

**Annual Financial Statements**

**And Supporting Schedules**

**For The**

**Rural Municipality of Heart's Hill No. 352**

**As at December 31, 2020**

### **Management's Responsibility**

To the Ratepayers of the Rural Municipality of Heart's Hill No. 352:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

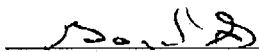
In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records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

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

HRO Chartered Professional Accountants, an independent firm of chartered professional accountants, is appointed by Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and administration to discuss their audit findings.

April 8, 2021

Date



Reeve



Administrator



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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Rural Municipality of Heart's Hill No. 352

### *Opinion*

We have audited the financial statements of Rural Municipality of Heart's Hill No. 352 (the Organization), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

### *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 Organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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LORALIE A. RAICHE, CPA, CA, CFP\*

DALLAN D. OBERG, CPA, CA\*

\*DENOTES A PROFESSIONAL CORPORATION

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ACCOUNTANTS

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization 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.

*HRO*

North Battleford, Saskatchewan  
April 8, 2021

Chartered Professional Accountants

**Rural Municipality of Heart's Hill No. 352**

**Statement of Financial Position**

**As at December 31, 2020**

Statement 1

	2020	2019
<b>FINANCIAL ASSETS</b>		
Cash and Temporary Investments (Note 2)	\$ 8,268,593	\$ 11,839,514
Taxes Receivable - Municipal (Note 3)	530,804	37,306
Other Accounts Receivable (Note 4)	262,974	42,916
Land for Resale		
Long-term Investments (Note 5)	86,706	81,891
Debt Charges Recoverable		
Other (Specify)		
<b>Total Financial Assets</b>	<b>9,149,077</b>	<b>12,001,627</b>

**LIABILITIES**

Bank Indebtedness (Note 6)		
Accounts Payable	230,083	232,043
Accrued Liabilities Payable	100,359	115,541
Deposits		
Deferred Revenue		
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities (Note 7)	75,746	79,810
Long-term Debt (Note 8)	4,555,162	5,207,303
Lease Obligations		
<b>Total Liabilities</b>	<b>4,961,350</b>	<b>5,634,697</b>

<b>NET FINANCIAL ASSETS</b>	<b>4,187,727</b>	<b>6,366,930</b>
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**NON-FINANCIAL ASSETS**

Tangible Capital Assets (Schedule 6, 7)	27,616,245	24,633,336
Prepayments and Deferred Charges	3,729	5,503
Stock and Supplies	439,879	455,285
Other		
<b>Total Non-Financial Assets</b>	<b>28,059,853</b>	<b>25,094,124</b>

<b>Accumulated Surplus (Schedule 8)</b>	<b>\$ 32,247,580</b>	<b>\$ 31,461,054</b>
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Rural Municipality of Heart's Hill No. 352

Statement of Operations

As at December 31, 2020

Statement 2

	2020 Budget	2020	2019
<b>Revenues</b>			
Taxes and Other Unconditional Revenue (Schedule 1)	\$ 3,930,445	\$ 3,949,674	\$ 5,847,599
Fees and Charges (Schedule 4, 5)	22,760	23,213	46,874
Conditional Grants (Schedule 4, 5)	6,750	5,644	6,985
Tangible Capital Asset Sales - Gain (loss) (Schedule 4, 5)		7,989	
Land Sales - Gain (Loss) (Schedule 4, 5)	25	1,420	(13,025)
Investment Income and Commissions (Schedule 4, 5)	64,635	67,726	95,728
Restructurings (Schedule 4, 5)			
Other Revenues (Schedule 4, 5)	1,330	51,313	149,705
<b>Total Revenues</b>	<b>4,025,945</b>	<b>4,106,979</b>	<b>6,133,866</b>

<b>Expenses</b>			
General Government Services (Schedule 3)	615,740	66,390	719,227
Protective Services (Schedule 3)	45,530	44,308	45,221
Transportation Services (Schedule 3)	3,129,035	3,056,928	3,435,569
Environmental and Public Health Services (Schedule 3)	175,860	165,250	104,207
Planning and Development Services (Schedule 3)	100	100	100
Recreation and Cultural Services (Schedule 3)	45,360	42,578	46,328
Utility Services (Schedule 3)	2,580	1,563	1,836
Restructurings (Schedule 3)			
<b>Total Expenses</b>	<b>4,014,205</b>	<b>3,377,117</b>	<b>4,352,488</b>

<b>Surplus of Revenues over Expenses before Other Capital Contributions</b>	<b>11,740</b>	<b>729,862</b>	<b>1,781,378</b>
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Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	14,390	56,664	31,872
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<b>Surplus of Revenues over Expenses</b>	<b>\$ 26,130</b>	<b>786,526</b>	<b>1,813,250</b>
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<b>Accumulated Surplus, Beginning of Year</b>		<b>31,461,054</b>	<b>29,647,804</b>
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<b>Accumulated Surplus, End of Year</b>	<b>\$ 32,247,580</b>	<b>\$ 31,461,054</b>	
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**Rural Municipality of Heart's Hill No. 352**  
**Statement of Change in Net Financial Assets**  
**As at December 31, 2020**

Statement 3

	<b>2020 Budget</b>	<b>2020</b>	<b>2019</b>
<b>Surplus (Deficit)</b>	\$ 26,130	\$ 786,526	\$ 1,813,250
(Acquisition) of tangible capital assets	(4,820,270)	(5,085,662)	(182,618)
Amortization of tangible capital assets	2,102,165	2,102,162	2,163,342
Proceeds on disposal of tangible capital assets		10,000	
Loss (gain) on the disposal of tangible capital assets		(9,409)	
Transfer of Assets/Liabilities in Restructuring Transactions			
<b>Surplus (Deficit) of capital revenue over expenditures</b>	<b>(2,718,105)</b>	<b>(2,982,909)</b>	<b>1,980,724</b>
(Acquisition) of supplies inventories	(9,500)	(41,273)	(40,084)
(Acquisition) of prepaid expense	(6,350)	(3,783)	(6,292)
Consumption of supplies inventories	97,990	56,679	67,704
Use of prepaid expense	5,795	5,557	11,556
<b>Surplus (Deficit) of expenses of other non-financial over expenditures</b>	<b>87,935</b>	<b>17,180</b>	<b>32,884</b>
<b>Increase (Decrease) in Net Financial Assets</b>	<b>\$ (2,604,040)</b>	<b>(2,179,203)</b>	<b>3,826,858</b>
<b>Net Financial Assets - Beginning of Year</b>		<b>6,366,930</b>	<b>2,540,072</b>
<b>Net Financial Assets - End of Year</b>		<b>\$ 4,187,727</b>	<b>\$ 6,366,930</b>

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

**Rural Municipality of Heart's Hill No. 352**  
**Statement of Cash Flow**  
**As at December 31, 2020**

Statement 4

	2020	2019
<b>Cash provided by (used for) the following activities</b>		
<b>Operating:</b>		
Surplus	\$ 786,526	\$ 1,813,250
Amortization	2,102,162	2,163,342
Loss (gain) on disposal of tangible capital assets	(9,409)	
	<b>2,879,279</b>	<b>3,976,592</b>
<b>Change in assets/liabilities</b>		
Taxes Receivable - Municipal	(493,498)	(5,849)
Other Receivables	(220,058)	170,702
Land for Resale		28,687
Other Financial Assets		
Accounts and Accrued Liabilities Payable	(17,142)	(71,995)
Deposits		
Deferred Revenue		
Accrued Landfill costs		
Liability for Contaminated Sites		
Other Liabilities	(4,064)	(87,022)
Stock and Supplies for Use	15,406	27,620
Prepayments and Deferred Charges	1,774	5,264
Other (Specify)		
<b>Cash provided by (applied to) operating transactions</b>	<b>2,161,697</b>	<b>4,043,999</b>
<b>Capital:</b>		
Acquisition of Tangible Capital Assets	(5,085,662)	(182,618)
Proceeds From the Disposal of Tangible Capital Assets	10,000	
Other Capital		
<b>Cash provided by (applied to) capital transactions</b>	<b>(5,075,662)</b>	<b>(182,618)</b>
<b>Investing:</b>		
Long-term Investments	(4,815)	(8,062)
Other Investments		
<b>Cash provided by (applied to) investing transactions</b>	<b>(4,815)</b>	<b>(8,062)</b>
<b>Financing:</b>		
Debt Charges Recovered		
Long-term Debt Issued		
Long-term Debt Repaid	(652,141)	(625,592)
Other Financing		
<b>Cash provided by (applied to) financing transactions</b>	<b>(652,141)</b>	<b>(625,592)</b>
<b>Change in Cash and Temporary Investments during the year</b>	<b>(3,570,921)</b>	<b>3,227,727</b>
<b>Cash and Temporary Investments - Beginning of Year</b>	<b>11,839,514</b>	<b>8,611,787</b>
<b>Cash and Temporary Investments - End of Year</b>	<b>\$ 8,268,593</b>	<b>\$ 11,839,514</b>



## Rural Municipality of Heart's Hill No. 352

### Notes to the Financial Statements

As at 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 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 consolidates the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources. Entities included in these financial statements are as follows:

Entity

Rural Municipality of Heart's Hill No. 352

- c) **Collection of Funds for Other Authorities:** Collection of funds by the municipality for the school board and municipal hail are collected and remitted in accordance with relevant legislation.
- 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 the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occur, providing:
  - a) the transfers are authorized;
  - b) any eligibility criteria have been met; and
  - c) reasonable 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.
- f) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- g) **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.
- h) **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.

1. Significant Accounting Policies - continued

- i) **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.
- j) **Property Tax Revenue:** Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by council following the guidance of the Government of Saskatchewan. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.
- k) **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 and Property Insurance Fund are accounted for on the equity basis. The Delta Co-op equity is recorded at cost.
- l) **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 first-in, first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business.
- m) **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. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<b>General Assets</b>	
Land	Indefinite
Land Improvements	15 Yrs
Buildings	40 Yrs
Vehicles and Equipment	
Vehicles	10 Yrs
Machinery and Equipment	8 to 10 Yrs
<b>Infrastructure Assets</b>	
Water and Sewer	40 Yrs
Road Network Assets	15 to 40 Yrs

**Government Contributions:** Government contributions for the acquisition of tangible capital assets are reported as capital revenue and do not reduce the cost of the related asset.

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

**Capitalization of Interest:** The municipality does capitalize interest incurred while a tangible capital asset is under construction.

**Leases:** All leases are recorded on the financial statements as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risk associated with the leased asset is classified as a capital lease and recorded as 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. Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

1. Significant Accounting Policies - continued

- n) **Landfill Liability:** The municipality does not maintain a waste disposal site.
- o) **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.
- p) **Liability for Contaminated Sites:** Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:
  - a) an environmental standard exists;
  - b) contamination exceeds the environmental standard;
  - c) the municipality:
    - i. is directly responsible; or
    - ii. accepts responsibility;
  - d) it is expected that future economic benefits will be given up; and
  - e) a reasonable estimate of the amount can be made.
- q) **Measurement Uncertainty:** The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Taxes receivable and accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

The measurement of materials and supplies are based on estimates of volume and quality. The 'Opening Asset costs' of tangible capital assets have been estimated where actual costs were not available. Amortization is based on the estimated useful lives of tangible capital assets.

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

- r) **Basis of Segmentation/Segment Report:** The municipality has adopted the 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 neighborhood development and sustainability.

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

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

- s) **Land Sales:** Land sales are recognized in the financial statements as revenues in the period in which the contract is signed and the ability to collect is reasonably assured.
- t) **Land for Resale:** Land for resale is recorded at the lower of cost to prepare the land for sale and the market value of the land. Costs to prepare the land for sale include leveling, grading and utility service connections. The land is considered available for sale when all the land preparation is completed.
- u) **Tax Title Property:** Property acquired through the tax enforcement process and temporarily held is recorded at the lesser of the carrying amount (cost equal to the outstanding taxes including any applicable penalties up to the date of acquisition plus any costs necessary to maintain after acquisition) and the net recoverable amount. Impairment losses are not reversed in subsequent years, if net recoverable value subsequently increases.

**1. Significant Accounting Policies - continued**

- v) **Budget Information:** Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on *May 7, 2020*.

- w) **New Standards and Amendments to Standards:**  
**Effective for Fiscal Years Beginning On or After April 1, 2022:**

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

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

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

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

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

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

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

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

**Rural Municipality of Heart's Hill No. 352**

**Notes to the Financial Statements**

**As at December 31, 2020**

**2. Cash and Temporary Investments**

	2020	2019
Cash	\$ 23,454	\$ 51,600
Temporary Investments	445,011	618,697
Restricted Cash	7,800,128	11,169,217
<b>Total Cash and Temporary Investments</b>	<b>\$ 8,268,593</b>	<b>\$ 11,839,514</b>

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

The municipality has set aside funds (restricted cash) to finance future expenditures based upon appropriated reserves (Schedule 8) determined by council; these funds are internally restricted. The reserves are fully funded.

**3. Taxes Receivable - Municipal**

Municipal - Current	\$ 186,608	\$ 339,617
- Arrears	528,903	204,478
	715,511	544,095
- Less Allowance for Uncollectibles	(184,707)	(506,789)
<b>Total Municipal Taxes Receivable</b>	<b>530,804</b>	<b>37,306</b>

School - Current	90,226	105,019
- Arrears	161,917	62,621
<b>Total School Taxes Receivable</b>	<b>252,143</b>	<b>167,640</b>

Other	6,482	5,790
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Total Taxes and Grants in Lieu Receivable 789,429 210,736

Deduct Taxes Receivable to be Collected on Behalf of Other Organizations (258,625) (173,430)

**Total Taxes Receivable - Municipal** \$ 530,804 \$ 37,306

**4. Other Accounts Receivable**

Federal government	\$ 262,974	\$ 41,971
Provincial government		
Local government		
Utility		
Trade		945
Other (Specify)		
<b>Total Other Accounts Receivable</b>	<b>262,974</b>	<b>42,916</b>

Less Allowance for Uncollectibles

**Net Other Accounts Receivable** \$ 262,974 \$ 42,916

# Rural Municipality of Heart's Hill No. 352

## Notes to the Financial Statements

As at December 31, 2020

	2020	2019
<b>5. Long-term Investments</b>		
Sask. Assoc. of Rural Municipalities - Self Insurance Fund	\$ 46,165	\$ 44,157
Sask. Assoc. of Rural Municipalities - Property Insurance Fund	25,129	22,449
Delta Co-operative Association Limited - equity	15,000	14,873
Lloydminster & District Co-op - equity	412	412
<b>Total Long-term Investments</b>	<b>\$ 86,706</b>	<b>\$ 81,891</b>

## 6. Credit Facility Agreement

The municipality has a credit facility agreement with its financial institution that covers its long-term debt facilities referred to in Note 8.

## 7. Other Liabilities

Gravel pit reclamation	\$ 75,746	\$ 79,810
Other (Specify)		
<b>Total Other Liabilities</b>	<b>\$ 75,746</b>	<b>\$ 79,810</b>

The accrued gravel pit reclamation liability has been established for the closure and post-closure of gravel sites. This cost has been allocated over the cubic yards of gravel crushed at these sites and is being accrued at an average rate of \$1.23 per cubic yard and is reduced by reclamation work performed during the year.

## 8. Long-term Debt

a) The debt limit of the municipality is \$5,837,433. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the *Municipalities Act* section 161(1)).

b) Debenture debt to the Municipal Financing Corporation is secured by an assignment of municipal taxes and grants receivable. Annual payments are \$871,662 including interest at 4.25%. The debenture is due July, 2026.

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Total	Prior Year Principal
2020				\$ 651,352
2021	\$ 679,034	\$ 192,628	\$ 871,662	679,034
2022	707,893	163,769	871,662	707,893
2023	737,979	133,683	871,662	737,979
2024	769,343	102,319	871,662	769,343
Thereafter	1,638,167	105,158	1,743,325	1,638,167
<b>Balance</b>	<b>4,532,416</b>	<b>697,557</b>	<b>5,229,973</b>	<b>5,183,768</b>

c) The Macklin Credit Union Ltd. (Macklin & District Health Foundation - Doctor Residence) loan is secured by a first mortgage on specific property. Monthly payments are \$151 including interest at 4.3%. The mortgage is due January, 2021.

Future principal repayments are estimated as follows:

Year	Principal	Interest	Current Total	Prior Year Principal
2020				789
2021	22,746	161	22,907	22,746
<b>Balance</b>	<b>22,746</b>	<b>161</b>	<b>22,907</b>	<b>23,535</b>

<b>Total Long-term Debt</b>	<b>\$ 4,555,162</b>	<b>\$ 697,718</b>	<b>\$ 5,252,880</b>	<b>\$ 5,207,303</b>
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## **Rural Municipality of Heart's Hill No. 352**

### **Notes to the Financial Statements**

**As at December 31, 2020**

#### **9. Contingent Liabilities**

The municipality is contingently liable under terms of the Saskatchewan Association of Rural Municipalities Self-Insurance and Property Insurance Plans for its proportionate share of claims and future claims in excess of the Plans' reserve fund.

The municipality is also contingently liable for the following:

The municipality, along with the Rural Municipality of Eye Hill No. 382 and the Town of Macklin, is contingently liable for the entire outstanding loan balance for the Macklin & District Health Foundation - Doctor Residence loan with the Macklin Credit Union Ltd. Ownership of the property is as follows: Rural Municipality of Heart's Hill No. 352 - 10%, Rural Municipality of Eye Hill No. 382 - 45% and Town of Macklin - 45%. The municipality has reported 10% of the related tangible capital assets and long-term debt in the financial statements. The total loan balance outstanding at December 31, 2020 is \$227,456 (2019 - \$235,350). The loan is in good standing as at December 31, 2020.

#### **10. Pension Plan**

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality's pension expense in 2020 was \$32,676 (2019 - \$36,528). The benefits accrued to the municipality's employees from MEPP are calculated using the following: Pensionable Years of Service, Highest Average Salary, and the plan accrual rate.

#### **11. Comparative Figures**

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

#### **12. Subsequent Events**

Subsequent to year end, taxes receivable from Prospera Energy that had previously been written off as bad debt were collected. Two payments totaling \$504,462.34 were received after year end and the allowance in the year end has been adjusted to reflect the collection.

**Rural Municipality of Heart's Hill No. 352**  
**Schedule of Taxes and Other Unconditional Revenue**  
**As at December 31, 2020**

Schedule 1

	2020 Budget	2020	2019
<b>TAXES</b>			
General municipal tax levy	\$ 3,934,290	\$ 3,934,288	\$ 5,986,412
Abatements and adjustments	(1,500)		
Discount on current year taxes	(189,165)	(184,196)	(279,521)
<b>Net Municipal Taxes</b>	3,743,625	3,750,092	5,706,891
Potash tax share			
Trailer license fees			
Penalties on tax arrears	62,845	61,024	37,218
Special tax levy			
Other (Specify)			
<b>Total Taxes</b>	<b>3,806,470</b>	<b>3,811,116</b>	<b>5,744,109</b>

**UNCONDITIONAL GRANTS**

Revenue Sharing	115,875	115,901	90,322
Safe Restart		14,556	
Organized Hamlet			
<b>Total Unconditional Grants</b>	<b>115,875</b>	<b>130,457</b>	<b>90,322</b>

**GRANTS IN LIEU OF TAXES**

Federal			
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
Central Services			
SaskTel	8,100	8,101	13,168
Other (Specify)			
Local/Other			
Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement			
Other (Specify)			
Other Government Transfers			
S.P.C. Surcharge			
SaskEnergy Surcharge			
Other (Specify)			
<b>Total Grants in Lieu of Taxes</b>	<b>8,100</b>	<b>8,101</b>	<b>13,168</b>

<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<b>\$ 3,930,445</b>	<b>\$ 3,949,674</b>	<b>\$ 5,847,599</b>
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**Rural Municipality of Heart's Hill No. 352**  
**Schedule of Operating and Capital Revenue by Function**  
**As at December 31, 2020**

Schedule 2 - 1

	2020 Budget	2020	2019
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 2,000	\$ 3,049	\$ 2,169
- Sales of supplies	850	727	1,110
- Other (Licenses and permits)	1,000	810	17,734
Total Fees and Charges	3,850	4,586	21,013
- Tangible capital asset sales - gain (loss)		7,999	
- Land sales - gain (loss)	25	1,420	(13,025)
- Investment income and commissions	64,635	67,726	95,728
- Other (SARM STD Benefit & allowances)		49,990	147,596
Total Other Segmented Revenue	68,510	131,721	251,312
Conditional Grants			
- Student Employment			
- Other (CN Row)	1,215		
Total Conditional Grants	1,215		
<b>Total Operating</b>	<b>69,725</b>	<b>131,721</b>	<b>251,312</b>
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other (Specify)			
<b>Total Capital</b>			
<b>Restructuring Revenue (Specify, if any)</b>			
<b>Total General Government Services</b>	<b>69,725</b>	<b>131,721</b>	<b>251,312</b>

**PROTECTIVE SERVICES**

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

**Rural Municipality of Heart's Hill No. 352**  
**Schedule of Operating and Capital Revenue by Function**  
**As at December 31, 2020**

Schedule 2 - 2

	2020 Budget	2020	2019
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work	1,500	650	1,445
- Sales of supplies			
- Road Maintenance and Restoration Agreements	13,040	13,040	12,000
- Frontage			
- Other (Overweight permits)	3,500	3,500	11,600
Total Fees and Charges	18,040	17,190	25,045
- Tangible capital asset sales - gain (loss)		(10)	
- Other (PST refund & other refunds)	1,330	1,323	423
Total Other Segmented Revenue	19,370	18,503	25,468
Conditional Grants			
- RIRG (CTP)			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
<b>Total Operating</b>	19,370	18,503	25,468
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax	14,390	21,594	31,872
- ICIP			
- RIRG (Heavy Haul, CTP, Bridge and Large Culvert)			
- Provincial Disaster Assistance			
- Other (MEEP)		35,070	
<b>Total Capital</b>	14,390	56,664	31,872
<b>Restructuring Revenue (Specify, if any)</b>			
<b>Total Transportation Services</b>	<b>33,760</b>	<b>75,167</b>	<b>57,340</b>

**ENVIRONMENTAL AND PUBLIC HEALTH SERVICES**

<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees			
- Other (Pest control supplies)	750	1,318	649
Total Fees and Charges	750	1,318	649
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	750	1,318	649
Conditional Grants			
- Student Employment			
- TAPD			
- Local government			
- Other (Macklin Health Foundation & Prep)	3,985	4,095	5,436
Total Conditional Grants	3,985	4,095	5,436
<b>Total Operating</b>	4,735	5,413	6,085
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- ICIP			
- TAPD			
- Provincial Disaster Assistance			
- Other (Specify)			
<b>Total Capital</b>			
<b>Restructuring Revenue (Specify, if any)</b>			
<b>Total Environmental and Public Health Services</b>	<b>4,735</b>	<b>5,413</b>	<b>6,085</b>

**Rural Municipality of Heart's Hill No. 352**  
**Schedule of Operating and Capital Revenue by Function**  
**As at December 31, 2020**

Schedule 2 - 3

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

**RECREATION AND CULTURAL SERVICES**

<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Other (Community hall fees)	120	119	167
Total Fees and Charges	120	119	167
- Tangible capital asset sales - gain (loss)			
- Other (Insurance Refund & contributions)			1,686
Total Other Segmented Revenue	120	119	1,853
Conditional Grants			
- Student Employment			
- Local government			
- Other (Sask Lotteries)	1,550	1,549	1,549
Total Conditional Grants	1,550	1,549	1,549
<b>Total Operating</b>	1,670	1,668	3,402
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- ICIP			
- Local government			
- Provincial Disaster Assistance			
- Other (Specify)			
<b>Total Capital</b>			
<b>Restructuring Revenue (Specify, if any)</b>			
<b>Total Recreation and Cultural Services</b>	1,670	1,668	3,402

**Rural Municipality of Heart's Hill No. 352**  
**Schedule of Operating and Capital Revenue by Function**  
**As at December 31, 2020**

Schedule 2 - 4

	2020 Budget	2020	2019
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Water			
- Sewer			
- Other (Specify)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
<b>Total Operating</b>			
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- ICIP			
- New Building Canada Fund (SCF, NRP)			
- Clean Water and Wastewater Fund			
- Provincial Disaster Assistance			
- Other (Specify)			
<b>Total Capital</b>			
<b>Restructuring Revenue (<i>Specify, if any</i>)</b>			
<b>Total Utility Services</b>			
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>\$ 109,890</b>	<b>\$ 213,969</b>	<b>\$ 318,139</b>

**SUMMARY**

Total Other Segmented Revenue	\$ 88,750	\$ 151,661	\$ 279,282
Total Conditional Grants	6,750	5,644	6,985
Total Capital Grants and Contributions	14,390	56,664	31,872
Restructuring Revenue			
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>\$ 109,890</b>	<b>\$ 213,969</b>	<b>\$ 318,139</b>

Rural Municipality of Heart's Hill No. 352

Total Expenses by Function

As at December 31, 2020

Schedule 3 - 1

	2020 Budget	2020	2019
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	\$ 51,660	\$ 44,218	\$ 54,018
Wages and benefits	228,995	226,853	216,311
Professional/Contractual services	85,475	59,362	93,082
Utilities	10,350	10,310	9,628
Maintenance, materials and supplies	6,150	4,258	8,911
Grants and contributions - operating	325	320	320
- capital			
Amortization	7,670	7,670	6,026
Interest			
Allowance for uncollectibles (recovery) (Note 12)	222,115	(286,606)	327,876
Other (Entertainment)	3,000	5	3,055
<b>General Government Services</b>	<b>615,740</b>	<b>66,390</b>	<b>719,227</b>
<b>Restructuring (Specify, if any)</b>			
<b>Total General Government Services</b>	<b>615,740</b>	<b>66,390</b>	<b>719,227</b>

**PROTECTIVE SERVICES**

**Police protection**

Wages and benefits			
Professional/Contractual services	11,470	11,752	11,344
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating	495	495	495
- capital			
Other (Specify)			

**Fire protections**

Wages and benefits			
Professional/Contractual services	310	305	305
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating	33,255	31,756	33,077
- capital			
Amortization			
Interest			
Other (Specify)			

<b>Protective Services</b>	<b>45,530</b>	<b>44,308</b>	<b>45,221</b>
<b>Restructuring (Specify, if any)</b>			
<b>Total Protective Services</b>	<b>45,530</b>	<b>44,308</b>	<b>45,221</b>

**TRANSPORTATION SERVICES**

Wages and benefits	370,215	355,050	413,980
Professional/Contractual Services	223,180	240,465	417,635
Utilities	13,575	13,143	12,922
Maintenance, materials and supplies	143,380	113,366	154,021
Gravel	82,100	38,325	51,092
Grants and contributions - operating			
- capital			
Amortization	2,089,850	2,089,846	2,152,670
Interest	206,735	206,733	233,249
Other (Specify)			

<b>Transportation Services</b>	<b>3,129,035</b>	<b>3,056,928</b>	<b>3,435,569</b>
<b>Restructuring (Specify, if any)</b>			
<b>Total Transportation Services</b>	<b>3,129,035</b>	<b>3,056,928</b>	<b>3,435,569</b>

Rural Municipality of Heart's Hill No. 352

Total Expenses by Function

As at December 31, 2020

Schedule 3 - 2

	2020 Budget	2020	2019
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Wages and benefits			
Professional/Contractual services	23,155	17,836	27,655
Utilities			
Maintenance, materials and supplies	5,890	7,290	3,060
Grants and contributions - operating			
o Waste disposal			
o Public Health	61,620	59,920	55,018
- capital			
o Waste disposal			
o Public Health	82,570	77,566	15,852
Amortization	1,640	1,640	1,640
Interest	985	998	982
Other (Specify)			
<b>Environmental and Public Health Services</b>	175,860	165,250	104,207
<b>Restructuring (Specify, if any)</b>			
<b>Total Environmental and Public Health Services</b>	175,860	165,250	104,207

**PLANNING AND DEVELOPMENT SERVICES**

Wages and benefits			
Professional/Contractual Services	100	100	100
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Other (Specify)			
<b>Planning and Development Services</b>	100	100	100
<b>Restructuring (Specify, if any)</b>			
<b>Total Planning and Development Services</b>	100	100	100

**RECREATION AND CULTURAL SERVICES**

Wages and benefits			
Professional/Contractual services	7,045	5,815	8,614
Utilities	3,100	2,637	3,292
Maintenance, materials and supplies	175	37	
Grants and contributions - operating	24,600	23,649	23,982
- capital	8,000	8,000	8,000
Amortization	2,440	2,440	2,440
Interest			
Allowance for uncollectibles			
Other (Specify)			
<b>Recreation and Cultural Services</b>	45,360	42,578	46,328
<b>Restructuring (Specify, if any)</b>			
<b>Total Recreation and Cultural Services</b>	45,360	42,578	46,328

**Rural Municipality of Heart's Hill No. 352**

**Total Expenses by Function**

**As at December 31, 2020**

Schedule 3 - 3

	2020 Budget	2020	2019
<b>UTILITY SERVICES</b>			
Wages and benefits			
Professional/Contractual services	515	38	10
Utilities	1,350	959	1,260
Maintenance, materials and supplies	150		
Grants and contributions - operating			
- capital			
Amortization	565	566	566
Interest			
Allowance for uncollectibles			
Other (Specify)			
Utility Services	2,580	1,563	1,836
Restructuring ( <i>Specify, if any</i> )			
<b>Total Utility Services</b>	<b>2,580</b>	<b>1,563</b>	<b>1,836</b>
<b>TOTAL EXPENSES BY FUNCTION</b>	<b>\$ 4,014,205</b>	<b>\$ 3,377,117</b>	<b>\$ 4,352,488</b>

**Rural Municipality of Heart's Hill No. 352**  
**Schedule of Segment Disclosure by Function**  
**As at December 31, 2020**

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Cultural	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and Charges	\$ 4,586	\$	\$ 17,190	\$ 1,318	\$	\$ 119	\$	\$ 23,213
Tangible Capital Asset Sales - Gain (loss)	7,999		(10)					7,989
Land Sales - Gain (loss)	1,420							1,420
Investment Income and Commissions	67,726							67,726
Other Revenues	49,990		1,323					51,313
Grants - Conditional				4,095		1,549		5,644
- Capital			56,664					56,664
Restructurings								
<b>Total Revenues</b>	<b>131,721</b>		<b>75,167</b>	<b>5,413</b>		<b>1,668</b>		<b>213,969</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	271,071		355,050					626,121
Professional/ Contractual Services	59,362	12,057	240,465	17,836	100	5,815	38	335,673
Utilities	10,310		13,143			2,637	959	27,049
Maintenance, Materials and Supplies	4,258		151,691	7,290		37		163,276
Grants and Contributions	320	32,251		137,486		31,649		201,706
Amortization	7,670		2,089,846	1,640		2,440	566	2,102,162
Interest			206,733	998				207,731
Allowance for Uncollectibles	(286,606)							(286,606)
Other	5							5
Restructurings								
<b>Total Expenses</b>	<b>66,390</b>	<b>44,308</b>	<b>3,056,928</b>	<b>165,250</b>	<b>100</b>	<b>42,578</b>	<b>1,563</b>	<b>3,377,117</b>
<b>Surplus (Deficit) by Function</b>	<b>\$ 65,331</b>	<b>\$ (44,308)</b>	<b>\$ (2,981,761)</b>	<b>\$ (159,837)</b>	<b>\$ (100)</b>	<b>\$ (40,910)</b>	<b>\$ (1,563)</b>	<b>(3,163,148)</b>

Taxation and Other Unconditional Revenue (Schedule 1) 3,949,674

**Net Surplus** \$ 786,526



**Rural Municipality of Heart's Hill No. 352**  
**Schedule of Segment Disclosure by Function**  
**For the year ended December 31, 2019**

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Cultural	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and Charges	\$ 21,013	\$	\$ 25,045	\$ 649	\$	\$ 167	\$	\$ 46,874
Tangible Capital Asset Sales - Gain								
Land Sales - Gain (loss)	(13,025)							(13,025)
Investment Income and Commissions	95,728							95,728
Other Revenues	147,596		423			1,686		149,705
Grants - Conditional				5,436		1,549		6,985
- Capital			31,872					31,872
Restructurings								
<b>Total Revenues</b>	<b>251,312</b>		<b>57,340</b>	<b>6,085</b>		<b>3,402</b>		<b>318,139</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	270,329		413,980					684,309
Professional/ Contractual Services	93,082	11,649	417,635	27,655	100	8,614	10	558,745
Utilities	9,628		12,922			3,292	1,260	27,102
Maintenance, Materials and Supplies	8,911		205,113	3,060				217,084
Grants and Contributions	320	33,572		70,870		31,982		136,744
Amortization	6,026		2,152,670	1,640		2,440	566	2,163,342
Interest			233,249	982				234,231
Allowance for Uncollectibles	327,876							327,876
Other	3,055							3,055
Restructurings								
<b>Total Expenses</b>	<b>719,227</b>	<b>45,221</b>	<b>3,435,569</b>	<b>104,207</b>	<b>100</b>	<b>46,328</b>	<b>1,836</b>	<b>4,352,488</b>
<b>Surplus (Deficit) by Function</b>	<b>\$ (467,915)</b>	<b>\$ (45,221)</b>	<b>\$ (3,378,229)</b>	<b>\$ (98,122)</b>	<b>\$ (100)</b>	<b>\$ (42,926)</b>	<b>\$ (1,836)</b>	<b>(4,034,349)</b>

Taxation and Other Unconditional Revenue (Schedule 1)

5,847,599

**Net Surplus**

\$ 1,813,250

Rural Municipality of Heart's Hill No. 352  
Schedule of Tangible Capital Assets by Object  
As at December 31, 2020

Schedule 6

		2020						2019		
Assets		General Assets					Infrastructure Assets	General/ Infrastructure		
		Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets	Assets Under Construction	Total	Total
	Asset Cost									
	Opening Asset costs	\$ 37,469		\$ 632,644	\$ 108,362	\$ 2,982,777	\$ 37,836,948		\$ 41,598,200	\$ 41,415,582
	Additions during the year	717					5,084,945		5,085,662	182,618
	Disposals and write-downs during the year	(580)		(13,375)			(944,110)		(958,065)	
Transfers (from) assets under construction										
Transfer of Capital Assets related to restructuring										
Closing Asset Costs	37,606		619,269	108,362	2,982,777	41,977,783		45,725,797	41,598,200	
Amortization										
	Accumulated Amortization Cost									
	Opening Accumulated Amortization Costs			161,483	75,390	1,265,303	15,462,688		16,964,864	14,801,522
	Add: Amortization taken			17,040	4,079	247,249	1,833,794		2,102,162	2,163,342
	Less: Accumulated amortization on disposals			(13,374)			(944,100)		(957,474)	
	Transfer of Capital Assets related to restructuring									
Closing Accumulated Amortization Costs			165,149	79,469	1,512,552	16,352,382		18,109,552	16,964,864	
Net Book Value		\$ 37,606		\$ 454,120	\$ 28,893	\$ 1,470,225	\$ 25,625,401		\$ 27,616,245	\$ 24,633,336

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

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

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

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

Rural Municipality of Heart's Hill No. 352  
Schedule of Tangible Capital Assets by Function  
As at December 31, 2020

Schedule 7

		2020						2019		
		General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Cultural	Water & Sewer	Total	Total
Assets	Asset Cost									
	Opening Asset costs	\$ 287,676		\$ 41,185,748	\$ 28,583		\$ 73,560	\$ 22,633	\$ 41,598,200	\$ 41,415,582
	Additions during the year	270		5,085,392					5,085,662	182,618
	Disposals and write-downs during the year	(13,955)		(944,110)					(958,065)	
	Transfer of Capital Assets related to restructuring									
Closing Asset Costs		273,991		45,327,030	28,583		73,560	22,633	45,725,797	41,598,200
Amortization	Accumulated Amortization Cost									
	Opening Accumulated Amortization Costs	23,738		16,882,134	8,200		37,776	13,016	16,964,864	14,801,522
	Add: Amortization taken	7,670		2,089,846	1,640		2,440	566	2,102,162	2,163,342
	Less: Accumulated amortization on disposals	(13,374)		(944,100)					(957,474)	
	Transfer of Capital Assets related to restructuring									
Closing Accumulated Amortization Costs		18,034		18,027,880	9,840		40,216	13,582	18,109,552	16,964,864
Net Book Value		\$ 255,957		\$ 27,299,150	\$ 18,743		\$ 33,344	\$ 9,051	\$ 27,616,245	\$ 24,633,336

Rural Municipality of Heart's Hill No. 352

Schedule of Accumulated Surplus

As at December 31, 2020

Schedule 8

	2019	Changes	2020
<b>UNAPPROPRIATED SURPLUS</b>	<b>\$ 865,804</b>	<b>\$ 520,565</b>	<b>\$ 1,386,369</b>

**APPROPRIATED RESERVES**

Machinery and Equipment	659,880	48,576	708,456
Public Reserve			
Capital Trust			
Utility			
Other (Future expenditures)	5,594,824	(2,830,366)	2,764,458
Other (Debenture)	1,075,787	32,934	1,108,721
Other (Road construction)	2,567,639	13,584	2,581,223
Other (Gravel T-Fleck)	451,270	148,102	599,372
Other (Construction paving)	795,688	(757,790)	37,898
Other (Unallocated gas tax)	24,129	(24,129)	
<b>Total Appropriated</b>	<b>11,169,217</b>	<b>(3,369,089)</b>	<b>7,800,128</b>

**NET INVESTMENT IN TANGIBLE CAPITAL ASSETS**

Tangible capital assets (Schedule 6, 7)	24,633,336	2,982,909	27,616,245
Less: Related debt	(5,207,303)	652,141	(4,555,162)
<b>Net Investment in Tangible Capital Assets</b>	<b>19,426,033</b>	<b>3,635,050</b>	<b>23,061,083</b>

<b>Total Accumulated Surplus</b>	<b>\$ 31,461,054</b>	<b>\$ 786,526</b>	<b>\$ 32,247,580</b>
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**Rural Municipality of Heart's Hill No. 352**  
**Schedule of Mill Rates and Assessments**  
**As at December 31, 2020**

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
<b>Taxable Assessment</b>	\$ 97,880,685	\$ 2,111,140			\$ 178,438,225		<b>\$ 278,430,050</b>
<b>Regional Park Assessment</b>							
<b>Total Assessment</b>							<b>278,430,050</b>
<b>Mill Rate Factor(s)</b>	0.5750	0.9000			2.4300		
<b>Total Base/Minimum Tax</b> (generated for each property class)							
<b>Total Municipal Tax Levy</b> (include base and/or minimum tax and special levies)	\$ 450,251	\$ 15,200			\$ 3,468,837		<b>\$ 3,934,288</b>

<b>MILL RATES:</b>	<b>MILLS</b>
<b>Average Municipal*</b>	14.1303
<b>Average School*</b>	6.7347
<b>Potash Mill Rate</b>	
<b>Uniform Municipal Mill Rate</b>	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).

**Rural Municipality of Heart's Hill No. 352**  
**Schedule of Council Remuneration**  
**As at December 31, 2020**  
*(Unaudited)*

Schedule 10

<b>Position</b>	<b>Name</b>	<b>Remuneration</b>	<b>Reimbursed Costs</b>	<b>Total</b>
Reeve	Gordon Stang	\$ 4,100	\$ 992	\$ <b>5,092</b>
Councillor	Keith Rumohr	5,425	1,668	<b>7,093</b>
Councillor	David Gette	4,538	1,210	<b>5,748</b>
Councillor	Terrance Kohlman	5,425	1,984	<b>7,409</b>
Councillor	Blaine Thrun	5,600	682	<b>6,282</b>
Councillor	Jerome Kohlman	3,800	1,192	<b>4,992</b>
Councillor	Herb Reichert	5,850	1,219	<b>7,069</b>
<b>Total</b>		<b>\$ 34,738</b>	<b>\$ 8,947</b>	<b>\$ 43,685</b>