

R. M. of Cote No. 271
CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2020

R. M. of Cote No. 271

Kamsack, Saskatchewan

December 31, 2020

Table of Contents

	Page
Management's Responsibility	1
Independent Auditors' Report	2-3
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Change in Net Financial Assets	6
Consolidated Statement of Cash Flow	7
Notes to Consolidated Financial Statements	8-16
Consolidated Schedule of Taxes and Other Unconditional Revenue	17
Consolidated Schedule of Operating and Capital Revenue by Function	18-19
Total Expenses by Function	20-21
Consolidated Schedule of Segment Disclosure by Function	22-23
Consolidated Schedule of Tangible Capital Assets by Object	24
Consolidated Schedule of Tangible Capital Assets by Function	25
Consolidated Schedule of Accumulated Surplus	26
Schedule of Mill Rates and Assessments	27
Schedule of Council Remuneration	28

Management's Responsibility

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

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

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

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



Reeve



Administrator

Independent Auditors' Report

To the Council
R. M. of Cote No. 271

Opinion

We have audited the consolidated financial statements of R. M. of Cote No. 271, (the municipality), which comprise the consolidated Statement of Financial Position as at December 31, 2020 and the consolidated Statements of Operations, Changes in Net Financial Assets and Cash Flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the municipality as at December 31, 2020, and results of its operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

Yorkton, SK
March 19, 2021

Baker Tilly SK LLP

Baker Tilly SK LLP

R. M. of Cote No. 271

Kamsack, Saskatchewan

Statement 1

Consolidated Statement of Financial Position as at December 31, 2020

	2020	2019 (Note 10)
Assets		
Financial Assets		
Cash and temporary investments - note 2	363,365	537,848
Taxes receivable - municipal - note 3	73,093	56,331
Other accounts receivable - note 4	22,434	27,506
Long-term investments - note 5	834,665	519,561
Total Financial Assets	<u>1,293,557</u>	<u>1,141,246</u>
Liabilities		
Accounts payable	41,409	34,811
Deferred revenue	58,400	66,625
Long-term debt - note 7	258,607	136,012
Total Liabilities	<u>358,416</u>	<u>237,448</u>
Net Financial Assets	<u>935,141</u>	<u>903,798</u>
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	2,469,489	2,177,090
Prepayments and deferred charges	23,805	949
Stock and supplies	60,718	67,845
Total Non-Financial Assets	<u>2,554,012</u>	<u>2,245,884</u>
Accumulated Surplus - schedule 8	<u>\$ 3,489,153</u>	<u>\$ 3,149,682</u>

Approved on behalf of the council:

Reeve

Councillor

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

R. M. of Cote No. 271
Consolidated Statement of Operations
For the year ended December 31, 2020

Statement 2

	2020 Budget (Note 1(r))	2020 Actual	2019 Actual (Note 10)
Revenues			
Taxes and other unconditional revenue			
- schedule 1	1,184,890	1,226,288	1,170,348
Fees and charges - schedules 4 and 5	44,440	173,041	132,925
Conditional grants - schedules 4 and 5	10,870	35,960	17,881
Tangible capital asset sales - gain			
- schedules 4 and 5		(61,690)	
Investment income and commissions			
- schedules 4 and 5	27,300	14,249	14,852
Total Revenue	<u>1,267,500</u>	<u>1,387,848</u>	<u>1,336,006</u>
Expenses - schedule 3			
General government services	206,690	192,677	185,189
Protective services	47,750	48,144	47,227
Transportation services	944,100	727,025	876,973
Environmental and public health services	79,600	75,517	73,096
Planning and development services	(101,650)	1,350	1,350
Recreation and cultural services	16,160	117,607	90,690
Utilities services	1,220	1,180	865
Total Expenses	<u>1,193,870</u>	<u>1,163,500</u>	<u>1,275,390</u>
Surplus of Revenues over Expenses before Other Capital Contributions	73,630	224,348	60,616
Provincial/Federal Capital Grants and Contributions			
- schedules 4 and 5	32,330	115,123	42,049
Surplus of Revenue over Expenses	105,960	339,471	102,665
Accumulated Surplus, Beginning of Year	<u>3,149,682</u>	<u>3,149,682</u>	<u>3,047,017</u>
Accumulated Surplus, End of Year	<u>\$ 3,255,642</u>	<u>\$ 3,489,153</u>	<u>\$ 3,149,682</u>

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

R. M. of Cote No. 271
Consolidated Statement of Change in Net Financial Assets
For the year ended December 31, 2020

Statement 3

	2020 Budget (Note 1(r))	2020 Actual	2019 Actual (Note 10)
Surplus	<u>105,960</u>	<u>339,471</u>	<u>102,665</u>
(Acquisition) of tangible capital assets	(274,100)	(638,612)	(9,447)
Amortization of tangible capital assets		119,523	156,906
Proceeds on disposal of tangible capital assets		165,000	
Loss on the disposal of tangible capital assets	<u> </u>	<u>61,690</u>	<u>0</u>
Surplus (Deficit) of Capital Expenses over Expenditures	<u>(274,100)</u>	<u>(292,399)</u>	<u>147,459</u>
(Acquisition) of prepaid expense		(22,857)	(57)
Consumption of supplies inventory	<u> </u>	<u>7,127</u>	<u>59,554</u>
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>(15,730)</u>	<u>59,497</u>
Increase (Decrease) in Net Financial Assets	(168,140)	31,342	309,621
Net Financial Assets, beginning of year	<u>903,799</u>	<u>903,799</u>	<u>594,178</u>
Net Financial Assets, End of Year	<u>\$ 735,659</u>	<u>\$ 935,141</u>	<u>\$ 903,799</u>

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

R. M. of Cote No. 271
Consolidated Statement of Cash Flow
For the year ended December 31, 2020

Statement 4

	2020	2019 (Note 10)
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus	339,471	102,665
Amortization	119,523	156,906
Loss on disposal of tangible capital assets	61,690	
	<u>520,684</u>	<u>259,571</u>
Change in Assets/Liabilities		
Taxes receivable - municipal	(16,763)	(5,551)
Other receivables	5,072	37,403
Accounts payable	6,599	(65,090)
Deferred revenue	(8,225)	66,625
Stock and supplies for use	7,127	59,554
Prepayments and deferred charges	(22,856)	(56)
Cash Provided by Operating Transactions	<u>491,638</u>	<u>352,456</u>
Capital:		
Acquisition of capital assets	(638,612)	(9,447)
Proceeds from the disposal of capital assets	165,000	(6,143)
Cash Applied to Capital Transactions	<u>(473,612)</u>	<u>(15,590)</u>
Investing:		
Proceeds on disposal of long-term investments	482,686	
Additions to long-term investments	(797,789)	(486,427)
Cash Provided by (Applied to) Investing Transactions	<u>(315,103)</u>	<u>(486,427)</u>
Financing:		
Long-term debt issued	255,659	
Long-term debt repaid	(133,065)	(77,669)
Cash Provided by (Applied to) Financing Transactions	<u>122,594</u>	<u>(77,669)</u>
Change in Cash and Temporary Investments During the Year	(174,483)	(227,230)
Cash and temporary investments, beginning of year	<u>537,848</u>	<u>765,078</u>
Cash and Temporary Investments, End of Year	<u>\$ 363,365</u>	<u>\$ 537,848</u>

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

R. M. of Cote No. 271
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies

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

(a) Basis of accounting

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

Entities included in these consolidated financial statements are as follows:

Entity	Basis of Recording
Duck Mountain Ski Hill	Full consolidation

All inter-organizational transactions and balances have been eliminated.

(b) Collection of funds for other authorities

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

(c) Government transfers

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

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

Unearned government transfer amounts received will be recorded as deferred revenue.

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

(d) Deferred revenue - fees and charges

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

R. M. of Cote No. 271
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(e) Net financial assets

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

(f) Non-financial assets

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

(g) 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.

(h) Investments

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with maturity dates longer than one year from the date of the Statement of Financial Position 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.

(i) Inventories

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

R. M. of Cote No. 271
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(j) Tangible capital assets

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

Assets	Useful Life
General Assets	
Land	indefinite
Land improvements	40 years
Buildings	40 years
Vehicles	10 years
Mobile equipment	10 years
Linear assets	35-40 years
Infrastructure Assets	
Paving, sidewalks and roadways	40 years

(k) 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.

(l) Capitalization of interest

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

(m) Leases

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

(n) Employee benefit plans

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

1. Significant Accounting Policies - continued

(o) Revenue

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

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

(p) 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 collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

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

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

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

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

(q) 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.

R. M. of Cote No. 271
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(r) Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on June 10, 2020.

(s) New standards and amendments to standards

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

PS 1201 Financial statement presentation, replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure in government financial statements. Requires a new statement of remeasurement gains and losses separate from the statement of operations arising from the remeasurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. Effective in the period PS 3450 and PS 2601 are adopted.

PS 2601 Foreign currency translation, replaces PS 2600 with revised guidance on the recognition, presentation and disclosure of transactions that are denominated in a foreign currency. Requires that monetary assets and liabilities denominated in a foreign currency and non-monetary items included in the fair value category, denominated in a foreign currency, be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses are to be presented in the statement of remeasurement gains and losses.

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

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

PS 3280 Asset retirement obligations, a new standard establishing guidance on the accounting and reporting of legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. As this standard includes solid waste landfill sites active and post-closing obligations upon adoption of this new standard, existing solid waste landfill closure and post-closure liability section PS 3270 will be withdrawn.

R. M. of Cote No. 271
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

Effective for fiscal years beginning on or after April 1, 2023:

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

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

	2020	2019
2. Cash and Temporary Investments		
Cash	360,448	272,404
Temporary investments	<u>2,917</u>	<u>265,444</u>
Total Cash and Temporary Investments	<u>\$ 363,365</u>	<u>\$ 537,848</u>

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

	2020	2019
3. Taxes and Grants In Lieu Receivable		
Municipal - current	70,560	55,377
Municipal - arrears	<u>2,590</u>	<u>1,010</u>
	73,150	56,387
Less: Allowance for uncollectibles	<u>57</u>	<u>57</u>
Total municipal taxes receivable	<u>73,093</u>	<u>56,330</u>
School - current	21,772	11,643
School - arrears	<u>482</u>	<u>184</u>
Total school taxes receivable	<u>22,254</u>	<u>11,827</u>
Other	<u>4,832</u>	<u>4,623</u>
Total taxes and grants in lieu receivable	100,179	72,780
Less: Taxes receivable to be collected on behalf of other organizations	<u>27,086</u>	<u>16,449</u>
Municipal and Grants In Lieu Taxes Receivable	<u>\$ 73,093</u>	<u>\$ 56,331</u>
4. Other Accounts Receivable		
Interest receivable	1,402	3,135
Trade	1,048	7,000
Other	<u>19,984</u>	<u>17,371</u>
Net Other Accounts Receivable	<u>\$ 22,434</u>	<u>\$ 27,506</u>

R. M. of Cote No. 271
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

	2020	2019
5. Long-Term Investments		
Sask. Assoc. of Rural Municipalities - Self-Insurance Fund	39,552	36,875
Portfolio investments	<u>795,113</u>	<u>482,686</u>
	<u>\$ 834,665</u>	<u>\$ 519,561</u>

The long-term investments in the Saskatchewan Association of Rural Municipalities - Self-Insurance Fund are accounted for on the equity basis.

Credit arrangements:

At 2020, the municipality had lines of credit totaling 150,000, none of which were drawn. The interest rate associated with the line of credit is 2.2%

6. Deferred Revenue

	Balance, Beginning of Year	Plus Amount Received	Less Amount Recognized	Balance, End of Year
Gas Tax	66,625	48,498	115,123	
Municipal Economic Enhancement	<u> </u>	<u>78,763</u>	<u>20,363</u>	<u>58,400</u>
	<u>\$ 66,625</u>	<u>\$ 127,261</u>	<u>\$ 135,486</u>	<u>\$ 58,400</u>

7. Long-Term Debt

The debt limit of the municipality for 2021 is \$1,132,499. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (*The Municipalities Act* Section 161).

- (a) The municipality has two bank loans, the first for the purchase of a 2018 grader is repayable in blended monthly payments of \$7,020.65 with an interest rate of 3.69%. The second, for the purchase of a 2020 grader is repayable in blended monthly payments of \$7,434 with an interest rate of 2.99%.

Future principal repayments are estimated as follows:

	Principal	Interest	2020 Total	2019 Total
2020				84,252
2021	139,683	5,690	145,373	56,199
2022	86,842	2,366	89,208	
2023	<u>32,082</u>	<u>208</u>	<u>32,290</u>	
	<u>\$ 258,607</u>	<u>\$ 8,264</u>	<u>\$ 266,871</u>	<u>\$ 140,451</u>

R. M. of Cote No. 271
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

8. Employee Benefit Plans

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

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

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

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

	2020	2019
General members	9.00 %	9.00 %
Designated members	12.50 %	12.50 %

Contributions to the plan during the year were as follows:

Benefit expense	\$ 16,695	\$ 18,115
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As per the most recently audited consolidated financial statements dated December 31, 2019, the plan surplus is \$658,468,000.

9. Contingent Liabilities

The municipality is contingently liable under terms of the Saskatchewan Association of Rural Municipalities Self-Insurance Plan for its proportionate share of claims and future claims in excess of the Plan's reserve fund.

R. M. of Cote No. 271
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

10. Comparative Figures

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

The comparative financial statements have been restated to account for unrecorded gravel inventory. As a result, the comparative statement of financial position for the year ending December 31, 2019 has been restated as follows:

Balance of accumulated surplus, beginning of year, as previously stated	2,985,238
Adjustment to beginning balance	<u>61,783</u>
Balance of accumulated surplus, beginning of year, as restated	<u>\$ 3,047,021</u>

Line Item	As Restated	As Previously Stated	Difference
Revenues			
Expenses			
Transportation Services	876,973	840,645	36,328
Adjustment to surplus (deficit) of revenue over expenses			
Balance of surplus, end of year as previously stated			138,993
Effect of adjustment to surplus			<u>(36,328)</u>
Balance of surplus, end of year, as restated			<u>\$ 102,665</u>

The comparative statement of financial position as at December 31, 2019 has been restated as follows:

Line Item	As Restated	As Previously Stated	Difference
Stock and Supplies	\$ 67,845	\$ 42,391	\$ 25,454

11. Related Parties

The consolidated financial statements include transactions with related parties. The municipality is related to Duck Mountain Ski Hill under the common control of the council.

Transactions with these related parties are in the normal course of operations and are settled on normal trade terms.

12. Impact of COVID-19

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

R. M. of Cote No. 271Consolidated Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2020

Schedule 1

	2020 Budget (Note 1(r))	2020 Actual	2019 Actual (Note 10)
Taxes			
General municipal tax levy	980,680	980,673	976,687
Abatements and adjustments	(100)		
Discount on current year taxes	(41,000)	(35,464)	(43,828)
Net municipal taxes	939,580	945,209	932,859
Penalties on tax arrears	1,800	2,896	1,700
Total Taxes	941,380	948,105	934,559
Unconditional Grants			
Equalization (revenue sharing)	199,090	199,092	196,479
Organized hamlet	5,290	5,290	4,888
Safe Restart		32,690	
Total Unconditional Grants	204,380	237,072	201,367
Grants In Lieu of Taxes			
Federal	20,020	14,695	8,593
Provincial			
Transgas	950	952	875
SaskTel		3,275	3,241
Community pasture	16,160	20,189	19,713
Local/Other			
Treaty land entitlement	2,000	2,000	2,000
Total Grants In Lieu of Taxes	39,130	41,111	34,422
Total Taxes and Other Unconditional Revenue	\$ 1,184,890	\$ 1,226,288	\$ 1,170,348

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

R. M. of Cote No. 271

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-1
For the year ended December 31, 2020

	2020 Budget (Note 1(r))	2020 Actual	2019 Actual (Note 10)
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of supplies	2,130	1,996	2,303
Rentals	3,000	2,980	1,938
Other	7,540	7,735	1,027
Total Fees and Charges	<u>12,670</u>	<u>12,711</u>	<u>5,268</u>
Investment income and commissions	<u>27,300</u>	<u>14,249</u>	<u>14,852</u>
Total Other Segmented Revenue	<u>39,970</u>	<u>26,960</u>	<u>20,120</u>
Conditional Grants			
Municipal Economic Enhancement		2,000	
Total Conditional Grants	<u>0</u>	<u>2,000</u>	<u>0</u>
Total General Government Services	<u>\$ 39,970</u>	<u>\$ 28,960</u>	<u>\$ 20,120</u>
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	15,000	13,911	19,533
Sale of supplies	10,320	8,570	9,367
Licenses and permits	1,500	1,700	1,500
Road maintenance and restoration agreements	2,800	2,369	3,188
Total Fees and Charges	<u>29,620</u>	<u>26,550</u>	<u>33,588</u>
Tangible capital asset sales - gain (loss)		(61,690)	
Total Other Segmented Revenue	<u>29,620</u>	<u>(35,140)</u>	<u>33,588</u>
Municipal Economic Enhancement		18,363	
Total Conditional Grants	<u>0</u>	<u>18,363</u>	<u>0</u>
Total Operating	<u>29,620</u>	<u>(16,777)</u>	<u>33,588</u>
Capital			
Conditional Grants			
Gas tax	32,330	115,123	4,583
Provincial disaster assistance program			37,466
Total Capital	<u>32,330</u>	<u>115,123</u>	<u>42,049</u>
Total Transportation Services	<u>\$ 61,950</u>	<u>\$ 98,346</u>	<u>\$ 75,637</u>

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

R. M. of Cote No. 271Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-2
For the year ended December 31, 2020

	2020 Budget (Note 1(r))	2020 Actual	2019 Actual (Note 10)
Environmental and Public Health Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of supplies	2,000	2,811	3,040
Total Other Segmented Revenue	<u>2,000</u>	<u>2,811</u>	<u>3,040</u>
Conditional Grants			
Sask. Water Corporation	3,690	3,690	5,635
Pest control	2,890	2,889	3,325
Fish and Wildlife		4,731	4,634
Total Conditional Grants	<u>6,580</u>	<u>11,310</u>	<u>13,594</u>
Total Environmental and Public Health Services	<u>\$ 8,580</u>	<u>\$ 14,121</u>	<u>\$ 16,634</u>
Recreation and Cultural Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Rentals	150		
Duck Mountain Ski Hill		130,969	91,029
Total Fees and Charges	<u>150</u>	<u>130,969</u>	<u>91,029</u>
Total Other Segmented Revenue	<u>150</u>	<u>130,969</u>	<u>91,029</u>
Conditional Grants			
Saskatchewan Lotteries	4,290	4,287	4,287
Total Conditional Grants	<u>4,290</u>	<u>4,287</u>	<u>4,287</u>
Total Recreation and Cultural Services	<u>\$ 4,440</u>	<u>\$ 135,256</u>	<u>\$ 95,316</u>
Total Operating and Capital Revenue by Function	<u>\$ 114,940</u>	<u>\$ 276,683</u>	<u>\$ 207,707</u>
Summary			
Total Other Segmented Revenue	71,740	125,600	147,777
Total Conditional Grants	10,870	35,960	17,881
Total Capital Grants and Contributions	<u>32,330</u>	<u>115,123</u>	<u>42,049</u>
Total Operating and Capital Revenue by Function	<u>\$ 114,940</u>	<u>\$ 276,683</u>	<u>\$ 207,707</u>

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

R. M. of Cote No. 271
Total Expenses by Function
For the year ended December 31, 2020

Schedule 3-1

	2020 Budget (Note 1(r))	2020 Actual	2019 Actual (Note 10)
General Government Services			
Council remuneration and travel	47,300	41,589	46,632
Wages and benefits	80,050	79,392	75,416
Professional/Contractual services	61,140	55,068	48,533
Utilities	5,900	5,799	5,407
Maintenance, materials and supplies	9,540	8,095	6,467
Grants and contributions - operating	400	375	375
Amortization	<u>2,360</u>	<u>2,359</u>	<u>2,359</u>
Total General Government Services	<u>\$ 206,690</u>	<u>\$ 192,677</u>	<u>\$ 185,189</u>
Protective Services			
Police protection			
Professional/Contractual services	26,000	26,394	25,477
Fire protection			
Professional/Contractual services	<u>21,750</u>	<u>21,750</u>	<u>21,750</u>
Total Protective Services	<u>\$ 47,750</u>	<u>\$ 48,144</u>	<u>\$ 47,227</u>
Transportation Services			
Wages and benefits	207,950	213,919	219,626
Professional/Contractual services	277,240	60,442	22,654
Utilities	10,950	9,089	10,553
Maintenance, materials, and supplies	81,030	77,193	87,981
Gravel	222,000	208,440	327,147
Culverts/drainage	41,000	41,519	55,770
Amortization	98,430	109,119	146,664
Interest	<u>5,500</u>	<u>7,304</u>	<u>6,578</u>
Total Transportation Services	<u>\$ 944,100</u>	<u>\$ 727,025</u>	<u>\$ 876,973</u>

R. M. of Cote No. 271
Total Expenses by Function
For the year ended December 31, 2020

Schedule 3-2

	2020 Budget (Note 1(r))	2020 Actual	2019 Actual (Note 10)
Environmental and Public Health Services			
Professional/Contractual services	54,900	50,061	52,818
Maintenance, materials and supplies	4,350	5,112	4,866
Grants and contributions - capital	<u>20,350</u>	<u>20,344</u>	<u>15,412</u>
Total Environmental and Public Health Services	<u>\$ 79,600</u>	<u>\$ 75,517</u>	<u>\$ 73,096</u>
Planning and Development Services			
Grants and contributions - operating	1,350	1,350	1,350
Long-term debt repaid	<u>(103,000)</u>	<u></u>	<u></u>
Total Planning and Development Services	<u>\$(101,650)</u>	<u>\$ 1,350</u>	<u>\$ 1,350</u>
Recreation and Cultural Services			
Professional/Contractual services	1,500		239
Utilities	2,300	1,947	2,168
Maintenance, materials and supplies	400	197	299
Grants and contributions - operating	4,590	4,287	4,587
Amortization		8,045	7,883
Libraries	7,370	7,371	7,234
Duck Mountain Ski Hill	<u></u>	<u>95,760</u>	<u>68,280</u>
Total Recreation and Cultural Services	<u>\$ 16,160</u>	<u>\$ 117,607</u>	<u>\$ 90,690</u>
Utility Services			
Professional/Contractual services	20		
Utilities	1,000	983	865
Maintenance, materials and supplies	<u>200</u>	<u>197</u>	<u></u>
Total Utility Services	<u>\$ 1,220</u>	<u>\$ 1,180</u>	<u>\$ 865</u>
Total Expenses by Function	<u>\$ 1,193,870</u>	<u>\$ 1,163,500</u>	<u>\$ 1,275,390</u>

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

R. M. of Cote No. 271

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

Schedule 4

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	12,711		26,550	2,811		130,969		173,041
Tangible capital asset sales - gain (loss)			(61,690)					(61,690)
Investment income and commissions	14,249							14,249
Grants - conditional	2,000		18,363	11,310		4,287		35,960
Grants - capital			115,123					115,123
Total Revenues	<u>28,960</u>	<u>0</u>	<u>98,346</u>	<u>14,121</u>	<u>0</u>	<u>135,256</u>	<u>0</u>	<u>276,683</u>
Expenses - schedule 3								
Wages and benefits	79,392		213,919					293,311
Professional/contractual services	96,657	48,144	60,442	50,061				255,304
Utilities	5,799		9,089			1,947	983	17,818
Maintenance materials and supplies	8,095		285,633	5,112		197	197	299,234
Culverts/drainage			41,519					41,519
Grants and contributions	375			20,344	1,350	4,287		26,356
Amortization	2,359		109,119			8,045		119,523
Libraries						7,371		7,371
Interest			7,304					7,304
Other						95,760		95,760
Total Expenses	<u>192,677</u>	<u>48,144</u>	<u>727,025</u>	<u>75,517</u>	<u>1,350</u>	<u>117,607</u>	<u>1,180</u>	<u>1,163,500</u>
Surplus (Deficit) by Function	<u>\$ (163,717)</u>	<u>\$ (48,144)</u>	<u>\$ (628,679)</u>	<u>\$ (61,396)</u>	<u>\$ (1,350)</u>	<u>\$ 17,649</u>	<u>\$ (1,180)</u>	<u>(886,817)</u>
Taxation and other unconditional revenue - schedule 1								<u>1,226,288</u>
Net Surplus								<u>\$ 339,471</u>

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

R. M. of Cote No. 271

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

Schedule 5

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	5,268		33,588	3,040		91,029		132,925
Investment income and commissions	14,852							14,852
Grants - conditional				13,594		4,287		17,881
Grants - capital			42,049					42,049
Total Revenues	<u>20,120</u>	<u>0</u>	<u>75,637</u>	<u>16,634</u>	<u>0</u>	<u>95,316</u>	<u>0</u>	<u>207,707</u>
Expenses - schedule 3								
Wages and benefits	75,416		219,626					295,042
Professional/contractual services	95,165	47,227	22,654	52,818		239		218,103
Utilities	5,407		10,553			2,168	865	18,993
Maintenance materials and supplies	6,467		415,128	4,866		299		426,760
Culverts/drainage			55,770					55,770
Grants and contributions	375			15,412	1,350	4,587		21,724
Amortization	2,359		146,664			7,883		156,906
Libraries						7,234		7,234
Interest			6,578					6,578
Other						68,280		68,280
Total Expenses	<u>185,189</u>	<u>47,227</u>	<u>876,973</u>	<u>73,096</u>	<u>1,350</u>	<u>90,690</u>	<u>865</u>	<u>1,275,390</u>
Surplus (Deficit) by Function	<u>\$ (165,069)</u>	<u>\$ (47,227)</u>	<u>\$ (801,336)</u>	<u>\$ (56,462)</u>	<u>\$ (1,350)</u>	<u>\$ 4,626</u>	<u>\$ (865)</u>	<u>(1,067,683)</u>
Taxation and other unconditional revenue - schedule 1								<u>1,170,348</u>
Net Surplus								<u>\$ 102,665</u>

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

R. M. of Cote No. 271
Consolidated Schedule of Tangible Capital Assets by Object
For the year ended December 31, 2020

Schedule 6

	2020							2019
	General Assets					Infrastruct. Assets	General/ Infrastruct. Assets under Constr.	Total
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets		Total
Asset Cost								
Opening Asset Cost	226,703	2,670	279,435	0	1,263,135	2,313,245	133,633	4,218,821
Additions during the year					412,367	219,017	7,228	638,612
Disposals and write-down during the year					(377,817)			(377,817)
Transfer (from) assets under construction						140,861	(140,861)	
Closing Asset Costs	<u>226,703</u>	<u>2,670</u>	<u>279,435</u>	<u>0</u>	<u>1,297,685</u>	<u>2,673,123</u>	<u>0</u>	<u>4,479,616</u>
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	0	1,157	267,628	0	353,691	1,419,255	0	2,041,731
Add: Amortization taken		178	1,986		79,682	37,677		119,523
Less: Accumulated amortization on disposals					151,127			151,127
Closing Accumulated Amortization Costs	<u>0</u>	<u>1,335</u>	<u>269,614</u>	<u>0</u>	<u>282,246</u>	<u>1,456,932</u>	<u>0</u>	<u>2,010,127</u>
Net Book Value	<u>\$ 226,703</u>	<u>\$ 1,335</u>	<u>\$ 9,821</u>	<u>\$ 0</u>	<u>\$ 1,015,439</u>	<u>\$ 1,216,191</u>	<u>\$ 0</u>	<u>\$ 2,469,489</u>

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

R. M. of Cote No. 271

Consolidated Schedule of Tangible Capital Assets by Function For the year ended December 31, 2020

Schedule 7

	2020							2019
	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Water & Sewer	Total
Asset Cost								
Opening Asset Cost	76,412	0	3,950,659	7,025	0	184,725	0	4,218,821
Additions during the year			635,387			3,225		638,612
Disposals and write-down during the year			(377,817)					(377,817)
Closing Asset Costs	<u>76,412</u>	<u>0</u>	<u>4,208,229</u>	<u>7,025</u>	<u>0</u>	<u>187,950</u>	<u>0</u>	<u>4,479,616</u>
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	69,340	0	1,804,306	0	0	168,085	0	2,041,731
Add: Amortization taken	2,359		109,119			8,045		119,523
Less: Accumulated amortization on disposals			151,127					151,127
Closing Accumulated Amortization Costs	<u>71,699</u>	<u>0</u>	<u>1,762,298</u>	<u>0</u>	<u>0</u>	<u>176,130</u>	<u>0</u>	<u>2,010,127</u>
Net Book Value	<u>\$ 4,713</u>	<u>\$ 0</u>	<u>\$ 2,445,931</u>	<u>\$ 7,025</u>	<u>\$ 0</u>	<u>\$ 11,820</u>	<u>\$ 0</u>	<u>\$ 2,469,489</u>

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

R. M. of Cote No. 271
Consolidated Schedule of Accumulated Surplus
For the year ended December 31, 2020

Schedule 8

	2019	Changes	2020
Unappropriated Surplus	<u>552,559</u>	<u>234,582</u>	<u>787,141</u>
Appropriated Surplus			
Machinery and equipment			
Machinery and equipment reserve	526,650	(69,500)	457,150
Dedicated lands	2,250		2,250
Other			
MEDC	<u>6,864</u>	<u> </u>	<u>6,864</u>
Total Appropriated	<u>535,764</u>	<u>(69,500)</u>	<u>466,264</u>
Hamlet of Runnymede	<u>20,281</u>	<u>4,585</u>	<u>24,866</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	2,177,090	292,399	2,469,489
Less: Related debt	<u>136,012</u>	<u>122,595</u>	<u>258,607</u>
Net Investment in Tangible Capital Assets	<u>2,041,078</u>	<u>169,804</u>	<u>2,210,882</u>
Total Accumulated Surplus	<u>\$ 3,149,682</u>	<u>\$ 339,471</u>	<u>\$ 3,489,153</u>

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

R. M. of Cote No. 271
Schedule of Mill Rates and Assessments
For the year ended December 31, 2020

Schedule 9

	Property Class					Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	
Taxable Assessment	102,632,025	10,833,658		1,943,680	5,418,100	120,827,463
Regional Park Assessment						
Total Assessment						120,827,463
Mill Rate Factor(s)	1.0000	0.6750		0.6750	1.0000	
Total Base/Minimum Tax (generated for each property class)	460	13,200			4,200	17,860
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	852,095	69,549		10,890	48,139	980,673
Mill Rates:	Mills					
Average Municipal*	8.1163					
Average School*	1.9300					
Potash Mill Rate						
Uniform Municipal Mill Rate	8.3000					

*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 Cote No. 271
Schedule of Council Remuneration
For the year ended December 31, 2020

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Jim Tomochko	12,303	2,149	14,452
Ralph Hilderman	14,553	2,119	16,672
Vernon Bowes	14,325	1,247	15,572
Craig Salahub	13,400	1,843	15,243
Dale Schwartz	13,325	488	13,813
Kim Pennell	14,450	1,823	16,273
Murray Horkoff	12,575	240	12,815
Amanda Burback	1,647	30	1,677
Glen Becenko	1,647	33	1,680
	<u>\$ 98,225</u>	<u>\$ 9,972</u>	<u>\$ 108,197</u>