policy requires items with a cost of \$2,500 or more and a useful life of greater than a year to be capitalized. All costs directly attributable to acquisition, construction, development or betterment are capitalized. Assets are amortized commencing in the year the assets are acquired using the straight-line method over their estimated useful lives as follows:

Buildings	25 years
Machinery and equipment	10 years
Office furniture and equipment	3-5 years
Water and sewer infrastructure	25 years
Other	10 years

Tangible capital assets are written down when the asset no longer contributes to NMTA's ability to provide goods and services.

Information regarding the value of roads and infrastructure contributed upon formation of the settlements and recreational subdivisions is unavailable. These assets are considered to be fully amortized with an insignificant residual value.

g) Revenue

Revenues are recorded on the accrual basis. Government transfers are recognized as revenue in the period during which the transfer is authorized, and eligibility criteria are met.

Lease fees are recognized over the term of the lease.

Revenue from fuel sales is recognized upon point of sale to a third party.

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. Taxation revenues are recorded at the time tax billings are issued.

h) Transfer payments

Transfer payments, such as entitlements, grants, and shared cost agreements, are recognized as expenses in the period when the transfer is authorized, the eligibility criteria have been met by the recipient, and a reasonable estimate of the amount can be made.

i) Northern Residential Subdivision Development Program – land development costs

NMTA incurs land development costs for the Northern Residential Subdivision Development Program. Under the program, NMTA develops lots for sale to private individuals or organizations. These costs include subdivision design and installation of power, water and sewer services. Expenses are reported on an accrual basis.

Land sales revenue is recognized upon completion of the developed lots. Revenue is considered earned when the official completion date is received along with the final development cost summary from the SaskWater project manager.

j) Change in municipal administration

NMTA serves in a municipal function in the administration of northern settlements and resort subdivisions.

Pursuant to sections 71 or 72 of the Act, an application by petition may be submitted to the Minister to establish a northern municipality. For a northern settlement or resort subdivision under the administration of NMTA, the related assets, liabilities, non-financial assets and accumulated surplus are transferred from NMTA to the municipality as of the date it is established as a separate entity.

Pursuant to section 73 of the Act, a northern settlement may be dissolved. On dissolution of the northern settlement, the related assets, liabilities, non-financial assets and accumulated surplus are transferred to NMTA from the northern settlement as of the date it is no longer recognized as a municipality. There were no municipality establishments or dissolutions during 2021.

k) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses for the year. Accounts subject to significant estimates include lease revenue from the Ministry of Environment, accrued landfill decommissioning costs, and accrued contaminated site remediation. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

3. Financial Instruments

NMTA's financial instruments include cash, temporary investments, portfolio investments, accounts receivable, grants payable, accounts payable and revenues collected for others. The fair value of these instruments approximates the carrying value due to their immediate or short-term nature. The temporary investments are term deposits with a weighted average term to maturity of 190 days (2020 – 219 days) and bear weighted average interest of 0.65 per cent per annum (2020 – 0.87 per cent).

4. Accounts Receivable

<i>(thousands of dollars)</i>	2021	2020
Water and sewer infrastructure	7,672	4,403
Sask Environment receivable	7,279	5,119
Accrued interest	106	134
Fuel sales receivable	265	172
Receivable from federal government (GST)	395	230
Taxes	138	33
Northern Residential Subdivision Development Program	-	173
Other	2,845	2,092
Total Accounts Receivable	18,700	12,356

NMTA's accounts receivable above are net of a provision of \$1,758,204 for taxes and \$1,976,411 for leases that are considered doubtful. The total provision in 2021 is \$3,734,615 (2020 – \$3,145,947).

5. Unearned Revenue

Unearned revenue of \$1,377,326 (2020 – \$23,880) represents Crown land leases collected by the Ministry of Environment from third parties and paid to NMTA relating to future periods.

6. Advance Payments

NMTA entered into various agreements to fund the Northern Water and Sewer program and Regional Solid Waste Management program. Many water and sewer municipal projects are jointly funded between the provincial and federal government (Aboriginal Affairs and Northern Development Canada), NMTA, and the community itself whereby advance payments are received by NMTA for future water and sewer project costs and landfill project costs. Advance payments represent the balance of payments received to be allocated against future expenditures.

7. Accrued Landfill Decommissioning

The Environmental Management and Protection Act, 2010 (Saskatchewan) sets out regulatory requirements to properly close and maintain all active and inactive landfill sites. Environmental laws require decommissioning care of solid waste landfill sites. Decommissioning and the post-decommissioning requirements include covering and landscaping the landfill, ongoing environmental monitoring, and maintenance.

During 2021, management used updated cost information from assessment work and engineering reports for six different landfill sites the NMTA is responsible for. This updated the NMTA's liability as at December 31, 2021 to \$1,190,489 (2020 - \$281,744). The NMTA recorded the change in liability of \$908,745 in landfill decommissioning expenses during the year. The estimated accrual is based on the total estimated landfill capacity and the accumulated capacity used at December 31, 2021. Management estimates that the total cost to decommission landfill sites in NSAD will amount to \$1,613,700 (2020 - \$600,000).

The estimated remaining capacity of the 12 landfills in NSAD ranges from zero to 33 years. On average, these landfills have 1.5 hectares available for use.

8. Revenues Collected for Others

<i>(thousands of dollars)</i>	2021	2020
School taxes due to the Ministry of Government Relations	2,704	210
Municipal taxes collected due to hamlets	16	13
Total Revenues Collected for Others	2,720	223

9. Tangible Capital Assets

Tangible capital and other non-financial assets are accounted for as assets because they can be used to provide services in future periods. These assets do not normally provide resources to discharge liabilities unless they are sold.

(thousands of dollars)	2021						2020
	Buildings	Machinery & Equipment	Other	Water & Sewer	Capital Works in Progress	Total	Total
Opening Net Book Value	820	396	743	3,215	819	5,993	5,333
Opening cost	3,208	2,580	1,598	10,909	819	19,114	17,942
Additions during year	6	169	63	4	925	1,167	1,213
Transfers during year	-	-	33	402	(435)	-	-
Disposals/write-downs during year	-	(27)	-	-	-	(27)	(41)
Closing cost	3,214	2,722	1,694	11,315	1,309	20,254	19,114
Opening accumulated amortization	2,388	2,184	855	7,694	-	13,121	12,608
Annual amortization	63	84	61	290	-	498	553
Disposals/write-downs during year	-	(24)	-	-	-	(24)	(40)
Closing accumulated amortization	2,451	2,244	916	7,984	-	13,595	13,121
Net Book Value of Tangible Capital Assets	763	478	778	3,331	1,309	6,659	5,993

10. Budget

NMTA's 2021 budget was approved on December 22, 2020 by the Minister of Government Relations.

11. Municipal Services

<i>(thousands of dollars)</i>	2021		2020
	Budget	Actual	Actual
General government	2,674	1,427	2,249
Utilities operating cost	1,156	1,101	1,186
Recreation and cultural	368	354	346
Environmental and public health	2,200	538	665
Solid waste management	-	215	169
Transportation services	1,104	712	683
Protective services	280	592	236
Total Municipal Services	7,782	4,939	5,534

12. Lac La Ronge Regional Waste Management Corporation Partnership

The NMTA has entered into a partnership in the Lac La Ronge Regional Waste Management Corporation. The Corporation is under the shared control of the partners. The partnership is a cost sharing arrangement for the purpose of acquiring, establishing and operating a common landfill site shared among the following partners:

Lac La Ronge Indian Band	42.01%
Town of La Ronge	37.17%
Northern Village of Air Ronge	15.29%
NMTA	4.15%
Saskatchewan Ministry of Parks, Culture and Sport	1.38%
	100.00%

The following schedule represents 100% of the financial position and results of operations of the Lac La Ronge Regional Waste Management Corporation as at and for the year ended December 31:

<i>(thousands of dollars)</i>	2021	2020
Assets		
Cash and temporary investments	469	283
Other accounts receivable	43	13
Total financial assets	512	296
Liabilities		
Accounts payable	33	23
Landfill liability	1,420	1,391
Total liabilities	1,453	1,414
Net debt	(941)	(1,118)
Non-financial assets		
Tangible capital assets	9,842	9,511
Prepayments and deferred charges	22	-
Accumulated surplus (deficit)	8,923	8,393
Revenue	1,497	9,783
Expenses	967	678
Surplus	530	9,105

The above amounts have been proportionately consolidated in the NMTA consolidated financial statements at the NMTA's partnership share of 4.15% (2020 – 4.15%). After adjusting the accounting policies to be consistent with those of the NMTA and eliminating transactions between the partnership and the NMTA, the following amounts have been included in the NMTA's consolidated financial statements:

<i>(thousands of dollars)</i>	2021	2020
Assets		
Cash	19	12
Accounts receivable	2	1
Total financial assets	21	13
Liabilities		
Accounts payable	2	1
Accrued Landfill liability	59	58
Total liabilities	61	59
Net debt	(40)	(46)
Non-financial assets		
Tangible capital assets	408	395
Prepaid expenses	1	-
Accumulated surplus	369	349
Other Revenue	52	100
Expenses	41	28
Surplus	11	72

During the year, the NMTA made contributions to LLRRWMC of \$230,317 (2020 - \$1,160,080) and incurred cost sharing expenses of \$23,339 (2020 - \$23,230). The contributions and cost sharing expenses were conducted in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The expenses have been eliminated upon proportionate consolidation.

13. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, Ministries, agencies, boards and commissions related to NMTA by virtue of common control by the Government of Saskatchewan (collectively referred to as “related parties”). Related parties of the NMTA also include key management personnel, close family members of its key management personnel and entities controlled by, or under shared control of any of these individuals.

Routine operating transactions with related parties are settled on normal trade terms. The following table summarizes the routine related party transactions for the year:

<i>(thousands of dollars)</i>	2021	2020
Expense		
Water and sewer transfers	530	603
General government	735	652
Accounts Receivable		
Water and sewer infrastructure	4,965	2,585
Disaster Mitigation and Adaptation Fund	559	-
Ministry of Environment (lease fees, land sales, interest)	9,255	6,687

As a partner, the NMTA is also related to the Lac La Ronge Regional Waste Management Corporation (LLRRWMC) under common control of the partners. See Note 12.

In addition, NMTA pays provincial sales tax to the Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to or from them are described separately in the financial statements and notes.

Transfers from related parties during the year:

<i>(thousands of dollars)</i>	2021	2020
Ministry of Government Relations	23,522	24,332
Saskatchewan Lotteries Trust Fund for Sport, Culture, and Recreation	9	10
Grants in lieu from Saskatchewan ministries and agencies	48	60
Total	23,579	24,402

The Ministry of Environment is responsible for administering Crown land within the NSAD. Thus, Crown land is not reflected in the Statement of Financial Position. In accordance with *The Northern*

Municipalities Regulations and the Act, NMTA receives all proceeds from Crown land sales and leases within the NSAD.

14. Contractual Obligations

As of December 31, 2021, NMTA has entered into contracts to fund northern water and sewer, capital grants, northern subdivision projects and northern regional solid waste projects through 2022. These obligations total \$11,741,863 (2020 – \$12,841,121).

The Town of La Ronge, the Northern Village of Air Ronge, Lac La Ronge Indian Band, NMTA, and Saskatchewan Ministry of Parks, Culture and Sport all have agreed to contribute funds to the Lac La Ronge Regional Waste Management Corporation through cost sharing.

Total estimated operation account funding requirements for fiscal 2022 are as follows:

<i>(thousands of dollars)</i>		
Lac La Ronge Indian Band	262	42.01%
Town of La Ronge	232	37.17%
Northern Village of Air Ronge	95	15.29%
Northern Municipal Trust Account	26	4.15%
Saskatchewan Ministry of Parks, Culture and Sport	9	1.38%
Total	624	100.00%

15. Contractual Rights

a) Transfers

The NMTA’s contractual rights arise from three programs: the New Building Canada Fund – Provincial-Territorial Infrastructure Component-National-Regional Projects (NBCF PTIC-NRP), the New Building Canada Fund-Provincial-Territorial Infrastructure Component-National and Regional Projects Agreement for Northern Water / Wastewater System Upgrades Projects (NBCF PTIC-NRP NWS), and the Disaster Mitigation Adaption Fund (DMAF).

For the first two programs, the Government of Saskatchewan and the Government of Canada provide 33% each of the NBCF PTIC-NRP, and NBCF PTIC-NRP NWS program expenditures. All target projects will contribute to the rehabilitation of both water treatment and distribution infrastructure and existing wastewater and storm water treatment systems.

The Government of Saskatchewan, in turn, enters into agreements with eligible recipients to manage projects. In terms of the NMTA, the eligible recipients were the Towns of Creighton and La Ronge; the Northern Villages of Buffalo Narrows, Cumberland House, Denare Beach, Green Lake, Île-à-la-Crosse, La Loche, Pinehouse and Stony Rapids; the Northern Hamlets of Michel Village, Timber Bay and Weyakwin; and the Northern Settlement of Brabant Lake.

Revenues expected under the NBCF PTIC-NRP program are as follows:

<i>(thousands of dollars)</i>				
	PTIC - NRP	PTIC – NRP Wastewater	PTIC – NRP Water	Total
2022	519	3,496	2,364	6,379
Total	519	3,496	2,364	6,379

For the third program, the Disaster Mitigation Adaptation Fund will increase wildfire resilience for Saskatchewan communities. Wildfire mitigation work in communities will include forest thinning and fire guard construction. Project is designed to increase wildfire resilience for 25 communities (2 towns, 11 northern villages, 22 northern hamlets and 1 resort subdivision) that are at moderate or high risk from wildfire. Government of Canada will provide 75% of program expenditures to the Saskatchewan Public Safety Agency (SPSA) to reimburse the NMTA.

Revenues expected under the DMAF are as follows:

<i>(thousands of dollars)</i>	
2022	611
2023	611
2024	611
2025	611
2026 and thereafter	1,115
Total	3,559

b) Lease fees

The Ministry of Environment assesses and collects lease and permit fees based on signed agreements, and proceeds from Crown land sales in the Northern Saskatchewan Administration District (NSAD) under the authority of *The Provincial Lands Act, 2016*, and *The Crown Resource Land Regulations, 2017*. In addition, per Section 426 of *The Northern Municipalities Act, 2010*, the Northern Municipal Trust Account is continued consisting of proceeds from the sale of Crown land and of lease and permit fees in the NSAD. Thus, the Ministry of Environment transfers those collected funds to the NMTA in accordance with *The Northern Crown Land Disposition Regulations*. NMTA records these lease revenues and permit fees received from the Ministry of Environment.

These revenues are estimated to total \$92.174 million based on signed lease agreements with expiry dates up to 2055.

<i>(thousands of dollars)</i>	
2022	6,134
2023	5,918
2024	5,726
2025	5,631
2026 and thereafter	68,765
Total	92,174

16. Expense by Object

<i>(thousands of dollars)</i>	2021		2020
	Budget <i>(note 10)</i>	Actual	Actual
Transfers	49,279	27,047	28,138
Northern subdivision development	2,681	504	870
Solid waste management	-	215	169
Wages and benefits	1,065	1,006	1,154
Administration	127	23	92
Maintenance, materials and supplies	1,240	1,198	1,101
Contractual services	2,922	2,888	1,672
Utilities	445	444	529
Amortization	526	498	553
Bad debt expense	202	589	449
Other expenses	1,990	331	907
Total Expense by Object	60,477	34,743	35,634

17. Contaminated site remediation

A contaminated site has been identified for which NMTA is responsible. In 2016, NMTA estimated the cost of remediation to be \$90,000. Remediation costs of \$18,000 incurred in 2017 and \$11,000 in 2019 reduced this liability to \$61,000. The liability for the contaminated site relates to estimated costs to remediate impacted soil from a fuel spill at the Uranium City Water Treatment Facility. The liability was based on a remediation cost estimate prepared by an engineering consulting firm in 2010.

NMTA does not expect financial recoveries from completing remediation. Additional expenditures to complete the remediation are expected through 2022.

18. New Standards and Interpretations Not Yet Adopted

A number of new standards and amendments to standards issued by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada are not yet effective and have not been applied in preparing these financial statements. The following standards for governments will become effective as follows:

- *PS 1201 Financial Statement Presentation (effective for fiscal years beginning on or after April 1, 2022), replaces PS 1200 with revised guidance on presentation and disclosure of remeasurement gains and losses, other comprehensive income and accumulated surplus or deficit.*
- *PS 3041 Portfolio Investments (effective for fiscal years beginning on or after April 1, 2022), replaces PS 3030 and PS 3040 with revised guidance on disclosure of Temporary and Portfolio Investments.*
- *PS 3280 Asset Retirement Obligations (effective for fiscal years beginning on or after January 1, 2022 – NMTA plans to early adopt effective December 31, 2022), a new standard that replaces*

PS 3270 providing specific guidance on accounting for asset retirement obligations including landfills.

- *PS 3450 Financial Instruments (effective for fiscal years beginning on or after April 1, 2022), a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives.*
- *PS 3400 Revenue (effective for fiscal years beginning on or after April 1, 2023), a new standard providing additional guidance for exchange and unilateral (non-exchange) transactions.*
- *PS 3160 Public Private Partnerships (effective for fiscal years beginning on or after April 1, 2023), a new standard providing additional guidance on how to account for public private partnership arrangements.*
- *PSG 8 – Purchased intangibles (effective for fiscal years beginning on or after April 1, 2023), a new guideline explaining the scope of intangibles now allowed to be recognized in financial statements given the removal of the recognition prohibition relating to purchased intangibles in Section PS 1000.*
- *NMTA plans to adopt these new and amended standards on the effective date unless indicated otherwise above and is currently analyzing the impact this will have on these financial statements.*

Schedule 1

Northern Municipal Trust Account

Segmented and Restricted Assets

NMTA functions as a consolidated fund and provides operating grants, capital grants, and other program funding to northern municipalities. It also serves as a municipal function in administering the northern settlements and resort subdivisions. Revenues collected during the year and the accumulated surplus of \$18.2 million (2020 – \$16.9 million) of the northern settlements and resort subdivisions is restricted for their use only and not available for use by the general account. In addition to the \$18.2 million, the general account has \$2.7 million in restricted funds derived from sale of Crown land and non-Crown land within boundaries of resort subdivisions and northern settlements. The restricted funds are to be expended on capital work projects in resort subdivisions and northern settlements.

Statement of Financial Position

As at December 31

<i>(thousands of dollars)</i>	2021				2020
	General Account	Northern Settlements	Resort Subdivisions	Total	Total
Financial Assets					
Cash & temporary investments	30,481	7,953	3,881	42,315	40,043
Other financial assets	18,199	841	18	19,058	12,819
Total financial Assets	48,680	8,794	3,899	61,373	52,862
Liabilities					
Grants payable	6,807	-	-	6,807	3,268
Unearned revenue	1,377	-	-	1,377	24
Other liabilities	4,849	1,283	303	6,435	3,342
Total Liabilities	13,033	1,283	303	14,619	6,634
Net financial Assets	35,647	7,511	3,596	46,754	46,228
Non-financial Assets	611	5,706	503	6,820	6,054
Accumulated Surplus	36,258	13,217	4,099	53,574	52,282

**Statement of Operations and Accumulated Surplus
For the year ended December 31**

<i>(thousands of dollars)</i>	2021				2020
	General Account	Northern Settlements	Resort Subdivisions	Total	Total
Revenue					
Transfers	22,625	3,007	68	25,700	26,293
Lease fees	4,581	42	114	4,737	5,401
Taxation	3,037	132	338	3,507	4,809
Utility and fuel sales	-	949	-	949	831
Interest and investment	355	235	58	648	839
Land sales	225	4	-	229	152
Other	241	24	-	265	292
Total Revenue	31,064	4,393	578	36,035	38,617
Expense					
Transfers	27,047	-	-	27,047	28,138
Northern residential subdivision	504	-	-	504	870
Municipal services	2,082	2,488	369	4,939	5,534
Fuel operating costs	-	752	-	752	661
Bad debt expense	590	15	(16)	589	449
Landfill decommissioning	3	829	80	912	(18)
Total Expense	30,226	4,084	433	34,743	35,634
Surplus	838	309	145	1,292	2,983
Accumulated surplus, beginning of year	35,420	12,908	3,954	52,282	49,299
Accumulated Surplus, End of Year	36,258	13,217	4,099	53,574	52,282

