

R. M. of Keys No. 303

FINANCIAL STATEMENTS

Year Ended December 31, 2020

R. M. of Keys No. 303

Canora, 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	8-15
Schedule of Taxes and Other Unconditional Revenue	16
Schedule of Operating and Capital Revenue by Function	17-19
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

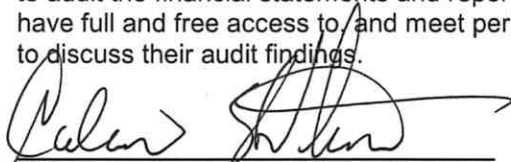
Management's Responsibility

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 Keys No. 303

Qualified Opinion

We have audited the financial statements of R. M. of Keys No. 303, (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 possible 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

Note 1(i) describes the municipality's accounting policy for inventory. The municipality estimated the amount of gravel on hand at year end, the existence of which is not susceptible to satisfactory verification. Accordingly, our verification of these inventories was limited to the amounts recorded in the records of the organization of \$42,130 and we were not able to determine whether any adjustments might be necessary to stock and supplies, surplus of revenue over expenses and accumulated surplus.

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

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

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

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

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



Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly SK LLP

Baker Tilly SK LLP

Yorkton, SK
April 1, 2021

R. M. of Keys No. 303

Canora, Saskatchewan

Statement 1

Statement of Financial Position as at December 31, 2020

	2020	2019
Assets		
Financial Assets		
Cash and temporary investments - note 2	1,710,022	1,262,545
Taxes receivable - municipal - note 3	126,066	144,383
Other accounts receivable - note 4	72,576	87,418
Land for resale - note 5		6,889
Long-term investments - note 6	57,081	53,552
Total Financial Assets	<u>1,965,745</u>	<u>1,554,787</u>
Liabilities		
Accounts payable	1,366	15,336
Deferred revenue - note 8	107,581	
Long-term debt - note 9		79,448
Total Liabilities	<u>108,947</u>	<u>94,784</u>
Net Financial Assets	<u>1,856,798</u>	<u>1,460,003</u>
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	3,213,041	3,374,557
Prepayments and deferred charges	10,859	8,087
Stock and supplies	48,676	6,935
Total Non-Financial Assets	<u>3,272,576</u>	<u>3,389,579</u>
Accumulated Surplus - schedule 8	<u>\$ 5,129,374</u>	<u>\$ 4,849,582</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 Keys No. 303
Statement of Operations
For the year ended December 31, 2020

Statement 2

	2020 Budget [Note 1(r)]	2020 Actual	2019 Actual
Revenues			
Taxes and other unconditional revenue			
- schedule 1	1,472,123	1,506,556	1,602,695
Fees and charges - schedules 4 and 5	66,095	77,940	75,321
Conditional grants - schedules 4 and 5	8,000	27,724	6,895
Investment income and commissions			
- schedules 4 and 5	13,000	17,521	16,209
Total Revenue	<u>1,559,218</u>	<u>1,629,741</u>	<u>1,701,120</u>
Expenses - schedule 3			
General government services	396,278	277,918	324,087
Protective services	59,600	39,890	45,294
Transportation services	914,580	968,474	937,777
Environmental and public health services	53,580	51,226	60,817
Planning and development services	19,000	18,597	17,394
Recreation and cultural services	8,200	5,815	5,950
Utilities services	23,300	19,969	31,842
Total Expenses	<u>1,474,538</u>	<u>1,381,889</u>	<u>1,423,161</u>
Surplus of Revenues over Expenses before Other Capital Contributions	84,680	247,852	277,959
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>114,154</u>	<u>31,940</u>	<u>82,978</u>
Surplus of Revenue over Expenses	198,834	279,792	360,937
Accumulated Surplus, Beginning of Year	<u>4,849,582</u>	<u>4,849,582</u>	<u>4,488,645</u>
Accumulated Surplus, End of Year	<u>\$ 5,048,416</u>	<u>\$ 5,129,374</u>	<u>\$ 4,849,582</u>

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

R. M. of Keys No. 303
Statement of Change in Net Financial Assets
For the year ended December 31, 2020

Statement 3

	2020 Budget [Note 1(r)]	2020 Actual	2019 Actual
Surplus	<u>198,834</u>	<u>279,792</u>	<u>360,937</u>
(Acquisition) of tangible capital assets	(157,160)	(76,922)	(344,550)
Amortization of tangible capital assets	<u> </u>	<u>238,438</u>	<u>216,517</u>
Surplus (Deficit) of Capital Expenses over Expenditures	<u>(157,160)</u>	<u>161,516</u>	<u>(128,033)</u>
(Acquisition) of supplies inventories		(41,738)	
(Acquisition) of prepaid expense		(2,775)	(7,577)
Consumption of supplies inventory	<u> </u>	<u> </u>	<u>9,014</u>
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>(44,513)</u>	<u>1,437</u>
Increase in Net Financial Assets	41,674	396,795	234,341
Net Financial Assets, beginning of year	<u>1,460,003</u>	<u>1,460,003</u>	<u>1,225,662</u>
Net Financial Assets, End of Year	<u>\$ 1,501,677</u>	<u>\$ 1,856,798</u>	<u>\$ 1,460,003</u>

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

R. M. of Keys No. 303

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	279,792	360,937
Amortization	<u>238,438</u>	<u>216,517</u>
	518,230	577,454
Change in Assets/Liabilities		
Taxes receivable - municipal	18,318	6,800
Other receivables	14,841	(38,905)
Land for resale	6,890	(6,890)
Accounts payable	(13,971)	1,107
Utility deposits		(2,843)
Deferred revenue	107,581	
Stock and supplies for use	(41,741)	9,013
Prepayments and deferred charges	<u>(2,772)</u>	<u>(7,577)</u>
Cash Provided by Operating Transactions	607,376	538,159
Capital:		
Acquisition of capital assets	(76,922)	(344,550)
Investing:		
Additions to long-term investments	(3,529)	(5,112)
Financing:		
Long-term debt repaid	<u>(79,448)</u>	<u>(86,664)</u>
Change in Cash and Temporary Investments During the Year	447,477	101,833
Cash and temporary investments, beginning of year	<u>1,262,545</u>	<u>1,160,712</u>
Cash and Temporary Investments, End of Year	<u>\$ 1,710,022</u>	<u>\$ 1,262,545</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.

R. M. of Keys No. 303
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(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.

(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) Stock and Supplies

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:

Assets	Useful Life
General Assets	
Land	indefinite
Land improvements	15 years
Buildings	40 years
Vehicles	10 years
Mobile equipment	10-15 years
Linear assets	35-40 years
Infrastructure Assets	
Paving, sidewalks and roadways	15 years

R. M. of Keys No. 303
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(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.

(l) Capitalization of interest

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

(m) 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.

(n) 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.

(o) Revenue

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

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

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

R. M. of Keys No. 303
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(p) 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.

(q) 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.

(r) Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on June 4, 2020.

R. M. of Keys No. 303
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(s) New standards and amendments to standards

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

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

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

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

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

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

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

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

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

R. M. of Keys No. 303
Notes to Financial Statements
For the year ended December 31, 2020

	2020	2019
2. Cash and Temporary Investments		
Cash	809,830	711,105
Temporary investments	<u>900,192</u>	<u>551,440</u>
Total Cash and Temporary Investments	<u>\$ 1,710,022</u>	<u>\$ 1,262,545</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	54,217	79,496
Municipal - arrears	<u>70,591</u>	<u>64,120</u>
	124,808	143,616
Less: Allowance for uncollectibles	<u>0</u>	<u>0</u>
Total municipal taxes receivable	<u>124,808</u>	<u>143,616</u>
School - current	21,960	25,315
School - arrears	<u>18,071</u>	<u>22,496</u>
Total school taxes receivable	<u>40,031</u>	<u>47,811</u>
Other	<u>3,213</u>	<u>2,723</u>
Total taxes and grants in lieu receivable	168,052	194,150
Less: Taxes receivable to be collected on behalf of other organizations	<u>41,986</u>	<u>49,767</u>
Municipal and Grants In Lieu Taxes Receivable	<u>\$ 126,066</u>	<u>\$ 144,383</u>

4. Other Accounts Receivable		
Provincial government	31,940	41,885
Trade	18,406	11,511
Other	<u>33,741</u>	<u>45,533</u>
Total other accounts receivable	84,087	98,929
Less: Allowance for uncollectibles	<u>11,511</u>	<u>11,511</u>
Net Other Accounts Receivable	<u>\$ 72,576</u>	<u>\$ 87,418</u>

5. Land for Resale		
Tax title property	3,302	10,191
Less: Allowance for market value adjustment	<u>3,302</u>	<u>3,302</u>
Total Land for Resale	<u>\$ 0</u>	<u>\$ 6,889</u>

R. M. of Keys No. 303
Notes to Financial Statements
For the year ended December 31, 2020

	2020	2019
6. Long-Term Investments		
Sask. Assoc. of Rural Municipalities - Self-Insurance Fund	<u>\$ 57,081</u>	<u>\$ 53,552</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

Bank indebtedness includes an operating loan amounting to \$250,000 (2019 - \$250,000) and bearing interest at 2.95%.

8. Deferred Revenue

	Balance, Beginning of Year	Plus Amount Received	Less Amount Recognized	Balance, End of Year
Gas Tax		34,515		34,515
Municipal Economic Enhancements		56,054		56,054
Targeted Sector Support Initiative		15,567		15,567
Donations		<u>1,445</u>		<u>1,445</u>
	<u>\$ 0</u>	<u>\$ 107,581</u>	<u>\$ 0</u>	<u>\$ 107,581</u>

9. Long-Term Debt

- (a) The debt limit of the municipality for 2021 is \$1,178,032. 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).
- (b) Bank loan is repayable to the Affinity Credit Union in monthly instalments of \$7,222, plus interest at a rate of prime, the loan matured and was fully repaid in 2020.

R. M. of Keys No. 303
Notes to Financial Statements
For the year ended December 31, 2020

10. 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	12.50 %	12.50 %

Contributions to the plan during the year were as follows:

Benefit expense	\$ 16,644	\$ 19,936
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As per the most recently audited financial statements dated December 31, 2019, the plan surplus is \$658,468,000.

11. 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.

12. Impact of COVID-19

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

R. M. of Keys No. 303Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2020

Schedule 1

	2020 Budget [Note 1(r)]	2020 Actual	2019 Actual
Taxes			
General municipal tax levy	1,073,691	1,082,973	1,075,872
Abatements and adjustments		(402)	(286)
Discount on current year taxes			(1,114)
Net municipal taxes	<u>1,073,691</u>	<u>1,082,571</u>	<u>1,074,472</u>
Penalties on tax arrears	17,000	18,755	19,608
Special tax levy	<u>30,470</u>	<u>31,003</u>	<u>172,452</u>
Total Taxes	<u>1,121,161</u>	<u>1,132,329</u>	<u>1,266,532</u>
Unconditional Grants			
Equalization (revenue sharing)	329,481	329,481	315,916
Organized hamlet	13,712	13,712	12,478
Safe Restart		<u>23,265</u>	
Total Unconditional Grants	<u>343,193</u>	<u>366,458</u>	<u>328,394</u>
Grants In Lieu of Taxes			
Provincial			
SaskTel	2,013	2,013	2,013
Transgas	142	142	142
Local/Other			
Treaty land entitlement	<u>5,614</u>	<u>5,614</u>	<u>5,614</u>
Total Grants In Lieu of Taxes	<u>7,769</u>	<u>7,769</u>	<u>7,769</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 1,472,123</u>	<u>\$ 1,506,556</u>	<u>\$ 1,602,695</u>

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

R. M. of Keys No. 303Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2020

Schedule 2-1

	2020 Budget [Note 1(r)]	2020 Actual	2019 Actual
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	500	569	428
Sale of supplies	1,600	1,225	1,581
Expense recoveries	17,500	20,407	23,591
Total Fees and Charges	19,600	22,201	25,600
Investment income and commissions	13,000	17,521	16,209
Total Other Segmented Revenue	32,600	39,722	41,809
Total General Government Services	\$ 32,600	\$ 39,722	\$ 41,809
Protective Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Policing and fire fees		4,902	
Total Other Segmented Revenue	0	4,902	0
Total Protective Services	\$ 0	\$ 4,902	\$ 0
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	23,000	17,641	24,621
Sale of supplies	200	387	195
Other	125	136	
Total Fees and Charges	23,325	18,164	24,816
Total Other Segmented Revenue	23,325	18,164	24,816
Conditional Grants			
Saskatchewan Government Insurance		6,458	
Total Conditional Grants	0	6,458	0
Total Operating	23,325	24,622	24,816
Capital			
Conditional Grants			
Gas Tax	23,010		51,078
Heavy haul	35,090	31,940	31,900
Designated/municipal road - bridges	56,054		
Total Capital	114,154	31,940	82,978
Total Transportation Services	\$ 137,479	\$ 56,562	\$ 107,794

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

R. M. of Keys No. 303Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2020

Schedule 2-2

	2020 Budget [Note 1(r)]	2020 Actual	2019 Actual
Environmental and Public Health Services			
Operating			
Conditional Grants			
Farm and Ranch Water Infr.		3,600	
Pest control	8,000	2,311	6,895
Total Conditional Grants	<u>8,000</u>	<u>5,911</u>	<u>6,895</u>
Total Environmental and Public Health Services	<u>\$ 8,000</u>	<u>\$ 5,911</u>	<u>\$ 6,895</u>
Planning and Development Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Licenses and permits		11,121	600
Other		150	
Total Fees and Charges	<u>0</u>	<u>11,271</u>	<u>600</u>
Total Other Segmented Revenue	<u>0</u>	<u>11,271</u>	<u>600</u>
Total Planning and Development Services	<u>\$ 0</u>	<u>\$ 11,271</u>	<u>\$ 600</u>
Recreation and Cultural Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Rentals	1,770	2,230	2,690
Recreation fees	5,650	3,945	5,365
Total Fees and Charges	<u>7,420</u>	<u>6,175</u>	<u>8,055</u>
Total Other Segmented Revenue	<u>7,420</u>	<u>6,175</u>	<u>8,055</u>
Conditional Grants			
Donations		15,355	
Total Conditional Grants	<u>0</u>	<u>15,355</u>	<u>0</u>
Total Recreation and Cultural Services	<u>\$ 7,420</u>	<u>\$ 21,530</u>	<u>\$ 8,055</u>

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

R. M. of Keys No. 303Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2020

Schedule 2-3

	2020 Budget [Note 1(r)]	2020 Actual	2019 Actual
Utility Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Water	<u>15,750</u>	<u>15,227</u>	<u>16,250</u>
Total Other Segmented Revenue	<u>15,750</u>	<u>15,227</u>	<u>16,250</u>
Total Utility Services	<u>\$ 15,750</u>	<u>\$ 15,227</u>	<u>\$ 16,250</u>
Total Operating and Capital Revenue by Function	<u>\$ 201,249</u>	<u>\$ 155,125</u>	<u>\$ 181,403</u>
Summary			
Total Other Segmented Revenue	79,095	95,461	91,530
Total Conditional Grants	8,000	27,724	6,895
Total Capital Grants and Contributions	<u>114,154</u>	<u>31,940</u>	<u>82,978</u>
Total Operating and Capital Revenue by Function	<u>\$ 201,249</u>	<u>\$ 155,125</u>	<u>\$ 181,403</u>

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

R. M. of Keys No. 303

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

Schedule 3-1

	2020 Budget [Note 1(r)]	2020 Actual	2019 Actual
General Government Services			
Council remuneration and travel	69,150	46,342	58,189
Wages and benefits	100,000	94,620	110,338
Professional/contractual services	65,580	62,826	81,380
Utilities	7,500	7,173	7,781
Maintenance, materials and supplies	22,100	20,028	13,592
Insurance	44,500	42,066	45,082
Interest	83,948	2,702	5,398
Allowance for uncollectibles			(1,470)
Other	<u>3,500</u>	<u>2,161</u>	<u>3,797</u>
Total General Government Services	<u>\$ 396,278</u>	<u>\$ 277,918</u>	<u>\$ 324,087</u>
Protective Services			
Police protection			
Professional/contractual services	18,100	18,784	18,131
Fire protection			
Professional/contractual services	17,500	10,777	27,163
Grants and contributions - capital	<u>24,000</u>	<u>10,329</u>	
Total Protective Services	<u>\$ 59,600</u>	<u>\$ 39,890</u>	<u>\$ 45,294</u>
Transportation Services			
Wages and benefits	270,400	246,970	241,501
Professional/contractual services	15,000	17,546	14,291
Utilities	20,730	20,072	19,292
Maintenance, material and supplies	218,450	116,976	74,279
Gravel	220,000	204,353	201,748
Machinery costs/fuel/blades	125,000	96,081	126,626
Culverts/drainage	40,000	22,858	40,389
Amortization		238,438	216,517
Other materials and supplies	<u>5,000</u>	<u>5,180</u>	<u>3,134</u>
Total Transportation Services	<u>\$ 914,580</u>	<u>\$ 968,474</u>	<u>\$ 937,777</u>

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

R. M. of Keys No. 303
Total Expenses by Function
For the year ended December 31, 2020

Schedule 3-2

	2020 Budget [Note 1(r)]	2020 Actual	2019 Actual
Environmental and Public Health Services			
Professional/contractual services	\$ 53,580	\$ 51,226	\$ 60,817
Planning and Development Services			
Contractual services	\$ 19,000	\$ 18,597	\$ 17,394
Recreation and Cultural Services			
Maintenance, materials and supplies	3,000	569	802
Libraries	5,200	5,246	5,148
Total Recreation and Cultural Services	\$ 8,200	\$ 5,815	\$ 5,950
Utility Services			
Professional/contractual services		171	14,544
Utilities	1,500	1,932	1,491
Maintenance, materials and supplies	21,800	17,866	15,807
Total Utility Services	\$ 23,300	\$ 19,969	\$ 31,842
Total Expenses by Function	\$ 1,474,538	\$ 1,381,889	\$ 1,423,161

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

R. M. of Keys No. 303

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	22,201	4,902	18,164		11,271	6,175	15,227	77,940
Investment income and commissions	17,521							17,521
Grants - conditional			6,458	5,911		15,355		27,724
Grants - capital			31,940					31,940
Total Revenues	<u>39,722</u>	<u>4,902</u>	<u>56,562</u>	<u>5,911</u>	<u>11,271</u>	<u>21,530</u>	<u>15,227</u>	<u>155,125</u>
Expenses - schedule 3								
Wages and benefits	94,620		246,970					341,590
Professional/contractual services	109,168	29,561	17,546	51,226	18,597		171	226,269
Utilities	7,173		20,072				1,932	29,177
Maintenance materials and supplies	20,028		321,329			569	17,866	359,792
Machinery costs/fuel/blades			96,081					96,081
Culverts/drainage			22,858					22,858
Grants and contributions		10,329						10,329
Amortization			238,438					238,438
Insurance	42,066							42,066
Libraries						5,246		5,246
Interest	2,702							2,702
Other	2,161		5,180					7,341
Total Expenses	<u>277,918</u>	<u>39,890</u>	<u>968,474</u>	<u>51,226</u>	<u>18,597</u>	<u>5,815</u>	<u>19,969</u>	<u>1,381,889</u>
Surplus (Deficit) by Function	<u>\$(238,196)</u>	<u>\$(34,988)</u>	<u>\$(911,912)</u>	<u>\$(45,315)</u>	<u>\$(7,326)</u>	<u>\$ 15,715</u>	<u>\$(4,742)</u>	<u>(1,226,764)</u>
Taxation and other unconditional revenue - schedule 1								<u>1,506,556</u>
Net Surplus								<u>\$ 279,792</u>

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

R. M. of Keys No. 303

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	25,600		24,816		600	8,055	16,250	75,321
Investment income and commissions	16,209							16,209
Grants - conditional				6,895				6,895
Grants - capital			82,978					82,978
Total Revenues	<u>41,809</u>	<u>0</u>	<u>107,794</u>	<u>6,895</u>	<u>600</u>	<u>8,055</u>	<u>16,250</u>	<u>181,403</u>
Expenses - schedule 3								
Wages and benefits	110,338		241,501					351,839
Professional/contractual services	139,569	45,294	14,291	60,817	17,394		14,544	291,909
Utilities	7,781		19,292				1,491	28,564
Maintenance materials and supplies	13,592		276,027			802	15,807	306,228
Machinery costs/fuel/blades			126,626					126,626
Culverts/drainage			40,389					40,389
Amortization			216,517					216,517
Insurance	45,082							45,082
Libraries						5,148		5,148
Interest	5,398							5,398
Allowance for uncollectibles	(1,470)							(1,470)
Other	3,797		3,134					6,931
Total Expenses	<u>324,087</u>	<u>45,294</u>	<u>937,777</u>	<u>60,817</u>	<u>17,394</u>	<u>5,950</u>	<u>31,842</u>	<u>1,423,161</u>
Surplus (Deficit) by Function	<u>\$ (282,278)</u>	<u>\$ (45,294)</u>	<u>\$ (829,983)</u>	<u>\$ (53,922)</u>	<u>\$ (16,794)</u>	<u>\$ 2,105</u>	<u>\$ (15,592)</u>	<u>(1,241,758)</u>
Taxation and other unconditional revenue - schedule 1								<u>1,602,695</u>
Net Surplus								<u>\$ 360,937</u>

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

R. M. of Keys No. 303
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	5,737	108,057	200,408	0	1,297,872	5,164,723	0	6,776,797
Additions during the year		55,355			21,567			76,922
Closing Asset Costs	<u>5,737</u>	<u>163,412</u>	<u>200,408</u>	<u>0</u>	<u>1,319,439</u>	<u>5,164,723</u>	<u>0</u>	<u>6,853,719</u>
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	0	40,517	131,597	0	547,085	2,683,041	0	3,402,240
Add: Amortization taken		2,701	3,531		110,171	122,035		238,438
Closing Accumulated Amortization Costs	<u>0</u>	<u>43,218</u>	<u>135,128</u>	<u>0</u>	<u>657,256</u>	<u>2,805,076</u>	<u>0</u>	<u>3,640,678</u>
Net Book Value	<u>\$ 5,737</u>	<u>\$ 120,194</u>	<u>\$ 65,280</u>	<u>\$ 0</u>	<u>\$ 662,183</u>	<u>\$ 2,359,647</u>	<u>\$ 0</u>	<u>\$ 3,213,041</u>

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

R. M. of Keys No. 303
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
Asset Cost								
Opening Asset Cost	48,671	0	6,728,126	0	0	0	0	6,776,797
Additions during the year			21,567			55,355		76,922
Closing Asset Costs	<u>48,671</u>	<u>0</u>	<u>6,749,693</u>	<u>0</u>	<u>0</u>	<u>55,355</u>	<u>0</u>	<u>6,853,719</u>
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	48,671	0	3,353,569	0	0	0	0	3,402,240
Add: Amortization taken			238,438					238,438
Closing Accumulated Amortization Costs	<u>48,671</u>	<u>0</u>	<u>3,592,007</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,640,678</u>
Net Book Value	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,157,686</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 55,355</u>	<u>\$ 0</u>	<u>\$ 3,213,041</u>

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part of these financial statements.*

R. M. of Keys No. 303
Schedule of Accumulated Surplus
For the year ended December 31, 2020

Schedule 8

	2019	Changes	2020
Unappropriated Surplus	<u>857,554</u>	<u>137,647</u>	<u>995,201</u>
Appropriated Surplus			
Machinery and equipment			
Machinery and equipment reserve	351,440	135,850	487,290
Bridge reserve	<u>200,000</u>	<u>102,100</u>	<u>302,100</u>
	<u>551,440</u>	<u>237,950</u>	<u>789,390</u>
Other			
Crystal Lake - water reserve	(4,357)	2,641	(1,716)
Gravel pit recovery	<u>0</u>	<u>10,000</u>	<u>10,000</u>
	<u>(4,357)</u>	<u>12,641</u>	<u>8,284</u>
Total Appropriated	<u>547,083</u>	<u>250,591</u>	<u>797,674</u>
Organized Hamlets			
Hamlet of Crystal Lake	<u>149,836</u>	<u>(26,378)</u>	<u>123,458</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	3,374,557	(161,516)	3,213,041
Less: Related debt	<u>79,448</u>	<u>(79,448)</u>	<u></u>
Net Investment in Tangible Capital Assets	<u>3,295,109</u>	<u>(82,068)</u>	<u>3,213,041</u>
Total Accumulated Surplus	<u>\$ 4,849,582</u>	<u>\$ 279,792</u>	<u>\$ 5,129,374</u>

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

R. M. of Keys No. 303
Schedule of Mill Rates and Assessments
For the year ended December 31, 2020

Schedule 9

	Property Class					Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)
Taxable Assessment	90,519,035	13,838,260		25,925,440	4,618,500	134,901,235
Regional Park Assessment						
Total Assessment						134,901,235
Mill Rate Factor(s)	1.0000	1.0000		1.0000	1.0000	
Total Base/Minimum Tax (generated for each property class)						
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	814,638	97,581		129,627	41,127	1,082,973
Mill Rates:	Mills					
Average Municipal*	8.0279					
Average School*	2.3900					
Potash Mill Rate						
Uniform Municipal Mill Rate	9.0000					
Hamlet of Crystal Lake Mill Rate	5.0000					

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

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

R. M. of Keys No. 303Schedule of Council Remuneration
For the year ended December 31, 2020

Schedule 10

Name	Remuneration	Mileage	Reimbursed Costs	Total
Garth Bates	5,300	2,040		7,340
Mark Hofer	5,375	3,762	150	9,287
Clinton Kraynick	3,246	1,319		4,565
Donald Kraynick	1,800	273		2,073
Wallace Butterfield	7,150	3,407	60	10,617
Lorne Gazdewich	6,025	2,190	180	8,395
Cal Statchuk	5,823	3,398	300	9,521
Brad Hallick	1,000	291		1,291
Don Olson	2,600	1,187		3,787
Howard Fox	3,863	53		3,916
Brad Tokoruk	3,075			3,075
	<u>\$ 45,257</u>	<u>\$ 17,920</u>	<u>\$ 690</u>	<u>\$ 63,867</u>