

**Village of Arran**  
**FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

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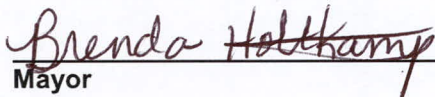
## Management's Responsibility

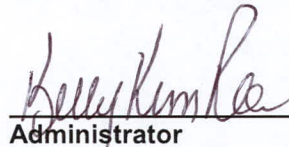
The municipality's management is responsible for the preparation and presentation of the accompanying financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles and methods,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

In discharging its responsibilities for the integrity and fair presentation of the financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are properly maintained to provide reliable information for the preparation of the financial statements.

The council is composed of elected officials who are not employees of the municipality. The council is responsible for overseeing management in the performance of its financial reporting responsibilities. The council 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 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  
Village of Arran

### *Opinion*

We have audited the financial statements of Village of Arran, (the municipality), which comprise the Statement of Financial Position as at December 31, 2020 and the Statements of Operations, Changes in Net Financial Assets and Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the municipality as at December 31, 2020, and results of its operations and its cash flow 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 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the 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 Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Baker Tilly SK LLP**

*Baker Tilly SK LLP*

Yorkton, SK  
June 8, 2021

**Village of Arran**  
 Arran, Saskatchewan  
 Statement of Financial Position as at December 31, 2020

Statement 1

	<b>2020</b>	<b>2019</b> (Note 11)
<b>Assets</b>		
<b>Financial Assets</b>		
Cash and temporary investments - note 2	16,347	30,356
Taxes receivable - municipal - note 3	39,953	43,833
Other accounts receivable - note 4	2,465	2,799
Land for resale - note 5	2,550	1,599
<b>Total Financial Assets</b>	<b>61,315</b>	<b>78,587</b>
<b>Liabilities</b>		
Accounts payable - note 8		39,804
Deposits - tax title property	1,004	1,004
Deferred revenue - note 6	6,543	738
Accrued landfill costs - note 7	60,000	60,000
Long-term debt - note 9	18,226	
<b>Total Liabilities</b>	<b>85,773</b>	<b>101,546</b>
<b>Net Financial Assets</b>	<b>( 24,458)</b>	<b>( 22,959)</b>
<b>Non-Financial Assets</b>		
Tangible capital assets - schedules 6 and 7	110,587	116,546
Prepayments and deferred charges	160	790
<b>Total Non-Financial Assets</b>	<b>110,747</b>	<b>117,336</b>
<b>Accumulated Surplus - schedule 8</b>	<b>\$ 86,289</b>	<b>\$ 94,377</b>

Approved on behalf of the council:

\_\_\_\_\_  
 Mayor

\_\_\_\_\_  
 Councillor

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

**Village of Arran**  
Statement of Operations  
For the year ended December 31, 2020

Statement 2

	<b>2020 Budget</b> [Note 1(o)]	<b>2020 Actual</b>	<b>2019 Actual</b> (Note 11)
<b>Revenues</b>			
Taxes and other unconditional revenue			
- schedule 1	69,570	93,560	133,343
Fees and charges - schedules 4 and 5	33,673	4,527	9,904
Investment income and commissions			
- schedules 4 and 5	100	44	102
Other revenues - schedules 4 and 5		( 729)	12,975
<b>Total Revenue</b>	<u>103,343</u>	<u>97,402</u>	<u>156,324</u>
<b>Expenses - schedule 3</b>			
General government services	43,179	77,338	139,171
Protective services	2,695	2,737	2,693
Transportation services	2,065	6,278	8,450
Environmental and public health services	800	2,075	1,000
Recreation and cultural services	168	1,468	330
Utilities services	7,483	15,594	8,068
<b>Total Expenses</b>	<u>56,390</u>	<u>105,490</u>	<u>159,712</u>
<b>Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions</b>	46,953	( 8,088)	( 3,388)
Provincial/Federal Capital Grants and Contributions			
- schedules 4 and 5	<u>1,475</u>	<u>0</u>	<u>0</u>
<b>Surplus (Deficit) of Revenue over Expenses</b>	48,428	( 8,088)	( 3,388)
<b>Accumulated Surplus, Beginning of Year</b>	<u>94,377</u>	<u>94,377</u>	<u>97,765</u>
<b>Accumulated Surplus, End of Year</b>	<u>\$ 142,805</u>	<u>\$ 86,289</u>	<u>\$ 94,377</u>

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

**Village of Arran**  
Statement of Change in Net Financial Assets  
For the year ended December 31, 2020

Statement 3

	<b>2020 Budget [Note 1(o)]</b>	<b>2020 Actual</b>	<b>2019 Actual (Note 11)</b>
<b>Surplus (Deficit)</b>	<u>48,428</u>	<u>( 8,088)</u>	<u>( 3,388)</u>
Amortization of tangible capital assets	<u>0</u>	<u>5,959</u>	<u>5,959</u>
<b>Surplus of Capital Expenses over Expenditures</b>	<u>0</u>	<u>5,959</u>	<u>5,959</u>
(Acquisition) of prepaid expense		<u>( 160)</u>	<u>( 105)</u>
Use of prepaid expense		<u>790</u>	<u>92</u>
<b>Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures</b>	<u>0</u>	<u>630</u>	<u>( 13)</u>
<b>Increase (Decrease) in Net Financial Assets</b>	48,428	( 1,499)	2,558
Net Financial Assets, beginning of year	<u>( 22,959)</u>	<u>( 22,959)</u>	<u>( 25,517)</u>
<b>Net Financial Assets, End of Year</b>	<u>\$ 25,469</u>	<u>\$( 24,458)</u>	<u>\$( 22,959)</u>

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



**Village of Arran**  
Statement of Cash Flow  
For the year ended December 31, 2020

Statement 4

	<b>2020</b>	<b>2019</b> (Note 11)
<b>Cash Provided by (used for) the Following Activities</b>		
<b>Operating:</b>		
<b>Surplus (Deficit)</b>	( 8,088)	( 3,388)
Amortization	5,959	5,959
	( 2,129)	2,571
<b>Change in Assets/Liabilities</b>		
Taxes receivable - municipal	3,880	14,994
Other receivables	334	14,379
Land for resale	( 950)	1,023
Accounts payable	( 39,806)	( 23,328)
Deferred revenue	5,806	738
Prepayments and deferred charges	630	( 13)
<b>Cash Provided by Operating Transactions</b>	( 32,235)	10,364
<b>Financing:</b>		
Long-term debt issued	18,226	0
<b>Change in Cash and Temporary Investments During the Year</b>	( 14,009)	10,364
Cash and temporary investments, beginning of year	30,356	19,992
<b>Cash and Temporary Investments, End of Year</b>	<b>\$ 16,347</b>	<b>\$ 30,356</b>

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

**Village of Arran**  
Notes to Financial Statements  
For the year ended December 31, 2020

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**1. Significant Accounting Policies**

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

(a) Basis of accounting

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

(b) Collection of funds for other authorities

Collection of funds by the municipality for the school board, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation. The amounts collected are disclosed in note 3.

(c) Government transfers

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

(d) Deferred revenue - fees and charges

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

(e) 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.

**Village of Arran**  
Notes to Financial Statements  
For the year ended December 31, 2020

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1. **Significant Accounting Policies** - continued

(f) 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.

(g) 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:

<b>General Assets</b>	<b>Useful Life</b>
Land	indefinite
Land improvements	75 years
Buildings	20 years
Vehicles	10 years
Mobile equipment	10 years
Linear assets	40 years
<b>Infrastructure Assets</b>	
Paving, sidewalks and roadways	40 years

(h) 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.

(i) Leases

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

**Village of Arran**  
Notes to Financial Statements  
For the year ended December 31, 2020

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1. **Significant Accounting Policies** - continued

(j) Landfill liability

The Village of Arran has operated a landfill since 1983. The annual provision is reported as an expense and the accumulated provision is reported on the Statement of Financial Position. Detailed disclosure is provided in note 7.

(k) 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.

(l) 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.

(m) 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.

**Village of Arran**  
Notes to Financial Statements  
For the year ended December 31, 2020

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1. **Significant Accounting Policies** - continued

(n) Basis of segmentation/segment report

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

The segments (functions) are as follows:

General government: provides for the administration of the municipality.

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

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

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

Planning and development: provides for neighbourhood development and sustainability.

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

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

(o) Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on May 20, 2020.

(p) New standards and amendments to standards

Effective for fiscal years beginning on or after April 1, 2022:

PS 1201 Financial statement presentation, replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure in government financial statements. Requires a new statement of remeasurement gains and losses separate from the statement of operations arising from the remeasurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. 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. Requires that monetary assets and liabilities denominated in a foreign currency and non-monetary items included in the fair value category, denominated in a foreign currency, be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses are to be presented in the statement of remeasurement gains and losses.

PS 3041 Portfolio investments, replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of, portfolio investments. Upon adoption of PS 3450 and PS 3041, PS 3030, Temporary Investments, will no longer apply. Effective in the period PS 3450, PS 2601 and PS 1201 are adopted.

**Village of Arran**  
Notes to Financial Statements  
For the year ended December 31, 2020

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1. **Significant Accounting Policies** - continued

(p) New standards and amendments to standards - continued

PS 3450 Financial instruments, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives. The standard requires fair value measurement of derivatives and equity instrument that are quoted in an active market; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of remeasurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments, and clarification is given for the derecognition of financial liabilities.

PS 3280 Asset retirement obligations, a new standard establishing guidance on the accounting and reporting of legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. 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 for fiscal years beginning on or after April 1, 2023:

PS 3400 Revenue, a new standard establishing guidance on how to account for and report on revenue. The standard provides a framework for recognizing, measuring and reporting revenues that arise from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payer.

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

	2020	2019
2. <b>Cash and Temporary Investments</b>		
Cash	\$ <u>16,347</u>	\$ <u>30,356</u>

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

**Village of Arran**  
Notes to Financial Statements  
For the year ended December 31, 2020

	<b>2020</b>	<b>2019</b>
<b>3. Taxes and Grants In Lieu Receivable</b>		
Municipal - current	18,814	44,813
Municipal - arrears	112,259	666,755
	131,073	711,568
Less: Allowance for uncollectibles	91,120	667,735
Total municipal taxes receivable	39,953	43,833
School - current	1,036	1,945
School - arrears	8,851	229,325
Total school taxes receivable	9,887	231,270
Total taxes and grants in lieu receivable	49,840	275,103
Less: Taxes receivable to be collected on behalf of other organizations	9,887	231,270
<b>Municipal and Grants In Lieu Taxes Receivable</b>	<b>\$ 39,953</b>	<b>\$ 43,833</b>
<b>4. Other Accounts Receivable</b>		
Utility	21,360	35,200
Trade	1,138	901
Other	853	549
Total other accounts receivable	23,351	36,650
Less: Allowance for uncollectibles	20,886	33,851
<b>Net Other Accounts Receivable</b>	<b>\$ 2,465</b>	<b>\$ 2,799</b>
<b>5. Land for Resale</b>		
Tax title property	699,308	65,529
Less: Allowance for market value adjustment	696,758	63,930
<b>Total Land for Resale</b>	<b>\$ 2,550</b>	<b>\$ 1,599</b>
<b>6. Deferred Revenue</b>		
Deferred Gas Tax Funding	2,950	738
Deferred Municipal Economic Enhancement Program Funding	3,593	
	<b>\$ 6,543</b>	<b>\$ 738</b>

**Village of Arran**  
Notes to Financial Statements  
For the year ended December 31, 2020

	<b>2020</b>	<b>2019</b>
<b>7. Accrued Landfill Costs</b>		
Accrued landfill costs	<u>\$ 60,000</u>	<u>\$ 60,000</u>

In 2020, the municipality has accrued an overall liability for environmental matters in the amount of \$60,000 (2019 - \$60,000) which represents management's best estimate of this liability. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Included in environmental liabilities is \$60,000 (2019 - \$60,000) 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, 2020 based on the cumulative capacity used at that date, compared to the total estimated landfill capacity. Estimated total expenditures represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at the municipality's average long-term borrowing rate of 6% (2019 - 6%).

	<b>2020</b>	<b>2019</b>
<b>8. Accounts Payable</b>		
Accounts payable are comprised of the following items:		
Accounts payable		9,441
Unremitted school tax collections		<u>30,363</u>
	<u>\$ 0</u>	<u>\$ 39,804</u>

**9. Long-Term Debt**

The debt limit of the municipality for 2021 is \$36,106. 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).

- (a) Loan is repayable to the RM of Livingston #331 as funds are available over the next five years bearing interest at 0.75% (repayable by 2025).



**Village of Arran**  
Notes to Financial Statements  
For the year ended December 31, 2020

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**10. Employee Benefit Plans**

The municipality participates in contributory defined benefit pension plan for all of 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 financial statements. The benefit expense reflected in the financial statements is equal to the municipality's contributions for the year.

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:

	<b>2020</b>	<b>2019</b>
General members	9.00 %	9.00 %
Designated members	12.50 %	12.50 %

Contributions to the plan during the year were as follows:

Benefit expense	\$	0	\$	316
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As per the most recently audited financial statements dated December 31, 2019, the plan surplus is \$658,468,000.

**11. Comparative Figures**

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

**12. Impact of COVID-19**

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.

## Village of Arran

Schedule of Taxes and Other Unconditional Revenue  
For the year ended December 31, 2020

Schedule 1

	<b>2020 Budget</b> [Note 1(o)]	<b>2020 Actual</b>	<b>2019 Actual</b> (Note 11)
<b>Taxes</b>			
General municipal tax levy	58,900	40,100	60,883
Abatements and adjustments		( 7,214)	( 8,576)
Discount on current year taxes	( 1,800)	( 622)	( 3,599)
Net municipal taxes	<u>57,100</u>	<u>32,264</u>	<u>48,708</u>
Penalties on tax arrears	<u>2,000</u>	<u>48,216</u>	<u>73,439</u>
<b>Total Taxes</b>	<u>59,100</u>	<u>80,480</u>	<u>122,147</u>
<b>Unconditional Grants</b>			
Equalization (revenue sharing)	7,685	7,685	7,126
Safe Restart Saskatchewan		<u>1,491</u>	
<b>Total Unconditional Grants</b>	<u>7,685</u>	<u>9,176</u>	<u>7,126</u>
<b>Grants In Lieu of Taxes</b>			
Provincial			
SaskTel	705		705
S.P.C. surcharge	2,080	3,080	2,372
Sask Energy Surcharge		<u>824</u>	<u>993</u>
<b>Total Grants In Lieu of Taxes</b>	<u>2,785</u>	<u>3,904</u>	<u>4,070</u>
<b>Total Taxes and Other Unconditional Revenue</b>	<u>\$ 69,570</u>	<u>\$ 93,560</u>	<u>\$ 133,343</u>

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

## Village of Arran

Schedule of Operating and Capital Revenue by Function  
For the year ended December 31, 2020

Schedule 2-1

	2020 Budget [Note 1(o)]	2020 Actual	2019 Actual (Note 11)
<b>General Government Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges		878	
Sale of gravel supplies	27,010	774	7,524
Other	27,010	1,652	7,524
Total Fees and Charges	<u>27,010</u>	<u>1,652</u>	<u>7,524</u>
Other		( 729)	12,975
Investment income and commissions	100	44	102
Total Other Segmented Revenue	<u>27,110</u>	<u>967</u>	<u>20,601</u>
<b>Total General Government Services</b>	<u>\$ 27,110</u>	<u>\$ 967</u>	<u>\$ 20,601</u>
<b>Transportation Services</b>			
<b>Capital</b>			
Conditional Grants			
Gas tax	1,475		
<b>Total Capital</b>	<u>1,475</u>	<u>0</u>	<u>0</u>
<b>Total Transportation Services</b>	<u>\$ 1,475</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Utility Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges			
Water	6,663	2,875	2,380
Total Other Segmented Revenue	<u>6,663</u>	<u>2,875</u>	<u>2,380</u>
<b>Total Utility Services</b>	<u>\$ 6,663</u>	<u>\$ 2,875</u>	<u>\$ 2,380</u>
<b>Total Operating and Capital Revenue by Function</b>	<u>\$ 35,248</u>	<u>\$ 3,842</u>	<u>\$ 22,981</u>
<b>Summary</b>			
Total Other Segmented Revenue	33,773	3,842	22,981
Total Capital Grants and Contributions	<u>1,475</u>		
<b>Total Operating and Capital Revenue by Function</b>	<u>\$ 35,248</u>	<u>\$ 3,842</u>	<u>\$ 22,981</u>

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part of these financial statements.*

**Village of Arran**  
 Total Expenses by Function  
 For the year ended December 31, 2020

Schedule 3-1

	2020 Budget [Note 1(o)]	2020 Actual	2019 Actual (Note 11)
<b>General Government Services</b>			
Council remuneration and travel		72	
Wages and benefits	7,000	209	4,563
Contractual services - assessment	575	780	1,193
Professional/Contractual services	6,504	8,447	9,367
Maintenance, materials and supplies	300	341	1,034
Grants and contributions - operating	27,000		35
Insurance	1,800	2,278	2,116
Allowance for uncollectibles		56,713	120,803
Other		8,498	60
<b>Total General Government Services</b>	<b>\$ 43,179</b>	<b>\$ 77,338</b>	<b>\$ 139,171</b>
<b>Protective Services</b>			
Police protection			
Professional/Contractual services	1,163	1,204	1,162
Fire protection			
Professional/Contractual services	1,532	1,533	1,531
<b>Total Protective Services</b>	<b>\$ 2,695</b>	<b>\$ 2,737</b>	<b>\$ 2,693</b>
<b>Transportation Services</b>			
Professional/Contractual services	300		80
Utilities	1,765	2,769	4,861
Amortization		3,509	3,509
<b>Total Transportation Services</b>	<b>\$ 2,065</b>	<b>\$ 6,278</b>	<b>\$ 8,450</b>
<b>Environmental and Public Health Services</b>			
Professional/Contractual services	\$ 800	\$ 2,075	\$ 1,000
<b>Recreation and Cultural Services</b>			
Utilities		1,132	
Libraries	168	336	330
<b>Total Recreation and Cultural Services</b>	<b>\$ 168</b>	<b>\$ 1,468</b>	<b>\$ 330</b>
<b>Utility Services</b>			
Professional/Contractual services	2,363	8,915	415
Utilities	4,200	750	
Maintenance, materials and supplies	920	2,904	5,203
Amortization		2,450	2,450
Allowance for uncollectibles		575	
<b>Total Utility Services</b>	<b>\$ 7,483</b>	<b>\$ 15,594</b>	<b>\$ 8,068</b>
<b>Total Expenses by Function</b>	<b>\$ 56,390</b>	<b>\$ 105,490</b>	<b>\$ 159,712</b>

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

## Village of Arran

Schedule of Segment Disclosure by Function  
For the year ended December 31, 2020

Schedule 4

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
<b>Revenues - schedule 2</b>								
Fees and charges	1,652						2,875	4,527
Investment income and commissions	44							44
Other revenues	( 729)							( 729)
<b>Total Revenues</b>	<u>967</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,875</u>	<u>3,842</u>
<b>Expenses - schedule 3</b>								
Wages and benefits	209							209
Professional/contractual services	9,299	2,737		2,075			8,915	23,026
Utilities			2,769			1,132	750	4,651
Maintenance materials and supplies	341						2,904	3,245
Amortization			3,509				2,450	5,959
Insurance	2,278							2,278
Libraries						336		336
Allowance for uncollectibles	56,713						575	57,288
Other	8,498							8,498
<b>Total Expenses</b>	<u>77,338</u>	<u>2,737</u>	<u>6,278</u>	<u>2,075</u>	<u>0</u>	<u>1,468</u>	<u>15,594</u>	<u>105,490</u>
<b>Surplus (Deficit) by Function</b>	<u>\$( 76,371)</u>	<u>\$( 2,737)</u>	<u>\$( 6,278)</u>	<u>\$( 2,075)</u>	<u>\$ 0</u>	<u>\$( 1,468)</u>	<u>\$( 12,719)</u>	<u>( 101,648)</u>
Taxation and other unconditional revenue - schedule 1								<u>93,560</u>
<b>Net Surplus (Deficit)</b>								<u>\$( 8,088)</u>

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

**Village of Arran**

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

Schedule 5

	<b>General Government</b>	<b>Protective Services</b>	<b>Transport. Services</b>	<b>Environ. &amp; Public Health</b>	<b>Planning &amp; Develop.</b>	<b>Rec. &amp; Culture</b>	<b>Utilities Services</b>	<b>Total</b>
<b>Revenues - schedule 2</b>								
Fees and charges	7,524						2,380	9,904
Investment income and commissions	102							102
Other revenues	12,975							12,975
<b>Total Revenues</b>	<b>20,601</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,380</b>	<b>22,981</b>
<b>Expenses - schedule 3</b>								
Wages and benefits	4,563							4,563
Professional/contractual services	10,560	2,693	80	1,000			415	14,748
Utilities			4,861					4,861
Maintenance materials and supplies	1,034						5,203	6,237
Grants and contributions	35							35
Amortization			3,509				2,450	5,959
Insurance	2,116							2,116
Libraries						330		330
Allowance for uncollectibles	120,803							120,803
Other	60							60
<b>Total Expenses</b>	<b>139,171</b>	<b>2,693</b>	<b>8,450</b>	<b>1,000</b>	<b>0</b>	<b>330</b>	<b>8,068</b>	<b>159,712</b>
<b>Surplus (Deficit) by Function</b>	<b>\$( 118,570)</b>	<b>\$( 2,693)</b>	<b>\$( 8,450)</b>	<b>\$( 1,000)</b>	<b>\$ 0</b>	<b>\$( 330)</b>	<b>\$( 5,688)</b>	<b>( 136,731)</b>
Taxation and other unconditional revenue - schedule 1								<u>133,343</u>
<b>Net Surplus (Deficit)</b>								<u><b>\$( 3,388)</b></u>

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

**Village of Arran**  
 Schedule of Tangible Capital Assets by Object  
 For the year ended December 31, 2020

Schedule 6

	2020							2019	
	General Assets					Infrastruct. Assets	General/ Infrastruct. Assets	Total	Total
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets	under Constr.		
Asset Cost									
Opening Asset Cost	3,030		121,200		10,560	409,921		544,711	544,711
Closing Asset Costs	3,030	0	121,200	0	10,560	409,921	0	544,711	544,711
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs			121,200		5,280	301,685		428,165	422,206
Add: Amortization taken					1,056	4,903		5,959	5,959
Closing Accumulated Amortization Costs	0	0	121,200	0	6,336	306,588	0	434,124	428,165
Net Book Value	\$ 3,030	\$ 0	\$ 0	\$ 0	\$ 4,224	\$ 103,333	\$ 0	\$ 110,587	\$ 116,546

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

**Village of Arran**  
 Schedule of Tangible Capital Assets by Function  
 For the year ended December 31, 2020

Schedule 7

	<u>2020</u>							<u>2019</u>	
	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Water & Sewer	Total	Total
Asset Cost									
Opening Asset Cost			240,037			20,900	283,774	544,711	544,711
Closing Asset Costs	0	0	240,037	0	0	20,900	283,774	544,711	544,711
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs			185,712			20,200	222,253	428,165	422,206
Add: Amortization taken			3,509				2,450	5,959	5,959
Closing Accumulated Amortization Costs	0	0	189,221	0	0	20,200	224,703	434,124	428,165
Net Book Value	\$ 0	\$ 0	\$ 50,816	\$ 0	\$ 0	\$ 700	\$ 59,071	\$ 110,587	\$ 116,546

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



**Village of Arran**  
 Schedule of Accumulated Surplus  
 For the year ended December 31, 2020

Schedule 8

	2019	Changes	2020
<b>Unappropriated Surplus</b>	<u>( 22,169)</u>	<u>16,097</u>	<u>( 6,072)</u>
<b>Net Investments in Tangible Capital Assets</b>			
Tangible capital assets - schedule 6	116,546	( 5,959)	110,587
Less: Related debt	<u>                    </u>	<u>18,226</u>	<u>18,226</u>
<b>Net Investment in Tangible Capital Assets</b>	<u>116,546</u>	<u>( 24,185)</u>	<u>92,361</u>
<b>Total Accumulated Surplus</b>	<u>\$ 94,377</u>	<u>\$( 8,088)</u>	<u>\$ 86,289</u>

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

**Village of Arran**  
 Schedule of Mill Rates and Assessments  
 For the year ended December 31, 2020

Schedule 9

	<u>Property Class</u>					Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	
Taxable Assessment	10,780	638,320			78,900	728,000
Total Assessment						728,000
Mill Rate Factor(s)					1.000	
Total Base/Minimum Tax (generated for each property class)	150	38,500			1,250	39,900
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	150	38,500			1,450	40,100
<b>Mill Rates:</b>						
Average Municipal*						55.0824
Average School*						4.3131
Potash Mill Rate						
Uniform Municipal Mill Rate						4.0000

\*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).