

Rural Municipality of Flett's Springs No. 429

December 31, 2020

Ingram & Yeadon Accountants

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INDEPENDENT AUDITORS' REPORT

To the Reeve and Council of the Rural Municipality of Flett's Springs No. 429

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Rural Municipality of Flett's Springs No. 429, which comprise the consolidated statement of financial position as at December 31, 2020 and the consolidated statements of operations, changes in net financial assets and cash flow for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Rural Municipality of Flett's Springs No. 429 as at December 31, 2020, and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We have conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Rural Municipality of Flett's Springs No. 429 in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Rural Municipality of Flett's Springs No. 429'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 Rural Municipality of Flett's Springs No. 429 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Rural Municipality of Flett's Springs No. 429'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 generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Rural Municipality of Flett's Springs No. 429'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 going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Rural Municipality of Flett's Springs No. 429'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 audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Rural Municipality of Flett's Springs No. 429 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.

Melfort, Saskatchewan

Date: February 10, 2021


Ingram and Yeadon Accountants

Management's Responsibility

To the Ratepayers of the Rural Municipality of Flett's Springs No. 429

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 judgment and estimates by management is required.

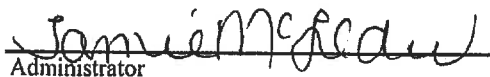
In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded,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

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

Ingram & Yeadon Accountants, an independent firm registered with the Chartered Professional Accountants of Saskatchewan, is appointed by 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 administration to discuss their audit findings.



Reeve



Administrator

Rural Municipality of Flett's Springs No. 429
Consolidated Statement of Financial Position
As at December 31, 2020

Statement 1

	2020	2019
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	4,520,248	4,086,438
Taxes Receivable - Municipal (Note 3)	53,695	92,253
Other Accounts Receivable (Note 4)	66,272	73,467
Land for Resale (Note 5)	-	-
Long-Term Investments (Note 6)	108,524	151,787
Other		
Total Financial Assets	4,748,739	4,403,945
LIABILITIES		
Bank Indebtedness		
Accounts Payable	301,641	999
Accrued Liabilities Payable		
Deposits		
Deferred Revenue	939	970
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Long-Term Debt (Note 9)	118,709	209,428
Lease Obligations		
Total Liabilities	421,289	211,397
NET FINANCIAL ASSETS	4,327,450	4,192,548
Non-Financial Assets		
Tangible Capital Assets (Schedule 6, 7)	3,670,987	3,833,512
Prepayments and Deferred Charges	208	4,164
Stock and Supplies	777,766	579,479
Other		
Total Non-Financial Assets	4,448,961	4,417,155
Accumulated Surplus (Deficit) (Schedule 8)	8,776,411	8,609,703

Rural Municipality of Flett's Springs No. 429
Consolidated Statement of Operations
As at December 31, 2020
Statement 2

	2020 Budget	2020	2019
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	1,840,700	1,885,541	1,805,659
Fees and Charges (Schedule 4, 5)	35,800	65,096	47,253
Conditional Grants (Schedule 4, 5)	7,500	10,095	10,621
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	-	-	658
Land Sales - Gain (Schedule 4, 5)	-	-	-
Investment Income and Commissions (Schedule 4, 5)	84,500	65,598	109,238
Restructurings (Schedule 4, 5)	-	-	-
Other Revenues (Schedule 4, 5)	-	-	28,502
Total Revenues	1,968,500	2,026,330	2,001,931
EXPENSES			
General Government Services (Schedule 3)	369,500	369,608	295,780
Protective Services (Schedule 3)	72,700	70,438	67,920
Transportation Services (Schedule 3)	1,500,100	1,548,844	1,236,328
Environmental and Public Health Services (Schedule 3)	33,000	20,392	18,360
Planning and Development Services (Schedule 3)	-	200	1,780
Recreation and Cultural Services (Schedule 3)	21,000	20,131	19,545
Utility Services (Schedule 3)	-	-	-
Restructurings (Schedule 3)	-	-	-
Total Expenses	1,996,300	2,029,613	1,639,713
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(27,800)	(3,283)	362,218
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	45,000	169,991	92,864
Surplus (Deficit) of Revenues over Expenses	17,200	166,708	455,082
Accumulated Surplus (Deficit), Beginning of Year	8,609,703	8,609,703	8,154,621
Accumulated Surplus (Deficit), End of Year	8,626,903	8,776,411	8,609,703

Rural Municipality of Flett's Springs No. 429
Consolidated Statement of Change in Net Financial Assets
As at December 31, 2020

Statement 3

	2020 Budget	2020	2019
Surplus (Deficit)	17,200	166,708	455,082
(Acquisition) of tangible capital assets	(100,000)	(173,234)	(901,634)
Amortization of tangible capital assets	338,000	335,759	248,752
Proceeds on disposal of tangible capital assets		-	341,877
Loss (gain) on the disposal of tangible capital assets		-	(658)
Transfer of Assets/Liabilities in Restructuring Transactions			
Surplus (Deficit) of capital expenses over expenditures	238,000	162,525	(311,663)
(Acquisition) of supplies inventories		(198,287)	(24,086)
(Acquisition) of prepaid expense			(93)
Consumption of supplies inventory			
Use of prepaid expense		3,956	
Surplus (Deficit) of expenses of other non-financial over expenditures	-	(194,331)	(24,179)
Increase/Decrease in Net Financial Assets	255,200	134,902	119,240
Net Financial Assets (Debt) - Beginning of Year		4,192,548	4,073,308
Net Financial Assets (Debt) - End of Year	255,200	4,327,450	4,192,548

Rural Municipality of Flett's Springs No. 429
Consolidated Statement of Cash Flow
As at December 31, 2020

Statement 4

	2020	2019
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	166,708	455,082
Amortization	335,759	248,752
Loss (gain) on disposal of tangible capital assets	-	(658)
	<u>502,467</u>	<u>703,176</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	38,558	23,258
Other Receivables	7,195	(15,497)
Land for Resale	-	-
Other Financial Assets		
Accounts and accrued liabilities payable	300,642	(13,461)
Deposits		
Deferred Revenue	(31)	918
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Stock and supplies for use	(198,287)	(24,086)
Prepayments and Deferred Charges	3,956	(93)
Other		
Cash provided by operating transactions	654,500	674,215
Capital:		
Acquisition of capital assets	(173,234)	(901,634)
Proceeds from the disposal of capital assets	-	341,877
Other capital		
Cash applied to capital transactions	(173,234)	(559,757)
Investing:		
Long-term investments	43,263	(9,670)
Other investments		
Cash provided by (applied to) investing transactions	43,263	(9,670)
Financing:		
Long-term debt issued		275,000
Long-term debt repaid	(90,719)	(87,993)
Other financing		
Cash provided by (applied to) financing transactions	(90,719)	187,007
Change in Cash and Temporary Investments during the year	433,810	291,795
Cash and Temporary Investments - Beginning of Year	4,086,438	3,794,643
Cash and Temporary Investments - End of Year	4,520,248	4,086,438

The accompanying notes and schedules are an integral part of these financial statements.

Rural Municipality of Flett's Springs No. 429
Notes to the Consolidated Financial Statements
As at December 31, 2020

1. Significant accounting policies

The consolidated financial statements of the municipality are prepared by management in accordance with the 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 consolidated 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.

- a) **Reporting Entity:** The consolidated financial statements consolidates 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. All inter-organizational transactions and balances have been eliminated.
- b) **Collection of Funds for Other Authorities:** Collection of funds by the municipality for the school board, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.
- c) **Government Transfers:** Government transfers are recognized as either expenditures or revenues in the period that the events giving rise to the transfer occurred, as long as
 - a) the transfer is authorized
 - b) eligibility criteria have been met by the recipient; and
 - c) a reasonable estimate of the amount can be made.

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

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 preformed. 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 Rural Municipalities - Self insurance fund are accounted for on the equity basis.

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 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 cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
General Assets	
Land	Indefinite
Land Improvements	40 Yrs
Buildings	40 Yrs
Vehicles & Equipment	
Vehicles	10 Yrs
Machinery and Equipment	5 to 10 Yrs
Infrastructure Assets	
Infrastructure Assets	15 to 40 Yrs
Water & 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.

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

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

Leases: All leases are recorded on the consolidated financial 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 a operating lease and rental payments are expensed as incurred.

- m) **Landfill Liability:** The Rural Municipality of Flett's Springs No. 429 maintains a waste disposal site.
- n) **Employee Benefit Plans:** Contributions to the Rural Municipality of Flett's Springs No. 429's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the Rural Municipality of Flett's Springs No. 429's obligations are limited to their contributions.
- o) **Trust Funds:** Funds held in trust for others are neither included in the municipality's assets or equity.
- p) **Liability for Contaminated Sites:** Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:
- an environmental standard exists;
 - contamination exceeds the environmental standard;
 - The municipality:
 - is directly responsible; or
 - accepts responsibility.
 - it is expected that future economic benefits will be given up; and
 - a reasonable estimate of the amount can be made.

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

The measurement of materials and supplies 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.

- r) **Basis of Segmentation/Segment report:** The Municipality 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 related to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the purpose of specific borrowings.

The segments (functions) are as follows:

General Government: Provides for the administration of the municipality.

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

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

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

Planning and Development: Provides for neighbourhood development and sustainability.

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

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

- s) **Budget Information:** Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on May 06, 2020.

- t) **New Standards and Amendments to Standards:**

Effective On or After April 1, 2022:

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

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

PS 3041 Portfolio Investments, replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of portfolio investments. Removes the distinction between temporary and portfolio investments. Upon adoption of PS 3450 and PS 3401, PS 3030, Temporary Investments, will no longer apply. Effective in the period PS 3450, PS 2601 and PS 1201 are adopted.

PS 3450 Financial Instrument, 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 a tangible capital asset 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 PS3270 will be withdrawn.

Effective On or After April 1, 2023:

PS 3400 Revenue, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of 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 Flett's Springs No. 429
Notes to the Consolidated Financial Statements
As at December 31, 2020

2. Cash and Temporary Investments

	2020	2019
Cash	4,520,248	4,086,438
Temporary Investments		
Restricted Cash		
Total Cash and Temporary Investments	4,520,248	4,086,438

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

	2020	2019
Municipal - Current	28,254	37,063
- Arrears	67,076	62,241
	95,330	99,304
- Less Allowance for Uncollectibles	(41,635)	(7,051)
Total municipal taxes receivable	53,695	92,253

School - Current	8,927	10,794
- Arrears	10,001	10,080
Total school taxes receivable	18,928	20,874

Other	7,913	10,213
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Total taxes and grants in lieu receivable 80,536 123,340

Deduct taxes receivable to be collected on behalf of other organizations (26,841) (31,087)

Total Taxes Receivable - Municipal 53,695 92,253

4. Other Accounts Receivable

	2020	2019
Federal government	45,545	58,914
Provincial government		
Local government		
Utility		
Trade	20,727	14,553
Other		
Total Other Accounts Receivable	66,272	73,467

Less Allowance for Uncollectibles

Net Other Accounts Receivable 66,272 73,467

5. Land for Resale

	2020	2019
Tax Title Property	3,122	3,122
Allowance for market value adjustment	(3,122)	(3,122)
Net Tax Title Property	-	-
Other Land		
Allowance for market value adjustment		
Net Other Land	-	-
Total Land for Resale	-	-

Rural Municipality of Flett's Springs No. 429
Notes to the Consolidated Financial Statements
As at December 31, 2020

6. Long-term Investments

	2020	2019
Sask. Assoc of Rural Municipalities - Self Insurance Fund	108,524	101,787
Northern Lights Rail	-	50,000
Total Long-term Investments	108,524	151,787

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

7. Authorized Overdraft

The Municipality has available an operating line of credit in the amount of \$300,000 and bearing interest at prime less .5 which was 2.45% at December 31, 2020. The Municipality did not utilize the available overdraft in 2020.

8. 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.

9. Long-term Debt

a) The debt limit of the municipality is \$1,743,553. 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)).

Transportation Services: Term loan repayable in monthly blended principal and interest installments of \$8,100. Interest rate is at 3.84% due in 2022. The loan is secured by specific equipment. The loan is due on demand, as the Municipality is in compliance with the conditions of the agreement the loan is recorded as long-term debt.

Future principal repayments are estimated as follows:

	Year	Principal	Interest	Current Total	Prior Year Total
	2020				209,428
	2021	94,295	2,905	97,200	
	2022	24,414	156	24,570	
Total		118,709	3,061	121,770	209,428

Rural Municipality of Flett's Springs No. 429
Notes to the Consolidated Financial Statements
As at December 31, 2020

10. Pension Plan

The Rural Municipality of Flett's Springs No. 429 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 employees of the Rural Municipality of Flett's Springs No. 429 participate in MEPP and contributions are a percentage of salary. The employees contribute 9% (2019 - 9%) to the plan. The Municipality matches all employees contributions. Pension expense for the year was \$42,945 (2019 - \$36,458). The benefits accrued to the Rural Municipality of Flett's Springs No. 429 employees from MEPP are calculated using the following: Pensionable Years of Service, Highest Average Salary and the plan accrual rate.

Based on the latest information available MEPP had a surplus in net assets available for benefits of \$653,944,000 (2018 had a surplus of \$463,236,000). The Rural Municipality of Flett's Springs' portion of this is not readily determinable.

11. Contractual Obligations and Commitments

The Municipality has committed to an annual contribution to North East Outreach and Support Services for \$1,000 per year for the years 2020 - 2024 inclusive.

Rural Municipality of Flett's Springs No. 429
Schedule of Taxes and Other Unconditional Revenue
As at December 31, 2020

Schedule 1

	2020 Budget	2020	2019
TAXES			
General municipal tax levy	1,675,000	1,678,327	1,651,642
Abatements and adjustments	(10,000)	(487)	(4,011)
Discount on current year taxes	(80,000)	(83,723)	(80,871)
Net Municipal Taxes	1,585,000	1,594,117	1,566,760
Potash tax share			
Trailer license fees			
Penalties on tax arrears	14,000	9,476	9,851
Special tax levy	3,200	-	-
Other			
Total Taxes	1,602,200	1,603,593	1,576,611
UNCONDITIONAL GRANTS			
Equalization (Revenue Sharing)	237,000	280,720	227,264
Organized Hamlet			
Other			
Total Unconditional Grants	237,000	280,720	227,264
GRANTS IN LIEU OF TAXES			
Federal			
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
Transgas			
SPMC - Municipal Share			
Sasktel			
Other (<i>Wildlife and Fisheries</i>)	1,500	1,228	1,784
Local/Other			
Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement			
Other			
Other Government Transfers			
S.P.C. Surcharge			
Sask Energy Surcharge			
Other			
Total Grants in Lieu of Taxes	1,500	1,228	1,784
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	1,840,700	1,885,541	1,805,659

Rural Municipality of Flett's Springs No. 429
Schedule of Operating and Capital Revenue by Function
As at December 31, 2020

Schedule 2 - 1

	2020 Budget	2020	2019
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work			
- Sales of supplies	1,700	1,574	2,443
- Other (Specify):	3,500	1,910	3,305
Total Fees and Charges	5,200	3,484	5,748
- Tangible capital asset sales - gain (loss)			
- Land sales - gain			
- Investment income and commissions	84,500	65,598	109,238
- Other			28,502
Total Other Segmented Revenue	89,700	69,082	143,488
Conditional Grants			
- Student Employment			
- Other (Specify) <i>Sask Lotteries</i>	4,500	4,648	4,648
Total Conditional Grants	4,500	4,648	4,648
Total Operating	94,200	73,730	148,136
Capital			
Conditional Grants			
- Federal Gas Tax			
- ICIP			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue			
Total General Government Services	94,200	73,730	148,136

PROTECTIVE SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (Specify)			
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment			
- Local government			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- Federal Gas Tax			
- ICIP			
- Provincial Disaster Assistance			
- Local government			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue			
Total Protective Services	-	-	-

	2020 Budget	2020	2019
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	14,000	20,505	12,507
- Sales of supplies	12,000	20,839	23,312
- Road Maintenance and Restoration Agreements	3,000	18,655	4,327
- Frontage			
- Other (Specify)			
Total Fees and Charges	29,000	59,999	40,146
- Tangible capital asset sales - gain (loss)			658
- Other (Specify)			
Total Other Segmented Revenue	29,000	59,999	40,804
Conditional Grants			
- RIRG (CTP)			
- Student Employment			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	29,000	59,999	40,804
Capital			
Conditional Grants			
- Federal Gas Tax	45,000	64,782	92,864
- ICIP			
- RIRG (Heavy Haul, CTP, Bridge & Large Culvert)		105,209	
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	45,000	169,991	92,864
Restructuring Revenue			
Total Transportation Services	74,000	229,990	133,668

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	1,500	1,420	1,306
- Other (Specify) <i>Pest Control Supplies</i>	100	193	53
Total Fees and Charges	1,600	1,613	1,359
- Tangible capital asset sales - gain (loss)	-		
- Other (Specify)			
Total Other Segmented Revenue	1,600	1,613	1,359
Conditional Grants			
- Student Employment			
- TAPD			
- Local government - <i>SARM Beaver Control</i>	3,000	5,447	5,973
- Other (Specify)			
Total Conditional Grants	3,000	5,447	5,973
Total Operating	4,600	7,060	7,332
Capital			
Conditional Grants			
- Federal Gas Tax			
- ICIP			
- TAPD			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue			
Total Environmental and Public Health Services	4,600	7,060	7,332

Rural Municipality of Flett's Springs No. 429
Schedule of Operating and Capital Revenue by Function
As at December 31, 2020

Schedule 2 - 3

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

RECREATION AND CULTURAL SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (Specify)			
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment			
- Local government			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- Federal Gas Tax			
- ICIP			
- Local government			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue			
Total Recreation and Cultural Services	-	-	-

Rural Municipality of Flett's Springs No. 429
Schedule of Operating and Capital Revenue by Function
As at December 31, 2020

Schedule 2 - 4

	2020 Budget	2020	2019
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water			
- Sewer			
- Infrastructure			
- Other (Specify)			
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- Federal Gas Tax			
- ICIP			
- New Building Canada Fund (SCF, NRP)			
- Clean Water and Wastewater Fund			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue			
Total Utility Services	-	-	-
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	172,800	310,780	289,136

SUMMARY

Total Other Segmented Revenue	120,300	130,694	185,651
Total Conditional Grants	7,500	10,095	10,621
Total Capital Grants and Contributions	45,000	169,991	92,864
Total Restructuring Revenue			
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	172,800	310,780	289,136

	2020 Budget	2020	2019
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	48,000	47,955	47,955
Wages and benefits	182,500	173,416	160,700
Professional/Contractual services	79,000	57,431	62,350
Utilities	7,000	5,822	6,555
Maintenance, materials and supplies	27,500	23,410	6,689
Grants and contributions - operating	20,500	22,066	6,742
- capital			
Amortization	5,000	4,789	4,789
Interest			
Allowance for uncollectibles		34,584	
Other (specify) <i>Election</i>		135	
General Government Services	369,500	369,608	295,780
Restructuring			
Total General Government Services	369,500	369,608	295,780

PROTECTIVE SERVICES**Police protection**

Wages and benefits			
Professional/Contractual services	35,000	35,257	34,031
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating	200	200	200
- capital			
Other (specify)			

Fire protections

Wages and benefits			
Professional/Contractual services	37,500	34,981	33,689
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Other (specify)			

Protective Services	72,700	70,438	67,920
Restructuring			
Total Protective Services	72,700	70,438	67,920

TRANSPORTATION SERVICES

Wages and benefits	320,500	367,101	341,108
Professional/Contractual Services	67,500	38,898	24,437
Utilities	16,100	14,293	13,224
Maintenance, materials, and supplies	259,000	223,277	212,326
Gravel	490,000	567,689	391,292
Grants and contributions - operating	6,500	100	2,500
- capital			
Amortization	333,000	330,970	243,963
Interest	7,500	6,516	7,478
Other (specify)			
Transportation Services	1,500,100	1,548,844	1,236,328

Rural Municipality of Flett's Springs No. 429

Total Expenses by Function

As at December 31, 2020

Schedule 3 - 2

	2020 Budget	2020	2019
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits			
Professional/Contractual services	20,500	13,929	12,398
Utilities	1,500	1,288	903
Maintenance, materials and supplies	6,000	5,175	5,059
Grants and contributions - operating			
○ Waste disposal			
○ Public Health			
- capital			
○ Waste disposal			
○ Public Health	5,000	-	-
Amortization			
Interest			
Other (specify)			
Environmental and Public Health Services	33,000	20,392	18,360
Restructuring			
Total Environmental and Public Health Services	33,000	20,392	18,360

PLANNING AND DEVELOPMENT SERVICES

Wages and benefits			
Professional/Contractual Services			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Other (<i>Building Inspections</i>)		200	1,780
Planning and Development Services	-	200	1,780
Restructuring			
Total Planning and Development Services	-	200	1,780

RECREATION AND CULTURAL SERVICES

Wages and benefits			
Professional/Contractual services	12,000	12,298	11,712
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating	9,000	7,833	7,833
- capital			
Amortization			
Interest			
Allowance for uncollectibles			
Other (specify)			
Recreation and Cultural Services	21,000	20,131	19,545

	2020 Budget	2020	2019
UTILITY SERVICES			
Wages and benefits			
Professional/Contractual services			
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Allowance for uncollectibles			
Other (specify)			
Utility Services	-	-	-
Restructuring			
Total Utility Services	-	-	-
TOTAL EXPENSES BY FUNCTION	1,996,300	2,029,613	1,639,713

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	3,484	-	59,999	1,613	-	-	-	65,096
Tangible Capital Asset Sales - Gain	-	-	-	-	-	-	-	-
Land Sales - Gain	-	-	-	-	-	-	-	-
Investment Income and Commissions	65,598	-	-	-	-	-	-	65,598
Other Revenues	-	-	-	-	-	-	-	-
Grants - Conditional	4,648	-	-	5,447	-	-	-	10,095
- Capital	-	-	169,991	-	-	-	-	169,991
Restructuring								
Total revenues	73,730	-	229,990	7,060	-	-	-	310,780
Expenses (Schedule 3)								
Wages & Benefits	221,371	-	367,101	-	-	-	-	588,472
Professional/ Contractual Services	57,431	70,238	38,898	13,929	-	12,298	-	192,794
Utilities	5,822	-	14,293	1,288	-	-	-	21,403
Maintenance Materials and Supplies	23,410	-	790,966	5,175	-	-	-	819,551
Grants and Contributions	22,066	200	100	-	-	7,833	-	30,199
Amortization	4,789	-	330,970	-	-	-	-	335,759
Interest	-	-	6,516	-	-	-	-	6,516
Allowance for Uncollectibles	34,584	-	-	-	-	-	-	34,584
Other	135	-	-	-	200	-	-	335
Restructuring								
Total expenses	369,608	70,438	1,548,844	20,392	200	20,131	-	2,029,613
Surplus (Deficit) by Function								
	(295,878)	(70,438)	(1,318,854)	(13,332)	(200)	(20,131)	-	(1,718,833)

Rural Municipality of Flett's Springs No. 429
Schedule of Segment Disclosure by Function
As at December 31, 2019

Schedule 5

Revenues (Schedule 2)									
General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total		
Fees and Charges	-	40,146	1,359	-	-	-	47,253		
Tangible Capital Asset Sales - Gain	-	658	-	-	-	-	658		
Land Sales - Gain	-	-	-	-	-	-	-		
Investment Income and Commissions	-	-	-	-	-	-	109,238		
Other Revenues	-	-	-	-	-	-	28,502		
Grants - Conditional	-	-	5,973	-	-	-	10,621		
- Capital	-	92,864	-	-	-	-	92,864		
Restructuring	-	-	-	-	-	-	-		
Total revenues	-	133,668	7,332	-	-	-	289,136		
Expenses (Schedule 3)									
Wages & Benefits	-	341,108	-	-	-	-	549,763		
Professional/ Contractual Services	67,720	24,437	12,398	-	11,712	-	178,617		
Utilities	-	13,224	903	-	-	-	20,682		
Maintenance Materials and Supplies	-	603,618	5,059	-	-	-	615,366		
Grants and Contributions	200	2,500	-	-	7,833	-	17,275		
Amortization	-	243,963	-	-	-	-	248,752		
Interest	-	7,478	-	-	-	-	7,478		
Allowance for Uncollectibles	-	-	-	-	-	-	-		
Other	-	-	-	1,780	-	-	1,780		
Restructuring	-	-	-	-	-	-	-		
Total expenses	67,920	1,236,328	18,360	1,780	19,545	-	1,639,713		
Surplus (Deficit) by Function	(67,920)	(1,102,660)	(11,028)	(1,780)	(19,545)	-	(1,350,577)		
Taxation and other unconditional revenue (Schedule 1)							1,805,659		
Net Surplus (Deficit)							455,082		

Rural Municipality of Flett's Springs No. 429
Schedule of Tangible Capital Assets by Object
As at December 31, 2020

Schedule 6

2020

2019

	General Assets						Infrastructure Assets	General/ Infrastructure Assets Under Construction	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets			
Asset cost									
Opening Asset costs	136,216		291,465	299,696	2,123,284	5,426,590		8,277,251	8,027,265
Additions during the year						173,234		173,234	901,634
Disposals and write-downs during the year								-	(651,648)
Transfers (from) assets under construction									-
Transfer of Capital Assets related to restructuring									
Closing Asset Costs	136,216	-	291,465	299,696	2,123,284	5,599,824	-	8,450,485	8,277,251
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs			201,008	120,756	461,389	3,660,586		4,443,739	4,505,416
Add: Amortization taken			8,438	26,873	209,581	90,867		335,759	248,752
Less: Accumulated amortization on disposals								-	(310,429)
Transfer of Capital Assets related to restructuring									
Closing Accumulated Amortization Costs	-	-	209,446	147,629	670,970	3,751,453	-	4,779,498	4,443,739
Net Book Value	136,216	-	82,019	152,067	1,452,314	1,848,371	-	3,670,987	3,833,512

1. Total contributed/donated assets received in 2020: \$ -

2. List of assets recognized at nominal value in 2020 are:

- Infrastructure Assets \$ -
- Vehicles \$ -
- Machinery and Equipment \$ -

3. Amount of interest capitalized in Schedule 6: \$ -

As at December 31, 2020

Asset cost	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer
Opening Asset costs	129,489		8,131,357				16,405
Additions during the year	-		173,234				
Disposals and write-downs during the year							
Transfer of Capital Assets related to restructuring							
Closing Asset Costs	129,489	-	8,304,591	-	-	-	16,405
Accumulated Amortization Cost							
Opening Accumulated Amortization Costs	81,666		4,362,073				
Add: Amortization taken	4,789		330,970				
Less: Accumulated amortization on disposals							
Transfer of Capital Assets related to restructuring							
Closing Accumulated Amortization Costs	86,455	-	4,693,043	-	-	-	-
Net Book Value	43,034	-	3,611,548	-	-	-	16,405

Rural Municipality of Flett's Springs No. 429

Schedule of Accumulated Surplus

As at December 31, 2020

Schedule 8

	2019	Changes	2020
UNAPPROPRIATED SURPLUS	4,030,134	(326,268)	3,703,866

APPROPRIATED RESERVES

Machinery and Equipment	161,014		161,014
Public Reserve	11,434		11,434
Gas Tax Funding	266,380	64,782	331,162
Future Reserves	477,657	500,000	977,657
Flooding	27,000		27,000
Fire	12,000		12,000
Total Appropriated	955,485	564,782	1,520,267

ORGANIZED HAMLETS

Hamlet of (Name)			-
Hamlet of (Name)			-
Hamlet of (Name)			-
Total Hamlets	-	-	-

NET INVESTMENT IN TANGIBLE CAPITAL ASSETS

Tangible capital assets (Schedule 6, 7)	3,833,512	(162,525)	3,670,987
Less: Related debt	(209,428)	90,719	(118,709)
Net Investment in Tangible Capital Assets	3,624,084	(71,806)	3,552,278

Other

Total Accumulated Surplus	8,609,703	166,708	8,776,411
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Rural Municipality of Flett's Springs No. 429
Schedule of Mill Rates and Assessments
As at December 31, 2020

Schedule 9

	PROPERTY CLASS					
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)
Taxable Assessment	168,876,465	13,311,875			41,590,000	
Regional Park Assessment						
Total Assessment						223,778,340
Mill Rate Factor(s)	0.8400	1.3500			1.6000	
Total Base/Minimum Tax (generated for each property class)						
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	1,049,736	136,165			492,426	1,678,327

MILL RATES:

	MILLS
Average Municipal*	7.5000
Average School*	2.4895
Potash Mill Rate	
Uniform Municipal Mill Rate	7.4000

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

Rural Municipality of Flett's Springs No. 429
Schedule of Council Remuneration
As at December 31, 2020

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Blaine Forsyth	4,620	2,172	6,792
Reeve	Murray Stevenson	4,200	2,475	6,675
Councillor	Gene Miller	4,200	2,475	6,675
Councillor	Jim Drury	4,200	2,475	6,675
Councillor	Tyler Stevenson	700	413	1,113
Councillor	Clifford Buckingham	4,600	2,075	6,675
Councillor	Laurie Taylor	4,200	2,475	6,675
Councillor	Mark Forsyth	4,200	2,475	6,675
Total		30,920	17,035	47,955