

R.M. OF BROKENSHELL NO. 68
Consolidated Financial Statements
Year Ended December 31, 2020

R.M. OF BROKENSHELL NO. 68
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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 consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgments and estimates by management are required.

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

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

Grant Thornton LLP, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.



Ms. Pam Scott, Administrator



Mr. Garry Christopherson, Reeve

Weyburn, SK

Independent Auditor's report

To the Council of the R.M. of Brokenshell No. 68

Qualified Opinion

We have audited the consolidated financial statements of the R.M. of Brokenshell No. 68 (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2020, and the consolidated results of its operations, the 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 Qualified Opinion

As outlined in Note 9 to the consolidated financial statements, the Municipality maintains a solid waste landfill site for which it has not recorded an estimate of its closure and post-closure liabilities. This constitutes a departure from Canadian public sector accounting standards, which require the closure and post-closure liabilities to be recognized on a volumetric basis as the landfill site capacity is used, beginning when the site first accepted waste. The Municipality is in the process of determining the closure and post-closure liability for the landfill. The impact of this departure from Canadian public sector accounting standards has not been determined and therefore, we were not able to determine whether any adjustments might be necessary to the surplus of revenues over expenses and cash flows for the year ended December 31, 2020, landfill closure and post-closure liabilities as at December 31, 2020 and net financial assets as at January 1 and December 31, 2020. The audit opinion on the consolidated financial statements for the year ended December 31, 2019 was modified because of the effects of this departure from Canadian public sector accounting standards.

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

Other Matter - Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. Schedules 1, 2, 3, 7 and 10 are presented for purposes of additional information and are not required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Weyburn, Canada
March 4, 2021


Chartered Professional Accountants

R.M. OF BROKENSHELL NO. 68
Consolidated Statement of Financial Position
As at December 31, 2020

Statement 1

	2020	2019
FINANCIAL ASSETS		
Cash and Temporary Investments <i>(Note 2)</i>	\$ 997,658	\$ 1,054,838
Taxes Receivable - Municipal <i>(Note 3)</i>	71,833	83,600
Other Accounts Receivable <i>(Note 4)</i>	9,518	23,835
Land for Resale <i>(Note 5)</i>	-	-
Long-Term Investments <i>(Note 6)</i>	30,444	28,165
Debt Charges Recoverable	-	-
Other	-	-
Total financial assets	1,109,453	1,190,438
LIABILITIES		
Bank indebtedness <i>(Note 7)</i>	-	-
Accounts Payable	-	5,550
Accrued Liabilities Payable	-	-
Deposits	-	-
Deferred Revenue <i>(Note 8)</i>	18,113	7,994
Accrued Landfill Costs <i>(Note 9)</i>	-	-
Liability for Contaminated Sites	-	-
Other Liabilities	-	-
Long-Term Debt <i>(Note 10)</i>	-	-
Lease Obligations <i>(Note 11)</i>	364,858	104,799
Total liabilities	382,971	118,343
NET FINANCIAL ASSETS	726,482	1,072,095
NON-FINANCIAL ASSETS		
Tangible Capital Assets <i>(Schedule 6, 7)</i>	2,280,852	1,948,080
Prepayments and Deferred Charges	322	938
Stock and supplies	29,175	26,905
Other	-	-
Total Non-Financial Assets	2,310,349	1,975,923
ACCUMULATED SURPLUS <i>(Schedule 8)</i>	\$ 3,036,831	\$ 3,048,018

See notes to consolidated financial statements

R.M. OF BROKENSHELL NO. 68

Consolidated Statement of Operations and Accumulated Surplus

As at December 31, 2020

Statement 2

	Budget	2020	2019
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	\$ 927,890	\$ 927,651	\$ 915,855
Fees and Charges (Schedule 4, 5)	61,756	46,586	42,676
Conditional Grants (Schedule 4, 5)	17,700	18,073	17,026
Tangible Capital Assets Sales - Gain (Loss) (Schedule 4, 5)	-	(207,309)	-
Land Sales - Gain (Loss) (Schedule 4, 5)	-	3,637	16,503
Investment Income and Commissions (Schedule 4, 5)	20,000	14,258	22,787
Restructurings (Schedule 4, 5)	-	-	-
Other Revenues (Schedule 4, 5)	-	2,407	14,117
Total Revenues	1,027,346	805,303	1,028,964
EXPENSES			
General Government Services (Schedule 3)	155,733	134,973	149,610
Protective Services (Schedule 3)	25,424	28,398	26,179
Transportation Services (Schedule 3)	711,450	635,515	645,147
Environmental and Public Health Services (Schedule 3)	40,350	45,426	25,885
Planning and Development Services (Schedule 3)	3,300	2,286	2,286
Recreation and Cultural Services (Schedule 3)	7,800	11,356	22,066
Utility Services (Schedule 3)	49,979	42,380	38,366
Restructurings (Schedule 3)	-	-	-
Total Expenses	994,036	900,334	909,539
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	33,310	(95,031)	119,425
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	20,389	83,844	40,414
Surplus (Deficit) of Revenues over Expenses	53,699	(11,187)	159,839
Accumulated Surplus (Deficit), Beginning of Year	3,048,018	3,048,018	2,888,179
ACCUMULATED SURPLUS - END OF YEAR	\$ 3,101,717	\$ 3,036,831	\$ 3,048,018

R.M. OF BROKEN SHELL NO. 68

Consolidated Statement of Change in Net Financial Assets

As at December 31, 2020

Statement 3

	Budget 2020	2020	2019
Surplus (Deficit)	\$ 53,699	\$ (11,187)	\$ 159,839
(Acquisition) of tangible capital assets	(548,302)	(908,819)	-
Amortization of tangible capital assets	130,457	97,237	128,842
Proceeds on disposal of tangible capital assets	132,500	271,500	-
Loss (gain) on the disposal of tangible capital assets	-	207,309	-
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (Deficit) of capital expenses over expenditures	(285,345)	(332,773)	128,842
(Acquisition) of supplies inventories	-	(2,270)	(10,671)
(Acquisition) of prepaid expense	-	-	(607)
Consumption of supplies inventory	-	617	-
Use of prepaid expense	-	-	-
Surplus (Deficit) of expenses of other non-financial over expenditures	-	(1,653)	(11,278)
Increase/Decrease in Net Financial Assets	(231,646)	(345,613)	277,403
Net Financial Assets (Debt) - Beginning of Year	1,072,095	1,072,095	794,692
Net Financial Assets (Debt) - End of Year	\$ 840,449	\$ 726,482	\$ 1,072,095

See notes to consolidated financial statements

R.M. OF BROKENSHELL NO. 68
Consolidated Statement of Cash Flows
As at December 31, 2020

Statement 4

Cash provided by (used for) the following activities

	2020	2019
Operating:		
Surplus (Deficit)	\$ (11,187)	\$ 159,839
Amortization	97,237	128,842
Loss (gain) on disposal of tangible capital assets	207,309	-
	<u>293,359</u>	<u>288,681</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	11,767	22,631
Other Receivables	14,317	(9,728)
Accounts Payable	(5,550)	5,550
Deferred Revenue	10,119	(16,236)
Prepayments and Deferred Charges	617	(607)
Stock and supplies	(2,270)	(10,671)
	<u>29,000</u>	<u>(9,061)</u>
Cash provided by operating transactions	<u>322,359</u>	<u>279,620</u>
Capital:		
Acquisition of capital assets	(908,819)	-
Proceeds from the disposal of capital assets	271,500	-
Other capital	-	-
	<u>(637,319)</u>	<u>-</u>
Cash applied to capital transactions	<u>(637,319)</u>	<u>-</u>
Investing:		
Long-Term Investments	(2,279)	(3,015)
Other	-	-
	<u>(2,279)</u>	<u>(3,015)</u>
Cash provided by (applied to) investing transactions	<u>(2,279)</u>	<u>(3,015)</u>
Financing:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	(15,903)	(15,903)
Other financing	275,962	-
	<u>260,059</u>	<u>(15,903)</u>
Cash provided by (applied to) financing transactions	<u>260,059</u>	<u>(15,903)</u>
Change in Cash and Temporary Investments during the year	<u>(57,180)</u>	<u>260,702</u>
Cash and Temporary Investments - Beginning of Year	<u>1,054,838</u>	<u>794,136</u>
Cash and Temporary Investments - End of Year (Note 2)	<u>\$ 997,658</u>	<u>\$ 1,054,838</u>

1. Significant accounting policies

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

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

(a) Reporting Entity:

The consolidated financial statements consolidate the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the Municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources. Entities included in these consolidated financial statements are as follows:

Entity: Brokenshell Parks and Recreation Board

All inter-organizational transactions and balances have been eliminated.

(b) Collection of funds for other authorities:

Collection of funds by the Municipality for school boards, Municipal Hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.

(c) Government Transfers:

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

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

Unearned government transfer amounts received will be recorded as deferred revenue until criteria or stipulations are met.

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

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

(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.

Resources restricted by agreement with an external party are recognized as revenue in the Municipality's financial statements in the period in which the resources are used for the purpose or purposes specified. An externally restricted inflow received before this criterion has been met is recorded as a liability until the resources are used for the purpose or purposes specified.

(e) Local Improvement Charges:

Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.

(f) Net Financial Assets:

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

(continues)

1. Significant accounting policies (continued)

(g) Non-financial assets:

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

(h) Appropriated Reserves:

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

(i) Property Tax Revenue:

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

(j) Investments:

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment.

The long term investments in the Saskatchewan Association of Rural Municipalities - Self insurance fund are accounted for on the equity basis. The balance represents the balances receivable should the Municipality decide to leave the self-insurance program and includes upfront contributions to the plan, additional premium payments, allocations of investment income on the funds on deposit, self-insurance claims paid and other claims administration costs. The Municipality has the ability to withdraw from the plan with notice. Beyond the return of the Municipality's fund balance, it has no further claim to the residual net assets of SARM. Prairie Sky Co-operative Association Ltd. member equity is recorded at cost.

(k) Inventories:

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

(continues)

Notes to Consolidated Financial Statements

As at December 31, 2020

1. Significant accounting policies (continued)

(l) Tangible Capital Assets:

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

<u>Asset</u>	<u>Useful Life</u>
General Assets	
Land	Indefinite
Land Improvements	15 Years
Buildings	40 Years
Vehicles & Equipment	
Vehicles	10 to 20 Years
Machinery and Equipment	5 to 10 Years
Infrastructure Assets	
Water & Sewer	40 Year
Road Network Assets	15 to 40 Years
Culverts and Drains	35 Years

Government contributions: Government contributions for the acquisition of capital assets are reported as capital revenue and do not reduce the cost of the related asset.

Works of Art and Other Unrecognized Assets: Assets that have a historical or cultural significance, which include works of art, monuments and other cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with this property cannot be made.

Capitalization of Interest: The Municipality does not capitalize interest incurred while a tangible capital asset is under construction.

Leases: All leases are recorded on the consolidated financial statements as either a capital or an operating lease. Any lease that transfers substantially all of the benefits and risk associated with the leased asset is classified as a capital lease and recorded as a tangible capital asset. 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 lease 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.

(m) Landfill liability:

The Municipality maintains a waste disposal site. The costs to close and maintain solid waste landfill sites are based on estimated future expenses, adjusted for inflation and discounted to current dollars. The Municipality is currently unable to estimate closure and post-closure costs at this time. No amount has been recorded as an asset or a liability. See disclosure in Note 9.

(n) Trust Funds:

Funds held in trust for others, under a trust agreement or statute, are not included in the consolidated financial statements as they are not controlled by the Municipality.

(o) Employee benefit plans:

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

(continues)

1. Significant accounting policies (continued)

(p) Liability for Contaminated Sites:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

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

Any revisions to the amount previously recognized are accounted for in the period in which the revisions are made.

(q) Measurement Uncertainty:

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

The measurement of materials and supplies is based on estimates of volume and quality. The 'Opening Asset costs' of tangible capital assets have been estimated where actual costs were not available. Amortization is based on the estimated useful lives of tangible capital assets.

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

(r) Basis of segmentation/Segment report:

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

The segments (functions) are as follows:

General Government: Provides for the administration of the Municipality.

Protective Services: Comprised of expenses for Police and Fire protection.

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

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

Planning and Development: Provides for neighbourhood development and sustainability.

Recreation and Culture: Provides for community services through the provision of recreation and leisure services.

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

(s) Budget Information:

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on May 7, 2020.

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R.M. OF BROKENSHELL NO. 68**Notes to Consolidated Financial Statements****As at December 31, 2020****1. Significant accounting policies (continued)****(t) New Accounting Standards and Amendments to Standards:****Future Accounting 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 re-measurement gains and losses separate from the statement of operations arising from the re-measurement 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. 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 re-measurement gains and losses.

PS 3041 Portfolio Investments, replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of, portfolio investments. Removes the distinction between temporary and 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.

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 re-measurement 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 de-recognition 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.

2. Cash and Temporary Investments

	2020	2019
Cash	\$ 990,448	\$ 1,043,900
Restricted Cash	7,210	10,938
Total Cash and Temporary Investments	\$ 997,658	\$ 1,054,838

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

Restricted cash consists of funds for use of the Brokenshell Parks and Recreation Board in their daily operations.

R.M. OF BROKENSHELL NO. 68

Notes to Consolidated Financial Statements

As at December 31, 2020

3. Taxes Receivable - Municipal		2020	2019
<u>Municipal</u>			
- Current	\$	55,475	\$ 75,562
- Arrears		25,187	14,948
		80,663	90,510
Less - allowance for uncollectibles		(8,829)	(6,910)
Total municipal taxes receivable		71,833	83,600
<u>School</u>			
- Current		12,161	17,308
- Arrears		3,952	2,005
Total school taxes receivable		16,113	19,313
Other		14,090	14,161
Total taxes and grants in lieu receivable		102,036	117,074
Deduct taxes receivable to be collected on behalf of other organizations		(30,203)	(33,474)
Total Taxes Receivable - Municipal	\$	71,833	\$ 83,600
4. Other Accounts Receivable		2020	2019
Federal Government	\$	8,684	\$ 9,384
Provincial government		-	-
Local government		-	-
Utility		-	-
Trade		834	14,451
Other		-	-
Total Other Accounts Receivable		9,518	23,835
Less: allowance for uncollectibles		-	-
Net Other Accounts Receivable	\$	9,518	\$ 23,835
5. Land for Resale		2020	2019
Tax Title Property	\$	-	\$ 7,048
Allowance for market value adjustment		-	(7,048)
Net Tax Title Property		-	-
Other Land		-	-
Allowance for market value adjustment		-	-
Net Other Land		-	-
Total Land for Resale	\$	-	\$ -

R.M. OF BROKENSHELL NO. 68

Notes to Consolidated Financial Statements

As at December 31, 2020

6. Investments

	2020	2019
Sask. Assoc. of Rural Municipalities - Self Insurance Fund	\$ 29,944	\$ 27,665
Prairie Sky Co-op Equity	500	500
Total Long-Term Investments	\$ 30,444	\$ 28,165

The long term investments in the Saskatchewan Association of Rural Municipalities - Insurance Funds are accounted for on the equity basis. The balance represents the balances receivable should the Municipality decide to leave the self-insurance program and includes upfront contributions to the plan, additional premium payments, allocations of investment income on the funds on deposit, self-insurance claims paid and other claims administration costs. The Municipality has the ability to withdraw from the plan with notice. Beyond the return of the Municipality's fund balance, it has no further claim to the residual net assets of SARM.

Prairie Sky Co-operative equity is recorded at cost.

7. Bank Indebtedness

At December 31, 2020, the Municipality has a line of credit totaling \$250,000 (2019 - \$250,000), bearing interest at prime (2019 - prime), of which nil (2019 - nil) has been drawn. The line of credit is security by a general security agreement.

8. Deferred Revenue

	2020	2019
Prepaid Taxes		
Balance, beginning of year	\$ 7,994	\$ 7,727
Add: Amount received during the year	9,146	7,994
Less: Amount recognized as revenue during the year	(8,231)	(7,727)
Balance, end of year	8,909	7,994
Other Deposits		
Balance, beginning of year	-	16,503
Add: Amount received during the year	9,204	-
Less: Amount recognized as revenue during the year	-	(16,503)
Balance, end of year	9,204	-
Total Deferred Revenue	\$ 18,113	\$ 7,994

9. Accrued Landfill Costs

The Municipality maintains a waste disposal site. The landfill is no longer in use, the site has been leveled and covered, and the Municipality is in the process of determining future closure and post closure costs as required by the Ministry of Environment and regulated by Municipal Refuse Management Regulations. A site assessment was completed during the prior year. The Municipality is currently working on a plan to meet the required environmental standards, but is not able to estimate future closure and post closure costs at this time. As such the consolidated financial statements do not recognize a liability for closure and post-closure care as the landfill site's capacity was used based on usage measured on a volumetric basis, which is a departure from Canadian public sector accounting standards.

10. Long-term Debt

The debt limit of the Municipality is \$793,028 (2019 - \$764,968). The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (The Municipalities Act Section 161(1)).

R.M. OF BROKENSHELL NO. 68**Notes to Consolidated Financial Statements****As at December 31, 2020****11. Lease Obligations**

Royal Bank of Canada lease bearing interest at 3.35% per annum, repayable in monthly blended payments of \$1,642 plus applicable taxes. The lease matures on August 8, 2021 and is secured by a general security agreement covering a John Deere 6155M Tractor, which has a carrying value of \$125,954 (2019 - \$133,826).

Royal Bank of Canada lease bearing interest at 1% per annum, repayable in monthly blended payments of \$3,359 plus applicable taxes. The lease matures on December 30, 2023 and is secured by a general security agreement covering a 2020 John Deere 870GP Moto Grader, which has a carrying value of \$414,942.

Future minimum lease payments under the capital leases together with the balance of the obligation due under the capital leases are as follows:

<u>Year</u>	<u>Payment Amount</u>
2021	\$ 132,946
2022	42,728
2023	<u>196,785</u>
Total future minimum lease payments	<u>372,459</u>
Amounts representing interest	<u>(7,601)</u>
Capital Lease Liability	<u>\$ 364,858</u>

12. Pension Plan

The Municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The Municipality's pension expense in 2020 was \$11,051 (2019 - \$10,752). The benefits accrued to the Municipality's employees from MEPP are calculated using the following: pensionable years of service, highest average salary, and the plan accrual rate.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. Any actuarially determined deficiency is the responsibility of the participating employers and employees, which could affect future contribution rates and/or benefits. Contributions to MEPP are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. As a result, individual employers are not able to identify their share of the underlying assets and liabilities, and the net pension assets or liabilities for the plan are not recognized in these consolidated financial statements. Rather, the plan is accounted for as a defined contribution plan where the contributions are expensed when made.

	<u>2020</u>	<u>2019</u>
<u>Details of MEPP</u>		
Number of active members	2	2
Member contribution rates (percentage of salary):		
Employee contribution - general members	9.00%	9.00%
Employer contribution - general members	9.00%	9.00%
Member contributions for the year	5,525	5,376
Employer contributions for the year	5,526	5,376
Financial position of the plan:		
Plan assets	***	2,819,222,000
Plan liabilities	***	2,160,754,000
Plan surplus	<u>\$ -</u>	<u>\$ 658,468,000</u>

***2020 MEPP financial information is not yet available.
2020 year's maximum pensionable amount (YMPE) \$58,700.

13. Commitments

In a previous year, the Municipality committed \$11,667 per year, for 15 years to the Weyburn & District Hospital Foundation, or \$175,000 in the aggregate. There are 14 years remaining on this commitment. No funds have been advanced as of yet.

R.M. OF BROKENSHELL NO. 68**Notes to Consolidated Financial Statements****As at December 31, 2020**

14. Budget Data

The reconciliation of the approved budget for the current year to the budget figures reported in these financial statements is as follows:

	<u>2020</u>
Budget surplus per Statement of Operations	\$ 53,699
Less: Capital expenditures	(548,302)
Add: Transfers from other funds	270,000
Add: Trade in of equipment	132,500
Add: Amortization expense	<u>130,457</u>
Approved Cash Budget	<u>\$ 38,354</u>

15. Impacts of COVID-19

The outbreak of a novel strain of coronavirus ("COVID-19") was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

R.M. OF BROKENSHELL NO. 68

Schedule of Taxes and Other Unconditional Revenue

As at December 31, 2020

Schedule 1

	Budget 2020	2020	2019
TAXES			
General municipal tax levy	\$ 750,105	\$ 749,383	\$ 743,968
Abatements and adjustments	(700)	(683)	(881)
Discount on current year taxes	(33,000)	(34,331)	(29,639)
Net Municipal Taxes	716,405	714,369	713,448
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	6,000	7,600	5,919
Special tax levy	-	-	-
Other	-	-	-
Total Taxes	722,405	721,969	719,367
UNCONDITIONAL GRANTS			
Revenue Sharing	197,765	197,819	189,322
Organized Hamlet	6,920	6,920	6,357
Other	-	-	-
Total Unconditional Grants	204,685	204,739	195,679
GRANTS IN LIEU OF TAXES			
Federal	-	-	-
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
Transgas	-	-	-
Central Services	-	-	-
SaskTel	800	943	809
Other	-	-	-
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty land Entitlement	-	-	-
Other	-	-	-
Other Government Transfers			
S.P.C. Surcharge	-	-	-
SaskEnergy Surcharge	-	-	-
Other	-	-	-
Total Grants in Lieu of Taxes	800	943	809
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 927,890	\$ 927,651	\$ 915,855

R.M. OF BROKENSHELL NO. 68

Schedule of Operating and Capital Revenue by Function

As at December 31, 2020

Schedule 2 - 1

	Budget 2020	2020	2019
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and charges	\$ 2,100	\$ 1,953	\$ 3,166
- Custom work	-	-	-
- Sales of supplies	800	669	605
- Other	1,000	-	300
Total Fees and Charges	3,900	2,622	4,071
- Tangible capital asset sales - gain (loss)	-	-	-
- Land sales - gain (loss)	-	3,637	16,503
- Investment income and commissions	20,000	14,258	22,787
- Other	-	-	-
Total Other Segmented Revenue	23,900	20,517	43,361
Conditional Grants			
- Student Employment	-	-	-
- Other	100	200	260
Total Conditional Grants	100	200	260
Total Operating	24,000	20,717	43,621
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- ICIP	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Restructuring revenue	-	-	-
Total General Government Services	24,000	20,717	43,621
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and charges	2,000	1,248	5,800
- Other	-	-	-
Total Fees and Charges	2,000	1,248	5,800
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	2,000	1,248	5,800
Conditional Grants			
- Student Employment	-	-	-
- Local government	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	2,000	1,248	5,800
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- ICIP	-	-	-
- Provincial Disaster Assistance	-	-	-
- Local government	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Restructuring revenue	-	-	-
Total Protective Services	\$ 2,000	\$ 1,248	\$ 5,800

See notes to consolidated financial statements

R.M. OF BROKENSHELL NO. 68
Schedule of Operating and Capital Revenue by Function
As at December 31, 2020
Schedule 2 - 2

	Budget 2020	2020	2019
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges	\$ -	\$ -	\$ -
- Custom work	1,500	715	985
- Sales of supplies	1,000	-	1,470
- Road Maintenance and Restoration Agreements	22,000	15,825	3,570
- Frontage	-	-	-
- Other - permits	500	230	580
Total Fees and Charges	25,000	16,770	6,605
- Tangible capital asset sales - gain (loss)	-	(207,309)	-
- Other	-	-	-
Total Other Segmented Revenue	25,000	(190,539)	6,605
Conditional Grants			
- RIRG (CTP)	12,900	12,970	12,900
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	12,900	12,970	12,900
Total Operating	37,900	(177,569)	19,505
Capital			
Conditional Grants			
- Federal Gas Tax	18,408	18,408	38,433
- ICIP	-	-	-
- RIRG (Heavy Haul, CTP, Bridge and Culvert)	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (MEEP, Safe Restart)	-	63,455	-
Total Capital	18,408	81,863	38,433
Restructuring revenue	-	-	-
Total Transportation Services	56,308	(95,706)	57,938
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges	-	-	-
- Waste and Disposal Fees	-	-	-
- Other	700	364	1,196
Total Fees and Charges	700	364	1,196
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	1,168
Total Other Segmented Revenue	700	364	2,364
Conditional Grants			
- Student Employment	-	-	-
- Local government	-	-	-
- Other	4,700	4,903	3,866
Total Conditional Grants	4,700	4,903	3,866
Total Operating	5,400	5,267	6,230
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- ICIP	-	-	-
- TAPD	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Restructuring revenue	-	-	-
Total Environmental and Public Health Services	\$ 5,400	\$ 5,267	\$ 6,230

See notes to consolidated financial statements

R.M. OF BROKENSHELL NO. 68

Schedule of Operating and Capital Revenue by Function

As at December 31, 2020

Schedule 2 - 3

	Budget 2020	2020	2019
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges	\$ 200	\$ 200	\$ 200
- Maintenance and Development Charges	-	-	-
- Other	-	-	-
Total Fees and Charges	200	200	200
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	200	200	200
Conditional Grants			
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	200	200	200
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- ICIP	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Restructuring revenue	-	-	-
Total Planning and Development Services	200	200	200
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenues			
Fees and Charges	-	-	-
- Other	-	-	-
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	2,407	12,949
Total Other Segmented Revenue	-	2,407	12,949
Conditional Grants			
- Student Employment	-	-	-
- Local Government	-	-	-
- Donations	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	2,407	12,949
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- ICIP	-	-	-
- Local government	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	1,981	1,981	1,981
Total Capital	1,981	1,981	1,981
Restructuring revenue	-	-	-
Total Recreation and Cultural Services	\$ 1,981	\$ 4,388	\$ 14,930

See notes to consolidated financial statements

R.M. OF BROKENSHELL NO. 68

Schedule of Operating and Capital Revenue by Function

As at December 31, 2020

Schedule 2 - 4

	Budget 2020	2020	2019
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges	\$ -	\$ -	\$ -
- Water	29,956	25,382	24,804
- Sewer	-	-	-
- Other	-	-	-
Total Fees and Charges	29,956	25,382	24,804
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	29,956	25,382	24,804
Conditional Grants			
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	29,956	25,382	24,804
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- ICIP	-	-	-
- New Building Canada Fund (SCF, NRP)	-	-	-
- Clean Water and Wastewater Fund	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Restructuring revenue	-	-	-
Total Utility Services	29,956	25,382	24,804
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 119,845	\$ (38,504)	\$ 153,523

SUMMARY

Total Other Segmented Revenue	\$ 81,756	\$ (140,421)	\$ 96,083
Total Conditional Grants	17,700	18,073	17,026
Total Capital Grants and Contributions	20,389	83,844	40,414
Restructuring Revenue	-	-	-
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 119,845	\$ (38,504)	\$ 153,523

R.M. OF BROKENSHELL NO. 68

Total Expenses by Function

As at December 31, 2020

Schedule 3 - 1

	Budget 2020	2020	2019
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 36,200	\$ 26,595	\$ 32,888
Wages and benefits	71,925	69,017	67,822
Professional/Contractual services	34,400	28,721	27,939
Utilities	2,600	2,353	2,381
Maintenance, materials and supplies	6,000	4,409	5,309
Grants and contributions			
- operating	500	235	362
- capital	-	-	-
Amortization	108	108	108
Interest	-	-	-
Allowance For Uncollectibles	-	1,918	1,865
Other	4,000	1,617	10,936
General Government Services	155,733	134,973	149,610
Restructuring	-	-	-
Total General Government Services	155,733	134,973	149,610
PROTECTIVE SERVICES			
Police Protection			
Wages and benefits	-	-	-
Professional/Contractual Services	16,000	15,027	14,505
Utilities	-	-	-
Maintenance, materials and supplies	-	-	-
Grants and contributions			
- Operating	300	300	300
- Capital	-	-	-
Other	-	-	-
Fire Protection			
Wages and benefits	-	-	-
Professional/Contractual Services	9,124	13,071	11,374
Utilities	-	-	-
Maintenance, materials and supplies	-	-	-
Grants and contributions			
- Operating	-	-	-
- Capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Protective Services	25,424	28,398	26,179
Restructuring	-	-	-
Total Protective Services	25,424	28,398	26,179
TRANSPORTATION SERVICES			
Wages and Benefits	234,950	235,953	203,174
Professional/Contractual Services	33,000	27,263	36,876
Utilities	11,000	10,780	9,779
Maintenance, materials and supplies	110,500	80,624	88,526
Gravel	192,500	181,781	173,866
Grants and contributions			
- Operating	-	-	-
- Capital	-	-	-
Amortization	125,000	94,455	126,060
Interest	2,000	4,009	3,994
Other	2,500	650	2,872
Transportation Services	711,450	635,515	645,147
Restructuring	-	-	-
Total Transportation Services	\$ 711,450	\$ 635,515	\$ 645,147

See notes to consolidated financial statements

R.M. OF BROKENSHELL NO. 68

Total Expenses by Function

As at December 31, 2020

Schedule 3 - 2

	Budget 2020	2020	2019
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and Benefits	\$ -	\$ -	\$ -
Professional/Contractual Services	30,500	37,402	17,220
Utilities	-	-	-
Maintenance, materials and supplies	7,000	4,966	5,877
Grants and contributions	-	-	-
- Operating	-	-	-
Waste disposal	2,600	2,808	2,788
Public Health	-	-	-
- Capital	-	-	-
Waste disposal	250	250	-
Public Health	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Environmental and Public Health Services	40,350	45,426	25,885
Restructuring	-	-	-
Total Environmental and Public Health Services	40,350	45,426	25,885
PLANNING AND DEVELOPMENT SERVICES			
Wages and Benefits	-	-	-
Professional/Contractual Services	2,300	2,286	2,286
Grants and contributions	-	-	-
- Operating	-	-	-
- Capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	1,000	-	-
Planning and Development Services	3,300	2,286	2,286
Restructuring	-	-	-
Total Planning and Development Services	3,300	2,286	2,286
RECREATION AND CULTURAL SERVICES			
Wages and Benefits	-	-	-
Professional/Contractual Services	4,000	3,974	3,885
Utilities	-	-	-
Maintenance, materials, and supplies	-	7,382	18,081
Grants and contributions	-	-	-
- Operating	3,800	-	100
- Capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance For Uncollectibles	-	-	-
Other	-	-	-
Recreation and Cultural Services	7,800	11,356	22,066
Restructuring	-	-	-
Total Recreation and Cultural Services	\$ 7,800	\$ 11,356	\$ 22,066

R.M. OF BROKENSHELL NO. 68

Total Expenses by Function

As at December 31, 2020

Schedule 3 - 3

	Budget 2020	2020	2019
UTILITY SERVICES			
Wages and Benefits	\$ 17,000	\$ 18,405	\$ 16,572
Professional/Contractual Services	13,980	9,095	5,517
Utilities	7,200	4,338	7,161
Maintenance, materials and supplies	6,450	7,868	6,442
Grants and contributions			
- Operating	-	-	-
- Capital	-	-	-
Amortization	5,349	2,674	2,674
Interest	-	-	-
Allowance For Uncollectibles	-	-	-
Other	-	-	-
Utility Services	49,979	42,380	38,366
Restructuring	-	-	-
Total Utility Services	49,979	42,380	38,366
TOTAL EXPENSES BY FUNCTION	\$ 994,036	\$ 900,334	\$ 909,539

R.M. OF BROKEN SHELL NO. 68

Consolidated Schedule of Segment Disclosure by Function

As at December 31, 2020

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 2,622	\$ 1,248	\$ 16,770	\$ 364	\$ 200	\$ -	\$ 25,382	\$ 46,586
Tangible Capital Asset Sales - Gain (Loss)	-	-	(207,309)	-	-	-	-	(207,309)
Land Sales - Gain (Loss)	3,637	-	-	-	-	-	-	3,637
Investment Income and Commissions	14,258	-	-	-	-	-	-	14,258
Other Revenues	-	-	-	-	-	2,407	-	2,407
Grants - Conditional	200	-	12,970	4,903	-	-	-	18,073
- Capital	-	-	81,863	-	-	1,981	-	83,844
Restructurings	-	-	-	-	-	-	-	-
Total Revenues	20,717	1,248	(95,706)	5,267	200	4,388	25,382	(38,504)
Expenses (Schedule 3)								
Wages and Benefits	95,612	-	235,953	-	-	-	18,405	349,970
Professional/Contractual Services	28,721	28,098	27,263	37,402	2,286	3,974	9,095	136,839
Utilities	2,353	-	10,780	-	-	-	4,338	17,471
Maintenance Material and Supplies	4,409	-	262,405	4,966	-	7,382	7,868	287,030
Grants and Contributions	235	300	-	3,058	-	-	-	3,593
Amortization	108	-	94,455	-	-	-	2,674	97,237
Interest	-	-	4,009	-	-	-	-	4,009
Allowance for Uncollectibles	1,918	-	-	-	-	-	-	1,918
Restructurings	-	-	-	-	-	-	-	-
Other	1,617	-	650	-	-	-	-	2,267
Total Expenses	134,973	28,398	635,515	45,426	2,286	11,356	42,380	900,334
Surplus (Deficit) by Function	(114,256)	(27,150)	(731,221)	(40,159)	(2,086)	(6,968)	(16,998)	(938,838)
Taxes and other unconditional revenue (Schedule 1)								927,651
Net Surplus (Deficit)								\$ (11,187)

See notes to consolidated financial statements

R.M. OF BROKEN SHELL NO. 68

Consolidated Schedule of Segment Disclosure by Function

As at December 31, 2019

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 4,071	\$ 5,800	\$ 6,605	\$ 1,196	\$ 200	\$ -	\$ 24,804	\$ 42,676
Tangible Capital Asset Sales - Gain (Loss)	-	-	-	-	-	-	-	-
Land Sales - Gain (Loss)	16,503	-	-	-	-	-	-	16,503
Investment Income and Commissions	22,787	-	-	-	-	-	-	22,787
Other Revenues	-	-	-	1,168	-	12,949	-	14,117
Grants - Conditional	260	-	12,900	3,866	-	-	-	17,026
- Capital	-	-	38,433	-	-	1,981	-	40,414
Restructurings	-	-	-	-	-	-	-	-
Total Revenues	43,621	5,800	57,938	6,230	200	14,930	24,804	153,523
Expenses (Schedule 3)								
Wages and Benefits	100,710	-	203,174	-	-	-	16,572	320,456
Professional/Contractual Services	27,939	25,879	36,876	17,220	2,286	3,885	5,517	119,602
Utilities	2,381	-	9,779	-	-	-	7,161	19,321
Maintenance Material and Supplies	5,309	-	262,392	5,877	-	18,081	6,442	298,101
Grants and Contributions	362	300	-	2,788	-	100	-	3,550
Amortization	108	-	126,060	-	-	-	2,674	128,842
Interest	-	-	3,994	-	-	-	-	3,994
Allowance for Uncollectibles	1,865	-	-	-	-	-	-	1,865
Restructurings	-	-	-	-	-	-	-	-
Other	10,936	-	2,872	-	-	-	-	13,808
Total Expenses	149,610	26,179	645,147	25,885	2,286	22,066	38,366	909,539
Surplus (Deficit) by Function	(105,989)	(20,379)	(587,209)	(19,655)	(2,086)	(7,136)	(13,562)	(756,016)
Taxes and other unconditional revenue (Schedule 1)								915,855
Net Surplus (Deficit)								\$ 159,839

See notes to consolidated financial statements

R.M. OF BROKEN SHELL NO. 68
Consolidated Schedule of Tangible Capital Assets by Object
As at December 31, 2020

Schedule 6

	2020								
	General Assets					Infrastructure Assets	General/ Infrastructure Assets Under Construction	Total	2019 Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
Asset cost									
Opening Asset costs	\$ 8,617	\$ -	\$ 187,035	\$ 5,000	\$ 1,071,794	\$ 5,040,445	\$ -	\$ 6,312,891	\$ 6,312,891
Additions during the year	-	-	105,575	-	803,244	-	-	908,819	-
Disposals and write-downs during the year	-	-	-	-	(630,176)	-	-	(630,176)	-
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing Asset Costs	8,617	-	292,610	5,000	1,244,862	5,040,445	-	6,591,534	6,312,891
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	-	-	117,064	2,000	392,428	3,853,319	-	4,364,811	4,235,969
Add: Amortization taken	-	-	2,782	500	20,121	73,834	-	97,237	128,842
Less: Accumulated amortization on disposals	-	-	-	-	(151,366)	-	-	(151,366)	-
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing Accumulated Amortization Costs	-	-	119,846	2,500	261,183	3,927,153	-	4,310,682	4,364,811
Net Book Value	\$ 8,617	\$ -	\$ 172,764	\$ 2,500	\$ 983,679	\$ 1,113,292	\$ -	\$ 2,280,852	\$ 1,948,080

1. Total contributed donated assets received in 2020: \$ -
2. List of assets recognized at nominal value in 2020 are:
 - a) Infrastructure Assets \$ -
 - b) Vehicles \$ -
 - c) Machinery and Equipment \$ -
3. Amount of interest capitalized in 2020: \$ -

See notes to consolidated financial statements

R.M. OF BROKENSHELL NO. 68

Consolidated Schedule of Tangible Capital Assets by Function

As at December 31, 2020

Schedule 7

	2020								2019
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
Asset cost									
Opening Asset costs	\$ 5,094	\$ -	\$ 6,170,285	\$ 1,351	\$ -	\$ 26,546	\$ 109,615	\$ 6,312,891	\$ 6,312,891
Additions during the year	-	-	908,819	-	-	-	-	908,819	-
Disposals and write-downs during the year	-	-	(630,176)	-	-	-	-	(630,176)	-
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing Asset Costs	5,094	-	6,448,928	1,351	-	26,546	109,615	6,591,534	6,312,891
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	1,185	-	4,298,941	-	-	24,578	40,107	4,364,811	4,235,969
Add: Amortization taken	108	-	94,455	-	-	-	2,674	97,237	128,842
Less: Accumulated amortization on disposals	-	-	(151,366)	-	-	-	-	(151,366)	-
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing Accumulated Amortization Costs	1,293	-	4,242,030	-	-	24,578	42,781	4,310,682	4,364,811
Net Book Value	\$ 3,801	\$ -	\$ 2,206,898	\$ 1,351	\$ -	\$ 1,968	\$ 66,834	\$ 2,280,852	\$ 1,948,080

See notes to consolidated financial statements

R.M. OF BROKENSHELL NO. 68

Consolidated Schedule of Accumulated Surplus

As at December 31, 2020

Schedule 8

	2019	Changes	2020
UNAPPROPRIATED SURPLUS	\$ 839,350	\$ (357,030)	\$ 482,320
APPROPRIATED RESERVES			
Machinery and Equipment	-	-	-
Public Reserve	-	-	-
Capital Trust	-	-	-
Utility	-	-	-
Parks and Recreation	10,937	(3,727)	7,210
Trossachs Cemetery Fund	1,864	100	1,964
Landfill Decommissioning	-	50,000	50,000
Future Expenditures	120,000	-	120,000
Other - Shop	50,000	(50,000)	-
Other - Weyburn Hospital	-	11,666	11,666
Total Appropriated	182,801	8,039	190,840
ORGANIZED HAMLETS			
Organized Hamlet of Trossachs	77,787	5,032	82,819
Total Organized Hamlets	77,787	5,032	82,819
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6, 7)	1,948,080	332,772	2,280,852
Less: Related debt	-	-	-
Net Investment in Tangible Capital Assets	1,948,080	332,772	2,280,852
Total Accumulated Surplus	\$ 3,048,018	\$ (11,187)	\$ 3,036,831

R.M. OF BROKENSHELL NO. 68
Schedule of Mill Rates and Assessments
As at December 31, 2020

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Hamlet	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	\$ 72,532,620	\$ 6,416,805	\$ 198,446	\$ -	\$ 3,672,000	\$ -	\$ 82,819,871
Hamlet Minimum Tax Assessment	-	-	959,514	-	-	-	959,514
Total Assessment	72,532,620	6,416,805	1,157,960	-	3,672,000	-	83,779,385
Mill Rate Factor(s)	0.7800	1.0000	1.0000	-	1.3000	-	-
Total Base/Minimum Tax (generated for each property class)	-	-	35,758	-	-	-	35,758
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ 594,042	\$ 67,376	\$ 37,842	\$ -	\$ 50,123	\$ -	\$ 749,383

MILL RATES:

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

MILLS	
Average Municipal *	8.9447
Average School	1.9033
Potash Mill Rate	-
Uniform Municipal Mill Rate	10.5000

* 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)

R.M. OF BROKENSHELL NO. 68
Schedule of Council Remuneration
As at December 31, 2020

Schedule 10

	Name	Remuneration	Reimbursed Costs	Total
Reeve	Garry Christopherson	\$ 9,100	\$ 3,167	\$ 12,267
Councillor	Leonard Vande Velde	6,900	2,049	8,949
Councillor	Eric Dorsch	6,300	1,863	8,163
Councillor	Casey Claffey	6,000	1,820	7,820
Councillor	Mark Thorn	6,800	1,615	8,415
Total		<u>\$ 35,100</u>	<u>\$ 10,514</u>	<u>\$ 45,614</u>