

R. M. of Foam Lake No. 276

FINANCIAL STATEMENTS

Year Ended December 31, 2020

R. M. of Foam Lake No. 276

Foam Lake, Saskatchewan

December 31, 2020

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Management's Responsibility

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

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

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

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


Reeve


Administrator

Independent Auditors' Report

To the Council
R. M. of Foam Lake No. 276

Opinion

We have audited the financial statements of R. M. of Foam Lake No. 276, (the municipality), which comprise the Statement of Financial Position as at December 31, 2020 and the Statements of Operations, Changes 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, the accompanying financial statements present fairly, in all material respects, the financial position of the municipality as at December 31, 2020, and results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the financial statements section of our report. We are independent of the municipality in accordance with the ethical requirements that are relevant to our audit of the 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 municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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



Auditors' Responsibilities for the Audit of the 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 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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.

Baker Tilly SK LLP

Baker Tilly SK LLP

Yorkton, SK
March 10, 2021

R. M. of Foam Lake No. 276

Foam Lake, Saskatchewan

Statement 1

Statement of Financial Position as at December 31, 2020

	2020	2019
Assets		
Financial Assets		
Cash and temporary investments - note 2	1,273,070	1,471,187
Taxes receivable - municipal - note 3	114,186	103,187
Other accounts receivable - note 4	172,506	84,881
Long-term investments - note 7	823,166	719,160
Total Financial Assets	2,382,928	2,378,415
Liabilities		
Accounts payable	68,985	18,580
Deferred revenue - note 8	156,155	113,297
Accrued landfill costs - note 9	39,676	25,715
Long-term debt - note 10	426,734	250,000
Total Liabilities	691,550	407,592
Net Financial Assets	1,691,378	1,970,823
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	5,098,697	3,640,081
Prepayments and deferred charges	30,000	
Stock and supplies - note 6	832,796	665,142
Total Non-Financial Assets	5,961,493	4,305,223
Accumulated Surplus - schedule 8	\$ 7,652,871	\$ 6,276,046

Approved on behalf of the council:

Reeve

Councillor

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

R. M. of Foam Lake No. 276
Statement of Operations
For the year ended December 31, 2020

Statement 2

	2020 Budget (Note 1(q))	2020 Actual	2019 Actual
Revenues			
Taxes and other unconditional revenue			
- schedule 1	2,008,852	1,991,686	1,987,006
Fees and charges - schedules 4 and 5	273,949	67,006	64,320
Conditional grants - schedules 4 and 5	1,184,719	1,260,840	166,724
Tangible capital asset sales - gain (loss)			
- schedules 4 and 5			(32,847)
Land sales - gain - schedules 4 and 5			100
Investment income and commissions			
- schedules 4 and 5	39,337	24,693	29,835
Total Revenue	<u>3,506,857</u>	<u>3,344,225</u>	<u>2,215,138</u>
Expenses - schedule 3			
General government services	254,620	257,925	243,497
Protective services	41,040	41,536	40,803
Transportation services	1,499,526	1,573,508	1,819,264
Environmental and public health services	75,800	92,765	72,663
Planning and development services	4,620	2,570	6,772
Recreation and cultural services	45,365	45,247	33,485
Utilities services	1,108,863	9,549	9,891
Annexation			924
Total Expenses	<u>3,029,834</u>	<u>2,023,100</u>	<u>2,227,299</u>
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	477,023	1,321,125	(12,161)
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	48,410	55,700	146,148
Surplus of Revenue over Expenses	525,433	1,376,825	133,987
Accumulated Surplus, Beginning of Year	<u>6,276,046</u>	<u>6,276,046</u>	<u>6,142,059</u>
Accumulated Surplus, End of Year	<u>\$ 6,801,479</u>	<u>\$ 7,652,871</u>	<u>\$ 6,276,046</u>

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

R. M. of Foam Lake No. 276
Statement of Change in Net Financial Assets
For the year ended December 31, 2020

Statement 3

	2020 Budget (Note 1(q))	2020 Actual	2019 Actual
Surplus	<u>525,433</u>	<u>1,376,825</u>	<u>133,987</u>
(Acquisition) of tangible capital assets	(614,775)	(1,749,058)	(192,836)
Amortization of tangible capital assets		290,442	304,079
Proceeds on disposal of tangible capital assets			300
Loss on the disposal of tangible capital assets			<u>32,747</u>
Surplus (Deficit) of Capital Expenses over Expenditures	<u>(614,775)</u>	<u>(1,458,616)</u>	<u>144,290</u>
(Acquisition) of supplies inventories		(167,654)	
(Acquisition) of prepaid expense		(30,000)	
Consumption of supplies inventory			<u>160,221</u>
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>(197,654)</u>	<u>160,221</u>
Increase (Decrease) in Net Financial Assets	(89,342)	(279,445)	438,498
Net Financial Assets, beginning of year	<u>1,970,823</u>	<u>1,970,823</u>	<u>1,532,325</u>
Net Financial Assets, End of Year	<u><u>\$ 1,881,481</u></u>	<u><u>\$ 1,691,378</u></u>	<u><u>\$ 1,970,823</u></u>

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

R. M. of Foam Lake No. 276
Statement of Cash Flow
For the year ended December 31, 2020

Statement 4

	2020	2019
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus	1,376,825	133,987
Amortization	290,442	304,079
Loss on disposal of tangible capital assets	<u> </u>	<u>32,747</u>
	1,667,267	470,813
Change in Assets/Liabilities		
Taxes receivable - municipal	(10,999)	(3,315)
Other receivables	(87,625)	(47,343)
Accounts payable	50,405	(31,009)
Deferred revenue	42,858	(75,305)
Other liabilities	13,961	6,059
Stock and supplies for use	(167,654)	160,225
Prepayments and deferred charges	<u>(30,000)</u>	<u> </u>
Cash Provided by Operating Transactions	<u>1,478,213</u>	<u>480,125</u>
Capital:		
Acquisition of capital assets	(1,749,058)	(192,836)
Proceeds from the disposal of capital assets	<u> </u>	<u>300</u>
Cash Applied to Capital Transactions	<u>(1,749,058)</u>	<u>(192,536)</u>
Investing:		
Additions to long-term investments	<u>(104,006)</u>	<u>(348,359)</u>
Financing:		
Long-term debt issued	226,734	
Long-term debt repaid	<u>(50,000)</u>	<u>(50,000)</u>
Cash Provided by (Applied to) Financing Transactions	<u>176,734</u>	<u>(50,000)</u>
Change in Cash and Temporary Investments During the Year	(198,117)	(110,770)
Cash and temporary investments, beginning of year	<u>1,471,187</u>	<u>1,581,957</u>
Cash and Temporary Investments, End of Year	<u>\$ 1,273,070</u>	<u>\$ 1,471,187</u>

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

R. M. of Foam Lake No. 276
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies

The 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 are as follows:

(a) Basis of accounting

The 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.

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

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

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

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

(d) Deferred revenue - fees and charges

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

(e) Net financial assets

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

(f) Non-financial assets

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

R. M. of Foam Lake No. 276
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(g) Appropriated reserves

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

(h) Investments

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with 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.

(i) Inventories

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

(j) Tangible capital assets

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

Asset	Useful Life
General Assets	
Land	indefinite
Land improvements	15 years
Buildings	40 years
Vehicles	10 years
Mobile equipment	10-15 years
Linear assets	40 years
Infrastructure Assets	
Paving, sidewalks and roadways	15 years

R. M. of Foam Lake No. 276
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(k) Capitalization of interest

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

(l) Leases

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

(m) 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.

(n) Revenue

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

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

(o) 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. M. of Foam Lake No. 276
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(p) 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.

(q) Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on May 13, 2020.

(r) New standards and amendments to standards

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

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

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

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

R. M. of Foam Lake No. 276
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(r) New standards and amendments to standards - continued

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

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

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

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

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

	2020	2019
2. Cash and Temporary Investments		
Cash	1,087,383	1,187,715
Temporary investments	<u>185,687</u>	<u>283,472</u>
Total Cash and Temporary Investments	<u>\$ 1,273,070</u>	<u>\$ 1,471,187</u>

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

R. M. of Foam Lake No. 276
Notes to Financial Statements
For the year ended December 31, 2020

	2020	2019
3. Taxes and Grants In Lieu Receivable		
Municipal - current	81,844	71,257
Municipal - arrears	<u>37,342</u>	<u>36,930</u>
	119,186	108,187
Less: Allowance for uncollectibles	<u>5,000</u>	<u>5,000</u>
Total municipal taxes receivable	<u>114,186</u>	<u>103,187</u>
School - current	15,074	14,006
School - arrears	<u>7,576</u>	<u>7,551</u>
Total school taxes receivable	<u>22,650</u>	<u>21,557</u>
Other	<u>3,054</u>	<u>2,111</u>
Total taxes and grants in lieu receivable	139,890	126,855
Less: Taxes receivable to be collected on behalf of other organizations	<u>25,704</u>	<u>23,668</u>
Municipal and Grants In Lieu Taxes Receivable	<u>\$ 114,186</u>	<u>\$ 103,187</u>
4. Other Accounts Receivable		
Provincial government	93,800	28,102
Local government	4,861	11,437
Other	<u>73,845</u>	<u>45,342</u>
Net Other Accounts Receivable	<u>\$ 172,506</u>	<u>\$ 84,881</u>
5. Land for Resale		
Tax title property	21,932	21,932
Less: Allowance for market value adjustment	<u>21,932</u>	<u>21,932</u>
Total Land for Resale	<u>\$ 0</u>	<u>\$ 0</u>
6. Stock and Supplies		
Stock and supplies are comprised of the following:		
Gravel	794,323	628,282
Other supplies	<u>38,473</u>	<u>36,860</u>
	<u>\$ 832,796</u>	<u>\$ 665,142</u>

R. M. of Foam Lake No. 276
Notes to Financial Statements
For the year ended December 31, 2020

	2020	2019
7. Long-Term Investments		
Equity in co-operatives	10,000	10,000
Sask. Assoc. of Rural Municipalities - Self-Insurance Fund	117,105	110,035
Loans receivable		16,200
Guaranteed investment certificates	<u>696,061</u>	<u>582,925</u>
	<u>\$ 823,166</u>	<u>\$ 719,160</u>

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

8. Deferred Revenue

	Balance, Beginning of Year	Plus Amount Received	Less Amount Recognized	Balance, End of Year
Gas Tax	64,203	48,410	55,700	56,913
Municipal Economic Enhancement		78,619	27,200	51,419
Bursary Payable	<u>49,094</u>	<u>729</u>	<u>2,000</u>	<u>47,823</u>
	<u>\$ 113,297</u>	<u>\$ 127,758</u>	<u>\$ 84,900</u>	<u>\$ 156,155</u>

	2020	2019
9. Accrued Landfill Costs		
Accrued landfill costs	<u>\$ 39,676</u>	<u>\$ 25,715</u>

In 2020, the municipality has accrued an overall liability for environmental matters in the amount of \$39,676 (2019 - \$25,715) which represents management's best estimate of this liability. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Included in environmental liabilities is \$39,676 (2019 - \$25,715) of the estimated total landfill closure and post-closure care expenses. The estimated liability for these expenses is recognized as the landfill site's capacity is used and the reported liability represents the portion of the estimated total expenses recognized as at December 31, 2020 based on the cumulative capacity used at that date, compared to the total estimated landfill capacity. Estimated total expenditures represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at the municipality's average long-term borrowing rate of 5% (2019 - 6%).

Landfill closure and post-closure care requirements have been defined in accordance with The Environmental Management and Protection Act and include final covering and landscaping of the landfill, pumping of ground water, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a period of time using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The landfill is no longer in operation.

R. M. of Foam Lake No. 276
Notes to Financial Statements
For the year ended December 31, 2020

10. Long-Term Debt

The debt limit of the municipality for 2021 is \$1,586,058. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (*The Municipalities Act* Section 161).

- (a) The municipality has two loans outstanding. The first loan was acquired to purchase land for a gravel pit. It is repayable in annual instalments of \$50,000 with no interest. The second loan was acquired to purchase a tractor. It is repayable in annual instalments of \$81,000 with an interest rate of 3.5%.

Future principal repayments are estimated as follows:

	Principal	Interest	2020 Total	2019 Total
2020				50,000
2021	120,589	10,411	131,000	50,000
2022	125,535	5,465	131,000	50,000
2023	130,610	2,821	133,431	50,000
2024	50,000		50,000	50,000
	<u>\$ 426,734</u>	<u>\$ 18,697</u>	<u>\$ 445,431</u>	<u>\$ 250,000</u>

11. Employee Benefit Plans

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

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

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

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

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

Contributions to the plan during the year were as follows:

Benefit expense	\$ 43,419	\$ 40,973
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As per the most recently audited financial statements dated December 31, 2019, the plan surplus is \$658,468,000.

R. M. of Foam Lake No. 276
Notes to Financial Statements
For the year ended December 31, 2020

12. 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.

The municipality is also contingently liable for the following:

The municipality received grant funding from the New Building Canada Small Communities Fund for the Sewage Lagoon Project which was completed during 2020. As a condition of this funding, the municipality must retain ownership of the asset for at least 5 years or they may be required to reimburse the funding received.

13. Budget

The figures shown under the "Budget" column in the statement of operations and attached schedules have not been audited and are provided for information purposes only.

14. Impact of COVID-19

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

R. M. of Foam Lake No. 276
Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2020

Schedule 1

	2020 Budget (Note 1(q))	2020 Actual	2019 Actual
Taxes			
General municipal tax levy	1,582,172	1,570,104	1,613,534
Abatements and adjustments	(500)	(9)	(1,664)
Discount on current year taxes	(70,000)	(75,736)	(72,720)
Net municipal taxes	<u>1,511,672</u>	<u>1,494,359</u>	<u>1,539,150</u>
Penalties on tax arrears	3,500	3,897	5,819
Special tax levy	<u>3,120</u>	<u>3,120</u>	<u>3,900</u>
Total Taxes	<u>1,518,292</u>	<u>1,501,376</u>	<u>1,548,869</u>
Unconditional Grants			
Equalization (revenue sharing)	448,299	448,102	428,783
Organized hamlet	3,253	3,253	3,051
Safe Restart	<u>32,631</u>	<u>32,631</u>	<u></u>
Total Unconditional Grants	<u>484,183</u>	<u>483,986</u>	<u>431,834</u>
Grants In Lieu of Taxes			
Provincial			
Transgas	272	272	250
SaskTel	3,605	3,128	3,605
Sask Parks & Renewal	<u>2,500</u>	<u>2,924</u>	<u>2,448</u>
Total Grants In Lieu of Taxes	<u>6,377</u>	<u>6,324</u>	<u>6,303</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 2,008,852</u>	<u>\$ 1,991,686</u>	<u>\$ 1,987,006</u>

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

R. M. of Foam Lake No. 276Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2020

Schedule 2-1

	2020 Budget (Note 1(q))	2020 Actual	2019 Actual
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	890	1,588	1,192
Sale of supplies	2,800	6,536	6,937
Rentals	1,200	1,200	1,200
Expense recoveries		21,170	
Other	226,734		300
Total Fees and Charges	231,624	30,494	9,629
Land sales - gain			100
Investment income and commissions	39,337	24,693	29,835
Total Other Segmented Revenue	270,961	55,187	39,564
Total General Government Services	\$ 270,961	\$ 55,187	\$ 39,564
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	5,305	4,050	8,456
Sale of supplies			100
Licenses and permits			200
Expense recoveries	17,200	8,819	23,112
Road maintenance and restoration agreements	1,700	345	4,280
Total Fees and Charges	24,205	13,214	36,148
Tangible capital asset sales - gain (loss)			(32,847)
Total Other Segmented Revenue	24,205	13,214	3,301
Conditional Grants			
Heavy haul	94,300	93,800	94,300
Municipal Economic Enhancement	78,619	27,200	
Highways	25,000	25,000	25,000
Total Conditional Grants	197,919	146,000	119,300
Total Operating	222,124	159,214	122,601
Capital			
Conditional Grants			
Gas tax	48,410	55,700	146,148
Total Capital	48,410	55,700	146,148
Total Transportation Services	\$ 270,534	\$ 214,914	\$ 268,749

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

R. M. of Foam Lake No. 276Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2020

Schedule 2-2

	2020 Budget (Note 1(q))	2020 Actual	2019 Actual
Environmental and Public Health Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Waste disposal fees	9,920	14,012	9,349
Sale of supplies	5,000	3,924	6,347
Total Fees and Charges	<u>14,920</u>	<u>17,936</u>	<u>15,696</u>
Total Other Segmented Revenue	<u>14,920</u>	<u>17,936</u>	<u>15,696</u>
Conditional Grants			
Pest control	8,200	6,147	7,885
Total Conditional Grants	<u>8,200</u>	<u>6,147</u>	<u>7,885</u>
Total Environmental and Public Health Services	<u>\$ 23,120</u>	<u>\$ 24,083</u>	<u>\$ 23,581</u>
Planning and Development Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Licenses and permits	500	2,437	272
Total Other Segmented Revenue	<u>500</u>	<u>2,437</u>	<u>272</u>
Total Planning and Development Services	<u>\$ 500</u>	<u>\$ 2,437</u>	<u>\$ 272</u>
Utility Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Water	2,700	2,925	2,575
Total Other Segmented Revenue	<u>2,700</u>	<u>2,925</u>	<u>2,575</u>
Conditional Grants			
Provincial - SCF - Fishing Lake Lagoon	693,000	788,048	28,102
Local Gov. Fishing Lake Lagoon Grants	285,600	320,645	11,437
Total Conditional Grants	<u>978,600</u>	<u>1,108,693</u>	<u>39,539</u>
Total Utility Services	<u>\$ 981,300</u>	<u>\$ 1,111,618</u>	<u>\$ 42,114</u>
Total Operating and Capital Revenue by Function	<u>\$ 1,546,415</u>	<u>\$ 1,408,239</u>	<u>\$ 374,280</u>
Summary			
Total Other Segmented Revenue	313,286	91,699	61,408
Total Conditional Grants	1,184,719	1,260,840	166,724
Total Capital Grants and Contributions	<u>48,410</u>	<u>55,700</u>	<u>146,148</u>
Total Operating and Capital Revenue by Function	<u>\$ 1,546,415</u>	<u>\$ 1,408,239</u>	<u>\$ 374,280</u>

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

R. M. of Foam Lake No. 276
 Total Expenses by Function
 For the year ended December 31, 2020

Schedule 3-1

	2020 Budget (Note 1(q))	2020 Actual	2019 Actual
General Government Services			
Council remuneration and travel	22,490	18,965	20,028
Wages and benefits	131,500	131,051	118,331
Professional/Contractual services	74,900	76,355	72,883
Utilities	6,480	6,124	6,702
Maintenance, materials and supplies	17,150	18,452	11,669
Grants and contributions - operating	1,000	240	5,890
Amortization		5,009	4,845
Interest	100	274	100
Allowance for uncollectibles			2,029
Other	1,000	1,455	1,020
	<u>254,620</u>	<u>257,925</u>	<u>243,497</u>
Annexation	<u>0</u>	<u>0</u>	<u>924</u>
Total General Government Services	<u>\$ 254,620</u>	<u>\$ 257,925</u>	<u>\$ 244,421</u>
Protective Services			
Police protection			
Professional/Contractual services	25,868	25,824	25,631
Fire protection			
Grants and contributions - operating	14,000	14,000	14,000
Grants and contributions - capital	<u>1,172</u>	<u>1,712</u>	<u>1,172</u>
Total Protective Services	<u>\$ 41,040</u>	<u>\$ 41,536</u>	<u>\$ 40,803</u>
Transportation Services			
Wages and benefits	484,800	481,047	494,692
Professional/Contractual services	43,550	15,102	21,431
Utilities	13,825	13,068	14,304
Maintenance, materials, and supplies	14,550	13,807	12,786
Gravel	682,200	526,811	715,689
Machinery costs/fuel/blades	252,601	232,115	242,771
Culverts/drainage	8,000	6,125	18,357
Amortization		<u>285,433</u>	<u>299,234</u>
Total Transportation Services	<u>\$ 1,499,526</u>	<u>\$ 1,573,508</u>	<u>\$ 1,819,264</u>

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

R. M. of Foam Lake No. 276
 Total Expenses by Function
 For the year ended December 31, 2020

Schedule 3-2

	2020 Budget (Note 1(q))	2020 Actual	2019 Actual
Environmental and Public Health Services			
Wages and benefits	18,000	16,522	17,297
Professional/Contractual services	49,300	69,524	46,737
Utilities	1,500	1,131	1,447
Maintenance, materials and supplies	<u>7,000</u>	<u>5,588</u>	<u>7,182</u>
Total Environmental and Public Health Services	<u>\$ 75,800</u>	<u>\$ 92,765</u>	<u>\$ 72,663</u>
Planning and Development Services			
Professional/Contractual services	3,300	2,570	4,472
Grants and contributions - operating	<u>1,320</u>	<u></u>	<u>2,300</u>
Total Planning and Development Services	<u>\$ 4,620</u>	<u>\$ 2,570</u>	<u>\$ 6,772</u>
Recreation and Cultural Services			
Wages and benefits	1,000	1,000	1,000
Grants and contributions - operating	36,365	36,365	24,750
Libraries	<u>8,000</u>	<u>7,882</u>	<u>7,735</u>
Total Recreation and Cultural Services	<u>\$ 45,365</u>	<u>\$ 45,247</u>	<u>\$ 33,485</u>
Utility Services			
Maintenance, materials and supplies	<u>\$ 1,108,863</u>	<u>\$ 9,549</u>	<u>\$ 9,891</u>
Total Expenses by Function	<u>\$ 3,029,834</u>	<u>\$ 2,023,100</u>	<u>\$ 2,227,299</u>

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

R. M. of Foam Lake No. 276
Schedule of Segment Disclosure by Function
For the year ended December 31, 2020

Schedule 4

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	30,494		13,214	17,936	2,437		2,925	67,006
Investment income and commissions	24,693							24,693
Grants - conditional			146,000	6,147			1,108,693	1,260,840
Grants - capital			55,700					55,700
Total Revenues	<u>55,187</u>	<u>0</u>	<u>214,914</u>	<u>24,083</u>	<u>2,437</u>	<u>0</u>	<u>1,111,618</u>	<u>1,408,239</u>
Expenses - schedule 3								
Wages and benefits	131,051		481,047	16,522		1,000		629,620
Professional/contractual services	95,320	25,824	15,102	69,524	2,570			208,340
Utilities	6,124		13,068	1,131				20,323
Maintenance materials and supplies	18,452		540,618	5,588			9,549	574,207
Machinery costs/fuel/blades			232,115					232,115
Culverts/drainage			6,125					6,125
Grants and contributions	240	15,712				36,365		52,317
Amortization	5,009		285,433					290,442
Libraries						7,882		7,882
Interest	274							274
Other	1,455							1,455
Total Expenses	<u>257,925</u>	<u>41,536</u>	<u>1,573,508</u>	<u>92,765</u>	<u>2,570</u>	<u>45,247</u>	<u>9,549</u>	<u>2,023,100</u>
Surplus (Deficit) by Function	<u>\$ (202,738)</u>	<u>\$ (41,536)</u>	<u>\$ (1,358,594)</u>	<u>\$ (68,682)</u>	<u>\$ (133)</u>	<u>\$ (45,247)</u>	<u>\$ 1,102,069</u>	<u>(614,861)</u>
Taxation and other unconditional revenue - schedule 1								<u>1,991,686</u>
Net Surplus								<u>\$ 1,376,825</u>

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

R. M. of Foam Lake No. 276
Schedule of Segment Disclosure by Function
For the year ended December 31, 2019

Schedule 5

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	9,629		36,148	15,696	272		2,575	64,320
Tangible capital asset sales - gain (loss)			(32,847)					(32,847)
Land sales - gain	100							100
Investment income and commissions	29,835							29,835
Grants - conditional			119,300	7,885			39,539	166,724
Grants - capital			146,148					146,148
Total Revenues	39,564	0	268,749	23,581	272	0	42,114	374,280
Expenses - schedule 3								
Wages and benefits	118,331		494,692	17,297		1,000		631,320
Professional/contractual services	92,911	25,631	21,431	46,737	4,472			191,182
Utilities	6,702		14,304	1,447				22,453
Maintenance materials and supplies	11,669		728,475	7,182			9,891	757,217
Machinery costs/fuel/blades			242,771					242,771
Culverts/drainage			18,357					18,357
Grants and contributions	5,890	15,172			2,300	24,750		48,112
Amortization	4,845		299,234					304,079
Libraries						7,735		7,735
Interest	100							100
Allowance for uncollectibles	2,029							2,029
Annexation	924							924
Other	1,020							1,020
Total Expenses	244,421	40,803	1,819,264	72,663	6,772	33,485	9,891	2,227,299
Surplus (Deficit) by Function	\$(204,857)	\$(40,803)	\$(1,550,515)	\$(49,082)	\$(6,500)	\$(33,485)	\$ 32,223	(1,853,019)
Taxation and other unconditional revenue - schedule 1								1,987,006
Net Surplus (loss)								\$ 133,987

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

R. M. of Foam Lake No. 276
Schedule of Tangible Capital Assets by Object
For the year ended December 31, 2020

Schedule 6

	2020							2019	
	General Assets					Infrastruct. Assets	General/ Infrastruct. Assets under Constr.	Total	Total
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
Asset Cost									
Opening Asset Cost	368,400	0	215,796	0	2,563,156	5,780,135	108,285	9,035,772	8,960,738
Additions during the year			50,890		513,884	1,184,284		1,749,058	192,836
Disposals and write-down during the year									(62,416)
Transfer (from) assets under construction						108,285	(108,285)		
Transfer of capital assets related to restructuring									(55,386)
Closing Asset Costs	368,400	0	266,686	0	3,077,040	7,072,704	0	10,784,830	9,035,772
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	0	0	117,475	0	1,335,260	3,942,956	0	5,395,691	5,176,367
Add: Amortization taken			5,009		170,859	114,574		290,442	304,079
Less: Accumulated amortization on disposals									62,216
Transfer of capital assets related to restructuring									(22,539)
Closing Accumulated Amortization Costs	0	0	122,484	0	1,506,119	4,057,530	0	5,686,133	5,395,691
Net Book Value	\$ 368,400	\$ 0	\$ 144,202	\$ 0	\$ 1,570,921	\$ 3,015,174	\$ 0	\$ 5,098,697	\$ 3,640,081

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

R. M. of Foam Lake No. 276
Schedule of Tangible Capital Assets by Function
For the year ended December 31, 2020

Schedule 7

	2020							2019	
	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Water & Sewer	Total	Total
Asset Cost									
Opening Asset Cost	25,578	0	8,884,173	17,736	0	0	108,285	9,035,772	8,960,738
Additions during the year	50,890		513,884				1,184,284	1,749,058	192,836
Disposals and write-down during the year									(62,416)
Transfer of capital assets related to restructuring									(55,386)
Closing Asset Costs	76,468	0	9,398,057	17,736	0	0	1,292,569	10,784,830	9,035,772
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	19,451	0	5,374,910	1,330	0	0	0	5,395,691	5,176,367
Add: Amortization taken	5,009		285,433					290,442	304,079
Less: Accumulated amortization on disposals									62,216
Transfer of capital assets related to restructuring									(22,539)
Closing Accumulated Amortization Costs	24,460	0	5,660,343	1,330	0	0	0	5,686,133	5,395,691
Net Book Value	\$ 52,008	\$ 0	\$ 3,737,714	\$ 16,406	\$ 0	\$ 0	\$ 1,292,569	\$ 5,098,697	\$ 3,640,081

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

R. M. of Foam Lake No. 276
Schedule of Accumulated Surplus
For the year ended December 31, 2020

Schedule 8

	2019	Changes	2020
Unappropriated Surplus	<u>1,682,332</u>	<u>186,598</u>	<u>1,868,930</u>
Appropriated Surplus			
Machinery and equipment			
Machinery and equipment	<u>1,176,304</u>	<u>(150,891)</u>	<u>1,025,413</u>
Other			
M.E.D.C.	18,950	(13,950)	5,000
Safe Restart	0	21,016	21,016
Municipal Economic Enhancement	<u>0</u>	<u>51,419</u>	<u>51,419</u>
	<u>18,950</u>	<u>58,485</u>	<u>77,435</u>
Total Appropriated	<u>1,195,254</u>	<u>(92,406)</u>	<u>1,102,848</u>
Organized Hamlets			
Hamlet of Tuffnell	<u>8,379</u>	<u>751</u>	<u>9,130</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	3,640,081	1,458,616	5,098,697
Less: Related debt	<u>250,000</u>	<u>176,734</u>	<u>426,734</u>
Net Investment in Tangible Capital Assets	<u>3,390,081</u>	<u>1,281,882</u>	<u>4,671,963</u>
Total Accumulated Surplus	<u>\$ 6,276,046</u>	<u>\$ 1,376,825</u>	<u>\$ 7,652,871</u>

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

R. M. of Foam Lake No. 276
Schedule of Mill Rates and Assessments
For the year ended December 31, 2020

Schedule 9

	Property Class					Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)
Taxable Assessment	158,079,670	14,763,340			15,028,200	187,871,210
Regional Park Assessment						
Total Assessment						187,871,210
Mill Rate Factor(s)	1.00	1.00			1.50	
Total Base/Minimum Tax (generated for each property class)		7,100				7,100
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	1,264,637	125,129			180,338	1,570,104
Mill Rates:	Mills					
Average Municipal*	8.3573					
Average School*	2.0300					
Potash Mill Rate						
Uniform Municipal Mill Rate	8.0000					

*Average Mill Rates (multiply the total tax levy for each taxing authority by 1,000 and divide by the total assessment for the taxing authority).

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

R. M. of Foam Lake No. 276
Schedule of Council Remuneration
For the year ended December 31, 2020

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Ken Kaban	4,953	1,535	6,488
Rachel Bachinski	2,625	2,874	5,499
Grant Faye	2,863	469	3,332
Richard Paley	2,517	320	2,837
Jane Karakochuk	3,340	663	4,003
Rodney McLean	1,900	277	2,177
Sheldon Markusson	2,368	103	2,471
Ashley Chaikowski	450		450
Larry Fedak	450	30	480
	<u> </u>	<u> </u>	<u> </u>
	\$ 21,466	\$ 6,271	\$ 27,737

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