

R. M. of Insinger No. 275

FINANCIAL STATEMENTS

Year Ended December 31, 2020

R. M. of Insinger No. 275

Insinger, Saskatchewan
December 31, 2020

Table of Contents

	Page
Management's Responsibility	1
Independent Auditors' Report	2-3
Statement of Financial Position	4
Statement of Operations	5
Statement of Change in Net Financial Assets	6
Statement of Cash Flow	7
Notes to Financial Statements	8-16
Schedule of Taxes and Other Unconditional Revenue	17
Schedule of Operating and Capital Revenue by Function	18-19
Total Expenses by Function	20-21
Schedule of Segment Disclosure by Function	22-23
Schedule of Tangible Capital Assets by Object	24
Schedule of Tangible Capital Assets by Function	25
Schedule of Accumulated Surplus	26
Schedule of Mill Rates and Assessments	27
Schedule of Council Remuneration	28

Management's Responsibility

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

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

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

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



Reeve



Administrator



Independent Auditors' Report

To the Council
R. M. of Insinger No. 275

Qualified Opinion

We have audited the financial statements of R. M. of Insinger No. 275, (the municipality), which comprise the Statement of Financial Position as at December 31, 2020 and the Statements of Operations, Changes in Net Financial Assets and Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the municipality as at December 31, 2020, and results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The municipality is contingently liable for the landfill closure and post-closure care requirements as defined in accordance with the Environmental Act. These costs include final covering and landscaping of the landfill, pumping the grounds, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The Municipality is unable to determine a reasonable estimate of the liability at this time and, as such, one has not been recorded.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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



Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly SK LLP

Baker Tilly SK LLP

Yorkton, SK
February 10, 2021

R. M. of Insinger No. 275

Insinger, Saskatchewan

Statement 1

Statement of Financial Position as at December 31, 2020

	2020	2019
Assets		
Financial Assets		
Cash and temporary investments - note 2	1,606,809	1,180,643
Taxes receivable - municipal - note 3	41,072	50,144
Other accounts receivable - note 4	90,676	90,976
Land for resale - note 5	4,931	8,307
Long-term investments - note 7	80,019	75,527
Total Financial Assets	<u>1,823,507</u>	<u>1,405,597</u>
Liabilities		
Accounts payable	25,651	36,190
Deferred Grants - note 9	34,863	
Total Liabilities	<u>60,514</u>	<u>36,190</u>
Net Financial Assets	<u>1,762,993</u>	<u>1,369,407</u>
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	4,327,908	4,430,930
Prepayments and deferred charges	78	208
Stock and supplies - note 6	75,313	64,685
Total Non-Financial Assets	<u>4,403,299</u>	<u>4,495,823</u>
Accumulated Surplus - schedule 8	<u>\$ 6,166,292</u>	<u>\$ 5,865,230</u>

Approved on behalf of the council:

Reeve

Councillor

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

R. M. of Insinger No. 275
Statement of Operations
For the year ended December 31, 2020

Statement 2

	2020 Budget [Note 1 (t)]	2020 Actual	2019 Actual
Revenues			
Taxes and other unconditional revenue - schedule 1	1,262,079	1,281,507	1,205,338
Fees and charges - schedules 4 and 5	37,405	59,813	52,567
Conditional grants - schedules 4 and 5	3,400	45,218	8,016
Tangible capital asset sales - gain - schedules 4 and 5			(1,278)
Investment income and commissions - schedules 4 and 5	8,900	9,322	16,281
Total Revenue	<u>1,311,784</u>	<u>1,395,860</u>	<u>1,280,924</u>
Expenses - schedule 3			
General government services	188,671	168,086	176,573
Protective services	26,693	26,565	26,538
Transportation services	1,018,656	867,202	840,442
Environmental and public health services	56,200	68,457	50,824
Planning and development services	4,387	4,387	4,168
Recreation and cultural services	4,550	4,237	4,408
Utilities services	5,510	3,984	4,752
Total Expenses	<u>1,304,667</u>	<u>1,142,918</u>	<u>1,107,705</u>
Surplus of Revenues over Expenses Before Other Capital Contributions	7,117	252,942	173,219
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>66,385</u>	<u>48,120</u>	<u>87,935</u>
Surplus of Revenue over Expenses	73,502	301,062	261,154
Accumulated Surplus, Beginning of Year	<u>5,865,230</u>	<u>5,865,230</u>	<u>5,604,076</u>
Accumulated Surplus, End of Year	<u>\$ 5,938,732</u>	<u>\$ 6,166,292</u>	<u>\$ 5,865,230</u>

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

R. M. of Insinger No. 275
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
Surplus	<u>73,502</u>	<u>301,062</u>	<u>261,154</u>
(Acquisition) of tangible capital assets		(129,701)	(189,405)
Amortization of tangible capital assets		232,723	221,973
Proceeds on disposal of tangible capital assets			16,560
Loss on the disposal of tangible capital assets			<u>1,278</u>
Surplus of Capital Expenses over Expenditures	<u>0</u>	<u>103,022</u>	<u>50,406</u>
(Acquisition) of supplies inventories		(10,628)	(47,626)
(Acquisition) of prepaid expense			(43)
Use of prepaid expense		<u>130</u>	
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>(10,498)</u>	<u>(47,669)</u>
Increase in Net Financial Assets	73,502	393,586	263,891
Net Financial Assets, beginning of year	<u>1,369,407</u>	<u>1,369,407</u>	<u>1,105,516</u>
Net Financial Assets, End of Year	<u>\$ 1,442,909</u>	<u>\$ 1,762,993</u>	<u>\$ 1,369,407</u>

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

R. M. of Insinger No. 275
Statement of Cash Flow
For the year ended December 31, 2020

Statement 4

	2020	2019
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus	301,062	261,154
Amortization	232,723	221,973
Loss on disposal of tangible capital assets	<u>1,278</u>	<u>1,278</u>
	533,785	484,405
Change in Assets/Liabilities		
Taxes receivable - municipal	9,070	13,220
Other receivables	301	(32,066)
Land for resale	3,377	8,845
Accounts payable	(10,539)	7,275
Deferred revenue	34,863	
Stock and supplies for use	(10,628)	(47,628)
Prepayments and deferred charges	<u>130</u>	<u>(43)</u>
Cash Provided by Operating Transactions	<u>560,359</u>	<u>434,008</u>
Capital:		
Acquisition of capital assets	(129,701)	(189,405)
Proceeds from the disposal of capital assets	<u>16,560</u>	<u>16,560</u>
Cash Applied to Capital Transactions	<u>(129,701)</u>	<u>(172,845)</u>
Investing:		
Long-term investments	<u>(4,492)</u>	<u>(6,614)</u>
Change in Cash and Temporary Investments During the Year	426,166	254,549
Cash and temporary investments, beginning of year	<u>1,180,643</u>	<u>926,094</u>
Cash and Temporary Investments, End of Year	<u>\$ 1,606,809</u>	<u>\$ 1,180,643</u>

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

1. Significant Accounting Policies

The financial statements of the municipality have been prepared by management in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies are as follows:

(a) Basis of accounting

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

(b) Collection of funds for other authorities

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

(c) Government transfers

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

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

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

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

(d) Deferred revenue - fees and charges

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

(e) Net financial assets

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

(f) Non-financial assets

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

R. M. of Insinger No. 275
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(g) Appropriated reserves

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

(h) Investments

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

(i) Inventories

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

(j) Tangible capital assets

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

Asset	Useful Life
General Assets	
Land	Indefinite
Land improvements	40 years
Buildings	40 years
Vehicles	10 years
Mobile equipment	10 - 20 years
Linear assets	30 - 40 years
Infrastructure Assets	
Paving, sidewalks and roadways	15 - 30 years

(k) 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.

R. M. of Insinger No. 275
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(l) 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.

(m) Capitalization of interest

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

(n) Leases

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

(o) Landfill liability

The R. M. of Insinger No. 275 no longer maintains a waste disposal site and an environmental assessment has been completed but has yet to be fully decommissioned. The municipality is unable to estimate the remainder of any decommissioning costs as environmental tests will be conducted and it is unpredictable as to what the results may be. No amount has been recorded as an asset or a liability.

(p) 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.

(q) 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.

R. M. of Insinger No. 275
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(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 collectibility 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.

(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 6, 2020.

R. M. of Insinger No. 275
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(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.

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.

R. M. of Insinger No. 275
Notes to Financial Statements
For the year ended December 31, 2020

	2020	2019
2. Cash and Temporary Investments		
Cash	1,589,874	1,163,972
Temporary investments	<u>16,935</u>	<u>16,671</u>
Total Cash and Temporary Investments	<u>\$ 1,606,809</u>	<u>\$ 1,180,643</u>

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

	2020	2019
3. Taxes and Grants In Lieu Receivable		
Municipal - current	31,896	43,903
Municipal - arrears	<u>9,640</u>	<u>6,703</u>
	41,536	50,606
Less: Allowance for uncollectibles	<u>463</u>	<u>463</u>
Total municipal taxes receivable	<u>41,073</u>	<u>50,143</u>
School - current	6,968	9,246
School - arrears	<u>2,051</u>	<u>1,799</u>
Total school taxes receivable	<u>9,019</u>	<u>11,045</u>
Other	<u>1,008</u>	<u>2,007</u>
Total taxes and grants in lieu receivable	51,100	63,195
Less: Taxes receivable to be collected on behalf of other organizations	<u>10,028</u>	<u>13,051</u>
Municipal and Grants In Lieu Taxes Receivable	<u>\$ 41,072</u>	<u>\$ 50,144</u>
4. Other Accounts Receivable		
Provincial government	53,120	52,800
Trade	16,307	13,590
Federal Government	<u>21,249</u>	<u>24,586</u>
Net Other Accounts Receivable	<u>\$ 90,676</u>	<u>\$ 90,976</u>
5. Land for Resale		
Tax title property	30,322	33,951
Less: Allowance for market value adjustment	<u>25,391</u>	<u>25,644</u>
Total Land for Resale	<u>\$ 4,931</u>	<u>\$ 8,307</u>

R. M. of Insinger No. 275
Notes to Financial Statements
For the year ended December 31, 2020

	2020	2019
6. Stock and Supplies		
Stock and supplies are comprised of the following:		
Gravel	64,507	53,233
Culverts	9,622	10,113
Pest control	930	1,190
Maps	<u>254</u>	<u>149</u>
	<u>\$ 75,313</u>	<u>\$ 64,685</u>

7. Long-Term Investments

Sask. Assoc. of Rural Municipalities - Self-Insurance Fund	<u>\$ 80,019</u>	<u>\$ 75,527</u>
--	------------------	------------------

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

8. Bank Indebtedness

Bank indebtedness includes an operating loan amounting to \$500,000 (2019 - \$500,000) and bearing interest at 3.45%.

9. Deferred Revenue

	Balance, Beginning of Year	Plus Amount Received	Less Amount Recognized	Balance, End of Year
Gas Tax		27,878		27,878
Municipal Economic Enhancement		<u>45,274</u>	<u>38,289</u>	<u>6,985</u>
	<u>\$ 0</u>	<u>\$ 73,152</u>	<u>\$ 38,289</u>	<u>\$ 34,863</u>

10. Long-Term Debt

The debt limit of the municipality for 2021 is \$906,261. 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).

R. M. of Insinger No. 275
Notes to Financial Statements
For the year ended December 31, 2020

11. 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 financial statements. The benefit expense reflected in the financial statements is equal to the municipality's contributions for the year.

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

	2020	2019
General members	9.00 %	9.00 %
Designated members	12.00 %	12.50 %

Contributions to the plan during the year were as follows:

Benefit expense	\$ 23,869	\$ 24,017
-----------------	-----------	-----------

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

12. Contingent Liabilities

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

13. Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in an asset and revenue in the future. Significant contractual rights of the municipality are as follows:

- The RM was approved for the Rural Integrated Roads for Growth grant which relates to an ongoing project. The municipality is approved to receive 50% of the eligible costs incurred on or before December 31, 2021 with a total contribution to not exceed \$181,271.00.

14. Budget

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by council on May 8, 2019.

15. Impact of COVID-19

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

16. Commitments

The municipality has committed \$31,670, of which \$14,472 (\$14,472 - 2019) is still owing, to the Sheho Hall Improvements project.

R. M. of Insinger No. 275

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
Taxes			
General municipal tax levy	872,909	873,016	857,222
Abatements and adjustments	(1,000)		(1,006)
Discount on current year taxes	(35,000)	(35,890)	(35,885)
Net municipal taxes	<u>836,909</u>	<u>837,126</u>	<u>820,331</u>
Penalties on tax arrears	<u>3,400</u>	<u>3,103</u>	<u>3,424</u>
Total Taxes	<u>840,309</u>	<u>840,229</u>	<u>823,755</u>
Unconditional Grants			
Equalization (revenue sharing)	408,000	408,717	347,425
Safe Restart		<u>18,791</u>	
Total Unconditional Grants	<u>408,000</u>	<u>427,508</u>	<u>347,425</u>
Grants In Lieu of Taxes			
Federal		194	183
Provincial			
SaskTel		1,799	1,770
Community pasture	13,770		20,428
Sask Environment - Wildlife Lands		<u>11,777</u>	<u>11,777</u>
Total Grants In Lieu of Taxes	<u>13,770</u>	<u>13,770</u>	<u>34,158</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 1,262,079</u>	<u>\$ 1,281,507</u>	<u>\$ 1,205,338</u>

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

R. M. of Insinger No. 275Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2020

Schedule 2-1

	2020 Budget [Note 1 (t)]	2020 Actual	2019 Actual
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of supplies	1,000	1,254	1,108
Rentals	1,525	1,525	1,525
Licenses and permits	2,550	7,401	2,594
Other	850	1,005	708
Total Fees and Charges	5,925	11,185	5,935
Investment income and commissions	8,900	9,322	16,281
Total Other Segmented Revenue	14,825	20,507	22,216
Total General Government Services	\$ 14,825	\$ 20,507	\$ 22,216
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	2,700	4,012	10,605
Sale of supplies	20,200	24,752	18,487
Road maintenance and restoration agreements	7,500	18,784	16,430
Total Fees and Charges	30,400	47,548	45,522
Tangible capital asset sales - gain (loss)			(1,278)
Total Other Segmented Revenue	30,400	47,548	44,244
Municipal Economic Enhancement		38,289	
Total Conditional Grants	0	38,289	0
Total Operating	30,400	85,837	44,244
Capital			
Conditional Grants			
Gas tax	18,585		40,135
Heavy haul	47,800	48,120	47,800
Total Capital	66,385	48,120	87,935
Total Transportation Services	\$ 96,785	\$ 133,957	\$ 132,179

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

R. M. of Insinger No. 275

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

Schedule 2-2

	2020 Budget [Note 1 (t)]	2020 Actual	2019 Actual
Environmental and Public Health Services			
Operating			
Conditional Grants			
Sask. Water Corporation			2,340
SARM - pest control	3,400	6,929	5,676
Total Conditional Grants	<u>3,400</u>	<u>6,929</u>	<u>8,016</u>
Total Environmental and Public Health Services	<u>\$ 3,400</u>	<u>\$ 6,929</u>	<u>\$ 8,016</u>
Utility Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Water	1,080	1,080	1,110
Total Other Segmented Revenue	<u>1,080</u>	<u>1,080</u>	<u>1,110</u>
Total Utility Services	<u>\$ 1,080</u>	<u>\$ 1,080</u>	<u>\$ 1,110</u>
Total Operating and Capital Revenue by Function	<u>\$ 116,090</u>	<u>\$ 162,473</u>	<u>\$ 163,521</u>
Summary			
Total Other Segmented Revenue	46,305	69,135	67,570
Total Conditional Grants	3,400	45,218	8,016
Total Capital Grants and Contributions	<u>66,385</u>	<u>48,120</u>	<u>87,935</u>
Total Operating and Capital Revenue by Function	<u>\$ 116,090</u>	<u>\$ 162,473</u>	<u>\$ 163,521</u>

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

R. M. of Insinger No. 275
Total Expenses by Function
For the year ended December 31, 2020

Schedule 3-1

	2020 Budget [Note 1 (t)]	2020 Actual	2019 Actual
General Government Services			
Council remuneration and travel	34,250	26,445	28,356
Wages and benefits	98,020	89,509	95,910
Professional/Contractual services	39,598	36,681	32,103
Utilities	5,430	4,448	4,408
Maintenance, materials and supplies	6,700	6,725	2,980
Grants and contributions - operating	495	495	495
Amortization	1,378	1,378	1,011
Insurance	2,700	2,326	2,383
Interest	100	79	82
Allowance for uncollectibles			8,845
	<u>188,671</u>	<u>168,086</u>	<u>176,573</u>
Total General Government Services	\$ 188,671	\$ 168,086	\$ 176,573
Protective Services			
Police protection			
Professional/Contractual services	14,800	15,172	14,645
Grants and contributions - operating	200	200	200
Fire protection			
Professional/Contractual services	11,193	11,193	11,193
Grants and contributions - operating	500		500
	<u>26,693</u>	<u>26,565</u>	<u>26,538</u>
Total Protective Services	\$ 26,693	\$ 26,565	\$ 26,538
Transportation Services			
Wages and benefits	278,420	237,875	232,021
Professional/Contractual services	38,300	33,686	28,452
Utilities	8,520	6,764	6,761
Gravel	248,120	213,133	182,936
Maintenance, materials and supplies	211,950	144,193	167,158
Amortization	231,346	231,345	220,962
Other	2,000	206	2,152
	<u>1,018,656</u>	<u>867,202</u>	<u>840,442</u>
Total Transportation Services	\$ 1,018,656	\$ 867,202	\$ 840,442

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

R. M. of Insinger No. 275
Total Expenses by Function
For the year ended December 31, 2020

Schedule 3-2

	2020 Budget [Note 1 (t)]	2020 Actual	2019 Actual
Environmental and Public Health Services			
Professional/Contractual services	53,200	65,779	48,864
Grants and contributions - operating	<u>3,000</u>	<u>2,678</u>	<u>1,960</u>
Total Environmental and Public Health Services	<u>\$ 56,200</u>	<u>\$ 68,457</u>	<u>\$ 50,824</u>
Planning and Development Services			
Professional/Contractual services	<u>\$ 4,387</u>	<u>\$ 4,387</u>	<u>\$ 4,168</u>
Recreation and Cultural Services			
Grants and contributions - operating	250		250
Libraries	<u>4,300</u>	<u>4,237</u>	<u>4,158</u>
Total Recreation and Cultural Services	<u>\$ 4,550</u>	<u>\$ 4,237</u>	<u>\$ 4,408</u>
Utility Services			
Wages and benefits	1,200	1,200	1,200
Professional/Contractual services	550	363	337
Utilities	2,800	1,928	2,182
Maintenance, materials and supplies	<u>960</u>	<u>493</u>	<u>1,033</u>
Total Utility Services	<u>\$ 5,510</u>	<u>\$ 3,984</u>	<u>\$ 4,752</u>
Total Expenses by Function	<u>\$ 1,304,667</u>	<u>\$ 1,142,918</u>	<u>\$ 1,107,705</u>

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

R. M. of Insinger No. 275
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	11,185		47,548				1,080	59,813
Investment income and commissions	9,322							9,322
Grants - conditional			38,289	6,929				45,218
Grants - capital			48,120					48,120
Total Revenues	<u>20,507</u>	<u>0</u>	<u>133,957</u>	<u>6,929</u>	<u>0</u>	<u>0</u>	<u>1,080</u>	<u>162,473</u>
Expenses - schedule 3								
Wages and benefits	89,509		237,875				1,200	328,584
Professional/contractual services	63,126	26,365	33,686	65,779	4,387		363	193,706
Utilities	4,448		6,764				1,928	13,140
Maintenance materials and supplies	6,725		213,133				493	220,351
Machinery costs/fuel/blades			144,193					144,193
Grants and contributions	495	200		2,678				3,373
Amortization	1,378		231,345					232,723
Insurance	2,326							2,326
Libraries						4,237		4,237
Interest	79							79
Other			206					206
Total Expenses	<u>168,086</u>	<u>26,565</u>	<u>867,202</u>	<u>68,457</u>	<u>4,387</u>	<u>4,237</u>	<u>3,984</u>	<u>1,142,918</u>
Surplus (Deficit) by Function	<u>\$ (147,579)</u>	<u>\$ (26,565)</u>	<u>\$ (733,245)</u>	<u>\$ (61,528)</u>	<u>\$ (4,387)</u>	<u>\$ (4,237)</u>	<u>\$ (2,904)</u>	<u>(980,445)</u>
Taxation and other unconditional revenue - schedule 1								<u>1,281,507</u>
Net Surplus								<u>\$ 301,062</u>

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

R. M. of Insinger No. 275
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	5,935		45,522				1,110	52,567
Tangible capital asset sales - gain (loss)			(1,278)					(1,278)
Investment income and commissions	16,281							16,281
Grants - conditional				8,016				8,016
Grants - capital			87,935					87,935
Total Revenues	<u>22,216</u>	<u>0</u>	<u>132,179</u>	<u>8,016</u>	<u>0</u>	<u>0</u>	<u>1,110</u>	<u>163,521</u>
Expenses - schedule 3								
Wages and benefits	95,910		232,021				1,200	329,131
Professional/contractual services	60,459	25,838	28,452	48,864	4,168		337	168,118
Utilities	4,408		6,761				2,182	13,351
Maintenance materials and supplies	2,980		182,936				1,033	186,949
Machinery costs/fuel/blades			167,158					167,158
Grants and contributions	495	700		1,960		250		3,405
Amortization	1,011		220,962					221,973
Insurance	2,383							2,383
Libraries						4,158		4,158
Interest	82							82
Allowance for uncollectibles	8,845							8,845
Other			2,152					2,152
Total Expenses	<u>176,573</u>	<u>26,538</u>	<u>840,442</u>	<u>50,824</u>	<u>4,168</u>	<u>4,408</u>	<u>4,752</u>	<u>1,107,705</u>
Surplus (Deficit) by Function	<u>\$ (154,357)</u>	<u>\$ (26,538)</u>	<u>\$ (708,263)</u>	<u>\$ (42,808)</u>	<u>\$ (4,168)</u>	<u>\$ (4,408)</u>	<u>\$ (3,642)</u>	<u>(944,184)</u>
Taxation and other unconditional revenue - schedule 1								<u>1,205,338</u>
Net Surplus								<u>\$ 261,154</u>

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

R. M. of Insinger No. 275
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
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets		Total
Asset Cost								
Opening Asset Cost	8,421		123,738	126,351	1,051,896	7,873,887		9,184,293
Additions during the year					68,800	5,300	55,601	129,701
Disposals and write-downs during the year					(2,297)			(2,297)
Closing Asset Costs	8,421	0	123,738	126,351	1,118,399	7,879,187	55,601	9,311,697
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs			101,839	6,990	210,619	4,433,915		4,753,363
Add: Amortization taken			1,033	12,635	64,616	154,439		232,723
Less: Accumulated amortization on disposals					2,297			2,297
Closing Accumulated Amortization Costs	0	0	102,872	19,625	272,938	4,588,354	0	4,983,789
Net Book Value	\$ 8,421	\$ 0	\$ 20,866	\$ 106,726	\$ 845,461	\$ 3,290,833	\$ 55,601	\$ 4,327,908

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

R. M. of Insinger No. 275
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	54,831		9,106,462				23,000	9,184,293	9,050,777
Additions during the year			129,701					129,701	189,405
Disposals and write-downs during the year	(2,297)							(2,297)	(55,889)
Closing Asset Costs	<u>52,534</u>	<u>0</u>	<u>9,236,163</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,000</u>	<u>9,311,697</u>	<u>9,184,293</u>
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	37,020		4,693,343				23,000	4,753,363	4,569,441
Add: Amortization taken	1,378		231,345					232,723	221,973
Less: Accumulated amortization on disposals	<u>2,297</u>							<u>2,297</u>	<u>38,051</u>
Closing Accumulated Amortization Costs	<u>36,101</u>	<u>0</u>	<u>4,924,688</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,000</u>	<u>4,983,789</u>	<u>4,753,363</u>
Net Book Value	\$ 16,433	\$ 0	\$ 4,311,475	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,327,908	\$ 4,430,930

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

R. M. of Insinger No. 275
Schedule of Accumulated Surplus
For the year ended December 31, 2020

Schedule 8

	2019	Changes	2020
Unappropriated Surplus	<u>1,306,637</u>	<u>334,084</u>	<u>1,640,721</u>
Appropriated Surplus			
Machinery and equipment			
Equipment	<u>125,934</u>	<u>70,000</u>	<u>195,934</u>
Other			
Other reserves	1,569		1,569
Municipal reserves	<u>160</u>		<u>160</u>
	<u>1,729</u>	<u>0</u>	<u>1,729</u>
Total Appropriated	<u>127,663</u>	<u>70,000</u>	<u>197,663</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	<u>4,430,930</u>	<u>(103,022)</u>	<u>4,327,908</u>
Net Investment in Tangible Capital Assets	<u>4,430,930</u>	<u>(103,022)</u>	<u>4,327,908</u>
Total Accumulated Surplus	<u>\$ 5,865,230</u>	<u>\$ 301,062</u>	<u>\$ 6,166,292</u>

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

R. M. of Insinger No. 275
Schedule of Mill Rates and Assessments
For the year ended December 31, 2020

Schedule 9

	Property Class					
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)
Taxable Assessment	84,173,385	6,105,307			7,835,100	
Regional Park Assessment						
Total Assessment						98,113,792
Mill Rate Factor(s)	0.9200	0.9700			1.8800	
Total Base/Minimum Tax (generated for each property class)						
Total Municipal Tax Levy (include base tax and/or minimum tax and special levies)	689,212	52,707			131,097	
						873,016
Mill Rates:	Mills					
Average Municipal*	8.8980					
Average School*	1.9800					
Potash Mill Rate						
Uniform Municipal Mill Rate	8.9000					

*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 Insinger No. 275
Schedule of Council Remuneration
For the year ended December 31, 2020

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Willy Zuchkan	6,338	2,047	8,385
Matt Roebuck	2,469	316	2,785
Albert Pobereznek	4,000	431	4,431
Bryan Stinka	2,875	200	3,075
Dwayne Kitzan	3,388	550	3,938
Fred Butuk	2,938	406	3,344
Barry Koshman	625	84	709
Angela Hoffman	4,300	934	5,234
	<u>\$ 26,933</u>	<u>\$ 4,968</u>	<u>\$ 31,901</u>