

TOWN OF CUPAR
FINANCIAL STATEMENTS
For the year ended December 31, 2020

TOWN OF CUPAR
TABLE OF CONTENTS
 For the year ended December 31, 2020

	Page
STATEMENT OF RESPONSIBILITY	3
INDEPENDENT AUDITOR'S REPORT , dated May 20, 2021	4 - 5
FINANCIAL STATEMENTS	
Statement of Financial Position	6
Statement of Operations	7
Statement of Change in Net Financial Assets	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 18
Schedule 1 - Schedule of Taxes and Other Unconditional Revenue	19
Schedule 2 - Schedule of Operating and Capital Revenue by Function	20 - 24
Schedule 3 - Schedule of Expenses by Function	25 - 26
Schedule 4 - Schedule of Segment Disclosure by Function - 2020	27
Schedule 5 - Schedule of Segment Disclosure by Function - 2019	28
Schedule 6 - Schedule of Tangible Capital Assets by Object	29
Schedule 7 - Schedule of Tangible Capital Assets by Function	30
Schedule 8 - Schedule of Accumulated Surplus	31
Schedule 9 - Schedule of Mill Rates and Assessments	32
Schedule 10 - Schedule of Council Remuneration	33

STATEMENT OF RESPONSIBILITY

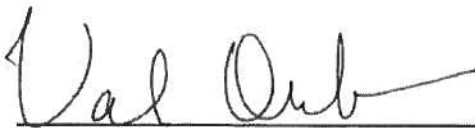
To the Ratepayers of the Town of Cupar:

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

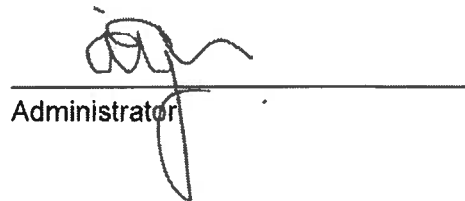
In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting, budget, and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded,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

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

Sensus Chartered Professional Accountants Ltd., 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.



Mayor



Administrator

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of:
Town of Cupar
Cupar, Saskatchewan

Opinion

We have audited the financial statements of the Town of Cupar, which comprise the statement of financial position as at December 31, 2020 and the statement of operations, statement of changes in net financial assets, and statement of cash flows 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 Town of Cupar as at December 31, 2020, and the results of its operations and its 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 Town of Cupar in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Town of Cupar'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 Town of Cupar or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town of Cupar's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 auditing standards, we exercise our 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 Town of Cupar'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 Town of Cupar'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 Town of Cupar 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.

Yorkton, Saskatchewan
May 20, 2021



Chartered Professional Accountants Ltd.

TOWN OF CUPAR
STATEMENT OF FINANCIAL POSITION
As at December 31, 2020

	2020	2019
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	\$ 1,261,766	\$ 1,251,901
Taxes receivable - municipal (Note 3)	99,753	98,628
Amounts receivable (Note 4)	235,878	32,648
Land for resale (Note 5)	96,346	155,126
Loan receivable (Note 6)	20,000	28,000
Patronage equity	1,550	1,311
TOTAL FINANCIAL ASSETS	1,715,293	1,567,614
LIABILITIES		
Accounts payable and accrued liabilities	88,720	70,987
Deposits (Note 1)	24,670	23,250
Deferred revenue (Notes 1 and 7)	4,382	6,812
Long-term debt (Note 8)	8,000	16,000
TOTAL LIABILITIES	125,772	117,049
NET FINANCIAL ASSETS	1,589,521	1,450,565
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedules 6 and 7)	2,532,010	2,652,274
Prepaid expenses	118	290
TOTAL NON-FINANCIAL ASSETS	2,532,128	2,652,564
ACCUMULATED SURPLUS (Schedule 8)	\$ 4,121,649	\$ 4,103,129

TOWN OF CUPAR
STATEMENT OF OPERATIONS
 For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
REVENUE			
Taxes and other unconditional revenue (Schedule 1)	\$ 634,290	\$ 676,051	\$ 650,685
Fees and charges (Schedules 4 and 5)	556,300	591,344	581,251
Conditional grants (Schedules 4 and 5)	1,000	34,706	12,591
Land sales - gain (loss) (Schedules 4 and 5)		(44,151)	
Investment income and commissions (Schedules 4 and 5)	5,000	27,270	14,658
Other revenues (Schedules 4 and 5)		133,175	82,696
	1,196,590	1,418,395	1,341,881
EXPENSES			
General government services (Schedule 3)	241,620	228,247	152,598
Protective services (Schedule 3)	88,202	106,272	64,310
Transportation services (Schedule 3)	329,261	412,768	301,455
Environmental and public health services (Schedule 3)	96,754	86,943	104,187
Planning and development services (Schedule 3)	1,000	1,247	241
Recreation and cultural services (Schedule 3)	112,439	91,381	115,436
Utility services (Schedule 3)	482,196	608,643	479,007
	1,351,472	1,535,501	1,217,234
SURPLUS (DEFICIT) BEFORE OTHER CAPITAL CONTRIBUTIONS	(154,882)	(117,106)	124,647
Provincial/Federal capital grants and contributions (Schedules 4 and 5)	36,470	135,626	75,554
ANNUAL SURPLUS (DEFICIT)	(118,412)	18,520	200,201
ACCUMULATED SURPLUS, BEGINNING OF YEAR	4,103,129	4,103,129	3,902,928
ACCUMULATED SURPLUS, END OF YEAR	\$ 3,984,717	\$ 4,121,649	\$ 4,103,129

TOWN OF CUPAR
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
 For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
ANNUAL SURPLUS (DEFICIT)	\$ (118,412)\$	18,520	\$ 200,201
Acquisition of tangible capital assets	(75,500)	(33,968)	(85,813)
Amortization of tangible capital assets	154,232	154,232	160,020
Decrease in prepaid expenses		172	8
	78,732	120,436	74,215
CHANGE IN NET FINANCIAL ASSETS	\$ (39,680)	138,956	274,416
NET FINANCIAL ASSETS, BEGINNING OF YEAR		1,450,565	1,176,149
NET FINANCIAL ASSETS, END OF YEAR		\$ 1,589,521	\$ 1,450,565

TOWN OF CUPAR
STATEMENT OF CASH FLOWS
 For the year ended December 31, 2020

	2020	2019
OPERATING TRANSACTIONS		
Annual surplus	\$ 18,520	\$ 200,201
Changes in non-cash items:		
Taxes receivable - municipal	(1,125)	(16,358)
Amounts receivable	(203,230)	3,987
Land for resale	58,780	(79,285)
Loan receivable	8,000	
Patronage equity	(239)	(205)
Accounts payable and accrued liabilities	17,733	6,738
Deposits	1,420	2,091
Deferred revenue	(2,430)	58
Prepaid expenses	172	8
Amortization	154,232	160,020
Cash provided by operating transactions	51,833	277,255
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(33,968)	(85,813)
Cash applied to capital transactions	(33,968)	(85,813)
FINANCING TRANSACTIONS		
Debt repayment	(8,000)	(8,000)
Cash applied to financing transactions	(8,000)	(8,000)
CHANGE IN CASH AND TEMPORARY INVESTMENTS	9,865	183,442
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	1,251,901	1,068,459
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	\$ 1,261,766	\$ 1,251,901

TOWN OF CUPAR

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognized revenue 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.

Reporting Entity

The financial statements consolidates the assets, liabilities, and flow of resources of the Town. The entity is comprised of all of the organizations that are owned or controlled by the Town and are, therefore, accountable to Council for the administration of their financial affairs and resources. The assets, liabilities and operations of the Recreation Boards are not included in these financial statements except for any assistance to the Recreation Boards, as Council's position is that it does not control the Recreation Boards.

Collection of Funds for Other Authorities

Collection of funds by the Town 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.

Government Transfers

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

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

Deferred Revenue and Deposits

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.

TOWN OF CUPAR
NOTES TO THE FINANCIAL STATEMENTS
 For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Local Improvement Charges

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

Net-Financial Assets

Net-financial assets at the end of the 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.

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.

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.

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.

Portfolio Investments

Portfolio investments are valued at the lower of cost and market value, less any provisions for other than temporary impairment. The long-term investments in the Saskatchewan Rural Municipalities - Self-Insurance Fund are accounted for on the equity basis.

Inventories

Inventories of materials and supplies expected to be used by the Town 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 based on the actual cost of inventory. Net realizable value is the estimated selling price in the ordinary course of business.

TOWN OF CUPAR
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tangible Capital Assets

All tangible capital asset acquisitions or betterment made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired 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 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 Town's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
General Assets	
Land	Indefinite
Land improvements	5 to 20 years
Buildings	10 to 50 years
Vehicles and equipment	
Vehicles	5 to 10 years
Machinery and equipment	5 to 10 years
Infrastructure Assets	
Infrastructure Assets	30 to 75 years
Water & sewer	10 to 75 years
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 Town does not capitalize interest incurred while a tangible capital asset is under construction.

TOWN OF CUPAR
NOTES TO THE FINANCIAL STATEMENTS
 For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

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

Landfill Liability

The Town of Cupar does not maintain a waste disposal site. Currently the Town of Cupar uses Loraas Disposal South Ltd. for waste collection.

Trust Funds

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

Employee Benefit Plans

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

Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of 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 Town:
 - i. is directly responsible; or
 - ii. accepts responsibility;
- d) it is expected that the future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

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.

TOWN OF CUPAR
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Uncertainty (continued)

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.

Basis of Segmentation/Segment Report

The Town has adopted the new 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 attributable 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 administration of the Town.

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

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

Planning and development: Provides for neighbourhood development and sustainability.

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

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

Budget Information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on June 23, 2020.

TOWN OF CUPAR
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Effective 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 the 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.

TOWN OF CUPAR
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2020

2. CASH AND TEMPORARY INVESTMENTS

- Cash and temporary investments are comprised of the following:

	2020	2019
Cash	\$ 1,261,766	\$ 1,172,527
Temporary investments		79,374
	\$ 1,261,766	\$ 1,251,901

Cash and temporary investments include balances with banks and term deposits. Temporary investments in the prior year consisted of a term deposit held at Conexus Credit Union Ltd. and earned interest at a rate of 1.20% with a maturity date of July 2020.

3. TAXES AND GRANTS-IN-LIEU RECEIVABLE

	2020	2019
Municipal		
- Current	\$ 58,859	\$ 54,235
- Arrears	40,894	44,393
Total municipal taxes receivable	99,753	98,628
School		
- Current	14,644	10,459
- Arrears	5,748	7,196
Total school taxes receivable	20,392	17,655
Total taxes and grants-in-lieu receivable	120,145	116,283
Deduct taxes receivable to be collected on behalf of other organizations	(20,392)	(17,655)
Municipal and grants-in-lieu taxes receivable	\$ 99,753	\$ 98,628

4. AMOUNTS RECEIVABLE

Amounts receivable are valued at their net realized value.

	2020	2019
Organizations and individuals	\$ 131,906	\$ 408
Federal government	53,604	20,066
Utility	50,368	12,174
	\$ 235,878	\$ 32,648

TOWN OF CUPAR
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2020

5. LAND FOR RESALE

	2020	2019
Tax Title Property	\$ 34,159	\$ 80,702
Allowance for market value adjustment	(9,401)	
Net Tax Title Property	24,758	80,702
Other Land	71,588	74,424
Total Land for Resale	\$ 96,346	\$ 155,126

6. LOAN RECEIVABLE

Represents a loan receivable from the Cupar Memorial Rink. An agreement was signed in 2015 whereby the loan will be repaid in annual installments of \$4,000, with no interest, over 10 years, commencing in 2016. No payment was made in 2019, so the Cupar Memorial Rink made two payments in 2020.

	2020	2019
Cupar Memorial Rink	\$ 20,000	\$ 28,000

7. DEFERRED REVENUE

	2020	2019
Prepaid utility services revenue	\$ 4,382	\$ 6,812

8. LONG-TERM DEBT

The debt limit of the Town is \$1,069,810. The debt limit for a Town is the total amount of the Town's own source revenues for the preceding year (the *Municipalities Act* Section 161(1)).

	2020	2019
Ratepayer - Arnold Tuss interest-free loan. Payable in annual installments of \$8,000, matures 2021. Secured by a general security agreement.	\$ 8,000	\$ 16,000

Future principal and interest payments are as follows:

	Principal	Interest	Total
2021	\$ 8,000	\$	8,000

TOWN OF CUPAR

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

9. PENSION PLAN

The Town 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 Town's pension expense in 2020 was \$11,081 (2019 - \$14,317). The benefits accrued to the Town's employees from MEPP are calculated using the following: Pensionable Years of Service, Highest Average Salary, and the plan accrual rate. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook Section PS3250.

10. OTHER MATTERS

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a worldwide pandemic. Subsequently, on March 18, 2020, the Province of Saskatchewan declared a province-wide state of emergency to help reduce the spread of COVID-19. The Town has not suffered any significant disruptions throughout the year as a result from the outbreak.

While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of this disruption. As a result, the related financial impact and duration cannot be reasonably estimated at this time.

11. GOVERNMENT ASSISTANCE

In response to the pandemic, the Provincial and Federal governments have provided funds to municipalities in order to stimulate economic recovery and enhance infection protection and control measures in their operations. Through the Municipal Economic Enhancement Program (MEEP), the Town received funds of \$81,063 and these funds were approved to be spent on repairing and maintaining Town roads. As of December 31, 2020, \$168,439 was spent and this project is finished. In addition, the Safe Restart Program provided \$33,645 in unconditional funding to the Town.

12. SUBSEQUENT EVENT

In October 2020, a chiller unit in the Cupar Memorial Rink quit functioning. Subsequently, the Town filed an insurance claim dated October 19, 2020 in order to recover some of the costs for replacing the unit and received \$130,575 in insurance proceeds in March 2021. The total estimated cost for the chiller replacement is \$358,337 and is set to be replaced later in 2021. The Town is expected to cover the remaining costs.

TOWN OF CUPAR

SCHEDULE 1 - SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES

For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
TAXES			
General municipal tax levy	\$ 470,960	\$ 472,464	\$ 470,211
Abatements and adjustments	(600)	(7,486)	(1,450)
Discount on current year taxes	(18,570)	(18,410)	(18,565)
Net Municipal Taxes	451,790	446,568	450,196
Penalties on tax arrears	11,000	15,274	28,216
Total Taxes	462,790	461,842	478,412
UNCONDITIONAL GRANTS			
Equalization (Revenue Sharing)	125,000	129,712	117,103
Safe Restart Program		33,645	
Total Unconditional Grants	125,000	163,357	117,103
GRANTS-IN-LIEU OF TAXES			
Federal			
Canada Post Corporation	1,100	1,226	1,226
Provincial			
Sasktel	1,400	1,486	1,486
Local/Other			
Housing Authority	7,000	7,411	7,411
Other Government Transfers			
S.P.C. Surcharge	27,000	27,899	28,939
Sask Energy Surcharge	10,000	12,830	16,108
Total Grants-in-Lieu of Taxes	46,500	50,852	55,170
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 634,290	\$ 676,051	\$ 650,685

TOWN OF CUPAR

SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Fees and tax certificates	\$ 550	\$ 3,156	\$ 1,659
Total Fees and Charges	550	3,156	1,659
- Land sales - gain (loss)		(44,151)	
- Investment income and commissions	5,000	27,270	14,658
- Donations			58,990
Total Other Segmented Revenue	5,550	(13,725)	75,307
Total Operating	5,550	(13,725)	75,307
Total General Government Services	5,550	(13,725)	75,307
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Fire fees	3,000	6,080	6,632
- Police fines	1,000	1,108	1,230
Total Fees and Charges	4,000	7,188	7,862
- Donations		2,300	15,471
Total Other Segmented Revenue	4,000	9,488	23,333
Total Operating	4,000	9,488	23,333
Total Protective Services	4,000	9,488	23,333

TOWN OF CUPAR

SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 500	\$	\$ 570
- Sales of supplies		208	
Total Fees and Charges	500	208	570
- Reimbursed fees			7,713
Total Other Segmented Revenue	500	208	8,283
Conditional Grants			
- Student Employment		14,490	
- Provincial Traffic Safety Fund		9,264	
Total Conditional Grants		23,754	
Total Operating	500	23,962	8,283
Capital			
Conditional Grants			
- Rural Integrated Roads for Growth Program		800	800
- Municipal Economic Enhancement Program		81,063	
Total Capital		81,863	800
Total Transportation Services	500	105,825	9,083

TOWN OF CUPAR

SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and disposal fees	\$ 63,600	\$ 67,911	\$ 65,096
- Cemetery fees	3,700	1,184	3,833
- Handi-van fees	5,000	9,925	12,850
Total Fees and Charges	72,300	79,020	81,779
- Cemetery donations		300	376
Total Other Segmented Revenue	72,300	79,320	82,155
Total Operating	72,300	79,320	82,155
Capital			
Conditional Grants			
- Transit Assistance for People with Disabilities Program	3,200	3,849	3,169
Total Capital	3,200	3,849	3,169
Total Environmental and Public Health Services	75,500	83,169	85,324
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Licenses and permit fees	800	2,920	1,997
Total Fees and Charges	800	2,920	1,997
Total Other Segmented Revenue	800	2,920	1,997
Total Operating	800	2,920	1,997
Total Planning and Development Services	800	2,920	1,997

TOWN OF CUPAR

SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Recreational fees (swimming pool, library, community hall, campground)	\$ 36,400	\$ 10,370	\$ 36,189
Total Fees and Charges	36,400	10,370	36,189
- Swimming pool donations and insurance proceeds		130,575	146
Total Other Segmented Revenue	36,400	140,945	36,335
Conditional Grants			
- Saskatchewan Lotteries	1,000	7,442	9,081
- Canadian Heritage		3,510	3,510
Total Conditional Grants	1,000	10,952	12,591
Total Operating	37,400	151,897	48,926
Total Recreation and Cultural Services	37,400	151,897	48,926
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	385,250	425,965	392,226
- Sewer	54,000	57,747	53,907
- Penalties	2,500	4,770	5,062
Total Fees and Charges	441,750	488,482	451,195
Total Other Segmented Revenue	441,750	488,482	451,195
Total Operating	441,750	488,482	451,195
Capital			
Conditional Grants			
- Federal Gas Tax	33,270	49,914	71,585
Total Capital	33,270	49,914	71,585
Total Utility Services	475,020	538,396	522,780
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 598,770	\$ 877,970	\$ 766,750

TOWN OF CUPAR

SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
SUMMARY			
Total Other Segmented Revenue	\$ 561,300	\$ 707,638	\$ 678,605
Total Conditional Grants	1,000	34,706	12,591
Total Capital Grants and Contributions	36,470	135,626	75,554
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 598,770	\$ 877,970	\$ 766,750

TOWN OF CUPAR
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 21,500	\$ 19,500	\$ 21,388
Wages and benefits	84,600	83,465	84,423
Professional/Contractual services	92,550	73,784	61,660
Utilities	8,000	10,400	6,312
Maintenance, materials, and supplies	30,600	27,166	27,219
Amortization	4,270	4,270	3,324
Interest	100	261	126
Allowance for uncollectibles		9,401	(51,854)
Total General Government Services	241,620	228,247	152,598
PROTECTIVE SERVICES			
Police protection			
Professional/Contractual services	27,000	27,165	26,221
Fire protection			
Wages and benefits	3,000	1,199	1,140
Professional/Contractual services	10,000	4,644	8,557
Utilities		3,863	
Maintenance, materials, and supplies	34,000	55,199	15,053
Amortization	14,202	14,202	13,339
Total Protective Services	88,202	106,272	64,310
TRANSPORTATION SERVICES			
Wages and benefits	104,500	113,751	117,773
Utilities	21,500	24,360	18,804
Maintenance, materials, and supplies	151,100	222,496	104,355
Amortization	52,161	52,161	60,523
Total Transportation Services	329,261	412,768	301,455

TOWN OF CUPAR
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	\$ 1,000	\$	\$ 712
Professional/Contractual services	71,800	71,507	77,694
Utilities	1,000	956	1,032
Maintenance, materials, and supplies	7,050	4,819	5,442
Amortization	7,904	7,904	7,904
Nursing home deficit and handi-van expenses	8,000	1,757	11,403
Total Environmental and Public Health Services	96,754	86,943	104,187
PLANNING AND DEVELOPMENT SERVICES			
Maintenance, materials, and supplies	1,000	1,247	241
Total Planning and Development Services	1,000	1,247	241
RECREATION AND CULTURAL SERVICES			
Wages and benefits	24,000		25,444
Professional/Contractual services	150		50
Utilities	14,200	18,041	12,454
Maintenance, materials, and supplies	29,510	12,027	28,576
Grants and contributions			
- Operating	21,500	38,234	25,833
Amortization	23,079	23,079	23,079
Total Recreation and Cultural Services	112,439	91,381	115,436
UTILITY SERVICES			
Professional/Contractual services	1,500	1,644	1,463
Utilities	7,730	9,512	7,285
Maintenance, materials, and supplies	90,350	54,297	64,118
Amortization	52,616	52,616	51,850
Water purchase	330,000	490,574	354,291
Total Utility Services	482,196	608,643	479,007
TOTAL EXPENSES BY FUNCTION	\$ 1,351,472	\$ 1,535,501	\$ 1,217,234

TOWN OF CUPAR

For the 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	\$ 3,156	\$ 7,188	\$ 208	\$ 79,020	\$ 2,920	\$ 10,370	\$ 488,482	\$ 591,344
Tangible Capital Asset Sale - Gain (Loss)								
Land Sales - Gain (Loss)	(44,151)							(44,151)
Investment Income & Commissions	27,270							27,270
Other Revenues		2,300		300		130,575		133,175
Grants - Conditional			23,754			10,952		34,706
- Capital			81,863	3,849			49,914	135,626
Total revenues	(13,725)	9,488	105,825	83,169	2,920	151,897	538,396	877,970
Expenses (Schedule 3)								
Wages & Benefits	102,965	1,199	113,751					217,915
Professional/Contractual Services	73,784	31,809		71,507			1,644	178,744
Utilities	10,400	3,863	24,360	956		18,041	9,512	67,132
Maintenance, Materials, Supplies	27,166	55,199	222,496	4,819	1,247	12,027	54,297	377,251
Grants and Contributions						38,234		38,234
Amortization	4,270	14,202	52,161	7,904		23,079	52,616	154,232
Interest	261							261
Allowance for Uncollectibles	9,401							9,401
Other				1,757			490,574	492,331
Total expenses	228,247	106,272	412,768	86,943	1,247	91,381	608,643	1,535,501
Surplus (Deficit) by Function	(241,972)	(96,784)	(306,943)	(3,774)	1,673	60,516	(70,247)	(657,531)
Taxation and other unconditional revenue (Schedule 1)								676,051
Net Surplus (Deficit)								\$ 18,520

TOWN OF CUPAR
SCHEDULE 5 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
For the year ended December 31, 2019

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 1,659	\$ 7,862	\$ 570	\$ 81,779	\$ 1,997	\$ 36,189	\$ 451,195	\$ 581,251
Tangible Capital Asset Sale - Gain (Loss)								
Land Sales - Gain (Loss)								
Investment Income & Commissions	14,658							14,658
Other Revenues	58,990	15,471	7,713	376		146		82,696
Grants - Conditional						12,591		12,591
- Capital			800	3,169			71,585	75,554
Total revenues	75,307	23,333	9,083	85,324	1,997	48,926	522,780	766,750
Expenses (Schedule 3)								
Wages & Benefits	105,811	1,140	117,773	712		25,444		250,880
Professional/Contractual Services	61,660	34,778		77,694		50	1,463	175,645
Utilities	6,312		18,804	1,032		12,454	7,285	45,887
Maintenance, Materials, Supplies	27,219	15,053	104,355	5,442	241	28,576	64,118	245,004
Grants and Contributions						25,833		25,833
Amortization	3,325	13,339	60,523	7,904		23,079	51,850	160,020
Interest	125							125
Allowance for Uncollectibles	(51,854)							(51,854)
Other				11,403			354,291	365,694
Total expenses	152,598	64,310	301,455	104,187	241	115,436	479,007	1,217,234
Surplus (Deficit) by Function	(77,291)	(40,977)	(292,372)	(18,863)	1,756	(66,510)	43,773	(450,484)
Taxation and other unconditional revenue (Schedule 1)								650,685
Net Surplus (Deficit)								\$ 200,201

TOWN OF CUPAR

SCHEDULE 6 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

For the year ended December 31, 2020

Cost	General Assets					Infrastructure Assets	General/ Infrastructure	Totals	
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Assets Under Construction	2020	2019
Opening costs	\$ 115,874	619,855	1,047,638	135,423	1,081,141	3,303,260	17,803	\$6,320,994	\$6,235,181
Additions during the year	5,322		3,000		25,646			33,968	85,813
Disposals and write downs					(11,098)			(11,098)	
Transfers from assets under construction						17,803	(17,803)		
Closing costs	121,196	619,855	1,050,638	135,423	1,095,689	3,321,063		6,343,864	6,320,994
Accumulated Amortization									
Opening accumulated amortization		67,621	379,940	101,054	611,990	2,508,115		3,668,720	3,508,700
Amortization		8,360	25,772	10,328	43,901	65,871		154,232	160,020
Disposals and write downs					(11,098)			(11,098)	
Closing accumulated amortization		75,981	405,712	111,382	644,793	2,573,986		3,811,854	3,668,720
Net Book Value	\$ 121,196	543,874	644,926	24,041	450,896	747,077		\$2,532,010	\$2,652,274

For the year ended December 31, 2020

מכאן

TOWN OF CUPAR
SCHEDULE 8 - SCHEDULE OF ACCUMULATED SURPLUS
For the year ended December 31, 2020

	2019	Changes	2020
UNAPPROPRIATED SURPLUS	\$ 726,099	\$ 138,784	\$ 864,883
APPROPRIATED RESERVES			
Building Reserve	23,400		23,400
Capital Trust Reserve	34,000		34,000
Cemetery Reserve	24,463		24,463
Equipment Reserve	45,300		45,300
Fire Hall Reserve	13,018		13,018
General Reserve	101,570		101,570
Handi-van Reserve	11,481		11,481
Lagoon Reserve	21,465		21,465
Medical Reserve	6,802		6,802
Park Reserve	21,736		21,736
Planning and Development Reserve	1,500		1,500
Pool Reserve	13,000		13,000
Recycling and Waste Disposal Reserve	25,500		25,500
Roads Reserve	60,913		60,913
Snow Removal Reserve	24,000		24,000
Town Hall Reserve	71,274		71,274
Water & Sewer Reserve	210,334		210,334
WIP Reserve	15,000		15,000
Total appropriated	724,756		724,756
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	2,652,274	(120,264)	2,532,010
Net Investment in Tangible capital assets	2,652,274	(120,264)	2,532,010
TOTAL ACCUMULATED SURPLUS	\$ 4,103,129	\$ 18,520	\$ 4,121,649

TOWN OF CUPAR

SCHEDULE 9 - SCHEDULE OF MILL RATES AND ASSESSMENTS

For the year ended December 31, 2020

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable assessment		26,163,200			3,865,300		30,028,500
Regional Park Assessment							
Total Assessment							30,028,500
Mill Rate Factor(s)		1.00			1.20		
Total Base/Minimum Tax		165,600			25,800		191,400
Total Municipal Tax Levy		404,339			68,125		472,464

MILL RATES:

MILLS

Average Municipal	15.7339
Average School	4.3968
Potash Mill Rate	
Uniform Municipal Mill Rate	9.1250

TOWN OF CUPAR
SCHEDULE 10 - SCHEDULE OF COUNCIL REMUNERATION
For the year ended December 31, 2020

<u>Position - Name</u>	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Mayor - Steve Boha	\$ 4,000	\$	4,000
Mayor - Valerie Orb	800		800
Councilor - Cory Hart	2,400		2,400
Councilor - Darcy Szigli	2,400		2,400
Councilor - Don Jeworski	2,000		2,000
Councilor - Ed Lehman	2,000		2,000
Councilor - Gloria Woodward	2,000		2,000
Councilor - Neil Schulhauser	2,000		2,000
Councilor - Chris Hill	400		400
Councilor - Dennis Smotra	400		400
Councilor - Georgina Kallichuk	400		400
Councilor - Jordan German	400		400
	<u>\$ 19,200</u>	<u>\$</u>	<u>19,200</u>