

RURAL MUNICIPALITY OF MCKILLOP #220
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

RURAL MUNICIPALITY OF MCKILLOP #220
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STATEMENT OF RESPONSIBILITY

To the Ratepayers of the Rural Municipality of McKillop #220:


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

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

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

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



Reeve

Administrator

INDEPENDENT AUDITOR'S REPORT

To the Reeve and Council of:
Rural Municipality of McKillop #220
Bulyea, Saskatchewan

Qualified Opinion

We have audited the consolidated financial statements of the Rural Municipality of McKillop #220, which comprise the consolidated statement of financial position as at December 31, 2020 and the consolidated statement of operations, consolidated statement of changes in net financial assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraphs, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Rural Municipality of McKillop #220 as at December 31, 2020, and its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Comparative Figures

The consolidated financial statements for the year ended December 31, 2019 were audited by another public accounting firm who expressed a qualified opinion dated July 21, 2020.

Basis for Qualified Opinion

The Province of Saskatchewan has stringent environmental approval processes for landfill sites that are set out by legislation and regulation. Prior to receiving environmental approval and accepting any waste, a landfill operator is obligated to include responsibility for closure and post-closure care of the approved sites, which requires the organization to set up a liability and accrue for the future expense to restore the land after closure. Last Mountain Regional Landfill has recorded a landfill closure and post-closure liability, but in a manner that is inconsistent with Canadian public sector accounting standards, which requires recognition of closure and post-closure liabilities on a volumetric basis as the landfill site capacity is used, starting when the site first accepts waste; in addition, the estimate of the liability should include management's best estimates of the total expenditures associated with the closure and post-closure care activities. Therefore, we have qualified our audit opinion as a result of the incorrectly recorded liability.

Last Mountain Regional Landfill derives revenue from the general public in the form of tipping fees, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue, annual surplus, or net financial assets 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 Auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Rural Municipality of McKillop #220 in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Rural Municipality of McKillop #220'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 Rural Municipality of McKillop #220 or to cease operations, or has no realistic alternative but to do so.

Sensus Chartered Professional Accountants Ltd.
Understanding your Business

Those charged with governance are responsible for overseeing the Rural Municipality of McKillop #220's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Rural Municipality of McKillop #220'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 of McKillop #220'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Rural Municipality of McKillop #220 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Yorkton, Saskatchewan
June 8, 2021



Chartered Professional Accountants Ltd.

RURAL MUNICIPALITY OF MCKILLOP #220
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2020

	2020	2019
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	\$ 3,614,364	\$ 2,428,552
Taxes receivable - municipal (Note 3)	408,863	706,329
Amounts receivable (Note 4)	146,188	94,596
Land for resale (Note 5)	22,094	7,539
Portfolio investments (Note 6)	66,967	62,874
Patronage equity	199	176
TOTAL FINANCIAL ASSETS	4,258,675	3,300,066
LIABILITIES		
Accounts payable and accrued liabilities	386,459	179,716
Deposits (Note 1)	14,200	
Accrued landfill costs (Note 1)	23,540	22,470
Long-term debt (Note 8)	1,065,270	1,146,903
Obligations under capital lease (Note 9)	8,766	20,135
TOTAL LIABILITIES	1,498,235	1,369,224
NET FINANCIAL ASSETS	2,760,440	1,930,842
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedules 6 and 7)	7,946,640	8,191,127
Inventories	560,361	669,495
Prepaid expenses	14,484	116
TOTAL NON-FINANCIAL ASSETS	8,521,485	8,860,738
ACCUMULATED SURPLUS (Schedule 8)	\$ 11,281,925	\$10,791,580

RURAL MUNICIPALITY OF MCKILLOP #220
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
REVENUE			
Taxes and other unconditional revenue (Schedule 1)	\$ 2,721,743	\$ 2,504,863	\$ 2,564,409
Fees and charges (Schedules 4 and 5)	431,297	677,934	600,493
Conditional grants (Schedules 4 and 5)	105,209	114,684	5,561
Tangible capital asset sales - gain (loss) (Schedules 4 and 5)		(7,038)	(146,251)
Land sales - gain (Schedules 4 and 5)		70,451	
Investment income and commissions (Schedules 4 and 5)	24,961	23,368	29,489
Other revenues (Schedules 4 and 5)		400	
	3,283,210	3,384,662	3,053,701
EXPENSES			
General government services (Schedule 3)	652,475	820,846	846,301
Protective services (Schedule 3)	149,427	181,839	171,273
Transportation services (Schedule 3)	1,124,996	1,135,207	1,151,307
Environmental and public health services (Schedule 3)	203,919	292,834	280,848
Planning and development services (Schedule 3)	108,728	88,344	209,170
Recreation and cultural services (Schedule 3)	71,490	78,415	52,351
Utility services (Schedule 3)	350,184	361,614	379,535
	2,661,219	2,959,099	3,090,785
SURPLUS (DEFICIT) BEFORE OTHER CAPITAL CONTRIBUTIONS	621,991	425,563	(37,084)
Provincial/Federal capital grants and contributions (Schedules 4 and 5)	43,188	64,782	76,162
ANNUAL SURPLUS	665,179	490,345	39,078
ACCUMULATED SURPLUS, BEGINNING OF YEAR	10,791,580	10,791,580	10,752,502
ACCUMULATED SURPLUS, END OF YEAR	\$ 11,456,759	\$ 11,281,925	\$10,791,580

RURAL MUNICIPALITY OF MCKILLOP #220
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
 For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
ANNUAL SURPLUS	\$ 665,179	\$ 490,345	\$ 39,078
Acquisition of tangible capital assets	(226,400)	(118,441)	(272,765)
Amortization of tangible capital assets	344,620	344,620	357,466
Loss on sale of tangible capital assets		7,038	146,251
Proceeds on sale of tangible capital assets		11,270	102,416
Decrease in inventories		109,134	325,750
Decrease (increase) in prepaid expenses		(14,368)	2,658
	118,220	339,253	661,776
CHANGE IN NET FINANCIAL ASSETS	\$ 783,399	829,598	700,854
NET FINANCIAL ASSETS, BEGINNING OF YEAR		1,930,842	1,229,988
NET FINANCIAL ASSETS, END OF YEAR		\$ 2,760,440	\$ 1,930,842

RURAL MUNICIPALITY OF MCKILLOP #220
CONSOLIDATED STATEMENT OF CASH FLOWS
 For the year ended December 31, 2020

	2020	2019
OPERATING TRANSACTIONS		
Annual surplus	\$ 490,345	\$ 39,078
Changes in non-cash items:		
Taxes receivable - municipal	297,466	64,767
Amounts receivable	(51,592)	38,862
Inventories	109,134	325,750
Prepaid expenses	(14,368)	2,658
Accounts payable and accrued liabilities	206,743	21,757
Deferred revenue		(73,356)
Deposits	14,200	
Accrued landfill costs	1,070	1,070
Patronage equity	(23)	(49)
Loss on sale of tangible capital assets	7,038	146,251
Gain on sale of land for resale	(70,451)	
Amortization	344,620	357,466
Cash provided by operating transactions	1,334,182	924,254
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	11,270	102,416
Acquisition of tangible capital assets	(118,441)	(272,765)
Cash applied to capital transactions	(107,171)	(170,349)
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	613	880
Proceeds on sale of land for resale	77,990	
Purchase of portfolio investments	(4,706)	(9,330)
Acquisition of real estate properties	(22,094)	
Cash provided by (applied to) investing transactions	51,803	(8,450)
FINANCING TRANSACTIONS		
Long-term debt repayment	(81,633)	(78,932)
Repayment of obligations under capital lease	(11,369)	(11,258)
Cash applied to financing transactions	(93,002)	(90,190)
INCREASE IN CASH AND TEMPORARY INVESTMENTS	1,185,812	655,265
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	2,428,552	1,773,287
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	\$ 3,614,364	\$ 2,428,552

RURAL MUNICIPALITY OF MCKILLOP #220

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue 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.

Reporting Entity

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

Last Mountain Regional Landfill (LMRL) - 42.8%

All inter-organizational transactions and balances have been eliminated.

Collection of Funds for Other Authorities

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

Government Transfers

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

- a) the transfers are authorized
- b) any eligibility criteria have been met; and
- c) reasonable estimates of the amounts 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.

Deferred Revenue and Deposits

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.

RURAL MUNICIPALITY OF MCKILLOP #220
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Local Improvement Charges

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

Net-Financial Assets

Net-financial assets at the end of the 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.

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.

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.

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.

Portfolio Investments

Portfolio investments are valued at the lower of cost and market value, less any provisions for other than temporary impairment. The long-term investments in the Saskatchewan Rural Municipalities - Self-Insurance Fund are accounted for on the equity basis.

Inventories

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

RURAL MUNICIPALITY OF MCKILLOP #220

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tangible Capital Assets

All tangible capital asset acquisitions or betterment made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired 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 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 Rural Municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
General assets	
Land	Indefinite
Land improvements	5 to 20 years
Buildings	10 to 50 years
Vehicles and equipment	
Vehicles	5 to 10 years
Machinery and equipment	5 to 10 years
Infrastructure Assets	
Infrastructure assets	30 to 75 years
Water & sewer	5 to 75 years
Road network assets	25 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 Rural Municipality does not capitalize interest incurred while a tangible capital asset is under construction.

RURAL MUNICIPALITY OF MCKILLOP #220

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

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

Landfill Liability

The Rural Municipality of McKillop #220 does not maintain a waste disposal site and utilizes the waste disposal site of Last Mountain Regional Landfill. Last Mountain Regional Landfill has been able to estimate closure and post-closure costs, but is not within Canadian public sector accounting standards.

Trust Funds

Funds held in trust for others, under a trust agreement or statute, are not included in the consolidated financial statements as they are not controlled by the Rural Municipality.

Employee Benefit Plan

Contributions to the Rural Municipality's defined benefit plans are expensed when contributions are made. Under the defined benefit multi-employer plan, the Rural Municipality's obligations are limited to their contributions.

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 Rural 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.

RURAL MUNICIPALITY OF MCKILLOP #220

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Uncertainty

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenue and expenditures during the period. Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

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

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

Basis of Segmentation/Segment Report

The Rural Municipality has adopted the new 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 attributable 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 administration of the Rural Municipality.

Protective services: Is comprised of expenses for police and fire protection.

Transportation services: 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: Environmental segment provides waste disposal and other environmental services and the public health segment provides for expenses related to public health services in the Rural Municipality.

Planning and development: Provides for neighbourhood development and sustainability.

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

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

Budget Information

Budget information is presented on a basis consistent with that used for the actual results. The budget was approved by Council on June 9, 2020.

RURAL MUNICIPALITY OF MCKILLOP #220
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Standards and Amendments to Standards

Effective for Fiscal Years Beginning On or After April 1, 2022:

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

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

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

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

PS 3280 Asset Retirement Obligations, a new standard establishing guidance on the accounting and reporting of legal obligations associated with the retirement of tangible capital assets controlled by a government or a 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 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 the performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payer.

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

RURAL MUNICIPALITY OF MCKILLOP #220
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

2. CASH AND TEMPORARY INVESTMENTS

Cash and temporary investments are comprised of the following:

	2020	2019
Cash	\$ 2,983,198	\$ 1,419,058
Temporary investments	631,166	1,009,494
	<u>\$ 3,614,364</u>	<u>\$ 2,428,552</u>

Cash and temporary investments include balances with banks and term deposits. Temporary investments represent term deposits held at the Affinity Credit Union Ltd. which earn interest at rates between 0.85% and 2.20% (2019 - 1.00% - 1.85%) and have maturity dates ranging from January 2021 to November 2022.

3. TAXES AND GRANTS-IN-LIEU RECEIVABLE

	2020	2019
Municipal		
- Current	\$ 173,851	\$ 220,541
- Arrears	235,012	485,788
Total municipal taxes receivable	<u>408,863</u>	<u>706,329</u>
School		
- Current	82,560	99,508
- Arrears	104,328	156,698
Total school taxes receivable	<u>186,888</u>	<u>256,206</u>
Municipal hail insurance	<u>1,972</u>	<u>5,927</u>
Total taxes and grants-in-lieu receivable	<u>597,723</u>	<u>968,462</u>
Deduct taxes receivable to be collected on behalf of other organizations	<u>(188,860)</u>	<u>(262,133)</u>
Municipal and grants-in-lieu taxes receivable	<u>\$ 408,863</u>	<u>\$ 706,329</u>

RURAL MUNICIPALITY OF MCKILLOP #220
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

4. AMOUNTS RECEIVABLE

Amounts receivable are valued at their net realized value.

	2020	2019
Organizations and individuals	\$ 71,455	\$ 34,095
Federal government	39,840	40,361
Utility	29,782	11,428
Accrued interest	5,111	8,712
	<u>\$ 146,188</u>	<u>\$ 94,596</u>

5. LAND FOR RESALE

	2020	2019
Tax Title Property	\$ 22,094	\$ 7,539

6. PORTFOLIO INVESTMENTS

	2020	2019
Saskatchewan Association of Rural Municipalities - Liability Insurance Fund	\$ 54,549	\$ 52,121
Saskatchewan Association of Rural Municipalities - Property Insurance Fund	12,418	10,753
Total portfolio investments	<u>\$ 66,967</u>	<u>\$ 62,874</u>

The investments in Saskatchewan Association of Rural Municipalities are accounted for on the equity basis.

7. CONTINGENCY

The Rural 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.

RURAL MUNICIPALITY OF MCKILLOP #220
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

8. LONG-TERM DEBT

The debt limit of the Rural Municipality is \$2,567,060. The debt limit for a Rural Municipality is the total amount of the Rural Municipality's own source revenues for the preceding year (the *Municipalities Act* Section 161(1)).

	2020	2019
Royal Bank of Canada loan bearing interest at a fixed rate of 3.37% per annum, payable in blended monthly payments of \$9,919, maturing August 2031.	\$ 1,065,270	\$ 1,146,903

Future principal and interest payments are as follows:

	Principal	Interest	Total
2021	\$ 84,427	\$ 34,601	\$ 119,028
2022	87,317	31,711	119,028
2023	90,305	28,723	119,028
2024	93,396	25,632	119,028
2025	96,592	22,436	119,028
Thereafter	613,233	61,274	674,507
Balance	\$ 1,065,270	\$ 204,377	\$ 1,269,647

9. OBLIGATIONS UNDER CAPITAL LEASE

The capital lease is between Last Mountain Regional Landfill and the Rural Municipality of Longlaketon #219. This capital lease is interest-free and upon receipt of final payment, ownership of the equipment shall transfer from the Rural Municipality of Longlaketon #219 to Last Mountain Regional Landfill.

Minimum lease payments due in the next year is as follows:

2021	\$ 8,766
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RURAL MUNICIPALITY OF MCKILLOP #220
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

10. PENSION PLAN

The Rural 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 benefits. The Rural Municipality's pension expense in 2020 was \$45,685 (2019 - \$45,152). The benefits accrued to the Rural Municipality's employees from MEPP are calculated using the following: Pensionable Years of Service, Highest Average Salary, and the plan accrual rate. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook Section PS3250.

11. OTHER MATTERS

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a worldwide pandemic. Subsequently, on March 18, 2020, the Province of Saskatchewan declared a province-wide state of emergency to help reduce the spread of COVID-19. The Rural Municipality has not suffered any significant disruptions throughout the year as a result from the outbreak.

While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of this disruption. As a result, the related financial impact and duration cannot be reasonably estimated at this time.

12. GOVERNMENT ASSISTANCE

In response to the pandemic, the Provincial and Federal governments have provided funds to municipalities in order to stimulate economic recovery and enhance infection protection and control measures in their operations. Through the Municipal Economic Enhancement Program (MEEP), the Rural Municipality received funds of \$105,209 and these funds were approved to be spent on dust control and the purchase of gravel and gravel crushing. As of December 31, 2020, \$56,840 has been spent on dust proofing and \$176,580 has been spent on gravel and gravel crushing. Both projects have been completed. In addition, the Safe Restart Program provided \$43,667 in unconditional funding to the Rural Municipality.

13. COMPARATIVE FIGURES

The consolidated financial statements for the year ended December 31, 2019 were audited by another public accounting firm who expressed a qualified opinion dated July 21, 2020.

RURAL MUNICIPALITY OF MCKILLOP #220
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

14. PRIOR YEAR'S FIGURES

The prior year's figures have been restated due to errors found which have been summarized in the table below. The effect of these adjustments is a decrease to accumulated surplus.

	2020	2019
Opening fund balance:		
Accumulated surplus	\$ 10,791,580	\$11,630,850
Adjustments:		
Consolidation of Last Mountain Regional Landfill		73,131
Tangible capital assets		(951,479)
Opening accumulated surplus, restated	<u>10,791,580</u>	<u>10,752,502</u>
Annual surplus (deficit), previously stated	490,345	(39,315)
Adjustments:		
Interest on portfolio investments		8,450
Interest on term deposits		(493)
ISC deposits		(962)
Interest on long-term debt		386
Accounts payable		(20,433)
Prepaid expenses		(1,696)
Dividend income		49
Deferred revenues		73,356
Allowance on accounts receivable		935
Inventory		(105,293)
Salaries and vacation		9,852
Tangible capital assets		82,017
Consolidation of Last Mountain Regional Landfill		32,225
Annual surplus, restated	<u>490,345</u>	<u>39,078</u>
Accumulated surplus, end of year	<u><u>\$ 11,281,925</u></u>	<u><u>\$10,791,580</u></u>

RURAL MUNICIPALITY OF MCKILLOP #220
SCHEDULE 1 - SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES
 For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
TAXES			
General municipal tax levy	\$ 2,486,619	\$ 2,255,568	\$ 2,245,342
Abatements and adjustments	(15,000)	(8,007)	(17,898)
Discount on current year taxes	(80,000)	(106,723)	(53,556)
Net Municipal Taxes	2,391,619	2,140,838	2,173,888
Potash tax share	2,560	2,852	2,559
Penalties on tax arrears	60,000	52,316	63,323
Special tax levy	56,299	55,004	137,498
Total Taxes	2,510,478	2,251,010	2,377,268
UNCONDITIONAL GRANTS			
Equalization (Revenue Sharing)	200,421	200,444	176,297
Safe Restart Program		43,667	
Total Unconditional Grants	200,421	244,111	176,297
GRANTS-IN-LIEU OF TAXES			
Federal	1,188	1,238	1,188
Provincial			
TransGas	250	272	250
Sasktel	9,406	8,232	9,406
Total Grants-in-Lieu of Taxes	10,844	9,742	10,844
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 2,721,743	\$ 2,504,863	\$ 2,564,409

RURAL MUNICIPALITY OF MCKILLOP #220

SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 36,000	\$ 27,215	\$ 46,016
- Sales of supplies	730	3,579	783
- Other (equipment rentals, tax certificates, general office)	21,067	11,595	22,176
Total Fees and Charges	57,797	42,389	68,975
- Tangible capital asset sales - gain (loss)			(58,562)
- Land sales - gain		70,451	
- Investment income and commissions	24,961	23,368	29,489
Total Other Segmented Revenue	82,758	136,208	39,902
Total Operating	82,758	136,208	39,902
Total General Government Services	82,758	136,208	39,902
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Fire fees		41,751	73,826
Total Fees and Charges		41,751	73,826
- Tangible capital asset sales - gain (loss)			(147,152)
Total Other Segmented Revenue		41,751	(73,326)
Total Operating		41,751	(73,326)
Total Protective Services		41,751	(73,326)

RURAL MUNICIPALITY OF MCKILLOP #220

SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Road Maintenance and Restoration Agreements	\$ 4,500	\$ 34,052	\$ 4,385
Total Fees and Charges	4,500	34,052	4,385
- Tangible capital asset sales - gain (loss)		(2,852)	46,759
Total Other Segmented Revenue	4,500	31,200	51,144
Conditional Grants			
- Student Employment		3,495	
- Municipal Economic Enhancement Program	105,209	105,209	
Total Conditional Grants	105,209	108,704	
Total Operating	109,709	139,904	51,144
Capital			
Conditional Grants			
- Gas Tax	43,188	64,782	76,162
Total Capital	43,188	64,782	76,162
Total Transportation Services	152,897	204,686	127,306

RURAL MUNICIPALITY OF MCKILLOP #220

SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and disposal fees	\$ 146,500	\$ 151,500	\$ 167,761
- Garbage bin rental fees	9,700	10,916	9,187
- Last Mountain Regional Landfill		117,857	116,509
Total Fees and Charges	156,200	280,273	293,457
- Tangible capital asset sales - gain (loss)			(33)
Total Other Segmented Revenue	156,200	280,273	293,424
Conditional Grants			
- Other (Invasive Plant Control Program, Research Capacity Program, Beaver Control Program)		5,980	4,648
Total Conditional Grants		5,980	4,648
Total Operating	156,200	286,253	298,072
Total Environmental and Public Health Services	156,200	286,253	298,072
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (permits, licenses, advertising)	15,000	44,556	90,792
Total Fees and Charges	15,000	44,556	90,792
Total Other Segmented Revenue	15,000	44,556	90,792
Total Operating	15,000	44,556	90,792
Total Planning and Development Services	15,000	44,556	90,792

RURAL MUNICIPALITY OF MCKILLOP #220

SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
- Tangible capital asset sales - gain (loss)	\$	\$ (4,186)	\$ 12,993
- Donations		400	
Total Other Segmented Revenue		(3,786)	12,993
Conditional Grants			
- Saskatchewan Lotteries			913
Total Conditional Grants			913
Total Operating		(3,786)	13,906
Total Recreation and Cultural Services		(3,786)	13,906
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	23,800	31,283	20,464
- Sewer	174,000	203,630	48,594
Total Fees and Charges	197,800	234,913	69,058
- Tangible capital asset sales - gain (loss)			(256)
Total Other Segmented Revenue	197,800	234,913	68,802
Total Operating	197,800	234,913	68,802
Total Utility Services	197,800	234,913	68,802
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 604,655	\$ 944,581	\$ 565,454
SUMMARY			
Total Other Segmented Revenue	\$ 456,258	\$ 765,115	\$ 483,731
Total Conditional Grants	105,209	114,684	5,561
Total Capital Grants and Contributions	43,188	64,782	76,162
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 604,655	\$ 944,581	\$ 565,454

RURAL MUNICIPALITY OF MCKILLOP #220
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 113,825	\$ 102,159	\$ 107,499
Wages and benefits	291,757	300,416	304,556
Professional/Contractual services	163,247	114,234	334,950
Utilities	10,200	10,167	9,999
Maintenance, materials, and supplies	56,975	64,091	53,317
Amortization	8,971	8,860	9,729
Interest	7,500	2,694	2,793
Allowance for uncollectibles		218,225	23,458
Total General Government Services	652,475	820,846	846,301
PROTECTIVE SERVICES			
Police protection			
Professional/Contractual services	63,000	65,261	61,211
Fire protection			
Wages and benefits			20,210
Professional/Contractual services	86,427	116,578	59,150
Utilities			7,888
Maintenance, materials, and supplies			22,814
Total Protective Services	149,427	181,839	171,273
TRANSPORTATION SERVICES			
Wages and benefits	267,982	233,970	240,650
Professional/Contractual services	243,075	82,490	92,144
Utilities	23,850	25,334	21,494
Maintenance, materials, and supplies	356,144	297,043	249,042
Gravel	30,700	291,893	343,366
Amortization	203,245	204,477	204,611
Total Transportation Services	1,124,996	1,135,207	1,151,307
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	31,601	31,643	37,360
Professional/Contractual services	167,659	89,414	90,752
Maintenance, materials, and supplies	4,000	4,828	5,049
Amortization	659	20,701	19,231
Last Mountain Regional Landfill		146,248	128,456
Total Environmental and Public Health Services	203,919	292,834	280,848

RURAL MUNICIPALITY OF MCKILLOP #220
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	\$ 62,228	\$ 59,496	\$ 32,493
Professional/Contractual services	46,500	28,848	176,677
Total Planning and Development Services	108,728	88,344	209,170
RECREATION AND CULTURAL SERVICES			
Wages and benefits			14
Professional/Contractual services	10,115	25,310	4,320
Utilities		806	
Maintenance, materials, and supplies	13,500	5,651	6,823
Grants and contributions			
- Operating	16,648	17,493	15,626
Amortization	27,727	18,905	20,913
Donations	3,500	10,250	4,655
Total Recreation and Cultural Services	71,490	78,415	52,351
UTILITY SERVICES			
Wages and benefits	65,427	59,512	60,243
Professional/Contractual services	158,434	157,238	165,955
Utilities	9,030	7,853	8,474
Maintenance, materials, and supplies	17,450	8,166	2,168
Amortization	59,744	91,677	102,982
Interest	40,099	37,168	39,713
Total Utility Services	350,184	361,614	379,535
TOTAL EXPENSES BY FUNCTION	\$ 2,661,219	\$ 2,959,099	\$ 3,090,785

RURAL MUNICIPALITY OF MCKILLOP #220
SCHEDULE 4 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
For the year ended December 31, 2020

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 42,389	\$ 41,751	\$ 34,052	\$ 280,273	\$ 44,556	\$	\$ 234,913	\$ 677,934
Tangible Capital Asset Sale - Gain (Loss)			(2,852)			(4,186)		(7,038)
Land Sales - Gain (Loss)	70,451							70,451
Investment Income & Commissions	23,368							23,368
Other Revenues						400		400
Grants - Conditional			108,704	5,980				114,684
- Capital			64,782					64,782
Total revenues	136,208	41,751	204,686	286,253	44,556	(3,786)	234,913	944,581
Expenses (Schedule 3)								
Wages & Benefits	402,575		233,970	31,643	59,496		59,512	787,196
Professional/Contractual Services	114,234	181,839	82,490	89,414	28,848	25,310	157,238	679,373
Utilities	10,167		25,334			806	7,853	44,160
Maintenance, Materials, Supplies	64,091		588,936	4,828		5,651	8,166	671,672
Grants and Contributions						17,493		17,493
Amortization	8,860		204,477	20,701		18,905	91,677	344,620
Interest	2,694						37,168	39,862
Allowance for Uncollectibles	218,225							218,225
Other				146,248		10,250		156,498
Total expenses	820,846	181,839	1,135,207	292,834	88,344	78,415	361,614	2,959,099
Surplus (Deficit) by Function	(684,638)	(140,088)	(930,521)	(6,581)	(43,788)	(82,201)	(126,701)	(2,014,518)
Taxation and other unconditional revenue (Schedule 1)								2,504,863
Net Surplus								\$ 490,345

RURAL MUNICIPALITY OF MCKILLOP #220
SCHEDULE 5 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
For the year ended December 31, 2019

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 68,975	\$ 73,826	\$ 4,385	\$ 293,457	\$ 90,792	\$	\$ 69,058	\$ 600,493
Tangible Capital Asset Sale - Gain (Loss)	(58,562)	(147,152)	46,759	(33)		12,993	(256)	(146,251)
Land Sales - Gain (Loss)								
Investment Income & Commissions	29,489							29,489
Other Revenues								
Grants - Conditional				4,648		913		5,561
- Capital			76,162					76,162
Total revenues	39,902	(73,326)	127,306	298,072	90,792	13,906	68,802	565,454
Expenses (Schedule 3)								
Wages & Benefits	412,055	20,210	240,650	37,360	32,493	14	60,243	803,025
Professional/Contractual Services	334,950	120,361	92,144	90,752	176,677	4,320	165,955	985,159
Utilities	9,999	7,888	21,494				8,474	47,855
Maintenance, Materials, Supplies	53,317	22,814	592,408	5,049		6,823	2,168	682,579
Grants and Contributions						15,626		15,626
Amortization	9,729		204,611	19,231		20,913	102,982	357,466
Interest	2,793						39,713	42,506
Allowance for Uncollectibles	23,458							23,458
Other				128,456		4,655		133,111
Total expenses	846,301	171,273	1,151,307	280,848	209,170	52,351	379,535	3,090,785
Surplus (Deficit) by Function	(806,399)	(244,599)	(1,024,001)	17,224	(118,378)	(38,445)	(310,733)	(2,525,331)
Taxation and other unconditional revenue (Schedule 1)								2,564,409
Net Surplus								\$ 39,078

RURAL MUNICIPALITY OF MCKILLOP #220
SCHEDULE 6 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT
For the year ended December 31, 2020

	General Assets					Infrastructure Assets	General/ Infrastructure	Totals	
Cost	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Assets Under Construction	2020	2019
Opening costs	\$ 364,768	935,709	1,318,305		1,796,801	8,046,809	22,956	\$ 12,485,348	\$ 12,653,893
Additions during the year		59,409			9,576	10,301	39,155	118,441	272,765
Disposals and write downs		(24,807)			(63,910)			(88,717)	(441,310)
Transfers from assets under construction					62,111		(62,111)		
Closing costs	364,768	970,311	1,318,305		1,804,578	8,057,110		12,515,072	12,485,348
Accumulated Amortization									
Opening accumulated amortization		446,207	249,330		867,048	2,731,636		4,294,221	4,129,398
Amortization		42,620	35,707		136,910	129,383		344,620	357,466
Disposals and write downs		(19,821)			(50,588)			(70,409)	(192,643)
Closing accumulated amortization		469,006	285,037		953,370	2,861,019		4,568,432	4,294,221
Net Book Value	\$ 364,768	501,305	1,033,268		851,208	5,196,091		\$ 7,946,640	\$ 8,191,127

RURAL MUNICIPALITY OF MCKILLOP #220
SCHEDULE 7 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION
For the year ended December 31, 2020

Cost	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Totals	
								2020	2019
Opening costs	\$ 151,051		6,092,334	458,263		457,465	5,326,235	\$ 12,485,348	\$ 12,653,893
Additions during the year	7,307			51,700		49,133	10,301	118,441	272,765
Disposals and write downs			(63,910)			(24,807)		(88,717)	(441,310)
Closing costs	158,358		6,028,424	509,963		481,791	5,336,536	12,515,072	12,485,348
Accumulated Amortization									
Opening accumulated amortization	31,357		3,192,108	221,258		254,097	595,401	4,294,221	4,129,398
Amortization	8,860		204,477	20,701		18,905	91,677	344,620	357,466
Disposals and write downs			(50,588)			(19,821)		(70,409)	(192,643)
Closing accumulated amortization	40,217		3,345,997	241,959		253,181	687,078	4,568,432	4,294,221
Net Book Value	\$ 118,141		2,682,427	268,004		228,610	4,649,458	\$ 7,946,640	\$ 8,191,127

RURAL MUNICIPALITY OF MCKILLOP #220
SCHEDULE 8 - SCHEDULE OF ACCUMULATED SURPLUS
 For the year ended December 31, 2020

	2019	Changes	2020
UNAPPROPRIATED SURPLUS	\$ (1,624,510)	\$ 296,611	\$ (1,327,899)
APPROPRIATED RESERVES			
Future Capital Expenditure	808,046		808,046
Development Fees	91,400	25,520	116,920
Municipal Area	18,520		18,520
Lagoon - Special Levy	482,479		482,479
Lagoon - Future Capital	277,796	(82,335)	195,461
Last Mountain Pioneer Home		5,000	5,000
Gravel Purchase		20,000	20,000
Equipment		125,000	125,000
Computer Upgrades		10,000	10,000
Rural Municipality Shop		217,858	217,858
Total appropriated	1,678,241	321,043	1,999,284
ORGANIZED HAMLETS			
Alta Vista	186,189	11,909	198,098
Colesdale North	193,905	15,153	209,058
Colesdale South	118,826	18,871	137,697
Collingwood	311,665	64,388	376,053
MacPheat Park	80,562	13,343	93,905
Mohr's Beach	68,984	11,970	80,954
Sorensen's Beach	144,948	33,443	178,391
Spring Bay	187,209	22,569	209,778
Uhl's Bay	107,531	7,165	114,696
Total Hamlets	1,399,819	198,811	1,598,630
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	8,191,127	(244,487)	7,946,640
Less: Related debt	1,146,903	(81,633)	1,065,270
Net Investment in Tangible capital assets	9,338,030	(326,120)	9,011,910
TOTAL ACCUMULATED SURPLUS	\$ 10,791,580	\$ 490,345	\$ 11,281,925

RURAL MUNICIPALITY OF MCKILLOP #220
SCHEDULE 9 - SCHEDULE OF MILL RATES AND ASSESSMENTS
For the year ended December 31, 2020

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable assessment	76,232,305	194,709,995			9,746,825		280,689,125
Regional Park Assessment							
Total Assessment							280,689,125
Mill Rate Factor(s)	1.32	0.76			1.65		
Total Base/Minimum Tax		505,050					505,050
Total Municipal Tax Levy	754,700	1,380,251			120,617		2,255,568

MILL RATES:

MILLS

Average Municipal	8.0358
Average School	3.4641
Potash Mill Rate	
Uniform Municipal Mill Rate	7.5000

RURAL MUNICIPALITY OF MCKILLOP #220
SCHEDULE 10 - SCHEDULE OF COUNCIL REMUNERATION
For the year ended December 31, 2020

<u>Position - Name</u>	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Reeve - Bob Schmidt	\$ 16,770	\$ 3,413	20,183
Councilor - Don Whitrow	11,345	2,996	14,341
Councilor - Marilyn Labatte	10,305	1,673	11,978
Councilor - Rudy Thompson	9,290	1,684	10,974
Councilor - Garry Dixon	9,015	1,910	10,925
Councilor - Craig Romanyk	7,430	1,452	8,882
Councilor - Ken Swanston	6,705	1,440	8,145
Councilor - Gary Gilbert	1,250	207	1,457
Councilor - William McKenzie	1,265	166	1,431
	<u>\$ 73,375</u>	<u>\$ 14,941</u>	<u>88,316</u>