

RURAL MUNICIPALITY OF CANAAN #225

Auditor's Report

Financial Statements

December 31, 2020

MANAGEMENT'S RESPONSIBILITY



To the Ratepayers of
Rural Municipality of Canaan #225 :

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. 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 the administration and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the Municipality's external auditors.

Jensen Stromberg Chartered Professional Accountants, 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 administration to discuss their audit findings.


Reeve
Administrator



CHARTERED PROFESSIONAL ACCOUNTANTS

Bill Jensen, C.P.A. Prof. Corp.

Jeff Stromberg, C.P.A. Prof. Corp.

INDEPENDENT AUDITOR'S REPORT

To the Reeve and Council of Rural Municipality of Canaan #225

Opinion

We have audited the financial statements of Rural Municipality of Canaan #225, which comprise the statement of financial position as at December 31, 2020 and the statements of financial activities, changes in net financial assets, and changes in financial position 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 Rural Municipality as at December 31, 2020 and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 10 of the financial statements which explains that certain comparative figures for the year ended December 31, 2019 have been restated.

Other Matters

The financial statements for the Rural Municipality for the year ended December 31, 2019 were audited by another auditor who expressed a qualified audit opinion on those statements on June 15, 2020.

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

Management is responsible for the preparation and fair presentation of these 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 Rural Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and the use of the going concern basis of accounting unless management either intends to liquidate the Rural Municipality or cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

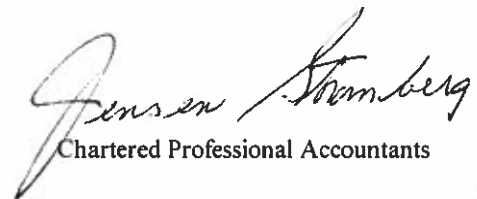
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

- Identify and assess the risks of material misstatement of the 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 Rural 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 Rural 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 Rural 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.

Saskatoon, Saskatchewan
June 10, 2021


Chartered Professional Accountants

RURAL MUNICIPALITY OF CANAAN #225**Statement 1****STATEMENT OF FINANCIAL POSITION****December 31, 2020**
with comparative figures for 2019

	<u>2020</u>	(Restated - Note 10) <u>2019</u>
<u>ASSETS</u>		
Financial assets:		
Cash and temporary investments (Note 2)	\$ 382,859	555,240
Taxes receivable - Municipal (Note 3)	64,445	55,711
Other accounts receivable (Note 4)	98,405	94,040
Land for re-sale (Note 5)	-	489
Long-term investments (Note 6)	216,979	13,553
Other	-	-
Total financial assets	762,688	719,033
<u>LIABILITIES</u>		
Bank indebtedness	-	-
Accounts payable	96,615	18,119
Accrued liabilities payable	-	-
Deposits	-	-
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Long-term debt (Note 7)	-	-
Lease obligations	-	-
Total liabilities	96,615	18,119
NET FINANCIAL ASSETS (DEBT)	666,073	700,914
Non-financial assets:		
Tangible capital assets (Schedule 6, 7)	1,091,319	998,589
Prepaid and deferred charges	88	22
Stock and supplies	169,973	145,338
Total non-financial assets	1,261,380	1,143,949
Accumulated Surplus (Deficit) (Schedule 8)	\$ 1,927,453	1,844,863

APPROVED ON BEHALF OF COUNCIL:

Reeve

Councilor

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF CANAAN #225

Statement 2

STATEMENT OF FINANCIAL ACTIVITIES

Year ended December 31, 2020
with comparative figures for 2019

		<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	(Restated - Note 10) <u>2019</u> <u>Actual</u>
Revenues:				
Taxes and other unconditional revenue	(Schedule 1)	\$ 729,370	732,314	726,558
Fees and charges	(Schedule 4, 5)	8,000	24,435	22,773
Conditional grants	(Schedule 4, 5)	3,200	-	-
Tangible capital asset sales - gain (loss)	(Schedule 4, 5)	-	(5,598)	(12,020)
Land sales - gain (loss)	(Schedule 4, 5)	-	-	-
Investment income and commissions	(Schedule 4, 5)	6,900	9,424	9,091
Restructurings	(Schedule 4, 5)	-	-	-
Other revenues	(Schedule 4, 5)	-	-	-
Total Revenues		<u>747,470</u>	<u>760,575</u>	<u>746,402</u>
Expenditures:				
General government services	(Schedule 3)	106,650	109,516	109,279
Protective services	(Schedule 3)	27,400	26,904	26,428
Transportation services	(Schedule 3)	623,800	577,839	518,751
Environmental and public health services	(Schedule 3)	21,500	20,717	21,397
Planning and development services	(Schedule 3)	-	1,336	-
Recreation and cultural services	(Schedule 3)	3,300	3,187	3,273
Utility services	(Schedule 3)	3,300	2,998	2,254
Restructurings	(Schedule 3)	-	-	-
Total Expenditures		<u>785,950</u>	<u>742,497</u>	<u>681,382</u>
Surplus of revenues over expenditures before other capital contributions		<u>(38,480)</u>	<u>18,078</u>	<u>65,020</u>
Provincial/Federal capital grants and contributions	(Schedule 4, 5)	<u>40,260</u>	<u>64,512</u>	<u>50,270</u>
Surplus of revenues over expenditures		1,780	82,590	115,290
Accumulated surplus, beginning of year		<u>1,844,863</u>	<u>1,844,863</u>	<u>1,729,573</u>
Accumulated surplus, end of year		<u>\$ 1,846,643</u>	<u>1,927,453</u>	<u>1,844,863</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF CANAAN #225**Statement 3****STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**

Year ended December 31, 2020
 with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	(Restated - Note 10) <u>2019</u> <u>Actual</u>
Surplus (deficit)	\$ <u>1,780</u>	<u>82,590</u>	<u>115,290</u>
(Acquisition) of tangible capital assets	65,000	(309,328)	(308,555)
Amortization of tangible capital assets	72,830	99,922	86,423
Proceeds on disposal of tangible capital assets	-	111,078	70,000
Loss (gain) on disposal of tangible capital assets	-	5,598	12,020
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (deficit) of capital expenses over expenditures	<u>137,830</u>	<u>(92,730)</u>	<u>(140,112)</u>
(Acquisition) of supplies inventories	-	(105,073)	(39,464)
(Acquisition) of prepaid expenses	-	(66)	-
Consumption of supplies inventories	-	80,438	88,990
Use of prepaid expenses	-	-	-
Surplus (deficit) of expenses of other non-financial over expenditures	<u>-</u>	<u>(24,701)</u>	<u>49,526</u>
Increase (decrease) in Net Financial Assets	<u>139,610</u>	<u>(34,841)</u>	<u>24,704</u>
Net Financial Assets (Debt) - Beginning of the year	<u>700,914</u>	<u>700,914</u>	<u>676,210</u>
Net Financial Assets (Debt)- End of year	\$ <u>840,524</u>	<u>666,073</u>	<u>700,914</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF CANAAN #225**Statement 4****STATEMENT OF CHANGES IN FINANCIAL POSITION**

Year ended December 31, 2020
with comparative figures for 2019

	2020	(Restated - Note 10) 2019
Cash provided by (used in) the following activities:		
Operating:		
Surplus	\$ 82,590	115,290
Amortization	99,922	86,423
Loss on disposal of tangible capital assets	<u>5,598</u>	<u>12,020</u>
	188,110	213,733
Change in assets/liabilities		
Taxes receivable - Municipal	(8,734)	22,454
Other accounts receivable	(4,366)	(31,602)
Land for re-sale	489	-
Other financial assets	-	-
Accounts and accrued liabilities payable	78,497	(29,446)
Deposits	-	-
Deferred revenue	-	(33)
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Stock and supplies	(24,635)	49,527
Prepayments and deferred charges	(66)	-
Other	<u>-</u>	<u>-</u>
	<u>41,185</u>	<u>10,900</u>
Net cash from operations	<u>229,295</u>	<u>224,633</u>
Capital:		
Acquisition of capital assets	(309,328)	(308,555)
Proceeds from the disposal of capital assets	111,078	70,000
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(198,250)</u>	<u>(238,555)</u>
Investing:		
Long-term investments	(203,426)	100,000
Other investments	<u>-</u>	<u>-</u>
Net cash from (used for) investing	<u>(203,426)</u>	<u>100,000</u>
Financing activities:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	-	-
Other financing	<u>-</u>	<u>-</u>
Net cash from financing	<u>-</u>	<u>-</u>
Increase (decrease) in cash resources	(172,381)	86,078
Cash and temporary investments, beginning of year	<u>555,240</u>	<u>469,162</u>
Cash and temporary investments, end of year (Note 2)	<u>\$ 382,859</u>	<u>555,240</u>
See accompanying notes to the financial statements.		

RURAL MUNICIPALITY OF CANAAN #225

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) Reporting Entity

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

(c) 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 the relevant legislation. The amounts collected are disclosed in Note 3.

(d) Government Transfers

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

- a) the transfer is authorized;
- b) eligibility criteria have been met by the recipient; and
- c) a reasonable estimate of the amount can be made

Unearned government transfer amounts received but not earned will be recorded as deferred revenue.

(e) Deferred Revenue - Fees and Charges

Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed. Earned government transfer amounts not received will be recorded as an amount receivable. 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 purposes specified.

(f) Local Improvement Charges

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

(g) Budget

Budget information is presented on a basis consistent with that used for actual results (accrual basis). The budget was approved by Council on May 14, 2020.

RURAL MUNICIPALITY OF CANAAN #225

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

1. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

(h) 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.

(i) 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.

(j) Appropriated Reserves

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

(k) Property Tax Revenue

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

(l) Investments

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with terms of 91 days to one year have been classified as other short-term investments and 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 revenues 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 assets of SARM.

(m) 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 of the inventory in the ordinary course of business.

RURAL MUNICIPALITY OF CANAAN #225

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) **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 the contribution. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The costs 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:

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Buildings	40 years
Vehicles and equipment	
Vehicles	10 years
Machinery & Equipment	10 years
<i>Infrastructure Assets</i>	
Road network assets	40 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 financial statements as either a capital or operating lease. Any lease that transfers the majority of benefits and risk associated with the leased asset is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. Assets under capital leases are amortized on a straight line basis, over their estimated useful lives (lease term). Any other lease not meeting the before-mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

(o) **Landfill liability**

The Municipality does not maintain a waste disposal site. No amount has been recorded as an asset or liability.

RURAL MUNICIPALITY OF CANAAN #225

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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 an amount previously recognized are accounted for in the period in which the revisions are made. The Municipality does not have any contaminated sites.

(q) **Trust Funds**

Funds held in trust for others are neither included in the Municipality's assets or equity.

(r) **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 its contributions.

(s) **Measurement Uncertainty**

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts 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 period in which they become known.

RURAL MUNICIPALITY OF CANAAN #225

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) **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 borrowing.

These segments (functions) are as follows:

General Government: The general government segment provides for the administration of the Municipality.

Protective Services: Protective services is comprised of expenses for Police and Fire protection.

Transportation Services: The transportation services segment is 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: The planning and development segment provides for neighbourhood development and sustainability.

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

Utility Services: The utility services segment provides for the delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

2. CASH AND TEMPORARY INVESTMENTS

	<u>2020</u>	<u>2019</u>
Cash	\$ 382,859	351,134
Temporary investments	-	204,106
	<u>\$ 382,859</u>	<u>555,240</u>

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

RURAL MUNICIPALITY OF CANAAN #225

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

3. TAXES AND GRANTS IN LIEU RECEIVABLE

	<u>2020</u>	<u>2019</u>
Municipal: - Current	\$ 32,850	34,260
- Arrears	<u>31,595</u>	<u>21,451</u>
	64,445	55,711
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Total municipal taxes receivable	<u>64,445</u>	<u>55,711</u>
School: - Current	13,675	6,393
- Arrears	<u>10,098</u>	<u>8,997</u>
Total school taxes receivable	<u>23,773</u>	<u>15,390</u>
Other: - Current	-	-
- Arrears	<u>29,437</u>	<u>26,998</u>
Total other collections receivable	<u>29,437</u>	<u>26,998</u>
Total taxes and grants in lieu receivable	117,655	98,099
Deduct taxes receivable to be collected on behalf of other organizations	<u>(53,210)</u>	<u>(42,388)</u>
Total taxes receivable - Municipal	\$ <u>64,445</u>	<u>55,711</u>

4. OTHER ACCOUNTS RECEIVABLE

	<u>2020</u>	<u>2019</u>
Federal government	\$ 17,378	21,575
Provincial government	-	-
Local government	-	27,354
Utility	-	-
Trade	39,360	45,111
Other	<u>41,667</u>	<u>-</u>
Total other accounts receivable	98,405	94,040
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Net other accounts receivable	\$ <u>98,405</u>	<u>94,040</u>

RURAL MUNICIPALITY OF CANAAN #225

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

5. LAND FOR RESALE

	<u>2020</u>	<u>2019</u>
Tax title property	\$ -	489
Less: - allowance for market value adjustment	-	-
Net tax title Property	-	489
Other land	-	-
Less: - allowance for market value adjustment	-	-
Net other land	-	-
Total land for resale	\$ -	489

6. LONG-TERM INVESTMENTS

	<u>2020</u>	<u>2019</u>
Sask. Assoc. of Rural Municipalities - Self-insurance fund	\$ 16,974	13,548
Other long term investments:		
Credit Union shares	5	5
Term deposits	200,000	-
Total long term investments	\$ 216,979	13,553

7. LONG-TERM DEBT

The authorized debt limit for the Municipality is \$575,863. The authorized 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)). The incremental debt above the debt limit authorized in the *Municipalities Act* is approved by the Saskatchewan Municipal Board.

8. 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 pension expense in 2020 was \$15,185 (2019 - \$29,647). 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.

Based on the latest information available (December 31, 2020 Audited Financial Statements) the Municipal Employees Pension Plan had a surplus in the net assets available for benefits of \$838,900,000. This is based on the most recent actuarial valuation, completed December 31, 2019. The Rural Municipality's portion of this is not readily determinable.

RURAL MUNICIPALITY OF CANAAN #225

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

9. RECENT ACCOUNTING PRONOUNCEMENTS

A number of new and amended standards have been issued that may impact the Rural Municipality:

Standards Effective 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.

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 is 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 is 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.

Standards Effective On Or After April 1, 2023

PS 3400 Revenue is 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 Rural Municipality continues to assess the impacts of the above accounting standards. The extent of impact resulting from the adoption of these standards is not known at this time.

RURAL MUNICIPALITY OF CANAAN #225

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

10. CORRECTION OF AN ERROR

During the year, it was determined that gravel inventory was not been properly recorded by the Rural Municipality in the prior year. The prior year audit did not include any gravel inventory resulting in the previous auditor issuing a qualified audit report. Management was able to provide sufficient evidence to support a restatement of gravel inventory for the prior year and the amounts were corrected retroactively. As a result, for 2019, ending unappropriated surplus and stock and supplies both increased \$105,875, gravel expenses increased \$77,910 and opening unappropriated surplus increased \$183,785.

It was also noted during the year that two tangible capital assets were not recorded properly in the prior year. As a result, for 2019, net investment in tangible capital assets and tangible capital assets both decreased \$151,641, amortization expense increased \$17,838 and opening net investment in tangible capital assets decreased \$133,803.

As a result of these changes, total increase to 2019 accumulated surplus was \$49,982.

11. COMPARATIVE FIGURES

The prior year's comparative figures have been reclassified to conform to the current year's method of presentation.

RURAL MUNICIPALITY OF CANAAN #225

SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
TAXES			
General municipal tax levy	\$ 570,050	570,048	570,046
Abatements and adjustments	-	(103)	(832)
Discount on current year taxes	<u>(11,000)</u>	<u>(15,806)</u>	<u>(21,793)</u>
Net municipal taxes	559,050	554,139	547,421
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	4,000	3,460	4,066
Special tax levy	-	-	-
Other	-	-	-
Total Taxes	<u>563,050</u>	<u>557,599</u>	<u>551,487</u>
UNCONDITIONAL GRANTS			
Revenue sharing	165,010	165,060	173,790
Organized Hamlet	-	-	-
Other (Safe Restart)	-	<u>8,352</u>	-
Total Unconditional Grants	<u>165,010</u>	<u>173,412</u>	<u>173,790</u>
GRANTS IN LIEU OF TAXES			
Federal	-	-	-
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
TransGas	270	272	250
Provincial - Central Services	-	-	-
SaskTel	1,040	1,031	1,031
Other	-	-	-
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other	-	-	-
Other Government Transfers			
S.P.C. Surcharge	-	-	-
Other	-	-	-
Total Grants in Lieu of Taxes	<u>1,310</u>	<u>1,303</u>	<u>1,281</u>
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	<u>\$ 729,370</u>	<u>732,314</u>	<u>726,558</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF CANAAN #225

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ -	-	-
Sales of supplies	1,000	1,212	1,092
Other (Licences and permits)	<u>1,000</u>	<u>1,062</u>	<u>15,079</u>
Total Fees and Charges	2,000	2,274	16,171
Tangible capital asset sales - gain (loss)	-	-	-
Land sales - gain (loss)	-	-	-
Investment income and commissions	6,900	9,424	9,091
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total other segmented revenue	<u>8,900</u>	<u>11,698</u>	<u>25,262</u>
Conditional Grants			
Student employment	-	-	-
Other	<u>3,200</u>	<u>-</u>	<u>-</u>
Total Conditional Grants	<u>3,200</u>	<u>-</u>	<u>-</u>
Total Operating	<u>12,100</u>	<u>11,698</u>	<u>25,262</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total General Government Services	<u>12,100</u>	<u>11,698</u>	<u>25,262</u>
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other fees and charges	-	-	-
Total Fees and Charges	<u>-</u>	<u>-</u>	<u>-</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total other segmented revenue	<u>-</u>	<u>-</u>	<u>-</u>
Conditional Grants			
Student employment	-	-	-
Local government	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>-</u>	<u>-</u>	<u>-</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Local government	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Protective Services	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF CANAAN #225

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 2,000	5,925	1,375
Sales of supplies	4,000	16,176	3,075
Road maintenance and restoration agreements	-	-	2,047
Frontage	-	-	-
Other	-	-	-
Total Fees and Charges	6,000	22,101	6,497
Tangible capital asset sales - gain (loss)	-	(5,598)	(12,020)
Other	-	-	-
Total other segmented revenue	6,000	16,503	(5,523)
Conditional Grants			
Primary Weight Corridor	-	-	-
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	6,000	16,503	(5,523)
Capital			
Conditional Grants			
Federal Gas Tax	8,260	12,390	18,270
Designated Municipal Roads and Bridges	32,000	32,000	32,000
Provincial Disaster Assistance	-	-	-
Other (MEEP)	-	20,122	-
Total Capital	40,260	64,512	50,270
Restructuring Revenue	-	-	-
Total Transportation Services	46,260	81,015	44,747
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Waste and Disposal Fees	-	-	-
Other (Cemetery fees)	-	60	105
Total Fees and Charges	-	60	105
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	60	105
Conditional Grants			
Student employment	-	-	-
TAPD	-	-	-
Local government	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	60	105
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
TAPD	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Environmental and Public Health Services Services	-	60	105

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF CANAAN #225

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Maintenance and Development Charges	\$ -	-	-
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	-	-
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Planning and Development Services	-	-	-
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Sales of supplies	-	-	-
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	-	-
Conditional Grants			
Student employment	-	-	-
Local government	-	-	-
Donations	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Local government	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Recreation and Cultural Services	-	-	-

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF CANAAN #225

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Water	\$ -	-	-
Sewer	-	-	-
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	-	-
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
New Building Canada Fund	-	-	-
Clean Water and Wastewater Fund	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Utility Services	-	-	-
 TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	 \$ <u>58,360</u>	 <u>92,773</u>	 <u>70,114</u>
 SUMMARY			
Total Other Segmented Revenue	\$ 14,900	28,261	19,844
Total Conditional Grants	3,200	-	-
Total Capital Grants and Contributions	40,260	64,512	50,270
Restructuring Revenue	-	-	-
TOTAL REVENUE BY FUNCTION	<u>\$ 58,360</u>	<u>92,773</u>	<u>70,114</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF CANAAN #225

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	(Restated - Note 10) <u>2019</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 15,300	13,490	16,328
Wages and benefits	49,180	47,306	45,295
Professional/Contractual services	32,700	29,787	31,891
Utilities	2,650	3,292	2,615
Maintenance, materials, and supplies	6,800	5,541	11,143
Grants and contributions	20	10,100	20
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	1,987
Allowance for uncollectibles	-	-	-
General Government Services	<u>106,650</u>	<u>109,516</u>	<u>109,279</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total General Government Services	<u>106,650</u>	<u>109,516</u>	<u>109,279</u>
PROTECTIVE SERVICES			
Police protection			
Wages and benefits	-	-	-
Professional/Contractual services	6,550	6,743	6,509
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Fire protection			
Wages and benefits	-	-	-
Professional/Contractual services	3,470	3,175	2,228
Utilities	2,380	1,986	2,691
Maintenance, materials, and supplies	-	-	-
Grants and contributions	15,000	15,000	15,000
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Protective Services	<u>27,400</u>	<u>26,904</u>	<u>26,428</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Protective Services	<u>27,400</u>	<u>26,904</u>	<u>26,428</u>
TRANSPORTATION SERVICES			
Wages and benefits	117,750	118,948	111,716
Professional/Contractual services	11,520	20,855	27,893
Utilities	5,550	5,480	5,418
Maintenance, materials, and supplies	126,150	105,664	121,073
Gravel	225,000	226,970	166,228
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	137,830	99,922	86,423
Interest	-	-	-
Transportation Services	<u>623,800</u>	<u>577,839</u>	<u>518,751</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Transportation Services	<u>623,800</u>	<u>577,839</u>	<u>518,751</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF CANAAN #225

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	(Restated - Note 10) <u>2019</u> <u>Actual</u>
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	\$ -	-	-
Professional/Contractual services	21,500	20,717	21,397
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating	-	-	-
Waste disposal	-	-	-
Public health	-	-	-
-capital	-	-	-
Waste disposal	-	-	-
Public health	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Environmental and Public Health Services	<u>21,500</u>	<u>20,717</u>	<u>21,397</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Environmental and Public Health Services	<u>21,500</u>	<u>20,717</u>	<u>21,397</u>
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	-	1,336	-
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Planning and Development Services	<u>-</u>	<u>1,336</u>	<u>-</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Planning and Development Services	<u>-</u>	<u>1,336</u>	<u>-</u>
RECREATION AND CULTURAL SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	-	-	-
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating	3,200	3,187	3,173
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other	100	-	100
Recreation and Cultural Services	<u>3,300</u>	<u>3,187</u>	<u>3,273</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Recreation and Cultural Services	<u>3,300</u>	<u>3,187</u>	<u>3,273</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF CANAAN #225

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	(Restated - Note 10) <u>2019</u> <u>Actual</u>
UTILITY SERVICES			
Wages and benefits	\$ -	-	-
Professional/Contractual services	-	-	-
Utilities	2,300	2,347	2,228
Maintenance, materials, and supplies	1,000	651	26
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other	-	-	-
Utility Services	<u>3,300</u>	<u>2,998</u>	<u>2,254</u>
Restructuring	-	-	-
Total Utility Services	<u>3,300</u>	<u>2,998</u>	<u>2,254</u>
 TOTAL EXPENDITURES BY FUNCTION	 \$ <u>785,950</u>	 <u>742,497</u>	 <u>681,382</u>

See accompanying notes to the financial statements.

Schedule 4

RURAL MUNICIPALITY OF CANAAN #225 SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2020

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and charges	\$ 2,274	-	22,101	60	-	-	-	24,435
Tangible capital asset sales - Gain (loss)	-	-	(5,598)	-	-	-	-	(5,598)
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	9,424	-	-	-	-	-	-	9,424
Other revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	-	-	-	-	-	-
Grants - Capital	-	-	64,512	-	-	-	-	64,512
Restructurings	-	-	-	-	-	-	-	-
Total revenues	11,698	-	81,015	60	-	-	-	92,773
Expenses (Schedule 3)								
Wages & Benefits	60,796	-	118,948	-	-	-	-	179,744
Professional/Contractual Services	29,787	9,918	20,855	20,717	1,336	-	-	82,613
Utilities	3,292	1,986	5,480	-	-	-	2,347	13,105
Maintenance, materials and supplies	5,541	-	332,634	-	-	-	651	338,826
Grants and contributions	10,100	15,000	-	-	-	3,187	-	28,287
Amortization	-	-	99,922	-	-	-	-	99,922
Interest	-	-	-	-	-	-	-	-
Allowance for uncollectibles	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
Total expenses	109,516	26,904	577,839	20,717	1,336	3,187	2,998	742,497
Surplus (deficit) by function	(97,818)	(26,904)	(496,824)	(20,657)	(1,336)	(3,187)	(2,998)	(649,724)
Taxation and other unconditional revenue (Schedule 1)								
Net Surplus (Deficit)								\$ 82,590

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF CANAAN #225

SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Schedule 5

Year ended December 31, 2019

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	(Restated - Note 10) Total
Revenues (Schedule 2)								
Fees and charges	\$ 16,171	-	6,497	105	-	-	-	22,773
Tangible capital asset sales - Gain (loss)	-	-	(12,020)	-	-	-	-	(12,020)
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	9,091	-	-	-	-	-	-	9,091
Other revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	-	-	-	-	-	-
Grants - Capital	-	-	50,270	-	-	-	-	50,270
Restructurings	-	-	-	-	-	-	-	-
Total revenues	<u>25,262</u>	<u>-</u>	<u>44,747</u>	<u>105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,114</u>
Expenses (Schedule 3)								
Wages & Benefits	61,623	-	111,716	-	-	-	-	173,339
Professional/Contractual Services	31,891	8,737	27,893	21,397	-	-	-	89,918
Utilities	2,615	2,691	5,418	-	-	-	2,228	12,952
Maintenance, materials and supplies	11,143	-	287,301	-	-	100	26	298,570
Grants and contributions	20	15,000	-	-	-	3,173	-	18,193
Amortization	-	-	86,423	-	-	-	-	86,423
Interest	1,987	-	-	-	-	-	-	1,987
Allowance for uncollectibles.	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
Total expenses	<u>109,279</u>	<u>26,428</u>	<u>518,751</u>	<u>21,397</u>	<u>-</u>	<u>3,273</u>	<u>2,254</u>	<u>681,382</u>
Surplus (deficit) by function	<u>(84,017)</u>	<u>(26,428)</u>	<u>(474,004)</u>	<u>(21,292)</u>	<u>-</u>	<u>(3,273)</u>	<u>(2,254)</u>	<u>(611,268)</u>
Taxation and other unconditional revenue (Schedule 1)								<u>726,558</u>
Net Surplus (Deficit)								<u>\$ 115,290</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF CANAAN #225
SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

Year ended December 31, 2020
with comparative figures for 2019

	2020							(Restated - Note 10) 2019	
	General Assets					Infrastructure Assets	General / Infrastructure Assets Under Construction		Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment				
Asset cost									
Opening asset costs	\$ 2,400	-	160,586	25,810	713,701	1,725,482	-	2,456,124	
Additions during the year	-	-	-	-	309,328	-	-	308,555	
Disposals and write-downs during the year	-	-	(34,997)	-	(163,800)	-	-	(136,700)	
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	
Closing asset costs	2,400	-	125,589	25,810	859,229	1,725,482	-	2,627,979	
Accumulated amortization cost									
Opening accumulated amortization costs	-	-	98,898	25,810	129,240	1,375,442	-	1,597,647	
Add: Amortization taken	-	-	3,140	-	53,645	43,137	-	86,423	
Less: Accumulated amortization on disposals	-	-	(34,997)	-	(47,124)	-	-	(54,680)	
Closing accumulated amortization costs	-	-	67,041	25,810	135,761	1,418,579	-	1,629,390	
Net book value	\$ 2,400	-	58,548	-	723,468	306,903	-	998,589	
1. Total contributed/donated assets received in 2020:	\$ -								
2. List of assets recognized at nominal value in 2020 are:									
-Infrastructure Assets	\$ -								
-Vehicles	\$ -								
-Machinery and Equipment	\$ -								
3. Amount of interest capitalized in 2020:	\$ -								

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF CANAAN #225

SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	2020							(Restated - Note 10) 2019
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	
Asset cost								Total
Opening asset costs	\$ 43,589	-	2,584,390	-	-	-	-	2,627,979
Additions during the year	-	-	309,328	-	-	-	-	309,328
Disposals and write-downs during the year	-	-	(198,797)	-	-	-	-	(198,797)
Closing asset costs	<u>43,589</u>	<u>-</u>	<u>2,694,921</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,738,510</u>
Accumulated amortization cost								
Opening accumulated amortization costs	-	-	1,629,390	-	-	-	-	1,629,390
Add: Amortization taken	-	-	99,922	-	-	-	-	99,922
Less: Accumulated amortization on disposals	-	-	(82,121)	-	-	-	-	(82,121)
Closing accumulated amortization costs	<u>-</u>	<u>-</u>	<u>1,647,191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,647,191</u>
Net book value	<u>\$ 43,589</u>	<u>-</u>	<u>1,047,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,091,319</u>
								<u>998,589</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF CANAAN #225

SCHEDULE OF ACCUMULATED SURPLUS

Year ended December 31, 2020

	(Restated - Note 10) <u>2019</u>	<u>Changes</u>	<u>2020</u>
UNAPPROPRIATED SURPLUS	\$ <u>838,274</u>	<u>(10,140)</u>	<u>828,134</u>
APPROPRIATED RESERVES			
Machinery and equipment	-	-	-
Public reserve	2,500	-	2,500
Capital trust	5,500	-	5,500
Utility	-	-	-
Total Appropriated	<u>8,000</u>	<u>-</u>	<u>8,000</u>
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	998,589	92,730	1,091,319
Less: Related debt	-	-	-
Net Investment in Tangible Capital Assets	<u>998,589</u>	<u>92,730</u>	<u>1,091,319</u>
Total Accumulated Surplus	\$ <u>1,844,863</u>	<u>82,590</u>	<u>1,927,453</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF CANAAN #225

Schedule 9

SCHEDULE OF MILL RATES AND ASSESSMENTS

Year ended December 31, 2020

	PROPERTY CLASS					Total
	<u>Agriculture</u>	<u>Residential</u>	<u>Residential Condominium</u>	<u>Seasonal Residential</u>	<u>Commercial & Industrial</u>	<u>Potash Mine(s)</u>
Taxable Assessment	\$ 70,967,405	1,705,065	-	-	3,333,900	\$ 76,006,370
Regional Park Assessment						
Total Assessment						\$ 76,006,370
Mill Rate Factor(s)	1.0000	1.0000	1.0000	1.0000	1.0000	
Total Base/Minimum Tax (generated for each property class)	-	-	-	-	-	-
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ 532.256	12.788	-	-	25.004	570.048

MILL RATES:	MILLS
Average Municipal*	7.500
Average School*	1.703
Potash Mill Rate	-
Uniform Municipal Mill Rate	7.500

* Average Mill Rates (multiply the total tax levy for each taxing authority by 1000 and divide by the total assessment for the taxing authority)

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF CANAAN #225**SCHEDULE OF COUNCIL REMUNERATION****Year ended December 31, 2020**

Position	Name	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Reeve	Lars Bjorgan	\$ 2,100	230	2,330
Councilor	Duane Ayers	1,550	50	1,600
Councilor	Kyle Danroth	1,488	156	1,644
Councilor	Kyle Hamilton	1,800	300	2,100
Councilor	C.J. Houben	1,800	312	2,112
Councilor	Garry Springett	1,800	120	1,920
Councilor	Allan Wiens	<u>1,425</u>	<u>180</u>	<u>1,605</u>
Total		<u>\$ 11,963</u>	<u>1,348</u>	<u>13,311</u>

See accompanying notes to the financial statements.