

**RURAL MUNICIPALITY OF KING GEORGE NO.  
256**

**Auditor's Report**

**Financial Statements**

**December 31, 2020**

## MANAGEMENT'S RESPONSIBILITY

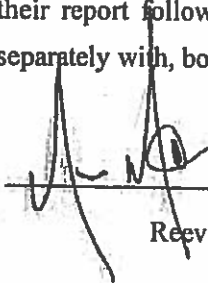
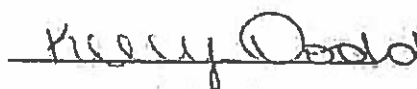
To the Ratepayers of  
**Rural Municipality of King George No. 256:**

Management is responsible for the preparation and presentation of the accompanying summarized financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. 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 the administration and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the Municipality's external auditors.

Jensen Stromberg Chartered Professional Accountants, 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 administration to discuss their audit findings.

  
Reeve  
Administrator

## INDEPENDENT AUDITOR'S REPORT

To the Reeve and Council of Rural Municipality of King George No. 256

### *Report on the Financial Statements*

#### *Opinion*

We have audited the financial statements of **Rural Municipality of King George No. 256**, which comprise the statement of financial position as at **December 31, 2020** and the statements of financial activities, changes in net financial assets, and changes in financial position for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Rural Municipality as at **December 31, 2020** and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Rural 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 these 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 Rural Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and the use of the going concern basis of accounting unless management either intends to liquidate the Rural Municipality or cease operations, or has no realistic alternative but to do so.

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

#### *Auditor's Responsibility for the Audit of the Financial Statements*

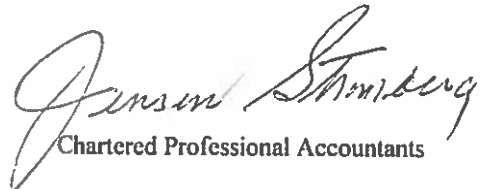
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Rural 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 Rural 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 Rural 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.

Saskatoon, Saskatchewan  
May 25, 2021

  
Chartered Professional Accountants

# RURAL MUNICIPALITY OF KING GEORGE NO. 256

Statement 1

## STATEMENT OF FINANCIAL POSITION

December 31, 2020  
with comparative figures for 2019

	<u>2020</u>	<u>2019</u>
<b><u>ASSETS</u></b>		
Financial assets:		
Cash and temporary investments (Note 2)	\$ 263,499	246,184
Taxes receivable - Municipal (Note 3)	7,267	75,648
Other accounts receivable (Note 4)	72,278	75,442
Land for re-sale	-	-
Long-term investments (Note 5)	64,917	61,616
Debt charges recoverable	-	-
Other	-	-
Total financial assets	407,961	458,890
<b><u>LIABILITIES</u></b>		
Bank indebtedness (Note 6)	-	-
Accounts payable	10,090	60,988
Accrued liabilities payable	-	-
Deposits	-	-
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Long-term debt (Note 7)	-	13,497
Lease obligations	-	-
Total liabilities	10,090	74,485
<b>NET FINANCIAL ASSETS (DEBT)</b>	397,871	384,405
Non-financial assets:		
Tangible capital assets (Schedule 6, 7)	865,776	927,381
Prepaid and deferred charges	1,028	520
Stock and supplies	10,297	46,119
Total non-financial assets	877,101	974,020
Accumulated surplus (Schedule 8)	\$ <u>1,274,972</u>	<u>1,358,425</u>

### APPROVED ON BEHALF OF COUNCIL:

\_\_\_\_\_  
Reeve

\_\_\_\_\_  
Councillor

See accompanying notes to the financial statements.

# RURAL MUNICIPALITY OF KING GEORGE NO. 256

Statement 2

## STATEMENT OF FINANCIAL ACTIVITIES

Year ended December 31, 2020  
with comparative figures for 2019

		<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>Revenues:</b>				
Taxes and other unconditional revenue	(Schedule 1)	\$ 699,392	692,718	678,806
Fees and charges	(Schedule 4, 5)	18,100	11,351	9,222
Conditional grants	(Schedule 4, 5)	18,300	18,467	16,300
Tangible capital asset sales - gain (loss)	(Schedule 4, 5)	-	(4,004)	51,679
Land sales - gain (loss)	(Schedule 4, 5)	-	-	-
Investment income and commissions	(Schedule 4, 5)	9,800	5,043	9,739
Restructurings	(Schedule 4, 5)	-	-	-
Other revenues	(Schedule 4, 5)	-	-	-
<b>Total Revenues</b>		<u>745,592</u>	<u>723,575</u>	<u>765,746</u>
<b>Expenditures:</b>				
General government services	(Schedule 3)	163,800	187,229	169,020
Protective services	(Schedule 3)	32,000	37,867	47,028
Transportation services	(Schedule 3)	584,200	614,658	675,209
Environmental and public health services	(Schedule 3)	13,300	13,320	12,185
Planning and development services	(Schedule 3)	50	142	138
Recreation and cultural services	(Schedule 3)	2,900	1,738	2,720
Utility services	(Schedule 3)	8,000	4,558	8,365
Restructurings	(Schedule 3)	-	-	-
<b>Total Expenditures</b>		<u>804,250</u>	<u>859,512</u>	<u>914,665</u>
Surplus (deficit) of revenues over expenditures before other capital contributions		<u>(58,658)</u>	<u>(135,937)</u>	<u>(148,919)</u>
Provincial/Federal capital grants and contributions	(Schedule 4, 5)	<u>19,900</u>	<u>52,484</u>	<u>27,260</u>
Surplus (deficit) of revenues over expenditures		<u>(38,758)</u>	<u>(83,453)</u>	<u>(121,659)</u>
Accumulated surplus (deficit), beginning of year		<u>1,358,425</u>	<u>1,358,425</u>	<u>1,480,084</u>
Accumulated surplus (deficit), end of year		<u>\$ 1,319,667</u>	<u>1,274,972</u>	<u>1,358,425</u>

See accompanying notes to the financial statements.

# RURAL MUNICIPALITY OF KING GEORGE NO. 256

Statement 3

## STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2020  
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Surplus (deficit)	\$ <u>(38,758)</u>	<u>(83,453)</u>	<u>(121,659)</u>
(Acquisition) of tangible capital assets	(37,000)	(63,284)	(196,141)
Amortization of tangible capital assets	107,300	104,455	91,372
Proceeds on disposal of tangible capital assets	-	16,430	72,080
Loss (gain) on disposal of tangible capital assets	-	4,004	(51,679)
Transfer of assets/liabilities in restructuring transactions	<u>-</u>	<u>-</u>	<u>-</u>
Surplus (deficit) of capital expenses over expenditures	<u>70,300</u>	<u>61,605</u>	<u>(84,368)</u>
(Acquisition) of supplies inventories	-	-	-
(Acquisition) of prepaid expenses	-	(1,000)	-
Consumption of supplies inventories	-	35,822	28,622
Use of prepaid expenses	<u>-</u>	<u>492</u>	<u>637</u>
Surplus (deficit) of expenses of other non-financial over expenditures	<u>-</u>	<u>35,314</u>	<u>29,259</u>
Increase (decrease) in Net Financial Assets	31,542	13,466	(176,768)
Net Financial Assets (Debt) - Beginning of the year	<u>384,405</u>	<u>384,405</u>	<u>561,173</u>
Net Financial Assets (Debt)- End of year	\$ <u>415,947</u>	<u>397,871</u>	<u>384,405</u>

See accompanying notes to the financial statements.

# RURAL MUNICIPALITY OF KING GEORGE NO. 256

Statement 4

## STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 2020  
with comparative figures for 2019

Cash provided by (used in) the following activities:	<u>2020</u>	<u>2019</u>
Operating:		
Surplus (deficit)	\$ (83,453)	(121,659)
Amortization	104,455	91,372
Loss (gain) on disposal of tangible capital assets	<u>4,004</u>	<u>(51,679)</u>
	25,006	(81,966)
Change in assets/liabilities		
Taxes receivable - Municipal	68,381	(31,049)
Other accounts receivable	3,164	(26,396)
Land for re-sale	-	-
Other financial assets	-	-
Accounts and accrued liabilities payable	(50,899)	54,698
Deposits	-	-
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Stock and supplies	35,822	28,622
Prepayments and deferred charges	(508)	637
Other	<u>-</u>	<u>-</u>
Net cash from (used for) operations	<u>80,966</u>	<u>(55,454)</u>
Capital:		
Acquisition of capital assets	(63,284)	(196,141)
Proceeds from the disposal of capital assets	16,430	72,080
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(46,854)</u>	<u>(124,061)</u>
Investing:		
Long-term investments	(3,300)	(4,856)
Other investments	<u>-</u>	<u>-</u>
Net cash used for investing	<u>(3,300)</u>	<u>(4,856)</u>
Financing activities:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	(13,497)	(67,708)
Other financing	<u>-</u>	<u>-</u>
Net cash used for financing	<u>(13,497)</u>	<u>(67,708)</u>
Increase (decrease) in cash resources	17,315	(252,079)
Cash and temporary investments, beginning of year	<u>246,184</u>	<u>498,263</u>
Cash and temporary investments, end of year (Note 2)	<u>\$ 263,499</u>	<u>246,184</u>

See accompanying notes to the financial statements.



# RURAL MUNICIPALITY OF KING GEORGE NO. 256

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

### 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Municipality are prepared by management in accordance with the local government accounting standards established by the Public Sector Accounting Board, as recommended by the Chartered Professional Accountants of 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 recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

**(b) Reporting entity**

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

**(c) Collection of funds for other authorities**

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

**(d) Government transfers**

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

- a) the transfer is authorized;
- b) eligibility criteria have been met by the recipient; and
- c) a reasonable estimate of the amount can be made

Unearned government transfer amounts received but not earned will be recorded as deferred revenue.

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

**(e) Deferred revenue - fees and charges**

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

**(f) Local improvement charges**

Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.

# RURAL MUNICIPALITY OF KING GEORGE NO. 256

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

**(g) Net-financial assets**

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

**(h) Non-financial assets**

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

**(i) Appropriated reserves**

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

**(j) Property tax revenue**

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

**(k) Investments**

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment.

Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment. The long-term investments in the Saskatchewan Association of Rural Municipalities - Self Insurance Fund are accounted for on the equity basis.

**(l) Inventories**

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

# RURAL MUNICIPALITY OF KING GEORGE NO. 256

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (m) **Tangible capital assets**

All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of the contribution. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The costs 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:

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land improvements	5 to 20 years
Buildings	10 to 50 years
Vehicles and equipment	
Vehicles	5 to 10 years
Machinery & Equipment	5 to 10 years
<i>Infrastructure Assets</i>	
Water and sewer	45 years
Road network assets	10 to 40 years

**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.

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

**Capitalization of interest:** The Municipality does not capitalize interest incurred while a tangible capital asset is under construction.

**Leases:** All leases are recorded on the financial statements as either a capital or operating lease. Any lease that transfers 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.

# RURAL MUNICIPALITY OF KING GEORGE NO. 256

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (n) **Liability for contaminated sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) the municipality:
  - i. is directly responsible; or
  - ii. accepts responsibility;
- d) it is expected that future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

#### (o) **Employee benefit plans**

Contributions to the municipality's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to its contributions.

#### (p) **Measurement uncertainty**

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts 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 period 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 borrowing.

These segments (functions) are as follows:

General Government: The general government segment provides for the administration of the Municipality.

Protective Services: Protective services is comprised of expenses for Police and Fire protection.

# RURAL MUNICIPALITY OF KING GEORGE NO. 256

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

**Transportation Services:** The transportation services segment is 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:** The planning and development segment provides for neighbourhood development and sustainability.

**Recreation and Culture:** The recreation and culture segment provides for community services through the provision of recreation and leisure services.

**Utility Services:** The utility services segment provides for the delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

### 2. CASH AND TEMPORARY INVESTMENTS

	<u>2020</u>	<u>2019</u>
Cash	\$ 263,499	246,184
Temporary investments	<u>-</u>	<u>-</u>
	<u>\$ 263,499</u>	<u>246,184</u>

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

# RURAL MUNICIPALITY OF KING GEORGE NO. 256

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

### 3. TAXES AND GRANTS IN LIEU RECEIVABLE

	<u>2020</u>	<u>2019</u>
Municipal: - Current	\$ 4,960	60,646
- Arrears	<u>2,307</u>	<u>15,002</u>
	7,267	75,648
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Total municipal taxes receivable	<u>7,267</u>	<u>75,648</u>
School: - Current	1,702	16,411
- Arrears	<u>1,595</u>	<u>4,468</u>
Total school taxes receivable	<u>3,297</u>	<u>20,879</u>
Other: - Current	1,694	11,763
- Arrears	<u>-</u>	<u>-</u>
Total other collections receivable	<u>1,694</u>	<u>11,763</u>
Total taxes and grants in lieu receivable	12,258	108,290
Deduct taxes receivable to be collected on behalf of other organizations	<u>(4,991)</u>	<u>(32,642)</u>
Total taxes receivable - Municipal	<u>\$ 7,267</u>	<u>75,648</u>

### 4. OTHER ACCOUNTS RECEIVABLE

	<u>2020</u>	<u>2019</u>
Federal government	\$ 22,530	21,124
Provincial government	16,300	16,300
Local government	33,448	38,018
Utility	-	-
Trade	-	-
Other	<u>-</u>	<u>-</u>
Total other accounts receivable	72,278	75,442
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Net other accounts receivable	<u>\$ 72,278</u>	<u>75,442</u>

# RURAL MUNICIPALITY OF KING GEORGE NO. 256

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

### 5. LONG-TERM INVESTMENTS

	<u>2020</u>	<u>2019</u>
Sask. Assoc. of Rural Municipalities - Self-insurance fund	\$ 41,783	39,919
Sask. Assoc. of Rural Municipalities - Property-insurance fund	<u>15,033</u>	<u>13,521</u>
	56,816	53,440
Other long term investments:		
Co-op member equity	8,096	8,171
Prairie Centre Credit Union member shares	<u>5</u>	<u>5</u>
Total other long term investments	<u>8,101</u>	<u>8,176</u>
Total long term investments	<u>\$ 64,917</u>	<u>61,616</u>

### 6. BANK INDEBTEDNESS

#### Credit Arrangements

At December 31, 2020, the Municipality had a line of credit totaling \$150,000, none of which was drawn.

### 7. LONG-TERM DEBT

The authorized debt limit for the Municipality is \$516,359. The authorized debt limit for a Municipality is the total amount of the Municipality's own source revenues for the preceding year (the *Municipalities Act* section 161(1)). The incremental debt above the debt limit authorized in the *Municipalities Act* is approved by the Saskatchewan Municipal Board.

#### a) Bank loans:

	<u>2020</u>	<u>2019</u>
Prairie Centre Credit Union term loan, payable in monthly instalments of \$5,810, including interest at 4.00%.	\$ <u>-</u>	<u>13,497</u>

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Total	Prior Year Total
2021	\$ -	-	-	13,567
2022	-	-	-	-
2023	-	-	-	-
2024	-	-	-	-
2025	-	-	-	-
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>13,567</u>

# RURAL MUNICIPALITY OF KING GEORGE NO. 256

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

### 8. 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.

### 9. PENSION PLAN

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality pension expense in 2020 was \$17,275 (2019 - \$15,837). The benefits accrued to the municipality's employees from MEPP are calculated using the following: pensionable years of service, highest average salary, and the plan accrual rate.

Based on the latest information available (December 31, 2020 Audited Financial Statements) the Municipal Employees Pension Plan had a surplus in the net assets available for benefits of \$838,900,000. This is based on the most recent actuarial valuation, completed December 31, 2019. The Municipality's portion of this is not readily determinable.



# RURAL MUNICIPALITY OF KING GEORGE NO. 256

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

### 10. RECENT ACCOUNTING PRONOUNCEMENTS

A number of new and amended standards have been issued that may impact the Municipality:

#### **Standards Effective On Or After April 1, 2022:**

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

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

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

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

**PS 3280 Asset Retirement Obligations** is 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.

#### **Standards Effective On Or After April 1, 2023:**

**PS 3400 Revenue** is 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 Municipality continues to assess the impacts of the above accounting standards. The extent of impact resulting from the adoption of these standards is not known at this time.

# RURAL MUNICIPALITY OF KING GEORGE NO. 256

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

### 11. BUDGET

The Financial Plan (Budget) adopted by Council on June 23, 2020 was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget figures expensed capital assets when purchased, in addition to showing amortization expense. As well, transfers to reserves and repayment of long-term debt is decreasing current year revenue in excess of expenditures. As a result, the budget figures presented in the statements of operations and change in net financial assets include the following adjustments:

	<u>2020</u>
Budget net surplus	\$ 72,422
Add: Investment in tangible capital assets	37,000
Transfer to reserves	35,000
Long-term debt repayment	30,000
Less: Transfer from reserves	(100,080)
Amortization	<u>(113,100)</u>
Budget net deficit per statement of operations	\$ <u>(38,758)</u>

## RURAL MUNICIPALITY OF KING GEORGE NO. 256

## SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES

Year ended December 31, 2020  
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>TAXES</b>			
General municipal tax levy	\$ 544,830	543,116	524,674
Abatements and adjustments	-	-	-
Discount on current year taxes	<u>(18,500)</u>	<u>(21,370)</u>	<u>(18,177)</u>
Net municipal taxes	526,330	521,746	506,497
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	3,000	2,499	2,797
Special tax levy	-	-	-
Other	-	-	-
<b>Total Taxes</b>	<u>529,330</u>	<u>524,245</u>	<u>509,294</u>
<b>UNCONDITIONAL GRANTS</b>			
Revenue sharing	170,000	154,927	169,450
Organized Hamlet	-	-	-
Other (Safe Restart)	<u>-</u>	<u>13,482</u>	<u>-</u>
<b>Total Unconditional Grants</b>	<u>170,000</u>	<u>168,409</u>	<u>169,450</u>
<b>GRANTS IN LIEU OF TAXES</b>			
Federal	-	-	-
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	62	64	62
TransGas	-	-	-
Provincial - Central Services	-	-	-
Sasktel	-	-	-
Other	-	-	-
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other	-	-	-
Other Government Transfers			
S.P.C. Surcharge	-	-	-
Other	-	-	-
<b>Total Grants in Lieu of Taxes</b>	<u>62</u>	<u>64</u>	<u>62</u>
<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<u>\$ 699,392</u>	<u>692,718</u>	<u>678,806</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF KING GEORGE NO. 256

## SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020  
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ -	-	-
Sales of supplies	600	902	551
Other	300	160	265
Total Fees and Charges	900	1,062	816
Tangible capital asset sales - gain (loss)	-	-	-
Land sales - gain (loss)	-	-	-
Investment income and commissions	9,800	5,043	9,739
Other	-	-	-
Total other segmented revenue	10,700	6,105	10,555
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	<u>10,700</u>	<u>6,105</u>	<u>10,555</u>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Restructuring Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total General Government Services</b>	<u>10,700</u>	<u>6,105</u>	<u>10,555</u>
<b>PROTECTIVE SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	-	-
Conditional Grants			
Student employment	-	-	-
Local government	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Local government	-	-	-
Other	-	-	-
<b>Total Capital</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Restructuring Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Protective Services</b>	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying notes to the financial statements.

**RURAL MUNICIPALITY OF KING GEORGE NO. 256**  
**SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION**

Year ended December 31, 2020  
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 15,000	8,727	6,163
Sales of supplies	-	-	-
Road Maintenance and Restoration Agreements	2,200	1,562	2,243
Other	-	-	-
Total Fees and Charges	<u>17,200</u>	<u>10,289</u>	<u>8,406</u>
Tangible capital asset sales - gain (loss)	-	(4,004)	51,679
Other	-	-	-
Total other segmented revenue	<u>17,200</u>	<u>6,285</u>	<u>60,085</u>
Conditional Grants			
Primary Weight Corridor	16,300	16,300	16,300
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>16,300</u>	<u>16,300</u>	<u>16,300</u>
<b>Total Operating</b>	<u>33,500</u>	<u>22,585</u>	<u>76,385</u>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	19,900	20,001	27,260
MREP (Heavy Haul, CTP, Municipal Bridges)	-	-	-
Provincial Disaster Assistance	-	-	-
Other (Municipal Economic Enhancement Program)	-	32,483	-
<b>Total Capital</b>	<u>19,900</u>	<u>52,484</u>	<u>27,260</u>
<b>Restructuring Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Transportation Services</b>	<u>53,400</u>	<u>75,069</u>	<u>103,645</u>
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Waste and Disposal Fees	-	-	-
Other	-	-	-
Total Fees and Charges	<u>-</u>	<u>-</u>	<u>-</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	<u>-</u>	<u>-</u>	<u>-</u>
Conditional Grants			
Student employment	-	-	-
TAPD	-	-	-
Local government	-	-	-
Other	2,000	2,167	-
Total Conditional Grants	<u>2,000</u>	<u>2,167</u>	<u>-</u>
<b>Total Operating</b>	<u>2,000</u>	<u>2,167</u>	<u>-</u>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
TAPD	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Restructuring Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Environmental and Public Health Services Services</b>	<u>2,000</u>	<u>2,167</u>	<u>-</u>

See accompanying notes to the financial statements.

# RURAL MUNICIPALITY OF KING GEORGE NO. 256

## SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020  
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Maintenance and Development Charges	\$ -	-	-
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	-	-
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	-	-	-
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	-	-	-
<b>Restructuring Revenue</b>	-	-	-
<b>Total Planning and Development Services</b>	-	-	-
<b>RECREATION AND CULTURAL SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Rentals	-	-	-
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	-	-
Conditional Grants			
Student Employment	-	-	-
Local government	-	-	-
Donations	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	-	-	-
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
Local government	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	-	-	-
<b>Restructuring Revenue</b>	-	-	-
<b>Total Recreation and Cultural Services</b>	-	-	-

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF KING GEORGE NO. 256

## SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020  
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Water	\$ -	-	-
Sewer	-	-	-
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	-	-
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	-	-	-
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
New Building Canada Fund (SCF, NRP)	-	-	-
Clean Water and Wastewater Fund	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	-	-	-
<b>Restructuring Revenue</b>	-	-	-
<b>Total Utility Services</b>	-	-	-
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<u>\$ 66,100</u>	<u>83,341</u>	<u>114,200</u>
<b>SUMMARY</b>			
Total Other Segmented Revenue	\$ 27,900	12,390	70,640
Total Conditional Grants	18,300	18,467	16,300
Total Capital Grants and Contributions	19,900	52,484	27,260
Restructuring Revenue	-	-	-
<b>TOTAL REVENUE BY FUNCTION</b>	<u>\$ 66,100</u>	<u>83,341</u>	<u>114,200</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF KING GEORGE NO. 256

## TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2020  
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	\$ 27,500	19,830	25,502
Wages and benefits	94,000	112,461	93,180
Professional/Contractual services	32,100	36,440	31,204
Utilities	2,950	5,889	4,419
Maintenance, materials, and supplies	7,200	10,357	12,285
Grants and contributions	50	1,550	1,550
-operating	-	-	-
-capital	-	-	-
Amortization	-	702	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other	-	-	880
<b>General Government Services</b>	<u>163,800</u>	<u>187,229</u>	<u>169,020</u>
<b>Restructuring</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total General Government Services</b>	<u>163,800</u>	<u>187,229</u>	<u>169,020</u>
<b>PROTECTIVE SERVICES</b>			
<b>Police protection</b>			
Wages and benefits	-	-	-
Professional/Contractual services	13,000	10,885	10,507
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
<b>Fire protection</b>			
Wages and benefits	-	-	-
Professional/Contractual services	-	283	283
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	19,000	16,699	16,238
-operating	-	10,000	20,000
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
<b>Protective Services</b>	<u>32,000</u>	<u>37,867</u>	<u>47,028</u>
<b>Restructuring</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Protective Services</b>	<u>32,000</u>	<u>37,867</u>	<u>47,028</u>
<b>TRANSPORTATION SERVICES</b>			
Wages and benefits	145,000	126,512	142,917
Professional/Contractual services	13,600	4,727	21,025
Utilities	4,500	1,182	2,597
Maintenance, materials, and supplies	118,000	123,431	164,151
Gravel	190,000	254,977	251,138
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	107,300	103,753	91,372
Interest	5,800	76	2,009
Other	-	-	-
<b>Transportation Services</b>	<u>584,200</u>	<u>614,658</u>	<u>675,209</u>
<b>Restructuring</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Transportation Services</b>	<u>584,200</u>	<u>614,658</u>	<u>675,209</u>

See accompanying notes to the financial statements.



## RURAL MUNICIPALITY OF KING GEORGE NO. 256

## TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2020  
with comparative figures for 2019

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Wages and benefits	\$ -	-	-
Professional/Contractual services	13,300	13,320	12,185
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating	-	-	-
Waste disposal	-	-	-
Public Health	-	-	-
-capital	-	-	-
Waste disposal	-	-	-
Public Health	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
<b>Environmental and Public Health Services</b>	<u>13,300</u>	<u>13,320</u>	<u>12,185</u>
<b>Restructuring</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Environmental and Public Health Services</b>	<u>13,300</u>	<u>13,320</u>	<u>12,185</u>
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
Wages and benefits	-	-	-
Professional/Contractual services	-	-	-
Grants and contributions	-	-	-
-operating	50	50	50
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	92	88
<b>Planning and Development Services</b>	<u>50</u>	<u>142</u>	<u>138</u>
<b>Restructuring</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Planning and Development Services</b>	<u>50</u>	<u>142</u>	<u>138</u>
<b>RECREATION AND CULTURAL SERVICES</b>			
Wages and benefits	-	-	-
Professional/Contractual services	-	-	-
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating	2,900	1,738	2,720
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other	-	-	-
<b>Recreation and Cultural Services</b>	<u>2,900</u>	<u>1,738</u>	<u>2,720</u>
<b>Restructuring</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Recreation and Cultural Services</b>	<u>2,900</u>	<u>1,738</u>	<u>2,720</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF KING GEORGE NO. 256

## TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2020  
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>UTILITY SERVICES</b>			
Wages and benefits	\$ -	-	-
Professional/Contractual services	3,000	-	3,456
Utilities	5,000	4,558	4,909
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other	-	-	-
Utility Services	<u>8,000</u>	<u>4,558</u>	<u>8,365</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Services	<u>8,000</u>	<u>4,558</u>	<u>8,365</u>
 <b>TOTAL EXPENDITURES BY FUNCTION</b>	 <u>\$ 804,250</u>	 <u>859,512</u>	 <u>914,665</u>

See accompanying notes to the financial statements.

# RURAL MUNICIPALITY OF KING GEORGE NO. 256

## Schedule 4

### SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2020

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and charges	\$ 1,062	-	10,289	-	-	-	-	11,351
Tangible capital asset sales - Gain (loss)	-	-	(4,004)	-	-	-	-	(4,004)
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	5,043	-	-	-	-	-	-	5,043
Other revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	16,300	2,167	-	-	-	18,467
Grants - Capital	-	-	52,484	-	-	-	-	52,484
Restructurings	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>6,105</b>	<b>-</b>	<b>75,069</b>	<b>2,167</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,341</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	132,291	-	126,512	-	-	-	-	258,803
Professional/Contractual Services	36,440	11,168	4,727	13,320	-	-	-	65,655
Utilities	5,889	-	1,182	-	-	-	4,558	11,629
Maintenance, materials and supplies	10,357	-	378,408	-	-	-	-	388,765
Grants and contributions	1,550	26,699	-	-	50	1,738	-	30,037
Amortization	702	-	103,753	-	-	-	-	104,455
Interest	-	-	76	-	-	-	-	76
Allowance for uncollectibles	-	-	-	-	-	-	-	-
Other	-	-	-	-	92	-	-	92
Restructurings	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>187,229</b>	<b>37,867</b>	<b>614,658</b>	<b>13,320</b>	<b>142</b>	<b>1,738</b>	<b>4,558</b>	<b>859,512</b>
<b>Surplus (deficit) by function</b>	<b>(181,124)</b>	<b>(37,867)</b>	<b>(539,589)</b>	<b>(11,153)</b>	<b>(142)</b>	<b>(1,738)</b>	<b>(4,558)</b>	<b>(776,171)</b>
Taxation and other unconditional revenue (Schedule 1)								692,718
<b>Net Surplus (Deficit)</b>								<b>\$ (83,453)</b>

See accompanying notes to the financial statements.

# RURAL MUNICIPALITY OF KING GEORGE NO. 256

## Schedule 5

### SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2019

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and charges	\$ 816	-	8,406	-	-	-	-	9,222
Tangible capital asset sales - Gain (loss)	-	-	51,679	-	-	-	-	51,679
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	9,739	-	-	-	-	-	-	9,739
Other revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	16,300	-	-	-	-	16,300
Grants - Capital	-	-	27,260	-	-	-	-	27,260
Restructurings	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>10,555</u>	<u>-</u>	<u>103,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,200</u>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	118,682	-	142,917	-	-	-	-	261,599
Professional/Contractual Services	31,204	10,790	21,025	12,185	-	-	3,456	78,660
Utilities	4,419	-	2,597	-	-	-	4,909	11,925
Maintenance, materials and supplies	12,285	-	415,289	-	-	-	-	427,574
Grants and contributions	1,550	36,238	-	-	50	2,720	-	40,558
Amortization	-	-	91,372	-	-	-	-	91,372
Interest	-	-	2,009	-	-	-	-	2,009
Allowance for uncollectibles	-	-	-	-	-	-	-	-
Other	880	-	-	-	88	-	-	968
Restructurings	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<u>169,020</u>	<u>47,028</u>	<u>675,209</u>	<u>12,185</u>	<u>138</u>	<u>2,720</u>	<u>8,365</u>	<u>914,665</u>
<b>Surplus (deficit) by function</b>	(158,465)	(47,028)	(571,564)	(12,185)	(138)	(2,720)	(8,365)	(800,465)
Taxation and other unconditional revenue (Schedule 1)								<u>678,806</u>
<b>Net Surplus (Deficit)</b>								<u>\$ (121,659)</u>

See accompanying notes to the financial statements.

# RURAL MUNICIPALITY OF KING GEORGE NO. 256

Schedule 6

## SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

Year ended December 31, 2020  
with comparative figures for 2019

	2020								2019
	General Assets					Infrastructure Assets	General / Infrastructure Assets Under Construction	Total	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
<b>Asset cost</b>									
Opening asset costs	\$ 1	-	10,009	53,773	1,089,758	1,444,731	-	2,598,272	2,504,135
Additions during the year	-	-	-	-	63,284	-	-	63,284	196,141
Disposals and write-downs during the year	-	-	-	-	(27,869)	-	-	(27,869)	(102,004)
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
<b>Closing asset costs</b>	<u>1</u>	<u>-</u>	<u>10,009</u>	<u>53,773</u>	<u>1,125,173</u>	<u>1,444,731</u>	<u>-</u>	<u>2,633,687</u>	<u>2,598,272</u>
<b>Accumulated amortization cost</b>									
Opening accumulated amortization costs	-	-	8,209	20,444	400,481	1,241,757	-	1,670,891	1,661,123
Add: Amortization taken	-	-	200	3,482	82,191	18,582	-	104,455	91,372
Less: Accumulated amortization on disposals	-	-	-	-	(7,435)	-	-	(7,435)	(81,604)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
<b>Closing accumulated amortization costs</b>	<u>-</u>	<u>-</u>	<u>8,409</u>	<u>23,926</u>	<u>475,237</u>	<u>1,260,339</u>	<u>-</u>	<u>1,767,911</u>	<u>1,670,891</u>
<b>Net book value</b>	<u>\$ 1</u>	<u>-</u>	<u>1,600</u>	<u>29,847</u>	<u>649,936</u>	<u>184,392</u>	<u>-</u>	<u>865,776</u>	<u>927,381</u>

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

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

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

3. Amount of interest capitalized in 2020: \$ -

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF KING GEORGE NO. 256

### SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION

Year ended December 31, 2020  
with comparative figures for 2019

	2020							2019
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total
								Total
<b>Asset cost</b>								
Opening asset costs	\$ 11,216	-	2,587,051	-	-	-	5	2,598,272
Additions during the year	-	-	63,284	-	-	-	-	63,284
Disposals and write-downs during the year	-	-	(27,869)	-	-	-	-	(27,869)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
<b>Closing asset costs</b>	<u>11,216</u>	<u>-</u>	<u>2,622,466</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>2,633,687</u>
<b>Accumulated amortization cost</b>								
Opening accumulated amortization costs	4,200	-	1,666,686	-	-	-	5	1,670,891
Add: Amortization taken	702	-	103,753	-	-	-	-	104,455
Less: Accumulated amortization on disposals	-	-	(7,435)	-	-	-	-	(7,435)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
<b>Closing accumulated amortization costs</b>	<u>4,902</u>	<u>-</u>	<u>1,763,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>1,767,911</u>
<b>Net book value</b>	<u>\$ 6,314</u>	<u>-</u>	<u>859,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>865,776</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF KING GEORGE NO. 256

## SCHEDULE OF ACCUMULATED SURPLUS

Year ended December 31, 2020

	<u>2019</u>	<u>Changes</u>	<u>2020</u>
<b>UNAPPROPRIATED SURPLUS</b>	\$ <u>242,696</u>	<u>(56,848)</u>	<u>185,848</u>
<b>APPROPRIATED RESERVES</b>			
Fire and protective services	183,348	35,000	218,348
Public reserve	-	-	-
Capital trust	-	-	-
Utility	-	-	-
Other	<u>5,000</u>	<u>-</u>	<u>5,000</u>
<b>Total Appropriated</b>	<u>188,348</u>	<u>35,000</u>	<u>223,348</u>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>			
Tangible capital assets (Schedule 6)	927,381	(61,605)	865,776
Less: Related debt	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Investment in Tangible Capital Assets</b>	<u>927,381</u>	<u>(61,605)</u>	<u>865,776</u>
<b>Total Accumulated Surplus</b>	\$ <u>1,358,425</u>	<u>(83,453)</u>	<u>1,274,972</u>

See accompanying notes to the financial statements.

# **RURAL MUNICIPALITY OF KING GEORGE NO. 256**

## **SCHEDULE OF MILL RATES AND ASSESSMENTS**

**Year ended December 31, 2020**  
with comparative figures for 2019

	PROPERTY CLASS						Total
	<u>Agriculture</u>	<u>Residential</u>	<u>Residential Condominium</u>	<u>Seasonal Residential</u>	<u>Commercial &amp; Industrial</u>	<u>Potash Mine(s)</u>	
<b>Taxable Assessment</b>	\$ 92,304,600	1,301,985	-	-	34,000	-	\$ 93,640,585
<b>Regional Park Assessment</b>							-
<b>Total Assessment</b>							\$ 93,640,585
<b>Mill Rate Factor(s)</b>	1.0000	1.0000	1.0000	1.0000	1.0000		
<b>Total Base/Minimum Tax (generated for each property class)</b>	-	-	-	-	-		-
<b>Total Municipal Tax Levy (include base and/or minimum tax and special levies)</b>	\$ 535,367	7.552	-	-	197		543.116

**MILL RATES:**

	<u>MILLS</u>
Average Municipal*	5.800
Average School*	1.470
Potash Mill Rate	-
Uniform Municipal Mill Rate	9.498

\* Average Mill Rates (multiply the total tax levy for each taxing authority by 1000 and divide by the total assessment for the taxing authority)

See accompanying notes to the financial statements.



## RURAL MUNICIPALITY OF KING GEORGE NO. 256

## SCHEDULE OF COUNCIL REMUNERATION

Year ended December 31, 2020  
with comparative figures for 2019

Position	Name	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Reeve	Norm McIntyre	\$ 3,600	587	4,187
Councillor	Brad Peters	1,635	275	1,910
Councillor	Terry Oja	3,075	1,145	4,220
Councillor	Lelsie Dawe	1,725	544	2,269
Councillor	Bonnie Simonson	2,700	770	3,470
Councillor	Ed Omiecinski	3,168	310	3,478
Total		<u>\$ 15,903</u>	<u>3,631</u>	<u>19,534</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF KING GEORGE NO. 256

## SCHEDULE OF RESTRUCTURING

Year ended December 31, 2020

## Carrying Amount of Assets and Liabilities Transferred/Received at Restructuring Date

Cash and temporary investments	\$ -
Taxes Receivable - Municipal	-
Other accounts receivable	-
Land for resale	-
Long-term investments	-
Debt charges recoverable	-
Bank indebtedness	-
Accounts payable	-
Accrued liabilities payable	-
Deposits	-
Deferred revenue	-
Accrued landfill costs	-
Liability for contaminated sites	-
Other liabilities	-
Long-term debt	-
Lease obligations	-
Tangible capital assets	-
Prepayments and deferred charges	-
Stock and supplies	-
Other	-
<b>Total Net Carrying Amount Received (Transferred)</b>	<b>\$ -</b>

See accompanying notes to the financial statements.