

R. M. of Hudson Bay No. 394
CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2020

R. M. of Hudson Bay No. 394

Hudson Bay, Saskatchewan

December 31, 2020

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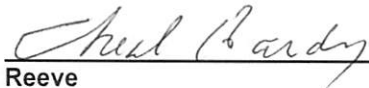
Management's Responsibility

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

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

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

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


Reeve


Administrator

Independent Auditors' Report

To the Council
R. M. of Hudson Bay No. 394

Opinion

We have audited the consolidated financial statements of R. M. of Hudson Bay No. 394, (the municipality), which comprise the consolidated Statement of Financial Position as at December 31, 2020 and the consolidated Statements of Operations, Changes in Net Financial Assets and Cash Flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the municipality as at December 31, 2020, and results of its operations and its consolidated 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 Auditors' Responsibilities for the Audit of the consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We draw attention to note 11 of the financial statements which describes that the comparative figures presented for the year ended December 31, 2019 have been restated.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Baker Tilly SK LLP

Baker Tilly SK LLP

Yorkton, SK
April 13, 2021

R. M. of Hudson Bay No. 394

Hudson Bay, Saskatchewan

Statement 1

Consolidated Statement of Financial Position as at December 31, 2020

	2020	2019 (Note 11)
Assets		
Financial Assets		
Cash and temporary investments - note 2	1,441,864	1,242,141
Taxes receivable - municipal - note 3	90,101	96,887
Other accounts receivable - note 4	20,105	63,615
Land for resale - note 5	30,775	25,884
Long-term investments - note 6	140,124	132,331
Total Financial Assets	<u>1,722,969</u>	<u>1,560,858</u>
Liabilities		
Accounts payable	54,314	57,385
Deferred revenue	7,665	128,701
Total Liabilities	<u>61,979</u>	<u>186,086</u>
Net Financial Assets	<u>1,660,990</u>	<u>1,374,772</u>
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	1,350,375	1,121,949
Prepayments and deferred charges	300	300
Stock and supplies	554,701	517,479
Total Non-Financial Assets	<u>1,905,376</u>	<u>1,639,728</u>
Accumulated Surplus - schedule 8	<u>\$ 3,566,366</u>	<u>\$ 3,014,500</u>

Approved on behalf of the council:

Reeve

Councillor

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

R. M. of Hudson Bay No. 394
Consolidated Statement of Operations
For the year ended December 31, 2020

Statement 2

	2020 Budget [Note 1(t)]	2020 Actual	2019 Actual (Note 11)
Revenues			
Taxes and other unconditional revenue			
- schedule 1	1,771,218	1,826,061	1,748,707
Fees and charges - schedules 4 and 5	150,350	218,613	166,465
Conditional grants - schedules 4 and 5	18,184	14,270	18,895
Tangible capital asset sales - gain			
- schedules 4 and 5		(3,693)	405
Investment income and commissions			
- schedules 4 and 5	25,500	24,793	37,813
Other revenues - schedules 4 and 5		1,081	5,726
Total Revenue	<u>1,965,252</u>	<u>2,081,125</u>	<u>1,978,011</u>
Expenses - schedule 3			
General government services	376,440	369,870	376,105
Protective services	107,365	115,907	110,842
Transportation services	1,190,300	1,015,141	1,125,918
Environmental and public health services	144,000	134,991	293,532
Planning and development services	3,500	34,511	32,774
Recreation and cultural services	219,250	206,965	228,960
Utilities services	30,150	28,090	36,276
Total Expenses	<u>2,071,005</u>	<u>1,905,475</u>	<u>2,204,407</u>
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(105,753)	175,650	(226,396)
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>64,428</u>	<u>376,216</u>	<u>17,796</u>
Surplus (Deficit) of Revenue over Expenses	(41,325)	551,866	(208,600)
Accumulated Surplus, Beginning of Year	<u>3,014,500</u>	<u>3,014,500</u>	<u>3,223,100</u>
Accumulated Surplus, End of Year	<u>\$ 2,973,175</u>	<u>\$ 3,566,366</u>	<u>\$ 3,014,500</u>

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

R. M. of Hudson Bay No. 394Consolidated Statement of Change in Net Financial Assets
For the year ended December 31, 2020

Statement 3

	2020 Budget [Note 1(t)]	2020 Actual	2019 Actual (Note 11)
Surplus (Deficit)	<u>(41,325)</u>	<u>551,866</u>	<u>(208,600)</u>
(Acquisition) of tangible capital assets		(329,297)	(191,100)
Amortization of tangible capital assets	156,048	97,178	156,048
Proceeds on disposal of tangible capital assets			405
Loss (gain) on the disposal of tangible capital assets	<u></u>	<u>3,693</u>	<u>(405)</u>
Surplus (Deficit) of Capital Expenses over Expenditures	<u>156,048</u>	<u>(228,426)</u>	<u>(35,052)</u>
(Acquisition) of supplies inventories		(264,959)	(400,394)
Consumption of supplies inventory	<u></u>	<u>227,737</u>	<u>285,676</u>
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>(37,222)</u>	<u>(114,718)</u>
Increase (Decrease) in Net Financial Assets	114,723	286,218	(358,370)
Net Financial Assets, beginning of year	<u>1,374,772</u>	<u>1,374,772</u>	<u>1,733,142</u>
Net Financial Assets, End of Year	<u>\$ 1,489,495</u>	<u>\$ 1,660,990</u>	<u>\$ 1,374,772</u>

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

R. M. of Hudson Bay No. 394
Consolidated Statement of Cash Flow
For the year ended December 31, 2020

Statement 4

	2020	2019 (Note 11)
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus (Deficit)	551,866	(208,600)
Amortization	97,178	156,048
Loss (gain) on disposal of tangible capital assets	3,693	(405)
	<u>652,737</u>	<u>(52,957)</u>
Change in Assets/Liabilities		
Taxes receivable - municipal	6,786	22,369
Other receivables	43,510	126,201
Land for resale	(4,891)	(17,211)
Accounts payable	(3,072)	46,978
Deferred revenue	(121,036)	120,845
Stock and supplies for use	(37,222)	(114,719)
Cash Provided by Operating Transactions	<u>536,812</u>	<u>131,506</u>
Capital:		
Acquisition of capital assets	(329,297)	(191,100)
Proceeds from the disposal of capital assets		405
Cash Applied to Capital Transactions	<u>(329,297)</u>	<u>(190,695)</u>
Investing:		
Additions to long-term investments	(7,792)	(11,549)
Change in Cash and Temporary Investments During the Year	199,723	(70,738)
Cash and temporary Investments, beginning of year	<u>1,242,141</u>	<u>1,312,879</u>
Cash and Temporary Investments, End of Year	<u>\$ 1,441,864</u>	<u>\$ 1,242,141</u>

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

R. M. of Hudson Bay No. 394
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies

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

(b) Reporting entity

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

Entities included in these consolidated financial statements are as follows:

Entity	Basis of Recording
R.M. #394 Recreation Board	Full consolidation

All inter-organizational transactions and balances have been eliminated.

(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.

R. M. of Hudson Bay No. 394
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(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) Net financial assets

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

(g) Non-financial assets

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

(h) Appropriated reserves

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

(i) Investments

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with maturity dates longer than one year from the date of the Statement of Financial Position have been classified as other long-term investments concurrent with the nature of the investment. The long-term investments in the Saskatchewan Association of Rural Municipalities Self-Insurance Fund are accounted for on the equity basis.

(j) 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 on gravel inventory is determined by the average cost method. Cost on culverts and other inventory are determined by the specific identification method. Net realizable value is the estimated selling price in the ordinary course of business.

R. M. of Hudson Bay No. 394
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(k) Tangible capital assets

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

Assets	Useful Life
General Assets	
Land	indefinite
Land improvements	15 years
Buildings	40 years
Vehicles	10 years
Mobile equipment	6 years
Linear assets	40 years
Infrastructure Assets	
Paving, sidewalks and roadways	40 years

(l) 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.

(m) Works of art

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

(n) Capitalization of interest

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

(o) Leases

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

R. M. of Hudson Bay No. 394
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(p) 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.

(q) Revenue

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

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

(r) Measurement uncertainty

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

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

The opening asset costs of tangible capital assets have been estimated where actual costs were not available.

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

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

R. M. of Hudson Bay No. 394
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(s) 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.

(t) Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on May 12, 2020.

(u) New standards and amendments to standards

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

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

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

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

R. M. of Hudson Bay No. 394
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(u) New standards and amendments to standards - continued

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

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

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

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

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

	2020	2019
2. Cash and Temporary Investments		
Cash	\$ 1,441,864	\$ 1,242,141

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

R. M. of Hudson Bay No. 394
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

	2020	2019
3. Taxes and Grants In Lieu Receivable		
Municipal - current	57,904	71,862
Municipal - arrears	47,155	39,983
	<u>105,059</u>	<u>111,845</u>
Less: Allowance for uncollectibles	14,958	14,958
Total municipal taxes receivable	<u>90,101</u>	<u>96,887</u>
School - current	27,539	33,022
School - arrears	15,620	10,732
Total school taxes receivable	<u>43,159</u>	<u>43,754</u>
Other	2,366	5,942
Total taxes and grants in lieu receivable	135,626	146,583
Less: Taxes receivable to be collected on behalf of other organizations	<u>45,525</u>	<u>49,696</u>
Municipal and Grants In Lieu Taxes Receivable	<u>\$ 90,101</u>	<u>\$ 96,887</u>
4. Other Accounts Receivable		
Provincial government	6,532	9,290
Trade	7,921	15,246
Other	<u>5,652</u>	<u>39,079</u>
Net Other Accounts Receivable	<u>\$ 20,105</u>	<u>\$ 63,615</u>
5. Land for Resale		
Tax title property	<u>\$ 30,775</u>	<u>\$ 25,884</u>
6. Long-Term Investments		
Sask. Assoc. of Rural Municipalities - Self-Insurance Fund	122,731	115,727
Equity in co-operatives	<u>17,393</u>	<u>16,604</u>
	<u>\$ 140,124</u>	<u>\$ 132,331</u>

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

7. Bank Indebtedness

Credit arrangements:

At 2020, the municipality had lines of credit totaling \$300,000, none of which were drawn. The following has been collateralized in connection with this line-of-credit:

- general security agreement

R. M. of Hudson Bay No. 394
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

8. Long-Term Debt

The debt limit of the municipality for 2021 is \$1,241,303. 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 contributory defined benefit pension plan for all of 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 consolidated financial statements. The benefit expense reflected in the consolidated 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	\$ 32,397	\$ 36,064
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As per the most recently audited consolidated financial statements dated December 31, 2019, the plan surplus is \$658,468,000.

10. Contingent Liabilities

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

R. M. of Hudson Bay No. 394
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

11. Comparative Figures

The comparative financial statements have been restated to correct deferred revenue. As a result, the comparative statement of operations for the year ending December 31, 2019 has been restated as follows:

Line Item	As Restated	As Previously Stated	Difference
TS - Capital grants - Gas Tax	17,796	138,692	(120,896)
Adjustment to net income			(120,896)
Balance of accumulated surplus, end of year, as previously stated			<u>3,135,396</u>
Balance of accumulated surplus, end of year, as restated			<u>\$ 3,014,500</u>

The comparative statement of financial position as at December 31, 2019 has been restated as follows:

Line Item	As Restated	As Previously Stated	Difference
Deferred revenue	\$ 128,701	\$ 7,805	\$ 120,896

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

R. M. of Hudson Bay No. 394

Consolidated Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2020

Schedule 1

	2020 Budget [Note 1(t)]	2020 Actual	2019 Actual (Note 11)
Taxes			
General municipal tax levy	1,090,000	1,093,495	1,073,117
Abatements and adjustments	(7,500)	(8,050)	(7,432)
Discount on current year taxes	(87,000)	(88,629)	(86,178)
Net municipal taxes	<u>995,500</u>	<u>996,816</u>	<u>979,507</u>
Penalties on tax arrears	7,500	6,441	7,511
Special tax levy	<u>10,200</u>	<u>10,200</u>	<u>10,200</u>
Total Taxes	<u>1,013,200</u>	<u>1,013,457</u>	<u>997,218</u>
Unconditional Grants			
Equalization (revenue sharing)	319,071	319,132	302,175
Organized hamlet	10,437	10,437	9,766
Safe Restart Saskatchewan	<u> </u>	<u>65,142</u>	<u> </u>
Total Unconditional Grants	<u>329,508</u>	<u>394,711</u>	<u>311,941</u>
Grants in Lieu of Taxes			
Provincial			
Transgas	500	544	500
SPMC - municipal share	1,000	1,023	1,023
SaskTel	1,000	1,000	1,000
Sask Ag & Food	11,010	900	11,010
Local/Other			
Town of Hudson Bay	<u>415,000</u>	<u>414,426</u>	<u>426,015</u>
Total Grants in Lieu of Taxes	<u>428,510</u>	<u>417,893</u>	<u>439,548</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 1,771,218</u>	<u>\$ 1,826,061</u>	<u>\$ 1,748,707</u>

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

R. M. of Hudson Bay No. 394

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-1
For the year ended December 31, 2020

	2020 Budget [Note 1(t)]	2020 Actual	2019 Actual (Note 11)
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of supplies	1,500	1,374	1,432
Other	1,500	2,253	2,398
Total Fees and Charges	3,000	3,627	3,830
Tangible capital asset sales - gain (loss)		(3,693)	
Expense recoveries			4,141
Patronage dividends	1,500	1,081	1,585
Investment income and commissions	25,500	24,793	37,813
Total Other Segmented Revenue	30,000	25,808	47,369
Total General Government Services	\$ 30,000	\$ 25,808	\$ 47,369
Protective Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Policing and fire fees	12,000	10,052	10,558
Total Other Segmented Revenue	12,000	10,052	10,558
Total Protective Services	\$ 12,000	\$ 10,052	\$ 10,558
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	2,500	4,269	3,938
Heavy haul	25,300	25,170	25,300
Sale of supplies	20,000	34,786	13,665
Road maintenance and restoration agreements	80,000	124,547	94,982
Rentals	100		100
Licenses and permits	350	325	325
Total Fees and Charges	128,250	189,097	138,310
Tangible capital asset sales - gain (loss)			405
Total Other Segmented Revenue	128,250	189,097	138,715
Total Operating	128,250	189,097	138,715
Capital			
Conditional Grants			
Gas tax	64,428	217,538	17,796
Municipal Economic Enhancement Program		156,951	
Total Capital	64,428	374,489	17,796
Total Transportation Services	\$ 192,678	\$ 563,586	\$ 156,511

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

R. M. of Hudson Bay No. 394

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-2
For the year ended December 31, 2020

	2020 Budget [Note 1(t)]	2020 Actual	2019 Actual (Note 11)
Environmental and Public Health Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Vet fees	<u>4,000</u>	<u>7,457</u>	<u>4,186</u>
Total Other Segmented Revenue	<u>4,000</u>	<u>7,457</u>	<u>4,186</u>
Conditional Grants			
Pest control	<u>8,700</u>	<u>4,805</u>	<u>9,290</u>
Total Conditional Grants	<u>8,700</u>	<u>4,805</u>	<u>9,290</u>
Total Operating	<u>12,700</u>	<u>12,262</u>	<u>13,476</u>
Capital			
Conditional Grants			
Sask. Water Corporation	<u>0</u>	<u>1,727</u>	<u>0</u>
Total Capital	<u>0</u>	<u>1,727</u>	<u>0</u>
Total Environmental and Public Health Services	<u>\$ 12,700</u>	<u>\$ 13,989</u>	<u>\$ 13,476</u>
Planning and Development Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Licenses and permits	<u>1,600</u>	<u>575</u>	<u>1,725</u>
Total Other Segmented Revenue	<u>1,600</u>	<u>575</u>	<u>1,725</u>
Total Planning and Development Services	<u>\$ 1,600</u>	<u>\$ 575</u>	<u>\$ 1,725</u>

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

R. M. of Hudson Bay No. 394

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-3
For the year ended December 31, 2020

	2020 Budget [Note 1(t)]	2020 Actual	2019 Actual (Note 11)
Recreation and Cultural Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Rentals		7,805	7,856
Total Other Segmented Revenue	<u>0</u>	<u>7,805</u>	<u>7,856</u>
Conditional Grants			
Saskatchewan Lotteries	7,684	7,665	7,805
Celebrate Canada	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>
Total Conditional Grants	<u>9,484</u>	<u>9,465</u>	<u>9,605</u>
Total Recreation and Cultural Services	<u>\$ 9,484</u>	<u>\$ 17,270</u>	<u>\$ 17,461</u>
Total Operating and Capital Revenue by Function	<u>\$ 258,462</u>	<u>\$ 631,280</u>	<u>\$ 247,100</u>
Summary			
Total Other Segmented Revenue	175,850	240,794	210,409
Total Conditional Grants	18,184	14,270	18,895
Total Capital Grants and Contributions	<u>64,428</u>	<u>376,216</u>	<u>17,796</u>
Total Operating and Capital Revenue by Function	<u>\$ 258,462</u>	<u>\$ 631,280</u>	<u>\$ 247,100</u>

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

R. M. of Hudson Bay No. 394

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

Schedule 3-1

	2020 Budget [Note 1(t)]	2020 Actual	2019 Actual (Note 11)
General Government Services			
Council remuneration and travel	26,250	19,321	32,322
Wages and benefits	240,000	230,097	228,790
Professional/Contractual services	65,240	66,071	67,470
Utilities	7,000	7,679	6,649
Maintenance, materials and supplies	26,000	28,955	24,440
Grants and contributions - operating	500	400	450
Amortization		4,772	5,295
Insurance	11,000	11,896	10,099
Interest	450	162	344
Other		517	246
	<u> </u>	<u> </u>	<u> </u>
Total General Government Services	\$ 376,440	\$ 369,870	\$ 376,105
Protective Services			
Police protection			
Professional/Contractual services	51,000	52,596	50,768
Fire protection			
Professional/Contractual services	16,365	14,455	14,097
Grants and contributions - operating	40,000	42,306	39,427
Amortization		6,550	6,550
	<u> </u>	<u> </u>	<u> </u>
Total Protective Services	\$ 107,365	\$ 115,907	\$ 110,842
Transportation Services			
Wages and benefits	504,000	402,634	401,662
Utilities	13,300	12,690	12,664
Maintenance, materials and supplies	34,200	33,446	30,613
Gravel	500,000	354,872	406,577
Machinery costs/fuel/blades	108,800	100,472	106,780
Culverts/drainage	30,000	32,543	32,051
Grants and contributions - operating			65
Amortization		78,484	135,506
	<u> </u>	<u> </u>	<u> </u>
Total Transportation Services	\$ 1,190,300	\$ 1,015,141	\$ 1,125,918

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

R. M. of Hudson Bay No. 394

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

Schedule 3-2

	2020 Budget [Note 1(t)]	2020 Actual	2019 Actual (Note 11)
Environmental and Public Health Services			
Professional/Contractual services	85,000	60,849	234,351
Maintenance, materials and supplies	4,000	2,007	2,998
Grants and contributions - operating	<u>55,000</u>	<u>72,135</u>	<u>56,183</u>
Total Environmental and Public Health Services	\$ 144,000	\$ 134,991	\$ 293,532
Planning and Development Services			
Professional/Contractual services	3,500	4,401	3,406
Grants and contributions - operating		26,712	25,970
Amortization		<u>3,398</u>	<u>3,398</u>
Total Planning and Development Services	\$ 3,500	\$ 34,511	\$ 32,774
Recreation and Cultural Services			
Maintenance, materials and supplies	250	10,218	8,356
Grants and contributions - operating	197,000	174,032	197,455
Amortization			1,325
Libraries	<u>22,000</u>	<u>22,715</u>	<u>21,824</u>
Total Recreation and Cultural Services	\$ 219,250	\$ 206,965	\$ 228,960
Utility Services			
Wages and benefits	6,000	6,000	6,000
Professional/Contractual services	6,150	2,211	8,496
Utilities	10,500	9,368	10,374
Maintenance, materials and supplies	7,500	6,537	7,432
Amortization		<u>3,974</u>	<u>3,974</u>
Total Utility Services	\$ 30,150	\$ 28,090	\$ 36,276
Total Expenses by Function	\$ 2,071,005	\$ 1,905,475	\$ 2,204,407

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

R. M. of Hudson Bay No. 394
Consolidated 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	3,627	10,052	189,097	7,457	575	7,805		218,613
Tangible capital asset sales - gain (loss)	(3,693)							(3,693)
Investment income and commissions	24,793							24,793
Other revenues	1,081							1,081
Grants - conditional				4,805		9,465		14,270
Grants - capital			374,489	1,727				376,216
Total Revenues	25,808	10,052	563,586	13,989	575	17,270	0	631,280
Expenses - schedule 3								
Wages and benefits	230,097		402,634				6,000	638,731
Professional/contractual services	85,392	67,051		60,849	4,401		2,211	219,904
Utilities	7,679		12,690				9,368	29,737
Maintenance materials and supplies	28,955		388,318	2,007		10,218	6,537	436,035
Machinery costs/fuel/blades			100,472					100,472
Culverts/drainage			32,543					32,543
Grants and contributions	400	42,306		72,135	26,712	174,032		315,585
Amortization	4,772	6,550	78,484		3,398		3,974	97,178
Insurance	11,896							11,896
Libraries						22,715		22,715
Interest	162							162
Other	517							517
Total Expenses	369,870	115,907	1,015,141	134,991	34,511	206,965	28,090	1,905,475
Surplus (Deficit) by Function	\$(344,062)	\$(105,855)	\$(451,555)	\$(121,002)	\$(33,936)	\$(189,695)	\$(28,090)	(1,274,195)
Taxation and other unconditional revenue - schedule 1								1,826,061
Net Surplus								\$ 551,866

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

R. M. of Hudson Bay No. 394
Consolidated 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	3,830	10,558	138,310	4,186	1,725	7,856		166,465
Tangible capital asset sales - gain			405					405
Investment income and commissions	37,813							37,813
Other revenues	5,726							5,726
Grants - conditional				9,290		9,605		18,895
Grants - capital			17,796					17,796
Total Revenues	47,369	10,558	156,511	13,476	1,725	17,461	0	247,100
Expenses - schedule 3								
Wages and benefits	228,790		401,662				6,000	636,452
Professional/contractual services	99,792	64,865		234,351	3,406		8,496	410,910
Utilities	6,649		12,664				10,374	29,687
Maintenance materials and supplies	24,440		437,190	2,998		8,356	7,432	480,416
Machinery costs/fuel/blades			106,780					106,780
Culverts/drainage			32,051					32,051
Grants and contributions	450	39,427	65	56,183	25,970	197,455		319,550
Amortization	5,295	6,550	135,506		3,398	1,325	3,974	156,048
Insurance	10,099							10,099
Libraries						21,824		21,824
Interest	344							344
Other	246							246
Total Expenses	376,105	110,842	1,125,918	293,532	32,774	228,960	36,276	2,204,407
Surplus (Deficit) by Function	\$(328,736)	\$(100,284)	\$(969,407)	\$(280,056)	\$(31,049)	\$(211,499)	\$(36,276)	(1,957,307)
Taxation and other unconditional revenue - schedule 1								1,748,707
Net Surplus (Deficit)								\$(208,600)

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

R. M. of Hudson Bay No. 394
Consolidated 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	29,300	19,878	549,353	0	1,143,728	3,182,907	0	4,925,166	4,740,224
Additions during the year			7,328			31,296	290,673	329,297	191,100
Disposals and write-down during the year			(19,306)					(19,306)	(6,158)
Closing Asset Costs	29,300	19,878	537,375	0	1,143,728	3,214,203	290,673	5,235,157	4,925,166
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	0	19,875	335,918	0	1,019,592	2,427,832	0	3,803,217	3,653,326
Add: Amortization taken			13,058		10,045	74,075		97,178	156,048
Less: Accumulated amortization on disposals			15,613					15,613	6,157
Closing Accumulated Amortization Costs	0	19,875	333,363	0	1,029,637	2,501,907	0	3,884,782	3,803,217
Net Book Value	\$ 29,300	\$ 3	\$ 204,012	\$ 0	\$ 114,091	\$ 712,296	\$ 290,673	\$ 1,350,375	\$ 1,121,949

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

R. M. of Hudson Bay No. 394
Consolidated 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	241,325	168,754	4,178,742	0	135,902	26,878	173,565	4,925,166	4,740,224
Additions during the year	7,328		321,969					329,297	191,100
Disposals and write-down during the year							(19,306)	(19,306)	(6,158)
Closing Asset Costs	248,653	168,754	4,500,711	0	135,902	26,878	154,259	5,235,157	4,925,166
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	137,779	65,500	3,379,443	0	90,256	26,874	103,365	3,803,217	3,653,326
Add: Amortization taken	4,772	6,550	78,484		3,398		3,974	97,178	156,048
Less: Accumulated amortization on disposals							15,613	15,613	6,157
Closing Accumulated Amortization Costs	142,551	72,050	3,457,927	0	93,654	26,874	91,726	3,884,782	3,803,217
Net Book Value	\$ 106,102	\$ 96,704	\$ 1,042,784	\$ 0	\$ 42,248	\$ 4	\$ 62,533	\$ 1,350,375	\$ 1,121,949

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

R. M. of Hudson Bay No. 394
Consolidated Schedule of Accumulated Surplus
For the year ended December 31, 2020

Schedule 8

	2019	Changes	2020
Unappropriated Surplus	<u>1,760,375</u>	<u>311,764</u>	<u>2,072,139</u>
Organized Hamlets			
Hamlet of Elbow Lake	57,230	(1,806)	55,424
Hamlet of Erwood	(9,894)	1,694	(8,200)
Hamlet of Little Swan	<u>84,840</u>	<u>11,788</u>	<u>96,628</u>
Total Hamlets	<u>132,176</u>	<u>11,676</u>	<u>143,852</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	<u>1,121,949</u>	<u>228,426</u>	<u>1,350,375</u>
Net Investment in Tangible Capital Assets	<u>1,121,949</u>	<u>228,426</u>	<u>1,350,375</u>
Total Accumulated Surplus	<u>\$ 3,014,500</u>	<u>\$ 551,866</u>	<u>\$ 3,566,366</u>

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

R. M. of Hudson Bay No. 394
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	85,773,590	59,581,485			15,360,200	160,715,275
Less: Subject to minimum tax	<u>2,030,970</u>	<u>5,356,560</u>			<u>37,200</u>	
Net	83,742,620	54,224,925			15,323,000	
Regional Park Assessment						
Total Assessment						160,715,275
Mill Rate Factor(s)	0.9000	1.0000			1.6000	
Total Base/Minimum Tax (generated for each property class)	31,800	89,899			900	122,599
Total Municipal Tax Levy (include base tax and/or minimum tax and special levies)	506,622	431,517			155,356	1,093,495
Mill Rates:	Mills					
Average Municipal*	6.8039					
Average School*	2.8898					
Potash Mill Rate						
Uniform Municipal Mill Rate	6.3000					

*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).

R. M. of Hudson Bay No. 394
Schedule of Council Remuneration
For the year ended December 31, 2020

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Neal Hardy	5,550	5,156	10,706
Allan Hue	2,850	3,109	5,959
Neil Allchin	3,075	5,104	8,179
Rodney Fullerton	1,275	2,898	4,173
Dwaine Bracken	5,025	4,565	9,590
John Hall	1,950	2,937	4,887
Kendall Kowalyk	2,850	3,318	6,168
	<u>22,575</u>	<u>27,087</u>	<u>49,662</u>
	<u>\$ 22,575</u>	<u>\$ 27,087</u>	<u>\$ 49,662</u>