

**RURAL MUNICIPALITY OF ROSTHERN NO. 403**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2020**

**RURAL MUNICIPALITY OF ROSTHERN NO. 403**  
**Index to Consolidated Financial Statements**  
**Year Ended December 31, 2020**

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## Management's Responsibility

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

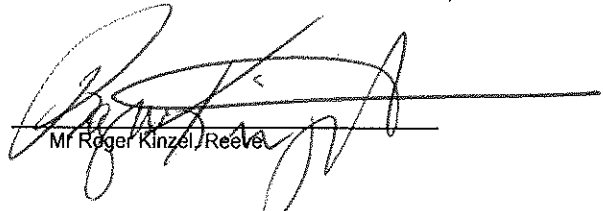
In discharging its responsibilities for the integrity and fair presentation of the consolidated financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and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

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

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



Amanda McCormick, Administrator



Mr. Roger Kinzel, Reeve

Rosthern, SK

Date: August 31, 2021

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## INDEPENDENT AUDITOR'S REPORT

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To the Council of the Rural Municipality of Rosthern No. 403

### *Qualified Opinion*

We have audited the consolidated financial statements of the Rural Municipality of Rosthern No. 403 (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations and accumulated surplus and 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 possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Qualified Opinion*

We were not able to observe the counting of inventories at December 31, 2020 and December 31, 2019 or satisfy ourselves by alternative means concerning inventory quantities as at those dates. As a result of this matter, we were unable to determine whether adjustments might have been necessary in respect of the surplus of revenues over expenses and cash flows from operating activities for the years ended December 31, 2020 and December 31, 2019, inventory reported in supplies on the statement of financial position as at December 31, 2020 and December 31, 2019 and accumulated surplus as at December 31, 2020, January 1, 2020 and December 31, 2019. Our audit opinion on the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

As outlined in Note 8 to the financial statements, the Municipality maintains a solid waste landfill site for which it has recorded an estimate of its closure and post-closure liabilities, but in a manner that is not consistent with Canadian public sector accounting standards. This constitutes a departure from Canadian public sector accounting standards, which require the closure and post-closure liabilities to be recognized on a volumetric basis as the landfill site capacity is used, beginning when the site first accepts waste. This is the result of a cost-benefit decision taken by management not to engage a third party to determine the liability until the site is closed. The impact of this departure from Canadian public sector accounting standards has not been determined and therefore, we were not able to determine whether any adjustments might be necessary to the surplus of revenues over expenses and cash flows for the year ended December 31, 2020 and December 31, 2019, landfill closure and post-closure liabilities as at December 31, 2020 and December 31, 2019 and net financial assets as at January 1 and December 31, 2020 and January 1 and December 31, 2019. Our audit opinion on the financial statements for the year ended December 31, 2019 was modified in respect of this departure from Canadian public sector accounting standards.

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 Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### *Emphasis of Matter*

We draw attention to Note 17 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2019 has been restated. Our opinion is not modified in respect of this matter.

### *Other Matter*

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. Schedules 1, 2, 3, 7, 9 and 10 are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.

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

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

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

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

Independent Auditor's Report to the Council of Rural Municipality of Rosthern No. 403 *(continued)*

### *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 generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, handwritten-style font.

Saskatoon, SK  
August 31, 2021

Chartered Professional Accountants

**RURAL MUNICIPALITY OF ROSTHERN NO. 403****Consolidated Statement of Financial Position****As at December 31, 2020****Statement 1**

	2020	2019 (Restated - see note 17)
<b>FINANCIAL ASSETS</b>		
Cash and Temporary Investments (Note 2)	\$ 9,047,928	\$ 7,810,817
Taxes Receivable - Municipal (Note 3)	224,268	203,312
Other Accounts Receivable (Note 4)	88,709	148,794
Land for Resale (Note 5)	-	-
Long-Term Investments	-	-
Debt Charges Recoverable	-	-
Other (Subscriber loans of Sask Valley Rural Water Utility)	281,281	364,892
<b>Total financial assets</b>	<b>9,642,186</b>	<b>8,527,815</b>
<b>LIABILITIES</b>		
Bank indebtedness (Note 6)	-	-
Accounts Payable	162,578	254,524
Accrued Liabilities Payable	-	-
Deposits	51,600	43,600
Deferred Revenue (Note 7)	589,260	360,931
Accrued Landfill Costs (Note 8)	262,053	262,053
Liability for Contaminated Sites (Note 9)	-	-
Other Liabilities	-	-
Long-Term Debt (Note 10)	260,092	369,745
Lease Obligations	-	-
<b>Total liabilities</b>	<b>1,325,583</b>	<b>1,290,853</b>
<b>NET FINANCIAL ASSETS</b>	<b>8,316,603</b>	<b>7,236,962</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets(Schedule 6, 7)	6,393,750	6,240,106
Prepayments and Deferred Charges	116	32
Stock and Supplies	277,489	597,658
Other	-	-
<b>Total Non-Financial Assets</b>	<b>6,671,355</b>	<b>6,837,796</b>
<b>ACCUMULATED SURPLUS (Schedule 8)</b>	<b>\$ 14,987,958</b>	<b>\$ 14,074,758</b>

See notes to consolidated financial statements

**RURAL MUNICIPALITY OF ROSTHERN NO. 403****Consolidated Statement of Operations and Accumulated Surplus****As at December 31, 2020****Statement 2**

	Budget	2020	2019 (Restated - see note 17)
<b>REVENUES OTHER THAN PROVINCIAL/FEDERAL CAPITAL GRANTS AND CONTRIBUTIONS</b>			
Taxes and Other Unconditional Revenue (Schedule 1)	\$ 3,154,600	\$ 3,288,309	\$ 3,060,317
Fees and Charges (Schedule 4, 5)	160,900	807,757	979,189
Conditional Grants (Schedule 4, 5)	15,000	12,348	10,751
Tangible Capital Assets Sales - Gain (Loss) (Schedule 4, 5)	10,500	(71,841)	1,500
Land Sales - Gain (Loss) (Schedule 4, 5)	-	-	-
Investment Income and Commissions (Schedule 4, 5)	72,000	81,756	127,085
Restructurings (Schedule 4, 5)	-	-	-
Other Revenues (Schedule 4, 5)	500	544	12,856
<b>Total Revenues other than Provincial/Federal Capital Grants and Contributions</b>	<b>3,413,500</b>	<b>4,118,873</b>	<b>4,191,698</b>
<b>EXPENSES</b>			
General Government Services (Schedule 3)	400,600	356,471	405,524
Protective Services (Schedule 3)	251,500	228,582	302,392
Transportation Services (Schedule 3)	1,641,990	1,927,951	1,758,669
Environmental and Public Health Services (Schedule 3)	234,970	209,969	161,336
Planning and Development Services (Schedule 3)	23,000	51,900	26,163
Recreation and Cultural Services (Schedule 3)	199,000	198,543	244,337
Utility Services (Schedule 3)	-	537,257	559,023
Restructurings (Schedule 3)	-	-	-
<b>Total Expenses</b>	<b>2,751,060</b>	<b>3,510,673</b>	<b>3,457,444</b>
<b>Surplus (Deficit) of Revenues over Expenses before Provincial/Federal Capital Grants and Contributions</b>	<b>662,440</b>	<b>608,200</b>	<b>734,254</b>
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	135,700	305,000	-
<b>Surplus (Deficit) of Revenues over Expenses</b>	<b>798,140</b>	<b>913,200</b>	<b>734,254</b>
Accumulated Surplus (Deficit), Beginning of Year	14,435,489	14,435,489	13,442,161
Prior Period Adjustment (Note 17)	(360,731)	(360,731)	(101,657)
Accumulated Surplus (Deficit), Beginning of Year, As Restated	14,074,758	14,074,758	13,340,504
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b>\$ 14,872,898</b>	<b>\$ 14,987,958</b>	<b>\$ 14,074,758</b>

See notes to consolidated financial statements

RURAL MUNICIPALITY OF ROSTHERN NO. 403

Consolidated Statement of Change in Net Financial Assets

As at December 31, 2020  
Statement 3

	Budget		2019
	2020	2020	(Restated - see note 17)
<b>Surplus (Deficit)</b>	\$ 798,140	\$ 913,200	\$ 734,254
(Acquisition) of tangible capital assets	(690,000)	<b>(603,235)</b>	(662,855)
Amortization of tangible capital assets	236,890	<b>275,881</b>	302,078
Proceeds on disposal of tangible capital assets	-	<b>101,869</b>	1,500
Loss (gain) on the disposal of tangible capital assets	-	<b>71,841</b>	(1,500)
Transfer of assets/liabilities in restructuring transactions	-	-	-
<b>Surplus (Deficit) of capital expenses over expenditures</b>	<b>(453,110)</b>	<b>(153,644)</b>	(360,777)
(Acquisition) of supplies inventories	-	<b>(277,489)</b>	(597,658)
(Acquisition) of prepaid expense	-	<b>(116)</b>	(32)
Consumption of supplies inventory	-	<b>597,658</b>	737,199
Use of prepaid expense	-	<b>32</b>	184
<b>Surplus (Deficit) of expenses of other non-financial over expenditures</b>	-	<b>320,085</b>	139,693
<b>Increase/Decrease in Net Financial Assets</b>	<b>345,030</b>	<b>1,079,641</b>	513,170
<b>Net Financial Assets (Debt) - Beginning of Year</b>	<b>7,236,962</b>	<b>7,236,962</b>	6,723,792
<b>Net Financial Assets (Debt) - End of Year</b>	<b>\$ 7,581,992</b>	<b>\$ 8,316,603</b>	<b>\$ 7,236,962</b>



**RURAL MUNICIPALITY OF ROSTHERN NO. 403****Consolidated Statement of Cash Flows****As at December 31, 2020****Statement 4****Cash provided by (used for) the following activities**

	<b>2020</b>	<b>2019 (Restated - see note 17)</b>
<b>Operating:</b>		
Surplus (Deficit)	\$ 913,200	\$ 734,254
Amortization	275,881	302,078
Loss (gain) on disposal of tangible capital assets	71,841	(1,500)
	<u>1,260,922</u>	<u>1,034,832</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	(20,956)	(52,078)
Other Receivables	60,085	57,873
Accounts Payable	(91,948)	138,477
Deferred Revenue	228,329	259,074
Prepayments and Deferred Charges	(84)	152
Stock and Supplies	320,169	139,541
SVRWU - subscriber loans	83,611	68,119
Deposits	8,000	(13,000)
	<u>587,206</u>	<u>598,158</u>
<b>Cash provided by operating transactions</b>	<u>1,848,128</u>	<u>1,632,990</u>
<b>Capital:</b>		
Acquisition of capital assets	(603,235)	(662,855)
Proceeds from the disposal of capital assets	101,869	1,500
	<u>(501,366)</u>	<u>(661,355)</u>
<b>Cash applied to capital transactions</b>	<u>(501,366)</u>	<u>(661,355)</u>
<b>Investing:</b>		
Long-Term Investments	-	103,225
Other	-	-
	<u>-</u>	<u>103,225</u>
<b>Cash provided by (applied to) investing transactions</b>	<u>-</u>	<u>103,225</u>
<b>Financing:</b>		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	(109,651)	(67,247)
Other financing	-	-
	<u>(109,651)</u>	<u>(67,247)</u>
<b>Cash provided by (applied to) financing transactions</b>	<u>(109,651)</u>	<u>(67,247)</u>
<b>Change in Cash and Temporary Investments during the year</b>	<u>1,237,111</u>	<u>1,007,613</u>
Cash and Temporary Investments - Beginning of Year	<u>7,810,817</u>	<u>6,803,204</u>
<b>Cash and Temporary Investments - End of Year (Note 2)</b>	<u>\$ 9,047,928</u>	<u>\$ 7,810,817</u>

See notes to consolidated financial statements

1. **Significant accounting policies**

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

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

(a) **Reporting Entity:**

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

Entity  
Sask Valley Rural Water Utility

All inter-organizational transactions and balances have been eliminated.

(b) **Collection of funds for other authorities:**

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

(c) **Government Transfers:**

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or 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 and stipulations have been met; and
- c) reasonable estimates of the amounts can be made.

Unearned government transfer amounts received will be recorded as deferred revenue until eligibility criteria or stipulations are met.

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

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

(d) **Deferred Revenue - Fees and Charges:**

Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed. Resources restricted by agreement with an external party are recognized as revenue in the municipality's financial statements in the period in which the resources are used for the purpose or purposes specified. An externally restricted inflow received before this criterion has been met is recorded as a liability until the resources are used for the purpose or purposes specified.

(e) **Local Improvement Charges:**

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

(f) **Net Financial Assets:**

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

(g) **Non-financial assets:**

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

(continues)

1. Significant accounting policies (continued)

(h) **Appropriated Reserves:**

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

(i) **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, provided the revenues are expected to be collected. Requisitions operate as a flow through and are excluded from municipal revenue.

(j) **Investments:**

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with terms of 91 days to one year have been classified as other short-term investments and investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment.

(k) **Inventories:**

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

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1. Significant accounting policies (continued)

(l) **Tangible Capital Assets:**

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

<u>Asset</u>	<u>Useful Life</u>
<b>General Assets</b>	
Land	Indefinite
Land Improvements	5 to 20 Years
Buildings	10 to 50 Years
Vehicles & Equipment	
Vehicles	5 to 10 Years
Machinery and Equipment	5 to 10 Years
<b>Infrastructure Assets</b>	
Infrastructure Assets	30 to 75 Years
Water & Sewer	30 to 75 Years
Road Network Assets	30 to 75 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 consolidated financial statements as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risk associated with the leased asset is classified as a capital lease and recorded as a tangible capital asset. 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 lease are amortized on a straight line basis, over their estimated useful lives. Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

(m) **Landfill liability:**

The municipality maintains a waste disposal site. The costs to close and maintain solid waste landfill sites are based on estimated future expenses, adjusted for inflation and discounted to current dollars. The annual provision is reported as an expense and the accumulated provision is reported as a liability on the Consolidated Statement of Financial Position. Recommended disclosure is provided in Note 8.

(n) **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 municipality.

(o) **Employee benefit plans:**

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

(continues)

1. **Significant accounting policies** *(continued)*

(p) **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.

Any revisions to an amount previously recognized are accounted for in the period in which the revisions are made.

(q) **Measurement Uncertainty:**

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

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

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

(r) **Basis of segmentation/Segment report:**

The municipality follows the Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the purpose of specific borrowings.

The segments (functions) are as follows:

**General Government:** Provides for the administration of the municipality.

**Protective Services:** Comprised of expenses for Police and Fire protection.

**Transportation Services:** Responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

**Environmental and Public Health:** The environmental segment provides waste disposal and other environmental services. The public health segment provides for expenses related to public health services in the municipality.

**Planning and Development:** Provides for neighbourhood development and sustainability.

**Recreation and Culture:** Provides for community services through the provision of recreation and leisure services.

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

(s) **Budget Information:**

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on May 5, 2020.

*(continues)*

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1. Significant accounting policies (continued)

(t) **New Accounting Standards and Amendments to Standards:**

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

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

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

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

2. **Cash and Temporary Investments**

	2020	2019
Cash and Temporary Investments	\$ 6,227,353	\$ 4,837,502
Temporary Investments	2,315,738	2,262,792
Restricted Cash	504,837	710,523
<b>Total Cash and Temporary Investments</b>	<b>\$ 9,047,928</b>	<b>\$ 7,810,817</b>

Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for other than specific current purposes is included in restricted cash.

Included in restricted cash is the cash held by the Sask Valley Rural Water Utility.

RURAL MUNICIPALITY OF ROSTHERN NO. 403

Notes to Consolidated Financial Statements

As at December 31, 2020

3. Taxes Receivable - Municipal

	2020	2019
<u>Municipal</u>		
- current	\$ 130,427	\$ 143,937
- arrear	93,842	59,375
	224,271	203,312
Less - allowance for uncollectibles	-	-
Total municipal taxes receivable	224,269	203,312
<u>School</u>		
- current	53,554	57,641
- arrear	33,262	25,303
Total school taxes receivable	86,816	82,944
Other	-	1,040
Total taxes and grants in lieu receivable	311,085	287,296
Deduct taxes receivable to be collected on behalf of other organizations	(86,817)	(83,984)
Total Taxes Receivable - Municipal	\$ 224,268	\$ 203,312

4. Other Accounts Receivable

	2020	2019
Federal Government	\$ 38,757	\$ 79,343
Provincial Government	-	-
Local Government	-	-
Utility	-	-
Trade	12,144	25,356
Other (Utility and GST receivable of Sask Valley Rural Water Utility)	37,808	44,095
Total Other Accounts Receivable	88,709	148,794
Less: allowance for uncollectibles	-	-
Net Other Accounts Receivable	\$ 88,709	\$ 148,794

5. Land for Resale

	2020	2019
Tax Title Property	\$ 324	\$ 324
Allowance for market value adjustment	(324)	(324)
Net Tax Title Property	-	-
Other Land	-	-
Allowance for market value adjustment	-	-
Net Other Land	-	-
Total Land for Resale	\$ -	\$ -

6. Bank Indebtedness

Credit Arrangements

At December 31, 2020, the municipality had lines of credit totaling \$300,000, none of which were drawn. The following has been collateralized in connection with this line of credit:  
-- General security agreemen

7. Deferred Revenue

(continues)

7. Deferred Revenue (continued)

	2020	2019 (Restated - see note 17)
<u>Sask Valley Rural Water Utility</u>		
Balance - Beginning of Year	\$ 200	\$ 200
Additions during the year	-	-
Reductions during the year	(796)	-
Balance - End of Year	(596)	200
 <u>MEEP</u>		
Balance - Beginning of Year	-	-
Additions during the year	330,575	-
Reductions during the year	(305,000)	-
Balance - End of Year	25,575	-
 <u>Gas Tax</u>		
Balance - Beginning of Year	360,731	101,657
Additions during the year	203,550	259,074
Reductions during the year	-	-
Balance - End of Year	564,281	360,731
 Grand total	\$ 589,260	\$ 360,931

8. Accrued Landfill Costs

	2020	2019
Environmental Liabilities	\$ 262,053	\$ 262,053

In 2020 the municipality has accrued an overall liability for environmental matters in the amount of \$262,053 (prior year - \$262,053) which represents management's best estimate of this liability. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.

Included in environmental liabilities is \$262,053 (prior year - \$262,053) of the estimated total landfill closure and post-closure care expenses. The estimated liability for these expenses is recognized as the landfill site's capacity is used and the reported liability represents the portion of the estimated total expenses recognized as at December 31, 2020 based on the cumulative capacity used at that date, compared to the total estimated landfill capacity. Estimated total expenditures represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at the municipality's average long-term borrowing rate of 3.95 % (prior year - 3.95 %).

Landfill closure and post-closure care requirements have been defined in accordance with The Environmental Management and Protection Act and include final covering and landscaping of the landfill, pumping of ground water, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a 20-year period using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The estimated remaining capacity of the landfill is 0% – 0 cubic metres (prior year - 0% - 0 cubic metres) of its total estimated capacity and its estimated remaining life is 0 years (prior year – 0 years). The period for post-closure care is estimated to be 20 years (prior year – 20).



9. Liability for Contaminated Sites

The municipality does not currently have a liability for any contaminated sites in the community. All properties that have environmentally risky histories are still under the ownership of the corporation or individual that operated on the property and all property tax and/or other liabilities to the municipality are current. There is currently no risk that any of these properties will become the responsibility of the municipality.

10. Long-term Debt

The debt limit of the municipality is \$3,455,862. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (The Municipalities Act Section 161(1)).

Banl loan held by Sask Valley Rural Water Utility is repayable at Affinity Credit Union bearing interest at 4.95% per annum, repayable in monthly blended payments of \$5,632. The loan matures in 2023.

Future principal and interest payments are as follows:

	Principal	Interest	2020	2019
Year				
2021	\$ 56,315	\$ 11,269	\$ 67,584	\$ 67,584
2022	58,820	8,764	67,584	67,584
2023	61,798	5,786	67,584	67,584
2024	83,159	343	83,502	83,502
	\$ 260,092	\$ 26,162	\$ 286,254	\$ 286,254

11. Comparative Figures

Certain of the prior year comparative figures may have been restated to conform to the current year's presentation.

12. 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 \$35,967. 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.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. Any actuarially determined deficiency is the responsibility of the participating employers and employees, which could affect future contribution rates and/or benefits. Contributions to MEPP are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. As a result, individual employers are not able to identify their share of the underlying assets and liabilities, and the net pension assets or liabilities for the plan are not recognized in these consolidated financial statements. Rather, the plan is accounted for as a defined contribution plan where the contributions are expensed when made.

	2020	2019
Details of MEPP		
Number of active members	12	12
Member contribution rates (percentage of salary):		
Employee contribution - general members	9.00%	9.00%
Employer contribution - general members	9.00%	9.00%
Employee contribution - designated members (police officers and firefighters)	12.50%	12.50%
Employer contribution - designated members (police officers and fire fighters)	12.50%	12.50%
Member contributions for the year	35,967	35,862
Employer contributions for the year	35,967	35,862
Financial position of the plan:		
Plan assets	3,221,426,000	2,819,222,000
Plan liabilities	2,382,526,000	2,160,754,000
Accounting pension surplus	\$ 838,900,000	\$ 658,468,000

2020 year's maximum pensionable amount (YMPE) \$58,700

13. Impacts of COVID-19

The outbreak of a novel strain of coronavirus ("COVID-19") was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

During this time, the Municipality has remained fully operational but with restrictions on the number of individuals in the office at one time. Board meetings have been conducted remotely which has reduced the cost of Board remunerations. The Municipality has received government grants to assist with development plans. There have been no disruptions to tax revenue nor operational expense aside from additional costs for personal protective equipment. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the organization for future periods.

14. Related Parties

The consolidated financial statements include transactions with related parties. The municipality is related to Sask Valley Rural Water Utility under the common control of the Council.

Transactions with these related parties are in the normal course of operations and are settled on normal trade terms.

15. Contingent Assets

Contingent assets are not recorded in the financial statements.

16. Budget Data

The reconciliation of the approved budget for the current year to the budget figures reported in these financial statements is as follows:

	<u>2020</u>
Budget surplus per Statement of Operations	<u>798,140</u>
Less: Capital expenditures	(690,000)
Less: Transfers to reserves	(450,000)
Add: Transfers from reserves	<u>341,860</u>
Approved budget surplus	<u>\$ -</u>

Notes to Consolidated Financial Statements

As at December 31, 2020

17. Prior period adjustment

During 2020 it was determined that Gas Tax Program funding recognized as revenue from the Province of Saskatchewan in 2019 and certain prior years had not met all criteria to be recognized as a government transfer. As a result, the previously recorded revenues required adjustment. The Municipality has treated this adjustment as an error. As a result the municipality has restated its 2019 comparative figures to reflect this correction as follows:

	2019 Previously Reported	Adjustments	2019 Restated
<u>Consolidated Statement of Financial Position</u>			
Deferred Revenue	\$ 200	\$ 360,731	\$ 360,931
Accumulated Surplus	14,435,489	(360,731)	14,074,758
<u>Consolidated Statement of Operations and Accumulated Surplus</u>			
Provincial/ Federal Capital Grants and Contributions	\$ 259,074	\$ (259,074)	\$ -
Surplus (Deficit) of Revenues over Expenses	993,328	(259,074)	734,254
Accumulated Surplus beginning of year	13,442,161	(101,657)	13,340,504
Accumulated Surplus end of year	14,435,489	(360,731)	14,074,758
<u>Consolidated Statement of Change in Net Financial Assets</u>			
Net Financial Assets - beginning of year	\$ 6,825,449	\$ (101,657)	\$ 6,723,792
Net Financial Assets - end of year	7,597,693	(360,731)	7,236,962
<u>Consolidated Statement of Cash Flows</u>			
Surplus (Deficit)	\$ 993,328	\$ (259,074)	\$ 734,254
Deferred revenue	-	259,074	259,074

RURAL MUNICIPALITY OF ROSTHERN NO. 403

Schedule of Taxes and Other Unconditional Revenue

As at December 31, 2020

Schedule 1

	Budget 2020	2020	2019
<b>TAXES</b>			
General municipal tax levy	\$ 2,647,110	\$ 2,646,012	\$ 2,607,820
Abatements and adjustments	-	-	(1,591)
Discount on current year taxes	(95,270)	(114,686)	(95,274)
<b>Net Municipal Taxes</b>	2,551,840	2,531,326	2,510,955
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	-	12,622	16,033
Special tax levy	-	-	-
Other	-	-	-
<b>Total Taxes</b>	2,551,840	2,543,948	2,526,988
<b>UNCONDITIONAL GRANTS</b>			
Equalization (Revenue Sharing)	499,130	499,200	438,072
Organized Hamlet	87,190	91,522	87,404
Other (Safe Restart Program)	-	137,204	-
<b>Total Unconditional Grants</b>	586,320	727,926	525,476
<b>GRANTS IN LIEU OF TAXES</b>			
Federal	11,350	11,347	11,347
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
Transgas	-	-	-
SPMC - Municipal share	-	-	-
SaskTel	-	-	-
Other	-	-	-
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty land Entitlement	5,090	5,088	5,088
Other	-	-	-
Other Government Transfers			
S.P.C. Surcharge	-	-	-
SaskEnergy Surcharge	-	-	-
Other	-	-	-
<b>Total Grants in Lieu of Taxes</b>	16,440	16,435	16,435
<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<b>\$ 3,154,600</b>	<b>\$ 3,288,309</b>	<b>\$ 3,068,899</b>

RURAL MUNICIPALITY OF ROSTHERN NO. 403

Schedule of Operating and Capital Revenue by Function

As at December 31, 2020

Schedule 2 - 1

	Budget 2020	2020	2019
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges	\$ -	\$ -	\$ -
- Custom work	-	-	-
- Sales of supplies	6,000	6,183	5,505
- Other - Permits & licenses	10,000	21,530	50,659
Total Fees and Charges	16,000	27,713	56,164
- Tangible capital asset sales - gain (loss)	-	-	-
- Land sales - gain (loss)	-	-	-
- Investment income and commissions	72,000	81,756	127,085
- Other	-	-	-
Total Other Segmented Revenue	88,000	109,469	183,249
Conditional Grants			
- Student Employment	-	-	-
- Other - Beaver Control	-	-	810
Total Conditional Grants	-	-	810
<b>Total Operating</b>	<b>88,000</b>	<b>109,469</b>	<b>184,059</b>
<b>Capital</b>			
Conditional Grants			
- Gas Tax	-	-	-
- Canada/Sask Municipal Rural Infrastructure Fund	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total General Government Services</b>	<b>88,000</b>	<b>109,469</b>	<b>184,059</b>
<b>PROTECTIVE SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges	40,000	37,522	89,657
- Other	-	-	-
Total Fees and Charges	40,000	37,522	89,657
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	40,000	37,522	89,657
Conditional Grants			
- Student Employment	-	-	-
- Local government	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	<b>40,000</b>	<b>37,522</b>	<b>89,657</b>
<b>Capital</b>			
Conditional Grants			
- Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Local government	-	-	-
- Other	-	-	-
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Protective Services</b>	<b>\$ 40,000</b>	<b>\$ 37,522</b>	<b>\$ 89,657</b>

RURAL MUNICIPALITY OF ROSTHERN NO. 403

Schedule of Operating and Capital Revenue by Function

As at December 31, 2020

Schedule 2 - 2

	Budget 2020	2020	2019
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges	\$ -	\$ -	\$ -
- Custom work	6,900	7,740	5,848
- Sales of supplies	-	-	-
- Road Maintenance and Restoration			
Agreements	48,000	40,745	165,641
- Frontage	-	-	-
- Other - Culverts	-	40	-
Total Fees and Charges	54,900	48,525	171,489
- Tangible capital asset sales - gain (loss)	10,500	(71,841)	1,500
- Other - Donations	500	544	500
Total Other Segmented Revenue	65,900	(22,772)	173,489
Conditional Grants			
- Primary Weight Corridor	-	-	-
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	<b>65,900</b>	<b>(22,772)</b>	<b>173,489</b>
<b>Capital</b>			
Conditional Grants			
- Gas Tax	135,700	-	-
- Canada/Sask Municipal Rural Infrastructure Fund	-	-	-
- Heavy Haul	-	-	-
- Designated Municipal Roads and Bridges	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (MEEP)	-	305,000	-
<b>Total Capital</b>	<b>135,700</b>	<b>305,000</b>	<b>-</b>
	-	-	-
<b>Total Transportation Services</b>	<b>201,600</b>	<b>282,228</b>	<b>173,489</b>
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges	-	-	-
- Waste and Disposal Fees	-	-	-
- Other - Pest Control Products	10,500	7,717	10,468
Total Fees and Charges	10,500	7,717	10,468
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	10,500	7,717	10,468
Conditional Grants			
- Student Employment	-	-	-
- Local government	15,000	12,348	9,941
- Other	-	-	-
Total Conditional Grants	15,000	12,348	9,941
<b>Total Operating</b>	<b>25,500</b>	<b>20,065</b>	<b>20,409</b>
<b>Capital</b>			
Conditional Grants			
- Gas Tax	-	-	-
- Canada/Sask Municipal Rural Infrastructure Fund	-	-	-
- Transit for Disabled	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
	-	-	-
<b>Total Environmental and Public Health Services</b>	<b>\$ 25,500</b>	<b>\$ 20,065</b>	<b>\$ 20,409</b>

RURAL MUNICIPALITY OF ROSTHERN NO. 403

Schedule of Operating and Capital Revenue by Function

As at December 31, 2020

Schedule 2 - 3

	Budget 2020	2020	2019
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges	\$ -	\$ -	\$ -
- Maintenance and Development Charges	35,000	66,464	35,817
- Other	-	-	-
Total Fees and Charges	35,000	66,464	35,817
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	35,000	66,464	35,817
Conditional Grants			
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	35,000	66,464	35,817
<b>Capital</b>			
Conditional Grants			
- Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
<b>Total Capital</b>	-	-	-
<b>Total Planning and Development Services</b>	35,000	66,464	35,817
<b>RECREATION AND CULTURAL SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenues			
Fees and Charges	-	-	-
- Other - Hall Rental	4,500	1,742	5,794
Total Fees and Charges	4,500	1,742	5,794
- Tangible capital asset sales - gain (loss)	-	-	-
- Other - Donations	-	-	3,774
Total Other Segmented Revenue	4,500	1,742	9,568
Conditional Grants			
- Student Employment	-	-	-
- Local Government	-	-	-
- Donations	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	4,500	1,742	9,568
<b>Capital</b>			
Conditional Grants			
- Gas Tax	-	-	-
- Local government	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
<b>Total Capital</b>	-	-	-
<b>Total Recreation and Cultural Services</b>	\$ 4,500	\$ 1,742	\$ 9,568



RURAL MUNICIPALITY OF ROSTHERN NO. 403

Schedule of Operating and Capital Revenue by Function

As at December 31, 2020

Schedule 2 - 4

	Budget 2020	2020	2019
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges	\$ -	\$ -	\$ -
- Water	-	-	-
- Sewer	-	-	-
- Other - Sask Valley Rural Water Utility	-	618,074	609,799
Total Fees and Charges	-	618,074	609,799
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	-	618,074	609,799
Conditional Grants			
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	-	618,074	609,799
<b>Capital</b>			
Conditional Grants			
- Gas Tax	-	-	-
- Sask Water Corp.	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
<b>Total Capital</b>	-	-	-
<b>Total Utility Services</b>	-	618,074	609,799
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>\$ 394,600</b>	<b>\$ 1,135,564</b>	<b>\$ 1,122,798</b>

**SUMMARY**

Total Other Segmented Revenue	\$ 243,900	\$ 818,216	\$ 1,112,047
Total Conditional Grants	15,000	12,348	10,751
Total Capital Grants and Contributions	135,700	305,000	-
Restructuring Revenue	-	-	-
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>\$ 394,600</b>	<b>\$ 1,135,564</b>	<b>\$ 1,122,798</b>

RURAL MUNICIPALITY OF ROSTHERN NO. 403

Total Expenses by Function

As at December 31, 2020  
Schedule 3 - 1

	Budget 2020	2020	2019
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	\$ 60,000	\$ 54,754	\$ 47,552
Wages and benefits	172,340	137,498	167,397
Professional/Contractual services	140,780	140,427	165,084
Utilities	9,500	7,154	8,131
Maintenance, materials and supplies	15,700	16,638	15,079
Grants and contributions			
Grants and contributions - operating	-	-	-
Grants and Contributions - capital	-	-	-
Amortization	2,280	-	2,281
Interest	-	-	-
Allowance For Uncollectibles	-	-	-
Other	-	-	-
<b>General Government Services</b>	400,600	356,471	405,524
	-	-	-
<b>Total General Government Services</b>	400,600	356,471	405,524
<b>PROTECTIVE SERVICES</b>			
<b>Police Protection</b>			
Wages and benefits	-	-	-
Professional/Contractual Services	138,930	138,339	139,607
Utilities	-	-	-
Maintenance, Materials and Supplies	-	-	-
Grants and contributions			
Grants and Contributions - Operating	-	-	-
Grants and Contributions - Capital	-	-	-
Other	-	-	-
<b>Fire Protection</b>			
Wages and benefits	57,350	37,886	69,419
Professional/Contractual Services	39,740	36,879	72,024
Utilities	-	-	-
Maintenance, Materials and Supplies	-	-	5,864
Grants and contributions			
Grants and Contributions - Operating	-	-	-
Grants and Contributions - Capital	-	-	-
Amortization	15,480	15,478	15,478
Interest	-	-	-
Other	-	-	-
<b>Protective Services</b>	251,500	228,582	302,392
	-	-	-
<b>Total Protective Services</b>	251,500	228,582	302,392
<b>TRANSPORTATION SERVICES</b>			
Wages and Benefits	354,250	361,320	345,150
Professional/Contractual Services	9,910	21,432	17,961
Utilities	78,670	42,275	19,101
Maintenance, Materials and Supplies	730,600	737,678	760,211
Gravel	250,000	581,657	406,913
Grants and contributions			
Grants and Contributions - Operating	3,000	570	1,620
Grants and Contributions - Capital	-	-	-
Amortization	215,560	183,019	207,713
Interest	-	-	-
Other	-	-	-
<b>Transportation Services</b>	1,641,990	1,927,951	1,758,669
	-	-	-
<b>Total Transportation Services</b>	\$ 1,641,990	\$ 1,927,951	\$ 1,758,669

RURAL MUNICIPALITY OF ROSTHERN NO. 403

Total Expenses by Function

As at December 31, 2020  
Schedule 3 - 2

	Budget 2020	2020	2019
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Wages and Benefits	\$ 11,200	\$ 8,238	\$ 9,584
Professional/Contractual Services	180,500	186,290	121,853
Utilities	700	659	643
Maintenance, Materials and Supplies	27,000	14,211	28,685
Grants and contributions			
Grants and contributions - operating	-	-	-
Grants and contributions - waste disposal	-	-	-
Grants and contributions - Public Health	15,000	-	-
Grants and contributions - capital	-	-	-
Grants and contributions - waste disposal	-	-	-
Grants and contributions - Public Health	-	-	-
Amortization	570	571	571
Interest	-	-	-
Other	-	-	-
<b>Environmental and Public Health Services</b>	234,970	209,969	161,336
	-	-	-
<b>Total Environmental and Public Health Services</b>	234,970	209,969	161,336
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
Wages and Benefits	-	-	-
Professional/Contractual Services	23,000	51,900	26,163
Grants and contributions			
Grants and Contributions - Operating	-	-	-
Grants and Contributions - Capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
<b>Planning and Development Services</b>	23,000	51,900	26,163
	-	-	-
<b>Total Planning and Development Services</b>	23,000	51,900	26,163
<b>RECREATION AND CULTURAL SERVICES</b>			
Wages and Benefits	-	-	-
Professional/Contractual Services	78,500	83,609	80,227
Utilities	-	-	-
Maintenance, Materials, and Supplies	29,500	4,395	33,795
Grants and contributions			
Grants and Contributions - Operating	88,000	107,539	127,315
Grants and Contributions - Capital	-	-	-
Amortization	3,000	3,000	3,000
Interest	-	-	-
Allowance For Uncollectibles	-	-	-
Other	-	-	-
<b>Recreation and Cultural Services</b>	199,000	198,543	244,337
	-	-	-
<b>Total Recreation and Cultural Services</b>	\$ 199,000	\$ 198,543	\$ 244,337

RURAL MUNICIPALITY OF ROSTHERN NO. 403

Total Expenses by Function

As at December 31, 2020  
Schedule 3 - 3

	Budget 2020	2020	2019
<b>UTILITY SERVICES</b>			
Wages and Benefits	\$ -	\$ -	\$ -
Professional/Contractual Services	-	-	-
Utilities	-	-	-
Maintenance, Materials and Supplies	-	-	-
Grants and contributions			
Grants and Contributions - Operating	-	-	-
Grants and Contributions - Capital	-	-	-
Amortization (Sask Valley Rural Watre Utility)	-	73,813	73,035
Interest	-	-	-
Allowance For Uncollectibles	-	-	-
Other (Sask Valley Rural Water Utility)	-	463,444	485,988
<b>Utility Services</b>	-	537,257	559,023
	-	-	-
<b>Total Utility Services</b>	-	537,257	559,023
<b>TOTAL EXPENSES BY FUNCTION</b>	\$ 2,751,060	\$ 3,510,673	\$ 3,457,444

**RURAL MUNICIPALITY OF ROSTHERN NO. 403**  
**Consolidated Schedule of Segment Disclosure by Function**  
**As at December 31, 2020**

**Schedule 4**

	<b>General Government</b>	<b>Protective Services</b>	<b>Transportation Services</b>	<b>Environmental &amp; Public Health</b>	<b>Planning and Development</b>	<b>Recreation and Culture</b>	<b>Utility Services</b>	<b>Total</b>
<b>Revenues (Schedule 2)</b>								
Fees and Charges	\$ 27,713	\$ 37,522	\$ 48,525	\$ 7,717	\$ 66,464	\$ 1,742	\$ 618,074	\$ 807,757
Tangible Capital Asset Sales - Gain (Loss)	-	-	(71,841)	-	-	-	-	(71,841)
Land Sales - Gain (Loss)	-	-	-	-	-	-	-	-
Investment Income and Commissions	81,756	-	-	-	-	-	-	81,756
Other Revenues	-	-	544	-	-	-	-	544
Grants - Conditional	-	-	-	12,348	-	-	-	12,348
- Capital	-	-	305,000	-	-	-	-	305,000
Restructurings	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>109,469</b>	<b>37,522</b>	<b>282,228</b>	<b>20,065</b>	<b>66,464</b>	<b>1,742</b>	<b>618,074</b>	<b>1,135,564</b>
<b>Expenses (Schedule 3)</b>								
Wages and Benefits	192,252	37,886	361,320	8,238	-	-	-	599,696
Professional/Contractual Services	140,427	175,218	21,432	186,290	51,900	83,609	-	658,876
Utilities	7,154	-	42,275	659	-	-	-	50,088
Maintenance Material and Supplies	16,638	-	1,319,335	14,211	-	4,395	-	1,354,579
Grants and Contributions	-	-	570	-	-	107,539	-	108,109
Amortization	-	15,478	183,019	571	-	3,000	73,813	275,881
Interest	-	-	-	-	-	-	-	-
Allowance for Uncollectibles	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	463,444	463,444
<b>Total Expenses</b>	<b>356,471</b>	<b>228,582</b>	<b>1,927,951</b>	<b>209,969</b>	<b>51,900</b>	<b>198,543</b>	<b>537,257</b>	<b>3,510,673</b>
<b>Surplus (Deficit) by Function</b>	<b>(247,002)</b>	<b>(191,060)</b>	<b>(1,645,723)</b>	<b>(189,904)</b>	<b>14,564</b>	<b>(196,801)</b>	<b>80,817</b>	<b>(2,375,109)</b>
Taxes and other unconditional revenue (Schedule 1)								<u>3,288,309</u>
<b>Net Surplus (Deficit)</b>								<u><b>\$ 913,200</b></u>

See notes to consolidated financial statements

**RURAL MUNICIPALITY OF ROSTHERN NO. 403**  
**Consolidated Schedule of Segment Disclosure by Function**  
**As at December 31, 2019**

**Schedule 5**

	<b>General</b>	<b>Protective</b>	<b>Transportation</b>	<b>Environmental</b>	<b>Planning and</b>	<b>Recreation and</b>	<b>Utility</b>	<b>Total</b>
	<b>Government</b>	<b>Services</b>	<b>Services</b>	<b>&amp; Public</b>	<b>Development</b>	<b>Culture</b>	<b>Services</b>	<b>(Restated - see Note 17)</b>
<b>Revenues (Schedule 2)</b>								
Fees and Charges	\$ 56,164	\$ 89,657	\$ 171,489	\$ 10,468	\$ 35,817	\$ 5,794	\$ 609,799	\$ 979,188
Tangible Capital Asset Sales - Gain (Loss)	-	-	1,500	-	-	-	-	1,500
Land Sales - Gain (Loss)	-	-	-	-	-	-	-	-
Investment Income and Commissions	127,085	-	-	-	-	-	-	127,085
Other Revenues	-	-	500	-	-	3,774	-	4,274
Grants - Conditional	810	-	-	9,941	-	-	-	10,751
- Capital	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>184,059</b>	<b>89,657</b>	<b>173,489</b>	<b>20,409</b>	<b>35,817</b>	<b>9,568</b>	<b>609,799</b>	<b>1,122,798</b>
<b>Expenses (Schedule 3)</b>								
Wages and Benefits	214,949	69,419	345,150	9,584	-	-	-	639,102
Professional/ Contractual Services	165,084	211,631	17,961	121,853	26,163	80,227	-	622,919
Utilities	8,131	-	19,101	643	-	-	-	27,875
Maintenance Material and Supplies	15,079	5,864	1,167,124	28,685	-	33,795	-	1,250,547
Grants and Contributions	-	-	1,620	-	-	127,315	-	128,935
Amortization	2,281	15,478	207,713	571	-	3,000	73,035	302,078
Interest	-	-	-	-	-	-	-	-
Allowance for Uncollectibles	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	485,988	485,988
<b>Total Expenses</b>	<b>405,524</b>	<b>302,392</b>	<b>1,758,669</b>	<b>161,336</b>	<b>26,163</b>	<b>244,337</b>	<b>559,023</b>	<b>3,457,444</b>
<b>Surplus (Deficit) by Function</b>	<b>(221,465)</b>	<b>(212,735)</b>	<b>(1,585,180)</b>	<b>(140,927)</b>	<b>9,654</b>	<b>(234,769)</b>	<b>50,776</b>	<b>(2,334,646)</b>
Taxes and other unconditional revenue (Schedule 1)								<u>3,068,899</u>
<b>Net Surplus (Deficit)</b>								<u><b>\$ 734,253</b></u>

See notes to consolidated financial statements

**RURAL MUNICIPALITY OF ROSTHERN NO. 403**  
**Consolidated Schedule of Tangible Capital Assets by Object**  
**As at December 31, 2020**

**Schedule 6**

	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	\$ 21,064	\$ 28,549	\$ 270,920	\$ 456,188	\$ 2,209,496	\$ 8,499,973	\$ -	\$ 11,486,190	\$ 10,855,459
Additions during the year	107,500	-	-	-	399,481	96,254	-	603,235	662,855
Disposals and write-downs during the year	-	-	-	-	(363,022)	-	-	(363,022)	(32,124)
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
<b>Closing Asset Costs</b>	<b>128,564</b>	<b>28,549</b>	<b>270,920</b>	<b>456,188</b>	<b>2,245,955</b>	<b>8,596,227</b>	<b>-</b>	<b>11,726,403</b>	<b>11,486,190</b>
<b>Accumulated Amortization Cost</b>									
Opening Accumulated Amortization Costs	-	18,272	81,486	340,313	952,407	3,853,606	-	5,246,084	4,976,130
Add: Amortization taken	-	571	5,163	29,714	125,243	115,190	-	275,881	302,078
Less: Accumulated amortization on disposals	-	-	-	-	(189,312)	-	-	(189,312)	(32,124)
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
<b>Closing Accumulated Amortization Costs</b>	<b>-</b>	<b>18,843</b>	<b>86,649</b>	<b>370,027</b>	<b>888,338</b>	<b>3,968,796</b>	<b>-</b>	<b>5,332,653</b>	<b>5,246,084</b>
<b>Net Book Value</b>	<b>\$ 128,564</b>	<b>\$ 9,706</b>	<b>\$ 184,271</b>	<b>\$ 86,161</b>	<b>\$ 1,357,617</b>	<b>\$ 4,627,431</b>	<b>\$ -</b>	<b>\$ 6,393,750</b>	<b>\$ 6,240,106</b>

1. Total contributed donated assets received in 2020: \$ -
2. List of assets recognized at nominal value in 2020 are:
  - a) Infrastructure Assets \$ -
  - b) Vehicles \$ -
  - c) Machinery and Equipment \$ -
3. Amount of interest capitalized in 2020: \$ -

See notes to consolidated financial statements

**RURAL MUNICIPALITY OF ROSTHERN NO. 403**  
**Consolidated Schedule of Tangible Capital Assets by Function**  
**As at December 31, 2020**

**Schedule 7**

	2020								
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	2019 Total
<b>Asset cost</b>									
Opening Asset costs	\$ 25,907	\$ 309,561	\$ 7,331,415	\$ 490,593	\$ -	\$ 150,000	\$ 3,178,714	\$ 11,486,190	\$ 10,855,459
Additions during the year	-	-	399,481	-	-	-	203,754	603,235	662,855
Disposals and write-downs during the year	-	-	(363,022)	-	-	-	-	(363,022)	(32,124)
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
<b>Closing Asset Costs</b>	<b>25,907</b>	<b>309,561</b>	<b>7,367,874</b>	<b>490,593</b>	<b>-</b>	<b>150,000</b>	<b>3,382,468</b>	<b>11,726,403</b>	<b>11,486,190</b>
<b>Accumulated Amortization Cost</b>									
Opening Accumulated Amortization Costs	24,156	255,434	4,469,465	18,272	-	6,000	472,757	5,246,084	4,976,130
Add: Amortization taken	-	15,478	183,019	571	-	3,000	73,813	275,881	302,078
Less: Accumulated amortization on disposals	-	-	(189,312)	-	-	-	-	(189,312)	(32,124)
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
<b>Closing Accumulated Amortization Costs</b>	<b>24,156</b>	<b>270,912</b>	<b>4,463,172</b>	<b>18,843</b>	<b>-</b>	<b>9,000</b>	<b>546,570</b>	<b>5,332,653</b>	<b>5,246,084</b>
<b>Net Book Value</b>	<b>\$ 1,751</b>	<b>\$ 38,649</b>	<b>\$ 2,904,702</b>	<b>\$ 471,750</b>	<b>\$ -</b>	<b>\$ 141,000</b>	<b>\$ 2,835,898</b>	<b>\$ 6,393,750</b>	<b>\$ 6,240,106</b>

See notes to consolidated financial statements



RURAL MUNICIPALITY OF ROSTHERN NO. 403

Consolidated Schedule of Accumulated Surplus

As at December 31, 2020  
Schedule 8

	2019 (Restated - see note 17)	Changes	2020
<b>UNAPPROPRIATED SURPLUS</b>	<b>\$ 5,253,280</b>	<b>\$ 901,095</b>	<b>\$ 6,154,375</b>
<b>APPROPRIATED RESERVES</b>			
Machinery and Equipment	100,000	100,000	200,000
Public Reserve	11,464	4,765	16,229
Capital Trust	-	-	-
Utility	-	-	-
Other (Landfill Decommission)	180,000	50,000	230,000
Other (Sask Valley Rural Water Utility)	1,193,308	(158,776)	1,034,532
Other (Gravel)	594,650	(83,396)	511,254
Other (Economic Development)	28,000	-	28,000
Other (Hospital Fund)	505,252	103,595	608,847
<b>Total Appropriated</b>	<b>2,612,674</b>	<b>16,188</b>	<b>2,628,862</b>
<b>ORGANIZED HAMLETS</b>			
Organized Hamlet of Blumenthal	144,849	13,388	158,237
Organized Hamlet of Neuanlage	193,595	(280,769)	(87,174)
<b>Total Organized Hamlets</b>	<b>338,444</b>	<b>(267,381)</b>	<b>71,063</b>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>			
Tangible capital assets (Schedule 6, 7)	3,534,149	23,703	3,557,852
Tangible capital assets (Schedule 6, 7) - Sask Valley Rural Water Utility	2,705,957	129,941	2,835,898
Less: Related debt (Sask Valley Rural Water Utility)	(369,746)	109,654	(260,092)
<b>Net Investment in Tangible Capital Assets</b>	<b>5,870,360</b>	<b>263,298</b>	<b>6,133,658</b>
<b>Total Accumulated Surplus</b>	<b>\$ 14,074,758</b>	<b>\$ 913,200</b>	<b>\$ 14,987,958</b>

RURAL MUNICIPALITY OF ROSTHERN NO. 403

Schedule of Mill Rates and Assessments

As at December 31, 2020

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	\$154,046,060	\$141,192,365	\$ -	\$ -	\$ 5,751,100	\$ -	\$300,989,525
Regional Park Assessment	-	-	-	-	-	-	-
Total Assessment	154,046,060	141,192,365	-	-	5,751,100	-	300,989,525
Mill Rate Factor(s)	1.2000	1.2500	-	-	2.0000	-	-
Total Base/Minimum Tax (generated for each property class)	141,000	82,395	-	-	7,000	-	230,395
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ 1,342,559	\$ 1,225,646	\$ -	\$ -	\$ 77,807	\$ -	\$ 2,646,012

MILL RATES:

Average Municipal \*  
Average School  
Potash Mill Rate  
Uniform Municipal Mill Rate

MILLS
8.7910
2.7843
-
6.5000

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

RURAL MUNICIPALITY OF ROSTHERN NO. 403

Schedule of Council Remuneration

As at December 31, 2020

Schedule 10

		Name	Remuneration	Reimbursed Costs	Total
Position					
Reeve		Martin Penner	\$ 6,096	\$ 1,317	\$ 7,413
Councillor		Rick Pochipinski	6,734	1,660	8,394
Councillor		Peter Unger	5,058	764	5,822
Councillor		Glenn Braun	6,591	2,375	8,966
Councillor		Leo Perrin	4,451	255	4,706
Councillor		Victor Janzen	4,665	714	5,379
Councillor		Robert Baynton	4,230	869	5,099
Councillor		Tom Madden	5,745	1,205	6,950
Total			\$ 43,570	\$ 9,159	\$ 52,729