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**RURAL MUNICIPALITY OF CUT KNIFE NO. 439**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

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**Vantage**

CHARTERED PROFESSIONAL ACCOUNTANTS

## Management's Responsibility

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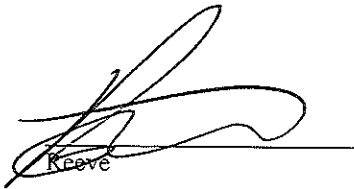
To the Ratepayers of Rural Municipality of Cut Knife No. 439

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 judgements and estimates by management is required.

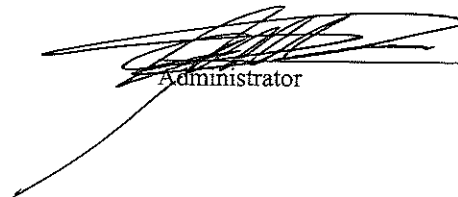
In discharging its responsibilities for the integrity and fair presentation of the consolidated financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and 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.

Vantage, 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.



Mayor



Administrator

June 9, 2021

## INDEPENDENT AUDITORS' REPORT

To the Council of  
Rural Municipality of Cut Knife No. 439  
Cut Knife, Saskatchewan

### ***Qualified Opinion***

We have audited the accompanying financial statements of the Rural Municipality of Cut Knife No. 439, which comprise the consolidated statement of financial position as at December 31, 2020, the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Rural Municipality of Cut Knife No. 439 as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Qualified Opinion***

The municipality has interests in the Cut Knife & Districts Fire Association, Highway 40 Health Holdings, and Cut Knife and District Recreation Board government partnerships and a controlling interest in the Atton's Lake Regional Park Authority. The municipality has not recorded in its financial statements these interests using the proportionate consolidation method, which constitutes a departure from Canadian Public Sector Accounting Standards. The effect on the financial statements of the failure to consolidate has not been determined.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Rural Municipality of Cut Knife No. 439 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 Rural Municipality of Cut Knife No. 439'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.

Those charged with governance are 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 judgement 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 auditors' 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 auditors' report. However, future events or conditions may cause the municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

The logo for Vantage Chartered Professional Accountants, featuring the word "Vantage" in a stylized, cursive script font.

Chartered Professional Accountants

North Battleford, Saskatchewan  
June 9, 2021

**Rural Municipality of Cut Knife No. 439**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2020**

Statement 1

	2020	2019
<b>FINANCIAL ASSETS</b>		
Cash and Temporary Investments (Note 2)	2,329,464	2,485,183
Taxes Receivable - Municipal (Note 3)	188,904	144,628
Other Accounts Receivable (Note 4)	61,812	63,846
Land for Resale (Note 5)	662	662
Long-Term Investments (Note 6)	78,881	75,099
Debt Charges Recoverable		
Other ( <i>Specify</i> )		
<b>Total Financial Assets</b>	<b>2,659,723</b>	<b>2,769,418</b>
<b>LIABILITIES</b>		
Bank Indebtedness (Note 7)		
Accounts Payable	46,542	19,509
Accrued Liabilities Payable		
Deposits		
Deferred Revenue		
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Long-Term Debt (Note 8)	40,000	80,000
Lease Obligations		
<b>Total Liabilities</b>	<b>86,542</b>	<b>99,509</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>2,573,181</b>	<b>2,669,909</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Schedule 6, 7)	3,132,197	3,174,452
Prepayments and Deferred Charges		
Stock and Supplies	24,598	29,856
Other (Note 9)	6,312	5,118
<b>Total Non-Financial Assets</b>	<b>3,163,107</b>	<b>3,209,426</b>
<b>ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)</b>	<b>5,736,288</b>	<b>5,879,335</b>

**Rural Municipality of Cut Knife No. 439**  
**Consolidated Statement of Operations**  
**For the year ended December 31, 2020**

Statement 2

	<b>2020 Budget</b>	<b>2020</b>	<b>2019</b>
<b>REVENUES</b>			
Taxes and Other Unconditional Revenue (Schedule 1)	1,770,400	1,800,029	2,036,545
Fees and Charges (Schedule 4, 5)	196,800	228,271	230,104
Conditional Grants (Schedule 4, 5)	5,000	32,889	12,445
Tangible Capital Asset Sales - Gain (Loss) (Schedule 4, 5)		(218,604)	1,000
Land Sales - Gain (Schedule 4, 5)			
Investment Income and Commissions (Schedule 4, 5)	37,400	31,302	52,693
Restructurings (Schedule 4,5)			
Other Revenues (Schedule 4, 5)		47,709	12,538
<b>Total Revenues</b>	<b>2,009,600</b>	<b>1,921,596</b>	<b>2,345,325</b>
<b>EXPENSES</b>			
General Government Services (Schedule 3)	283,300	322,467	263,053
Protective Services (Schedule 3)	79,900	46,821	46,747
Transportation Services (Schedule 3)	1,743,850	1,302,560	1,096,369
Environmental and Public Health Services (Schedule 3)	157,050	171,595	145,208
Planning and Development Services (Schedule 3)	13,000		6,001
Recreation and Cultural Services (Schedule 3)	261,000	253,567	109,279
Utility Services (Schedule 3)	8,800	52,164	7,884
Restructurings (Schedule 3)			
<b>Total Expenses</b>	<b>2,546,900</b>	<b>2,149,174</b>	<b>1,674,541</b>
<b>Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions</b>	<b>(537,300)</b>	<b>(227,578)</b>	<b>670,784</b>
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	42,000	84,531	44,807
<b>Surplus (Deficit) of Revenues over Expenses</b>	<b>(495,300)</b>	<b>(143,047)</b>	<b>715,591</b>
<b>Accumulated Surplus (Deficit), Beginning of Year</b>	<b>5,879,335</b>	<b>5,879,335</b>	<b>5,163,744</b>
<b>Accumulated Surplus (Deficit), End of Year</b>	<b>5,384,035</b>	<b>5,736,288</b>	<b>5,879,335</b>

Rural Municipality of Cut Knife No. 439  
 Consolidated Statement of Change in Net Financial Assets  
 For the year ended December 31, 2020

Statement 3

	2020 Budget	2020	2019
<b>Surplus (Deficit)</b>	(495,300)	(143,047)	715,591
(Acquisition) of tangible capital assets		(681,118)	(11,768)
Amortization of tangible capital assets		223,269	243,947
Proceeds on disposal of tangible capital assets		281,500	1,000
Loss (gain) on disposal of tangible capital assets		218,604	(1,000)
Transfer of assets/liabilities in restructuring transactions			
<b>Surplus (Deficit) of capital expenses over expenditures</b>		<b>42,255</b>	<b>232,179</b>
(Acquisition) of supplies inventories			
(Acquisition) of prepaid expense		(1,194)	(5,330)
Consumption of supplies inventory		5,258	100,993
Use of prepaid expense			690
<b>Surplus (Deficit) of expenses of other non-financial over expenditures</b>		<b>4,064</b>	<b>96,353</b>
<b>Increase/Decrease in Net Financial Assets</b>	<b>(495,300)</b>	<b>(96,728)</b>	<b>1,044,123</b>
<b>Net Financial Assets (Debt) - Beginning of Year</b>	<b>2,669,909</b>	<b>2,669,909</b>	<b>1,625,786</b>
<b>Net Financial Assets (Debt) - End of Year</b>	<b>2,174,609</b>	<b>2,573,181</b>	<b>2,669,909</b>

Rural Municipality of Cut Knife No. 439  
Consolidated Statement of Cash Flow  
For the year ended December 31, 2020

Statement 4

	2020	2019
<b>Cash provided by (used for) the following activities</b>		
<b>Operating:</b>		
Surplus (Deficit)	(143,047)	715,591
Amortization	223,269	243,947
Loss (gain) on disposal of tangible capital assets	218,604	(1,000)
	298,826	958,538
<b>Change in assets/liabilities</b>		
Taxes Receivable - Municipal	(44,276)	51,995
Other Receivables	2,034	187,635
Land for Resale		
Other Financial Assets		
Accounts and Accrued Liabilities Payable	27,033	(135,387)
Deposits		
Deferred Revenue		
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Stock and Supplies	5,258	100,993
Prepayments and Deferred Charges		
Other ( <i>Membershares and prepaid expenses</i> )	(1,194)	(4,640)
<b>Cash provided by operating transactions</b>	<b>287,681</b>	<b>1,159,134</b>
<b>Capital:</b>		
Acquisition of tangible capital assets	(681,118)	(11,768)
Proceeds on disposal of tangible capital assets	281,500	1,000
Other capital		
<b>Cash applied to capital transactions</b>	<b>(399,618)</b>	<b>(10,768)</b>
<b>Investing:</b>		
Long-term investments	(3,782)	(7,978)
Other investments		
<b>Cash provided by (applied to) investing transactions</b>	<b>(3,782)</b>	<b>(7,978)</b>
<b>Financing:</b>		
Debt charges recovered		
Long-term debt issued		
Long-term debt repaid	(40,000)	(40,000)
Other financing		
<b>Cash provided by (applied to) financing transactions</b>	<b>(40,000)</b>	<b>(40,000)</b>
<b>Change in Cash and Temporary Investments during the year</b>	<b>(155,719)</b>	<b>1,100,388</b>
<b>Cash and Temporary Investments - Beginning of Year</b>	2,485,183	1,384,795
<b>Cash and Temporary Investments - End of Year</b>	<b>2,329,464</b>	<b>2,485,183</b>



**Rural Municipality of Cut Knife No. 439**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2020**

**1. Significant Accounting Policies**

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

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

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

Entity

Hamlet of Rockhaven

All inter-organizational transactions and balances have been eliminated.

- b) **Collection of Funds for Other Authorities:** Collection of funds by the municipality for school boards, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.
- c) **Government Transfers:** Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occur, providing:

- a) the transfers are authorized
- b) any eligibility criteria 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.

- d) **Deferred Revenue:** Fees and charges: Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.
- e) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- f) **Net Financial Assets:** Net Financial Assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.
- g) **Non-Financial Assets:** Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.
- h) **Appropriated Reserves:** Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 8.
- i) **Property Tax Revenue:** Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by council following the guidance of the Government of Saskatchewan. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.
- j) **Investments:** Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment. The long term investments in the Saskatchewan Association of Rural Municipalities - Self Insurance Fund are accounted for on the equity basis.

**Rural Municipality of Cut Knife No. 439**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2020**

**1. Significant Accounting Policies - continued**

- k) **Inventories:** Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.
- l) **Tangible Capital Assets:** All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant deflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. Tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land Improvements	15 Yrs
Buildings	40 Yrs
<i>Vehicles and Equipment</i>	
Vehicles	10 Yrs
Machinery and Equipment	3 to 15 Yrs
<i>Infrastructure Assets</i>	
<b>Infrastructure Assets</b>	
Water and Sewer	40 Yrs
Road Network Assets	15 to 40 Yrs

**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.

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

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

- m) **Landfill Liability:** The municipality maintains a waste transfer station.
- 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.
- o) **Liability for Contaminated Sites:** Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:
- a) an environmental standard exists;
  - b) contamination exceeds the environmental standard;
  - c) the municipality:
    - i. is directly responsible; or
    - ii. accepts responsibility;
  - d) it is expected that future economic benefits will be given up; and
  - e) a reasonable estimate of the amount can be made.

1. Significant Accounting Policies - continued

- 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 collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

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

The 'Opening Asset Costs' of tangible capital assets have been estimated where actual costs were not available.

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

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

- 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) **Budget Information:** Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on April 8, 2020.

**New Standards and Amendments to Standards:**

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

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

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

**Effective for Fiscal Years Beginning On or After April 1, 2023:**

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

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

**Rural Municipality of Cut Knife No. 439**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2020**

**2. Cash and Temporary Investments**

	<b>2020</b>	<b>2019</b>
Cash	300	300
Temporary Investments	2,329,144	2,484,863
Restricted Cash	20	20
<b>Total Cash and Temporary Investments</b>	<b>2,329,464</b>	<b>2,485,183</b>

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

**3. Taxes Receivable - Municipal**

	<b>2020</b>	<b>2019</b>
Municipal - Current	98,941	70,348
- Arrears	133,153	92,485
	232,094	162,833
- Less Allowance for Uncollectible	(43,190)	(18,205)
Total municipal taxes receivable	188,904	144,628
School - Current	22,158	15,846
- Arrears	39,372	35,020
Total school taxes receivable	61,530	50,866
Other	12,946	3,138
Total taxes and grants in lieu receivable	263,380	198,632
Deduct taxes receivable to be collected on behalf of other organizations	(74,476)	(54,004)
<b>Total Taxes Receivable - Municipal</b>	<b>188,904</b>	<b>144,628</b>

**4. Other Accounts Receivable**

	<b>2020</b>	<b>2019</b>
Federal Government	26,191	36,892
Provincial Government	4,617	
Local Government	16,204	26,954
Utility		
Trade	14,800	
Other ( <i>Specify</i> )		
Total Other Accounts Receivable	61,812	63,846
Less: Allowance for Uncollectible		
<b>Net Other Accounts Receivable</b>	<b>61,812</b>	<b>63,846</b>

**Rural Municipality of Cut Knife No. 439**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2020**

**5. Land for Resale**

	<b>2020</b>	<b>2019</b>
Tax Title Property	11,248	11,248
Allowance for market value adjustment	(4,091)	(4,091)
Less: portion due to school	(6,495)	(6,495)
Net Tax Title Property	662	662
Other Land		
Allowance for market value adjustment		
Net Other Land		
<b>Total Land for Resale</b>	<b>662</b>	<b>662</b>

**6. Long-Term Investments**

	<b>2020</b>	<b>2019</b>
Sask Association of Rural Municipalities - Self Insurance Fund	78,881	75,099
Other		
<b>Total Long-Term Investments</b>	<b>78,881</b>	<b>75,099</b>

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

**7. Bank Indebtedness**

**Credit Arrangements**

At December 31, 2020, the Municipality had a line of credit totaling \$200,000, none of which was drawn. The following has been collateralized in connection with this line of credit:

- General security agreement

**8. Long-Term Debt**

a) The debt limit of the municipality is \$1,996,813. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the *Municipalities Act* section 161(1)).

b) The Royal Bank loan is repayable at \$40,000 annually plus interest at 4.6%.

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Year Total	Prior Year Total
2020				40,000
2021	40,000	1,380	41,380	40,000
<b>Balance</b>	<b>40,000</b>	<b>1,380</b>	<b>41,380</b>	<b>80,000</b>

**Rural Municipality of Cut Knife No. 439**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2020**

**9. Other Non-financial Assets**

	<b>2020</b>	<b>2019</b>
Credit union membershare	5,877	4,811
Prepaid expenses	435	307
<b>Total Other Non-financial Assets</b>	<b>6,312</b>	<b>5,118</b>

**10. Contractual Rights**

The municipality is a beneficiary of the Rural Municipal Tax Loss Compensation Trust Fund and is entitled to on-going annual payments from the trust under terms of the Rural Municipal Tax Loss Compensation Agreement dated October 6, 1993. The municipality's revenue from this fund in 2020 was \$26,048 (2019 - \$27,232) with an entitlement balance of \$329,373 remaining at December 31, 2020 (2019 - \$341,796).

**11. 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.

**12. Contractual Obligations and Commitments**

The municipality has entered into a multiple-year operating lease contract for the delivery of services and the construction of tangible capital assets. Future minimum lease payments under this operating lease are as follows:

<b>Contractual Obligations and Commitments Type</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Current Year Total</b>	<b>Prior Year Total</b>
Motor grader operating lease	52,098	52,098	52,098	52,098	4,342	212,734	NIL

**13. Pension Plan**

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality's pension expense in 2020 was \$38,864. The benefits accrued to the municipality's employees from MEPP are calculated using the following: pensionable years of service, highest average salary, and the plan accrual rate.

**14. Comparative Figures**

Certain comparative figures may have been restated to conform to the current year's presentation.

**15. Related Parties**

The consolidated financial statements include transactions with related parties. The municipality is related to Stapley Trucking & Trenching under the common control of the Council.

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

**Rural Municipality of Cut Knife No. 439**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2020**

**16. Subsequent Events**

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern.” This coronavirus continues to spread throughout the world and has adversely impacted global commercial activity and has contributed to significant declines and volatility in financial markets. The extent of COVID-19’s effect on the municipality’s operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict. The rapid development and fluidity of this situation make it impossible to ascertain the ultimate adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the municipality, its performance, and its financial results.

Rural Municipality of Cut Knife No. 439  
 Schedule of Taxes and Other Unconditional Revenue  
 For the year ended December 31, 2020

Schedule 1

	2020 Budget	2020	2019
<b>TAXES</b>			
General municipal tax levy	1,544,900	1,533,280	1,811,312
Abatements and adjustments	(5,000)	(461)	(9,172)
Discount on current year taxes	(90,000)	(66,037)	(88,124)
<b>Net Municipal Taxes</b>	<b>1,449,900</b>	<b>1,466,782</b>	<b>1,714,016</b>
Potash tax share			
Trailer license fees			
Penalties on tax arrears	12,000	12,871	12,407
Special tax levy			
Other ( <i>Specify</i> )			
<b>Total Taxes</b>	<b>1,461,900</b>	<b>1,479,653</b>	<b>1,726,423</b>
<b>UNCONDITIONAL GRANTS</b>			
Revenue Sharing	235,000	235,351	238,719
Safe Restart Program		21,714	
<b>Total Unconditional Grants</b>	<b>235,000</b>	<b>257,065</b>	<b>238,719</b>
<b>GRANTS IN LIEU OF TAXES</b>			
Federal			18,570
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas	1,500	1,902	1,750
Central Services			
SaskTel	45,000	35,361	23,851
Other ( <i>Specify</i> )			
Local/Other			
Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement	27,000	26,048	27,232
Other ( <i>Specify</i> )			
Other Government Transfers			
S.P.C. Surcharge			
Sask Energy Surcharge			
Other ( <i>Specify</i> )			
<b>Total Grants in Lieu of Taxes</b>	<b>73,500</b>	<b>63,311</b>	<b>71,403</b>
<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<b>1,770,400</b>	<b>1,800,029</b>	<b>2,036,545</b>



Rural Municipality of Cut Knife No. 439  
 Schedule of Operating and Capital Revenue by Function  
 For the year ended December 31, 2020

Schedule 2 - 1

	2020 Budget	2020	2019
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work			
- Sales of supplies	6,800	16,448	17,446
- Other ( <i>Administrative fees</i> )	2,500	11,630	21,753
Total Fees and Charges	9,300	28,078	39,199
- Tangible capital asset sales - gain (loss)		6,239	1,000
- Land sales - gain			
- Investment income and commissions	37,400	31,302	52,693
- Other ( <i>Donations</i> )		1,300	12,538
Total Other Segmented Revenue	46,700	66,919	105,430
Conditional Grants			
- Student Employment			
- Other ( <i>Specify</i> )			
Total Conditional Grants			
<b>Total Operating</b>	<b>46,700</b>	<b>66,919</b>	<b>105,430</b>
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other ( <i>Specify</i> )			
<b>Total Capital</b>			
<b>Restructuring Revenue (<i>Specify, if any</i>)</b>			
<b>Total General Government Services</b>	<b>46,700</b>	<b>66,919</b>	<b>105,430</b>

**PROTECTIVE SERVICES**

**Operating**

Other Segmented Revenue			
Fees and Charges			
- Other ( <i>Specify</i> )			160
Total Fees and Charges			160
- Tangible capital asset sales - gain (loss)			
- Other ( <i>Expense recovery</i> )		46,409	
Total Other Segmented Revenue		46,409	160
Conditional Grants			
- Student Employment			
- Local government		5,562	6,843
- Other ( <i>Specify</i> )			
Total Conditional Grants		5,562	6,843
<b>Total Operating</b>		<b>51,971</b>	<b>7,003</b>

**Capital**

Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Local government			
- Other ( <i>Specify</i> )			
<b>Total Capital</b>			
<b>Restructuring Revenue (<i>Specify, if any</i>)</b>			
<b>Total Protective Services</b>		<b>51,971</b>	<b>7,003</b>

Rural Municipality of Cut Knife No. 439  
 Schedule of Operating and Capital Revenue by Function  
 For the year ended December 31, 2020

Schedule 2 - 2

	2020 Budget	2020	2019
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work	2,500	18,148	
- Sales of supplies		3,650	
- Road Maintenance and Restoration Agreements	20,000	17,000	25,796
- Frontage			
- Other ( <i>Specify</i> )			
Total Fees and Charges	22,500	38,798	25,796
- Tangible capital asset sales - gain (loss)		(109,772)	
- Other ( <i>Specify</i> )			
Total Other Segmented Revenue	22,500	(70,974)	25,796
Conditional Grants			
- MREP (CTP)			
- Student Employment			
- Other ( <i>Specify</i> )			
Total Conditional Grants			
<b>Total Operating</b>	22,500	(70,974)	25,796
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax	42,000	32,214	44,807
- MREP (Heavy Haul, CTP, Municipal Bridges)			
- Provincial Disaster Assistance			
- Other ( <i>MEEP</i> )		52,317	
<b>Total Capital</b>	42,000	84,531	44,807
<b>Restructuring Revenue (<i>Specify, if any</i>)</b>			
<b>Total Transportation Services</b>	<b>64,500</b>	<b>13,557</b>	<b>70,603</b>

**ENVIRONMENTAL AND PUBLIC HEALTH SERVICES**

<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees			92
- Other ( <i>Expense recoveries</i> )	85,000	82,498	84,766
Total Fees and Charges	85,000	82,498	84,858
- Tangible capital asset sales - gain (loss)			
- Other ( <i>Specify</i> )			
Total Other Segmented Revenue	85,000	82,498	84,858
Conditional Grants			
- Student Employment			
- TAPD			
- Local government			
- Other ( <i>Pest and weed control grants</i> )	5,000	10,772	5,602
Total Conditional Grants	5,000	10,772	5,602
<b>Total Operating</b>	90,000	93,270	90,460
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- TAPD			
- Provincial Disaster Assistance			
- Other ( <i>Specify</i> )			
<b>Total Capital</b>			
<b>Restructuring Revenue (<i>Specify, if any</i>)</b>			
<b>Total Environmental and Public Health Services</b>	<b>90,000</b>	<b>93,270</b>	<b>90,460</b>

Rural Municipality of Cut Knife No. 439  
 Schedule of Operating and Capital Revenue by Function  
 For the year ended December 31, 2020

Schedule 2 - 3

	2020 Budget	2020	2019
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges			
- Other ( <i>Specify</i> )		300	
Total Fees and Charges		300	
- Tangible capital asset sales - gain (loss)			
- Other ( <i>Specify</i> )			
Total Other Segmented Revenue		300	
Conditional Grants			
- Student Employment			
- Other ( <i>Specify</i> )			
Total Conditional Grants			
<b>Total Operating</b>		<b>300</b>	
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other ( <i>Specify</i> )			
<b>Total Capital</b>			
<b>Restructuring Revenue (<i>Specify, if any</i>)</b>			
<b>Total Planning and Development Services</b>		<b>300</b>	

**RECREATION AND CULTURAL SERVICES**

**Operating**

Other Segmented Revenue			
Fees and Charges			
- Other ( <i>Administration fees</i> )	75,000	78,597	74,701
Total Fees and Charges	75,000	78,597	74,701
- Tangible capital asset sales - gain (loss)			
- Other ( <i>Specify</i> )			
Total Other Segmented Revenue	75,000	78,597	74,701
Conditional Grants			
- Student Employment			
- Local government			
- Other ( <i>Specify</i> )			
Total Conditional Grants			
<b>Total Operating</b>	<b>75,000</b>	<b>78,597</b>	<b>74,701</b>
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- Local government			
- Provincial Disaster Assistance			
- Other ( <i>Specify</i> )			
<b>Total Capital</b>			
<b>Restructuring Revenue (<i>Specify, if any</i>)</b>			
<b>Total Recreation and Cultural Services</b>	<b>75,000</b>	<b>78,597</b>	<b>74,701</b>

Rural Municipality of Cut Knife No. 439  
 Schedule of Operating and Capital Revenue by Function  
 For the year ended December 31, 2020

Schedule 2 - 4

	2020 Budget	2020	2019
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Water	5,000		5,390
- Sewer			
- Other ( <i>Specify</i> )			
Total Fees and Charges	5,000		5,390
- Tangible capital asset sales - gain (loss)		(115,071)	
- Other ( <i>Specify</i> )			
Total Other Segmented Revenue	5,000	(115,071)	5,390
Conditional Grants			
- Student Employment			
- Other ( <i>FRWIP</i> )		16,555	
Total Conditional Grants		16,555	
<b>Total Operating</b>	<b>5,000</b>	<b>(98,516)</b>	<b>5,390</b>
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- New Building Canada Fund (SCF, NRP)			
- Clean Water and Wastewater Fund			
- Provincial Disaster Assistance			
- Other ( <i>Specify</i> )			
<b>Total Capital</b>			
<b>Restructuring Revenue (<i>Specify, if any</i>)</b>			
<b>Total Utility Services</b>	<b>5,000</b>	<b>(98,516)</b>	<b>5,390</b>
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>281,200</b>	<b>206,098</b>	<b>353,587</b>

**SUMMARY**

Total Other Segmented Revenue	234,200	88,678	296,335
Total Conditional Grants	5,000	32,889	12,445
Total Capital Grants and Contributions	42,000	84,531	44,807
Restructuring Revenue			
<b>TOTAL REVENUE BY FUNCTION</b>	<b>281,200</b>	<b>206,098</b>	<b>353,587</b>

Rural Municipality of Cut Knife No. 439  
 Total Expenses by Function  
 For the year ended December 31, 2020

Schedule 3 - 1

	2020 Budget	2020	2019
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	43,500	37,485	34,028
Wages and benefits	126,100	131,353	124,720
Professional/Contractual services	87,900	102,464	69,943
Utilities	15,000	14,024	13,599
Maintenance, materials and supplies	6,800	8,104	4,087
Grants and contributions - operating	1,500	330	
- capital			
Amortization	2,500	3,723	2,204
Interest			
Allowance for uncollectible		24,984	14,472
Other ( <i>Specify</i> )			
<b>General Government Services</b>	<b>283,300</b>	<b>322,467</b>	<b>263,053</b>
<b>Restructuring (<i>Specify, if any</i>)</b>			
<b>Total General Government Services</b>	<b>283,300</b>	<b>322,467</b>	<b>263,053</b>

**PROTECTIVE SERVICES**

**Police protection**

Wages and benefits			
Professional/Contractual services	17,000	17,532	16,923
Utilities			
Maintenance, material and supplies			2,769
Grants and contributions - operating			
- capital			
Other ( <i>Specify</i> )			

**Fire protection**

Wages and benefits			
Professional/Contractual services	500	2,689	455
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating	62,400	26,600	26,600
- capital			
Amortization			
Interest			
Other ( <i>Specify</i> )			

<b>Protective Services</b>	<b>79,900</b>	<b>46,821</b>	<b>46,747</b>
<b>Restructuring (<i>Specify, if any</i>)</b>			
<b>Total Protective Services</b>	<b>79,900</b>	<b>46,821</b>	<b>46,747</b>

**TRANSPORTATION SERVICES**

Wages and benefits	249,650	251,942	191,073
Professional/Contractual Services	549,500	222,213	204,635
Utilities	14,400	14,071	12,809
Maintenance, materials and supplies	475,800	269,227	203,768
Gravel	205,000	323,418	242,668
Grants and contributions - operating			
- capital			
Amortization	245,500	217,999	235,911
Interest	4,000	3,690	5,505
Other ( <i>Specify</i> )			

<b>Transportation Services</b>	<b>1,743,850</b>	<b>1,302,560</b>	<b>1,096,369</b>
<b>Restructuring (<i>Specify, if any</i>)</b>			
<b>Total Transportation Services</b>	<b>1,743,850</b>	<b>1,302,560</b>	<b>1,096,369</b>

Rural Municipality of Cut Knife No. 439

Total Expenses by Function

For the year ended December 31, 2020

Schedule 3 - 2

	2020 Budget	2020	2019
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Wages and benefits	96,800	94,310	107,147
Professional/Contractual services	55,000	74,430	35,339
Utilities			
Maintenance, materials and supplies	5,250	2,855	2,722
Grants and contributions - operating			
o Waste disposal			
o Public Health			
- capital			
o Waste disposal			
o Public Health			
Amortization			
Interest			
Other ( <i>Specify</i> )			
<b>Environmental and Public Health Services</b>	<b>157,050</b>	<b>171,595</b>	<b>145,208</b>
<b>Restructuring (Specify, if any)</b>			
<b>Total Environmental and Public Health Services</b>	<b>157,050</b>	<b>171,595</b>	<b>145,208</b>

**PLANNING AND DEVELOPMENT SERVICES**

Wages and benefits			
Professional/Contractual Services	7,000		
Grants and contributions - operating			
- capital			
Amortization	6,000		5,832
Interest			
Other ( <i>Utilities</i> )			169
<b>Planning and Development Services</b>	<b>13,000</b>		<b>6,001</b>
<b>Restructuring (Specify, if any)</b>			
<b>Total Planning and Development Services</b>	<b>13,000</b>		<b>6,001</b>

**RECREATION AND CULTURAL SERVICES**

Wages and benefits	77,000	78,814	74,442
Professional/Contractual services	7,000		4,837
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating	40,000	40,090	30,000
- capital	137,000	134,663	
Amortization			
Interest			
Allowance for uncollectible			
Other ( <i>Specify</i> )			
<b>Recreation and Cultural Services</b>	<b>261,000</b>	<b>253,567</b>	<b>109,279</b>
<b>Restructuring (Specify, if any)</b>			
<b>Total Recreation and Cultural Services</b>	<b>261,000</b>	<b>253,567</b>	<b>109,279</b>

**Rural Municipality of Cut Knife No. 439**  
**Total Expenses by Function**  
**For the year ended December 31, 2020**

Schedule 3 - 3

	2020 Budget	2020	2019
<b>UTILITY SERVICES</b>			
Wages and benefits			
Professional/Contractual services		42,596	3,217
Utilities	3,800	3,093	3,447
Maintenance, materials and supplies	5,000	191	1,220
Grants and contributions - operating		4,737	
- capital			
Amortization		1,547	
Interest			
Allowance for uncollectible			
Other ( <i>Specify</i> )			
<b>Utility Services</b>	<b>8,800</b>	<b>52,164</b>	<b>7,884</b>
<b>Restructuring (Specify, if any)</b>			
<b>Total Utility Services</b>	<b>8,800</b>	<b>52,164</b>	<b>7,884</b>
<b>TOTAL EXPENSES BY FUNCTION</b>	<b>2,546,900</b>	<b>2,149,174</b>	<b>1,674,541</b>

Rural Municipality of Cut Knife No. 439  
 Consolidated Schedule of Segment Disclosure by Function  
 For the year ended December 31, 2020

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and Charges	28,078		38,798	82,498	300	78,597		228,271
Tangible Capital Asset Sales - Gain (Loss)	6,239		(109,772)				(115,071)	(218,604)
Land Sales - Gain								
Investment Income and Commissions	31,302							31,302
Other Revenues	1,300	46,409						47,709
Grants - Conditional		5,562		10,772			16,555	32,889
- Capital			84,531					84,531
Restructurings								
<b>Total Revenues</b>	<b>66,919</b>	<b>51,971</b>	<b>13,557</b>	<b>93,270</b>	<b>300</b>	<b>78,597</b>	<b>(98,516)</b>	<b>206,098</b>
<b>Expenses (Schedule 3)</b>								
Wages and Benefits	168,838		251,942	94,310		78,814		593,904
Professional/Contractual Services	102,464	20,221	222,213	74,430			42,596	461,924
Utilities	14,024		14,071				3,093	31,188
Maintenance Materials and Supplies	8,104		592,645	2,855			191	603,795
Grants and Contributions	330	26,600				174,753	4,737	206,420
Amortization	3,723		217,999				1,547	223,269
Interest			3,690					3,690
Allowance for Uncollectible	24,984							24,984
Restructurings								
Other								
<b>Total Expenses</b>	<b>322,467</b>	<b>46,821</b>	<b>1,302,560</b>	<b>171,595</b>		<b>253,567</b>	<b>52,164</b>	<b>2,149,174</b>
<b>Surplus (Deficit) by Function</b>	<b>(255,548)</b>	<b>5,150</b>	<b>(1,289,003)</b>	<b>(78,325)</b>	<b>300</b>	<b>(174,970)</b>	<b>(150,680)</b>	<b>(1,943,076)</b>

Taxes and other unconditional revenue (Schedule 1) 1,800,029

**Net Surplus (Deficit)** **(143,047)**



Rural Municipality of Cut Knife No. 439  
 Consolidated Schedule of Segment Disclosure by Function  
 For the year ended December 31, 2019

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and Charges	39,199	160	25,796	84,858		74,701	5,390	230,104
Tangible Capital Asset Sales - Gain (Loss)	1,000							1,000
Land Sales - Gain								
Investment Income and Commissions	52,693							52,693
Other Revenues	12,538							12,538
Grants - Conditional		6,843		5,602				12,445
- Capital			44,807					44,807
Restructurings								
<b>Total Revenues</b>	<b>105,430</b>	<b>7,003</b>	<b>70,603</b>	<b>90,460</b>		<b>74,701</b>	<b>5,390</b>	<b>353,587</b>
<b>Expenses (Schedule 3)</b>								
Wages and Benefits	158,748		191,073	107,147		74,442		531,410
Professional/Contractual Services	69,943	17,378	204,635	35,339		4,837	3,217	335,349
Utilities	13,599		12,809				3,447	29,855
Maintenance Materials and Supplies	4,087	2,769	446,436	2,722			1,220	457,234
Grants and Contributions		26,600				30,000		56,600
Amortization	2,204		235,911		5,832			243,947
Interest			5,505					5,505
Allowance for Uncollectible	14,472							14,472
Restructurings								
Other					169			169
<b>Total Expenses</b>	<b>263,053</b>	<b>46,747</b>	<b>1,096,369</b>	<b>145,208</b>	<b>6,001</b>	<b>109,279</b>	<b>7,884</b>	<b>1,674,541</b>
<b>Surplus (Deficit) by Function</b>	<b>(157,623)</b>	<b>(39,744)</b>	<b>(1,025,766)</b>	<b>(54,748)</b>	<b>(6,001)</b>	<b>(34,578)</b>	<b>(2,494)</b>	<b>(1,320,954)</b>
Taxes and other unconditional revenue (Schedule 1)								2,036,545
<b>Net Surplus (Deficit)</b>								<b>715,591</b>

Rural Municipality of Cut Knife No. 439  
 Consolidated Schedule of Tangible Capital Assets by Object  
 For the year ended December 31, 2020

Schedule 6

		2020						2019	
		General Assets				Infrastructure Assets	General/Infrastructure		
		Land	Land Improvements	Buildings	Vehicles	Machinery and Equipment	Linear assets	Assets Under Construction	Total
Assets	<b>Asset costs</b>								
	Opening Asset Costs	190,370		378,718	162,246	1,249,029	6,076,766		8,057,129
	Additions during the year			15,910	69,061	487,633	108,514		681,118
	Disposals and write-downs during the year			(123,590)	(16,304)	(672,407)	(47,781)		(860,082)
	Asset reclassification			(8,177)		8,177			Nil
	Transfer of capital assets related to restructuring (Schedule 11)								
	<b>Closing Asset Costs</b>	<b>190,370</b>		<b>262,861</b>	<b>215,003</b>	<b>1,072,432</b>	<b>6,137,499</b>		<b>7,878,165</b>
Amortization	<b>Accumulated Amortization Costs</b>								
	Opening Accumulated Amortization Costs			115,797	69,791	448,761	4,248,328		4,882,677
	Add: Amortization taken			4,866	16,225	75,691	126,487		223,269
	Less: Accumulated amortization on disposals			(41,300)	(13,043)	(305,635)			(359,978)
	Asset reclassification			(12,735)		545	12,190		Nil
	Transfer of capital assets related to restructuring (Schedule 11)								
	<b>Closing Accumulated Amortization Costs</b>			<b>66,628</b>	<b>72,973</b>	<b>219,362</b>	<b>4,387,005</b>		<b>4,745,968</b>
	<b>Net Book Value</b>	<b>190,370</b>		<b>196,233</b>	<b>142,030</b>	<b>853,070</b>	<b>1,750,494</b>		<b>3,132,197</b>

1. Total contributed/donated assets received in 2020 Nil

are:

- Infrastructure Assets Nil
- Vehicles Nil
- Machinery and Equipment Nil

3. Amount of interest capitalized in Schedule 6 Nil

Rural Municipality of Cut Knife No. 439  
 Consolidated Schedule of Tangible Capital Assets by Function  
 For the year ended December 31, 2020

Schedule 7

		2020							2019	
		General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Water and Sewer	Total	Total
<b>Assets</b>	<b>Asset costs</b>									
	Opening Asset Costs	99,785		7,724,073		233,271			8,057,129	8,062,764
	Additions during the year		43,946	637,172					681,118	11,768
	Disposals and write-downs during the year			(688,711)				(171,371)	(860,082)	(17,403)
	Transfer of opening capital assets related to reclassification					(233,271)		233,271	Nil	
	<b>Closing Asset Costs</b>	<b>99,785</b>	<b>43,946</b>	<b>7,672,534</b>		<b>Nil</b>		<b>61,900</b>	<b>7,878,165</b>	<b>8,057,129</b>
<b>Amortization</b>	<b>Accumulated Amortization Costs</b>									
	Opening Accumulated Amortization Costs	28,779		4,801,410		52,488			4,882,677	4,656,133
	Add: Amortization taken	3,723		217,999				1,547	223,269	243,947
	Less: Accumulated amortization on disposals			(318,678)				(41,300)	(359,978)	(17,403)
	Transfer of opening accumulated amortization related to reclassification					(52,488)		52,488	Nil	
	<b>Closing Accumulated Amortization Costs</b>	<b>32,502</b>		<b>4,700,731</b>		<b>Nil</b>		<b>12,735</b>	<b>4,745,968</b>	<b>4,882,677</b>
	<b>Net Book Value</b>	<b>67,283</b>	<b>43,946</b>	<b>2,971,803</b>		<b>Nil</b>		<b>49,165</b>	<b>3,132,197</b>	<b>3,174,452</b>

Rural Municipality of Cut Knife No. 439  
 Consolidated Schedule of Accumulated Surplus  
 For the year ended December 31, 2020

Schedule 8

	2019	Changes	2020
<b>UNAPPROPRIATED SURPLUS</b>	<b>2,511,977</b>	<b>(140,792)</b>	<b>2,371,185</b>
<b>APPROPRIATED RESERVES</b>			
Machinery and Equipment	245,000		245,000
Public Reserve	1,150		1,150
Capital Trust			
Utility			
Other ( <i>Equipment, rink, gravel</i> )	26,756		26,756
<b>Total Appropriated</b>	<b>272,906</b>		<b>272,906</b>
<b>INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>			
Tangible capital assets (Schedule 6, 7)	3,174,452	(42,255)	3,132,197
Less: Related debt	(80,000)	40,000	(40,000)
<b>Net Investment in Tangible Capital Assets</b>	<b>3,094,452</b>	<b>(2,255)</b>	<b>3,092,197</b>
<b>Total Accumulated Surplus</b>	<b>5,879,335</b>	<b>(143,047)</b>	<b>5,736,288</b>

Rural Municipality of Cut Knife No. 439  
 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 and Industrial	Potash Mine(s)	
<b>Taxable Assessment</b>	95,658,445	3,459,175			8,415,500		107,533,120
<b>Regional Park Assessment</b>							
<b>Total Assessment</b>							107,533,120
<b>Mill Rate Factor(s)</b>	1.0000	1.0000			3.0000		
<b>Total Base/Minimum Tax</b> (generated for each property class)					146,000		146,000
<b>Total Municipal Tax Levy</b> (include base and/or minimum tax and special levies)	1,052,243	38,051			423,711		1,514,005

**MILL RATES: MILLS**

<b>Average Municipal*</b>	
<b>Average School*</b>	
<b>Potash Mill Rate</b>	
<b>Uniform Municipal Mill Rate</b>	11.0000

Hamlet of Rockhaven

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial and Industrial	Potash Mine(s)	
<b>Taxable Assessment</b>	170,975	477,200			186,200		834,375
<b>Regional Park Assessment</b>							
<b>Total Assessment</b>							834,375
<b>Mill Rate Factor(s)</b>	1.0000	1.0000			3.0000		
<b>Total Base/Minimum Tax</b> (generated for each property class)					6,000		6,000
<b>Total Municipal Tax Levy</b> (include base and/or minimum tax and special levies)	1,881	5,249			12,145		19,275

**MILL RATES: MILLS**

<b>Average Municipal*</b>	14.1489
<b>Average School*</b>	2.4174
<b>Potash Mill Rate</b>	
<b>Uniform Municipal Mill Rate</b>	11.0000

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

**Rural Municipality of Cut Knife No. 439**  
**Schedule of Council Remuneration**  
**For the year ended December 31, 2020**

Schedule 10

<b>Position</b>	<b>Name</b>	<b>Remuneration</b>	<b>Reimbursed Costs</b>	<b>Total</b>
Reeve	Brett Robertson	5,435	481	5,916
Councillor	Tim Rak	3,040	504	3,544
Councillor	Cass Brown	4,270	840	5,110
Councillor	Justin Kelly	4,100	755	4,855
Councillor	Duane Stapley	3,400	294	3,694
Councillor	Kevin Tyler	3,180	349	3,529
Councillor	Stephen Dupuis	2,771	432	3,203
<b>Total</b>		<b>26,196</b>	<b>3,655</b>	<b>29,851</b>