

Village of Fosston

FINANCIAL STATEMENTS

Year Ended December 31, 2020

Village of Fosston

Fosston, 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.



Mayor

per 

Administrator Valerie Bjerkland

Independent Auditors' Report

To the Council
Village of Fosston

Opinion

We have audited the financial statements of Village of Fosston, (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 flow for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the 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
June 29, 2021

Village of Fosston
Fosston, Saskatchewan
Statement of Financial Position as at December 31, 2020

Statement 1

	2020	2019 (Note 10)
Assets		
Financial Assets		
Cash and temporary investments - note 2	67,296	59,902
Taxes receivable - municipal - note 3	2,756	7,327
Other accounts receivable - note 4	2,950	2,540
Long-term investments - note 6	12,391	12,391
Total Financial Assets	<u>85,393</u>	<u>82,160</u>
Liabilities		
Accounts payable	1,503	9,248
Accrued liabilities payable	1,100	
Deferred revenue - note 7	28,541	21,139
Total Liabilities	<u>31,144</u>	<u>30,387</u>
Net Financial Assets	<u>54,249</u>	<u>51,773</u>
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	51,230	54,675
Prepayments and deferred charges	2,245	2,245
Total Non-Financial Assets	<u>53,475</u>	<u>56,920</u>
Accumulated Surplus - schedule 8	<u>\$ 107,724</u>	<u>\$ 108,693</u>

Approved on behalf of the council:

Mayor

Councillor

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

Village of Fosston
Statement of Operations
For the year ended December 31, 2020

Statement 2

	2020 Budget [Note 1(q)]	2020 Actual	2019 Actual (Note 10)
Revenues			
Taxes and other unconditional revenue - schedule 1	56,435	56,383	54,500
Fees and charges - schedules 4 and 5	19,800	19,521	21,617
Tangible capital asset sales - gain - schedules 4 and 5			500
Land sales - gain - schedules 4 and 5	2,000		4,000
Investment income and commissions - schedules 4 and 5	400	355	666
Total Revenue	<u>78,635</u>	<u>76,259</u>	<u>81,283</u>
Expenses - schedule 3			
General government services	35,375	40,604	40,659
Protective services		2,782	2,648
Transportation services	7,500	9,335	7,554
Environmental and public health services	11,150	9,849	11,361
Planning and development services		1,432	
Recreation and cultural services	4,000	4,693	4,535
Utilities services	13,500	12,512	16,821
Total Expenses	<u>71,525</u>	<u>81,207</u>	<u>83,578</u>
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	7,110	(4,948)	(2,295)
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	4,800	3,979	0
Surplus (Deficit) of Revenue over Expenses	11,910	(969)	(2,295)
Accumulated Surplus, Beginning of Year	<u>108,693</u>	<u>108,693</u>	<u>110,988</u>
Accumulated Surplus, End of Year	<u>\$ 120,603</u>	<u>\$ 107,724</u>	<u>\$ 108,693</u>

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

Village of Fosston
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 (Note 10)
Surplus (Deficit)	<u>11,910</u>	<u>(969)</u>	<u>(2,295)</u>
Amortization of tangible capital assets		3,445	3,440
Proceeds on disposal of tangible capital assets			4,500
Loss (gain) on the disposal of tangible capital assets	<u>(2,000)</u>	<u> </u>	<u>(4,500)</u>
Surplus (Deficit) of Capital Expenses over Expenditures	<u>(2,000)</u>	<u>3,445</u>	<u>3,440</u>
(Acquisition) of prepaid expense		(2,245)	(2,245)
Use of prepaid expense	<u> </u>	<u>2,245</u>	<u>2,174</u>
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>0</u>	<u>(71)</u>
Increase in Net Financial Assets	9,910	2,476	1,074
Net Financial Assets, beginning of year	<u>51,773</u>	<u>51,773</u>	<u>50,699</u>
Net Financial Assets, End of Year	<u>\$ 61,683</u>	<u>\$ 54,249</u>	<u>\$ 51,773</u>

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

Village of Fosston
Statement of Cash Flow
For the year ended December 31, 2020

Statement 4

	2020	2019 (Note 10)
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus (Deficit)	(969)	(2,295)
Amortization	3,445	3,440
Loss (gain) on disposal of tangible capital assets	<u>2,476</u>	<u>(4,500)</u>
		(3,355)
Change in Assets/Liabilities		
Taxes receivable - municipal	4,570	4,961
Other receivables	(410)	1,647
Accounts payable and accrued liabilities	(6,645)	5,533
Deferred revenue	7,403	6,547
Prepayments and deferred charges	<u>(71)</u>	<u>(71)</u>
Cash Provided by Operating Transactions	<u>7,394</u>	<u>15,262</u>
Capital:		
Proceeds from the disposal of capital assets	<u>0</u>	<u>4,500</u>
Change in Cash and Temporary Investments During the Year	7,394	19,762
Cash and temporary investments, beginning of year	<u>59,902</u>	<u>40,140</u>
Cash and Temporary Investments, End of Year	<u>\$ 67,296</u>	<u>\$ 59,902</u>

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

Village of Fosston
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies

The financial statements of the municipality are prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the municipality 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) Reporting entity

The financial statements consolidate the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the council for the administration of their financial affairs and resources.

(c) Collection of funds for other authorities

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

(d) 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.

(e) 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.

Village of Fosston
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(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) Tangible capital assets

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

General Assets

Buildings	40 years
Machinery and equipment	10 years
Linear assets	75 years

(i) 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.

(j) Works of art and other unrecognized assets

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

(k) Capitalization of interest

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

Village of Fosston
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(l) Leases

All leases are recorded on the financial statement as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risk associated with the leased asset is classified as capital leases and recorded as tangible capital assets. 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.

Utility revenue is recognized in the period in which the service has been provided.

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.

Village of Fosston
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 June 30, 2020.

(r) 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:

- (i) An environmental standard exists;
- (ii) Contamination exceeds the environmental standard;
- (iii) The municipality:
 - a) Is directly responsible; or
 - b) Accepts responsibility;
- (iv) It is expected that future economic benefits will be given up; and
- (v) A reasonable estimate of the amount can be made.

Village of Fosston
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(s) New standards and amendments to standards

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

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

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

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

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

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

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.

Village of Fosston
Notes to Financial Statements
For the year ended December 31, 2020

	2020	2019
2. Cash and Temporary Investments		
Cash	\$ 67,296	\$ 59,902
Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less.		
	2020	2019
3. Taxes and Grants In Lieu Receivable		
Municipal	25,826	24,527
	<u>25,826</u>	<u>24,527</u>
Less: Allowance for uncollectibles	23,070	17,200
Total municipal taxes receivable	<u>2,756</u>	<u>7,327</u>
School	2,917	3,128
Total school taxes receivable	<u>2,917</u>	<u>3,128</u>
Total taxes and grants in lieu receivable	5,673	10,455
Less: Taxes receivable to be collected on behalf of other organizations	<u>2,917</u>	<u>3,128</u>
Municipal and Grants In Lieu Taxes Receivable	<u>\$ 2,756</u>	<u>\$ 7,327</u>
4. Other Accounts Receivable		
Provincial government	177	400
Utility	2,449	801
Trade	<u>1,244</u>	<u>1,339</u>
Total other accounts receivable	3,870	2,540
Less: Allowance for uncollectibles	<u>920</u>	<u>0</u>
Net Other Accounts Receivable	<u>\$ 2,950</u>	<u>\$ 2,540</u>
5. Land for Resale		
Tax title property	21,719	21,719
Less: Allowance for market value adjustment	<u>21,719</u>	<u>21,719</u>
Total Land for Resale	<u>\$ 0</u>	<u>\$ 0</u>
6. Long-Term Investments		
Portfolio investments - maturing between February 26, 2021 - February 25, 2025 with interest rates between 2% and 2.75%	<u>\$ 12,391</u>	<u>\$ 12,391</u>

Village of Fosston
Notes to Financial Statements
For the year ended December 31, 2020

	2020	2019
7. Deferred Revenue		
Unspent Gas Tax Funding	25,121	21,139
Unspent Municipal Economic Enhancement Program Funding	2,489	
Unspent Sask. Lotteries Grant	931	
	<u>\$ 28,541</u>	<u>\$ 21,139</u>

8. Long-Term Debt

The debt limit of the municipality for 2021 is \$56,505. 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).

9. 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	\$ 859	\$ 1,313
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As per the most recently audited financial statements dated December 31, 2019, the plan surplus is \$658,468,000.

Village of Fosston
Notes to Financial Statements
For the year ended December 31, 2020

10. Comparative Figures

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

11. 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.

Village of Fosston

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 (Note 10)
Taxes			
General municipal tax levy	45,000	38,456	38,641
Discount on current year taxes	(800)	(1,827)	(1,507)
Net municipal taxes	<u>44,200</u>	<u>36,629</u>	<u>37,134</u>
Penalties on tax arrears	<u> </u>	<u>2,433</u>	<u>3,076</u>
Total Taxes	<u>44,200</u>	<u>39,062</u>	<u>40,210</u>
Unconditional Grants			
Equalization (revenue sharing)	12,213	12,213	11,207
Safe Restart Program	<u> </u>	<u>2,684</u>	<u> </u>
Total Unconditional Grants	<u>12,213</u>	<u>14,897</u>	<u>11,207</u>
Grants In Lieu of Taxes			
Provincial			
Other	22	589	589
S.P.C. surcharge	<u> </u>	<u>1,835</u>	<u>2,494</u>
Total Grants In Lieu of Taxes	<u>22</u>	<u>2,424</u>	<u>3,083</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 56,435</u>	<u>\$ 56,383</u>	<u>\$ 54,500</u>

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

Village of Fosston

Schedule 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 (Note 10)
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of gravel supplies			311
Rentals	2,700	2,850	2,981
Fee #1			931
Other	1,000		530
Total Fees and Charges	<u>3,700</u>	<u>2,850</u>	<u>4,753</u>
Land sales - gain	2,000		4,000
Investment income and commissions	400	355	666
Total Other Segmented Revenue	<u>6,100</u>	<u>3,205</u>	<u>9,419</u>
Total General Government Services	<u>\$ 6,100</u>	<u>\$ 3,205</u>	<u>\$ 9,419</u>
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	1,000	440	413
Total Other Segmented Revenue	<u>1,000</u>	<u>440</u>	<u>413</u>
Total Transportation Services	<u>\$ 1,000</u>	<u>\$ 440</u>	<u>\$ 413</u>
Environmental and Public Health Services			
Capital			
Conditional Grants			
Municipal Economic Enhancement Program		3,979	
Total Capital	<u>0</u>	<u>3,979</u>	<u>0</u>
Total Environmental and Public Health Services	<u>\$ 0</u>	<u>\$ 3,979</u>	<u>\$ 0</u>
Recreation and Cultural Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Rentals		1,090	3,050
Tangible capital asset proceeds			500
Total Other Segmented Revenue	<u>0</u>	<u>1,090</u>	<u>3,550</u>
Total Recreation and Cultural Services	<u>\$ 0</u>	<u>\$ 1,090</u>	<u>\$ 3,550</u>

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

Village of Fosston

Schedule 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 (Note 10)
Utility Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Water	15,000	15,135	13,380
Sewer	100	6	21
Total Fees and Charges	<u>15,100</u>	<u>15,141</u>	<u>13,401</u>
Total Other Segmented Revenue	<u>15,100</u>	<u>15,141</u>	<u>13,401</u>
Total Operating	<u>15,100</u>	<u>15,141</u>	<u>13,401</u>
Capital			
Conditional Grants			
New Deal funding	4,800		
Total Capital	<u>4,800</u>	<u>0</u>	<u>0</u>
Total Utility Services	<u>\$ 19,900</u>	<u>\$ 15,141</u>	<u>\$ 13,401</u>
Total Operating and Capital Revenue by Function	<u>\$ 27,000</u>	<u>\$ 23,855</u>	<u>\$ 26,783</u>
Summary			
Total Other Segmented Revenue	22,200	19,876	26,783
Total Capital Grants and Contributions	<u>4,800</u>	<u>3,979</u>	<u>0</u>
Total Operating and Capital Revenue by Function	<u>\$ 27,000</u>	<u>\$ 23,855</u>	<u>\$ 26,783</u>

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Village of Fosston
Total Expenses by Function
For the year ended December 31, 2020

Schedule 3-1

	2020 Budget [Note 1(q)]	2020 Actual	2019 Actual (Note 10)
General Government Services			
Council remuneration and travel	3,000	2,280	2,280
Wages and benefits	14,400	11,655	17,343
Professional/Contractual services	1,625	1,563	1,601
Contractual services - other	10,750	9,468	9,130
Utilities	3,600	3,366	3,723
Maintenance, materials and supplies	500	925	381
Amortization		1,236	1,236
Insurance		2,821	2,265
Allowance for uncollectibles		6,790	1,200
Other	1,500	500	1,500
Total General Government Services	<u>\$ 35,375</u>	<u>\$ 40,604</u>	<u>\$ 40,659</u>
Protective Services			
Police protection			
Professional/Contractual services		2,167	2,092
Fire protection			
Professional/Contractual services		615	556
Total Protective Services	<u>\$ 0</u>	<u>\$ 2,782</u>	<u>\$ 2,648</u>
Transportation Services			
Professional/Contractual services	4,500	5,291	2,575
Utilities	3,000	2,587	2,832
Machinery costs/fuel/blades		1,241	1,931
Amortization		216	216
Total Transportation Services	<u>\$ 7,500</u>	<u>\$ 9,335</u>	<u>\$ 7,554</u>
Environmental and Public Health Services			
Professional/Contractual services	\$ 11,150	\$ 9,849	\$ 11,361
Planning and Development Services			
Maintenance, materials and supplies	\$	\$ 1,432	\$
Recreation and Cultural Services			
Utilities	3,400	4,088	3,941
Libraries	600	605	594
Total Recreation and Cultural Services	<u>\$ 4,000</u>	<u>\$ 4,693</u>	<u>\$ 4,535</u>
Utility Services			
Professional/Contractual services	9,500	6,574	9,479
Utilities	3,000	2,753	2,546
Maintenance, materials and supplies	1,000	1,192	2,808
Amortization		1,993	1,988
Total Utility Services	<u>\$ 13,500</u>	<u>\$ 12,512</u>	<u>\$ 16,821</u>
Total Expenses by Function	<u>\$ 71,525</u>	<u>\$ 81,207</u>	<u>\$ 83,578</u>

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part of these financial statements.*

Village of Fosston

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	2,850		440			1,090	15,141	19,521
Investment income and commissions	355							355
Grants - capital				3,979				3,979
Total Revenues	<u>3,205</u>	<u>0</u>	<u>440</u>	<u>3,979</u>	<u>0</u>	<u>1,090</u>	<u>15,141</u>	<u>23,855</u>
Expenses - schedule 3								
Wages and benefits	11,655							11,655
Professional/contractual services	13,311	2,782	5,291	9,849			6,574	37,807
Utilities	3,366		2,587			4,088	2,753	12,794
Maintenance materials and supplies	925				1,432		1,192	3,549
Machinery costs/fuel/blades			1,241					1,241
Amortization	1,236		216				1,993	3,445
Insurance	2,821							2,821
Libraries						605		605
Allowance for uncollectibles	6,790							6,790
Other	500							500
Total Expenses	<u>40,604</u>	<u>2,782</u>	<u>9,335</u>	<u>9,849</u>	<u>1,432</u>	<u>4,693</u>	<u>12,512</u>	<u>81,207</u>
Surplus (Deficit) by Function	<u>\$(37,399)</u>	<u>\$(2,782)</u>	<u>\$(8,895)</u>	<u>\$(5,870)</u>	<u>\$(1,432)</u>	<u>\$(3,603)</u>	<u>\$ 2,629</u>	<u>(57,352)</u>
Taxation and other unconditional revenue - schedule 1								<u>56,383</u>
Net Surplus (Deficit)								<u>\$(969)</u>

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part of these financial statements.*

Village of Fosston

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	4,753		413			3,050	13,401	21,617
Tangible capital asset sales - gain						500		500
Land sales - gain	4,000							4,000
Investment income and commissions	666							666
Total Revenues	9,419	0	413	0	0	3,550	13,401	26,783
Expenses - schedule 3								
Wages and benefits	17,343							17,343
Professional/contractual services	13,011	2,648	2,575	11,361			9,479	39,074
Utilities	3,723		2,832			3,941	2,546	13,042
Maintenance materials and supplies	381						2,808	3,189
Machinery costs/fuel/blades			1,931					1,931
Amortization	1,236		216				1,988	3,440
Insurance	2,265							2,265
Libraries						594		594
Allowance for uncollectibles	1,200							1,200
Other	1,500							1,500
Total Expenses	40,659	2,648	7,554	11,361	0	4,535	16,821	83,578
Surplus (Deficit) by Function	<u>\$(31,240)</u>	<u>\$(2,648)</u>	<u>\$(7,141)</u>	<u>\$(11,361)</u>	<u>\$ 0</u>	<u>\$(985)</u>	<u>\$(3,420)</u>	<u>(56,795)</u>
Taxation and other unconditional revenue - schedule 1								<u>54,500</u>
Net Surplus (Deficit)								<u>\$(2,295)</u>

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part of these financial statements.*

Village of Fosston
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	0	0	171,206	0	18,341	73,835	0	263,382	263,382
Closing Asset Costs	0	0	171,206	0	18,341	73,835	0	263,382	263,382
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	0	0	158,243	0	17,909	32,555	0	208,707	205,267
Add: Amortization taken			1,780		216	1,449		3,445	3,440
Closing Accumulated Amortization Costs	0	0	160,023	0	18,125	34,004	0	212,152	208,707
Net Book Value	\$ 0	\$ 0	\$ 11,183	\$ 0	\$ 216	\$ 39,831	\$ 0	\$ 51,230	\$ 54,675

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

Village of Fosston
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	49,427	0	16,392	0	0	100,000	97,563	263,382	263,382
Closing Asset Costs	49,427	0	16,392	0	0	100,000	97,563	263,382	263,382
Accumulated Amortization Cost									
Opening Accumulated Amortization costs	45,722	0	15,960	0	0	100,000	47,025	208,707	205,267
Add: Amortization taken	1,236		216				1,993	3,445	3,440
Closing Accumulated Amortization Costs	46,958	0	16,176	0	0	100,000	49,018	212,152	208,707
Net Book Value	\$ 2,469	\$ 0	\$ 216	\$ 0	\$ 0	\$ 0	\$ 48,545	\$ 51,230	\$ 54,675

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part of these financial statements.*

Village of Fosston
Schedule of Accumulated Surplus
For the year ended December 31, 2020

Schedule 8

	2019	Changes	2020
Unappropriated Surplus	<u>54,018</u>	<u>2,476</u>	<u>56,494</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	<u>54,675</u>	<u>(3,445)</u>	<u>51,230</u>
Net Investment in Tangible Capital Assets	<u>54,675</u>	<u>(3,445)</u>	<u>51,230</u>
Total Accumulated Surplus	<u>\$ 108,693</u>	<u>\$ (969)</u>	<u>\$ 107,724</u>

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part of these financial statements.*

Village of Fosston

Schedule of Mill Rates and Assessments
For the year ended December 31, 2020

Schedule 9

	Property Class					Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	
Taxable Assessment	60,940	1,512,000			68,800	1,641,740
Regional Park Assessment						
Total Assessment						1,641,740
Mill Rate Factor(s)	1	1			1.0000	
Total Base/Minimum Tax (generated for each property class)	1,985	24,585			2,100	28,670
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	2,332	33,533			2,591	38,456
Mill Rates:	Mills					
Average Municipal*	23.4239					
Average School*	4.1216					
Potash Mill Rate						
Uniform Municipal Mill Rate	6.0000					

*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.

Village of Fosston
Schedule of Council Remuneration
For the year ended December 31, 2020

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
William Dyck	840		840
Matthew Fedirko	720		720
Warren Line	<u>720</u>	<u></u>	<u>720</u>
	<u>\$ 2,280</u>	<u>\$ 0</u>	<u>\$ 2,280</u>