

Rural Municipality of Sasman No. 336

Consolidated Financial Statements

December 31, 2020

Rural Municipality of Sasman No. 336

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For the year ended December 31, 2020

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Management's Responsibility

To the Ratepayers of the Rural Municipality of Sasman No. 336:

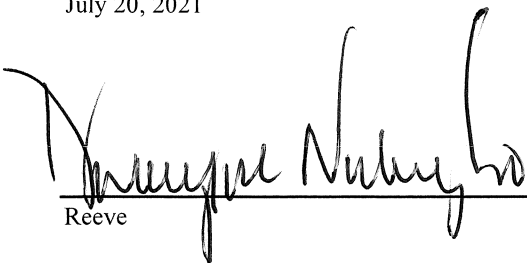
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

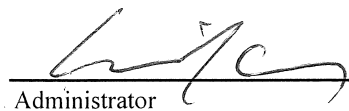
In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial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

Council is composed entirely of individuals who are neither management nor employees of the Municipality. Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the annual consolidated financial statements. Council fulfils these responsibilities by reviewing the financial information and discussing relevant matters with management. Council is also responsible for the appointment of the Municipality's external auditors.

MNP LLP is appointed by 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 with both management and Council to discuss their audit findings.

July 20, 2021


Reeve


Administrator

To the Reeve and Councillors of the Rural Municipality of Sasman No. 336:

Opinion

We have audited the consolidated financial statements of the Rural Municipality of Sasman No. 336 (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations, changes in net financial assets 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2020, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 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, Reeve and Council 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 related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

The Reeve and council are responsible for overseeing the Municipality'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 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 Municipality 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 the Reeve and council 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.

Humboldt, Saskatchewan

July 20, 2021

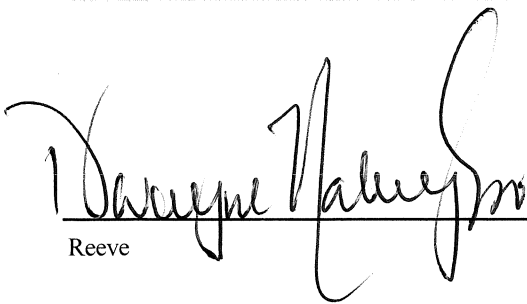
MNP LLP

Chartered Professional Accountants

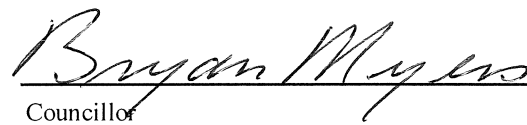
Rural Municipality of Sasman No. 336
 Consolidated Statement of Financial Position
 As at December 31, 2020

Statement 1

	2020	2019
ASSETS		
Financial Assets		
Cash and Temporary Investments (Note 2)	3,419,365	2,419,525
Taxes Receivable - Municipal (Note 3)	200,138	166,037
Other Accounts Receivable (Note 4)	150,408	137,413
Land for Resale (Note 5)	100	100
Long-Term Investments (Note 6)	87,425	80,778
Total Financial Assets	3,857,436	2,803,853
LIABILITIES		
Accounts Payable	99,517	161,710
Other Liabilities	15,047	-
Deferred Revenue (Note 8)	109,952	-
Total Liabilities	224,516	161,710
NET FINANCIAL ASSETS	3,632,920	2,642,143
Non-Financial Assets		
Tangible Capital Assets (Schedule 6, 7)	7,091,141	7,311,715
Prepayments and Deferred Charges	-	-
Stock and Supplies	552,405	857,431
Total Non-Financial Assets	7,643,546	8,169,146
Accumulated Surplus (Schedule 8)	11,276,466	10,811,289



 Reeve



 Councillor

Rural Municipality of Sasman No. 336
 Consolidated Statement of Operations
 For the year ended December 31, 2020

Statement 2

	2020 Budget	2020	2019
Revenues			
Taxes and Other Unconditional Revenue (Schedule 1)	2,374,960	2,417,856	2,361,868
Fees and Charges (Schedule 4, 5)	117,560	88,734	79,381
Conditional Grants (Schedule 4, 5)	100,930	101,634	104,335
Tangible Capital Asset Sales - Gain (Loss) (Schedule 4, 5)	-	41,339	24,499
Land Sales - Gain (Loss) (Schedule 4, 5)	-	(28,705)	(6,560)
Investment Income and Commissions (Schedule 4, 5)	18,570	22,111	26,025
Other Revenues (Schedule 4, 5)	-	61,831	57,661
Total Revenues	2,612,020	2,704,800	2,647,209
Expenses			
General Government Services (Schedule 3)	277,200	246,701	310,519
Protective Services (Schedule 3)	80,160	80,931	96,103
Transportation Services (Schedule 3)	1,589,030	1,781,973	1,464,202
Environmental and Public Health Services (Schedule 3)	101,110	100,860	96,485
Planning and Development Services (Schedule 3)	11,960	11,971	11,939
Recreation and Cultural Services (Schedule 3)	24,990	23,848	54,644
Utility Services (Schedule 3)	54,690	61,041	58,529
Total Expenses	2,139,140	2,307,325	2,092,421
Surplus of Revenues over Expenses before Other Capital Contributions	472,880	397,475	554,788
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	155,082	67,702	100,196
Surplus of Revenues over Expenses	627,962	465,177	654,984
Accumulated Surplus, Beginning of Year	10,811,289	10,811,289	10,156,305
Accumulated Surplus, End of Year	11,439,251	11,276,466	10,811,289

The accompanying notes are an integral part of these financial statements

Rural Municipality of Sasman No. 336

Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2020

Statement 3

	2020 Budget	2020	2019
Surplus	627,962	465,177	654,984
(Acquisition) of tangible capital assets	(102,000)	(134,967)	(506,761)
Amortization of tangible capital assets	282,990	355,540	332,896
Proceeds on disposal of tangible capital assets	-	41,340	24,500
Loss (gain) on the disposal of tangible capital assets	-	(41,339)	(24,499)
Surplus (Deficit) of capital expenses over expenditures	180,990	220,574	(173,864)
Consumption (Acquisition) of supplies inventories	-	305,026	(261,088)
Use (Acquisition) of prepaid expense	-	-	-
Surplus (Deficit) of expenses of other non-financial over expenditures	-	305,026	(261,088)
Increase in Net Financial Assets	808,952	990,777	220,032
Net Financial Assets - Beginning of Year	2,642,143	2,642,143	2,422,111
Net Financial Assets - End of Year	3,451,095	3,632,920	2,642,143

Rural Municipality of Sasman No. 336
Consolidated Statement of Cash Flow
For the year ended December 31, 2020

Statement 4

	2020	2019
Cash provided by (used for) the following activities		
Operating:		
Surplus	465,177	654,984
Amortization	355,540	332,896
Loss (gain) on disposal of tangible capital assets	(41,339)	(24,499)
	<u>779,378</u>	<u>963,381</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	(34,101)	9,629
Other Receivables	(12,995)	(40,513)
Land for Resale	-	4,384
Accounts Payable	(62,193)	(292,911)
Other Liabilities	15,047	-
Deferred Revenue	109,952	-
Stock and Supplies	305,026	(261,088)
Prepayments and Deferred Charges	-	-
Net cash from operations	1,100,114	382,882
Capital:		
Acquisition of capital assets	(134,967)	(506,761)
Proceeds from the disposal of capital assets	41,340	24,500
Net cash used for capital	(93,627)	(482,261)
Investing:		
Long-term investments	(6,647)	(8,511)
Net cash used for investing	(6,647)	(8,511)
Financing:		
Long-term debt issued	-	-
Long-term debt repaid	-	-
Net cash used for financing	-	-
Increase (Decrease) in cash resources	999,840	(107,890)
Cash and Temporary Investments - Beginning of Year	<u>2,419,525</u>	<u>2,527,415</u>
Cash and Temporary Investments - End of Year	<u>3,419,365</u>	<u>2,419,525</u>

The accompanying notes are an integral part of these financial statements

Rural Municipality of Sasman No. 336
Notes to the Consolidated Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies

The consolidated financial statements of the 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 adopted by the Municipality are as follows:

- a) **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.
- b) **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 that 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
Sasman Park Fund

- c) **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. The amounts collected are disclosed on Note 3.
- d) **Government Transfers:** Government transfers are the transfer of assets from senior levels of government that are not 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 transfer is authorized;
 - b) any eligibility criteria have been met; and
 - c) a reasonable estimate of the amount can be made.

Government transfer amounts received but not earned will be recorded as deferred revenue.
Earned government transfer amounts not received will be recorded as an amount receivable.

- e) **Deferred Revenue:** Fees and charges: Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.
- f) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- g) **Net-Financial Assets:** Net-Financial Assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.
- h) **Non-Financial Assets:** Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.
- i) **Appropriated Reserves:** Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 8.
- j) **Property Tax Revenue:** Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by council following the guidance of the Government of Saskatchewan. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.
- k) **Investments:** Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment. The long term investment in the Saskatchewan Rural Municipalities - self insurance fund is accounted for on the equity basis.

Rural Municipality of Sasman No. 336
Notes to the Consolidated Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

- l) **Inventories:** Inventories of materials and supplies expected to be used by the Municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.
- m) **Tangible Capital Assets:** All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land Improvements	15 Yrs
Buildings	40 Yrs
Vehicles & Equipment	
Vehicles	10 Yrs
Machinery and Equipment	5 to 20 Yrs
<i>Infrastructure Assets</i>	
Infrastructure Assets	15 to 40 Yrs
Water & Sewer	40 Yrs
Road Network Assets	40 Yrs

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.

- n) **Employee benefit plans:** Contributions to the Municipality's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the Municipality's obligations are limited to their contributions.
- o) **Measurement Uncertainty:** The preparation of consolidated financial statements in conformity with public sector accounting standards require 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 collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

The measurement of materials and supplies, including gravel inventory, is based on volume and quality estimates by management.

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.

1. Significant Accounting Policies - continued

- p) **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: The General Government segment provides for the administration of the Municipality.

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

Transportation Services: The Transportation Services segment is responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

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

Planning and Development: The Planning and Development segment provides for neighbourhood development and sustainability.

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

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

- q) **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. 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.

Rural Municipality of Sasman No. 336
Notes to the Consolidated Financial Statements
For the year ended December 31, 2020

	2020	2019
2. Cash and Temporary Investments		
Cash	3,419,365	2,417,393
Temporary Investments	-	2,132
Total Cash and Temporary Investments	3,419,365	2,419,525

Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments.

Included in cash is restricted amounts of \$237,141 (2019 - \$168,570) received from the New Deal Gas Tax Program held exclusively for the reconstruction of two portions of roads within the Municipality. These restricted amounts are included in the Equipment and Infrastructure Reserve (Schedule 8).

3. Taxes and Grants in Lieu Receivable

Municipal - Current	126,941	109,525
- Arrears	78,309	60,396
	205,250	169,921
- Less Allowance for Uncollectibles	(5,112)	(3,884)
Total municipal taxes receivable	200,138	166,037
School - Current	33,735	28,593
- Arrears	16,739	9,961
Total school taxes receivable	50,474	38,554
Other - Current	10,763	9,664
- Arrears	-	-
Total other taxes receivable	10,763	9,664
Total taxes and grants in lieu receivable	261,375	214,255
Deduct taxes receivable to be collected on behalf of other organizations	(61,237)	(48,218)
Municipal and Grants in Lieu Taxes Receivable	200,138	166,037

4. Other Accounts Receivable

Federal government	26,241	34,517
Provincial government	94,700	94,000
Utility	1,595	825
Trade	27,872	8,071
Total Other Accounts Receivable	150,408	137,413
Less Allowance for Uncollectibles	-	-
Net Other Accounts Receivable	150,408	137,413

Rural Municipality of Sasman No. 336
Notes to the Consolidated Financial Statements
For the year ended December 31, 2020

	2020	2019
5. Land for Resale		
Tax title property	144,675	184,496
Allowance for market value adjustment	(125,195)	(163,288)
Deduct portion due to other tax authority (school)	(19,480)	(21,208)
Net Tax Title Property	-	-
Other land	100	100
Allowance for market value adjustment	-	-
Net Other Land	100	100
Total Land for Resale	100	100

6. Long-Term Investments		
Sask Assoc of Rural Municipalities - Self Insurance Fund	59,374	54,877
Co-operative Equity	28,051	25,901
Total Long-Term Investments	87,425	80,778

7. Long-Term Debt

The debt limit of the Municipality is \$2,081,214. 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)).

8. Deferred Revenue

Municipal Economic Enhancement Program	109,952	-
Total Deferred Revenue	109,952	-

9. Contingent Liabilities

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

The Municipality is a member of the Central Regional Landfill Waste Management Authority. The RM has a contingent liability with respect to its membership. The Central Regional Landfill Waste Management is responsible for waste collection, landfill operations and future site restoration costs. Expenditures that relate to on-going environmental and reclamation programs are charged against revenues as incurred. Future site restoration costs are recognized based on assumptions, engineering studies and estimates to the costs of future removal and site restoration. Changes to the underlying assumptions or legislative change in the future could have a material impact on the financial statements. As these costs are not readily determinable, the Municipality has not provided for future site restoration costs.

10. Commitments

In September 2020, the Municipality renewed their contract for municipal recycling services with Greenland Waste Disposal Ltd. for an additional 3 years. The Municipality also signed a new contract for municipal garbage services. Under the terms of the contract, the rental charges are \$70 per lift bi-weekly and totalled \$13,494 in 2020 (2019 - \$10,907).

In December 2020, the Municipality entered into a contract for gravel crushing. Under the terms of the contract, the Municipality will have approximately 15,000 cubic yards of gravel crushed at a cost of \$4.75 per cubic yard.

Rural Municipality of Sasman No. 336
Notes to the Consolidated Financial Statements
For the year ended December 31, 2020

11. Budget

On June 16, 2020, the Council approved its operating budget on planned expenses relating to the current year funding and other current year sources of revenue.

12. Pension Plan

The Municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer 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 \$48,089 (2019 - \$43,256). 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.

13. Significant Event

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Municipality as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

14. Subsequent Event

Pursuant to section 53 of *The Municipalities Act*, the Village of Margo applied to restructure to become included in the Municipality as a designated 'Special Service Area'. The restructure has been approved on December 18, 2020 and is effective January 1, 2021.

Rural Municipality of Sasman No. 336
 Schedule of Taxes and Other Unconditional Revenue
 For the year ended December 31, 2020

Schedule 1

	2020 Budget	2020	2019
TAXES			
General municipal tax levy	2,012,200	2,012,115	2,011,785
Abatements and adjustments	(17,580)	(18,804)	(26,528)
Discount on current year taxes	(85,340)	(88,817)	(82,146)
Special levy - WTP	5,880	6,125	5,875
Special levy - fire	15,840	15,792	15,888
Net Municipal Taxes	1,931,000	1,926,411	1,924,874
Penalties on tax arrears	11,640	13,973	12,530
Total Taxes	1,942,640	1,940,384	1,937,404
UNCONDITIONAL GRANTS			
Equalization (Revenue Sharing)	408,740	408,204	402,730
Organized Hamlet	22,510	22,527	20,661
Safe Restart	-	45,635	-
Total Unconditional Grants	431,250	476,366	423,391
GRANTS IN LIEU OF TAXES			
Provincial			
S.P.C. Electrical	200	205	205
Transgas	490	493	493
Other	380	408	375
Local/Other			
Treaty Land Entitlement	-	-	-
Total Grants in Lieu of Taxes	1,070	1,106	1,073
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	2,374,960	2,417,856	2,361,868

Rural Municipality of Sasman No. 336
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2020

Schedule 2 - 1

	2020 Budget	2020	2019
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	500	530	560
- Sales of supplies	1,800	1,716	2,833
- Other (Tax enforcement)	12,950	8,982	8,154
Total Fees and Charges	15,250	11,228	11,547
- Land sales - loss	-	(28,705)	(6,560)
- Investment income and commissions	18,570	22,111	26,025
Total Other Segmented Revenue	33,820	4,634	31,012
Total Operating	33,820	4,634	31,012
Total General Government Services	33,820	4,634	31,012

TRANSPORTATION SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	18,820	35,539	32,105
- Road maintenance and restoration agreements	4,670	5,062	-
- Permits	5,900	7,607	7,626
Total Fees and Charges	29,390	48,208	39,731
- Tangible capital asset sales - gain (loss)	-	41,339	24,499
- Other (Recovery of short term disability payments)	45,040	44,218	39,554
- Other (Insurance proceeds)	-	2,005	-
Total Other Segmented Revenue	74,430	135,770	103,784
Conditional Grants			
- Primary Weight Corridor	94,000	94,700	94,000
Total Conditional Grants	94,000	94,700	94,000
Total Operating	168,430	230,470	197,784
Capital			
Conditional Grants			
- Gas Tax	45,130	67,702	100,196
- Municipal Economic Enhancement Program	109,952	-	-
Total Capital	155,082	67,702	100,196
Total Transportation Services	323,512	298,172	297,980

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Conditional Grants			
- Water Security Agency	-	-	6,570
- Provincial Rat Eradication Program	5,530	5,534	3,765
- Beaver Control Program	1,400	1,400	-
Total Conditional Grants	6,930	6,934	10,335
Total Operating	6,930	6,934	10,335
Total Environmental and Public Health Services	6,930	6,934	10,335

Rural Municipality of Sasman No. 336
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2020

Schedule 2 - 2

	2020 Budget	2020	2019
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges	-	-	200
Total Fees and Charges	-	-	200
Total Other Segmented Revenue	-	-	200
Total Operating	-	-	200
Total Planning and Development Services	-	-	200

RECREATION AND CULTURAL SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Centennial Celebration	20	12	48
Total Fees and Charges	20	12	48
- Subsidiary entities	-	14,833	17,142
- Donations	-	775	965
Total Other Segmented Revenue	20	15,620	18,155
Conditional Grants			
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	20	15,620	18,155
Total Recreation and Cultural Services	20	15,620	18,155

UTILITY SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	23,600	24,811	23,600
- Sewer	4,260	4,475	4,255
Total Fees and Charges	27,860	29,286	27,855
Total Other Segmented Revenue	27,860	29,286	27,855
Total Operating	27,860	29,286	27,855
Total Utility Services	27,860	29,286	27,855

TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	392,142	354,646	385,537
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SUMMARY

Total Other Segmented Revenue	136,130	185,310	181,006
Total Conditional Grants	100,930	101,634	104,335
Total Capital Grants and Contributions	155,082	67,702	100,196
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	392,142	354,646	385,537

Rural Municipality of Sasman No. 336

Schedule of Expenses by Function

For the year ended December 31, 2020

Schedule 3 - 1

	2020 Budget	2020	2019
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	37,350	25,520	34,047
Wages and benefits	137,080	131,976	181,968
Professional/Contractual services	75,750	100,991	75,502
Utilities	7,790	8,201	7,781
Maintenance, materials and supplies	16,000	13,648	12,266
Amortization	2,240	2,244	2,244
Insurance	990	986	975
Allowance for (recovery of) uncollectibles	-	(36,865)	(4,264)
Total Government Services	277,200	246,701	310,519

PROTECTIVE SERVICES

Police protection

Professional/Contractual services	35,600	36,846	35,565
Grants and contributions - operating	200	576	200

Fire protection

Professional/Contractual services	44,360	43,509	60,338
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Total Protective Services	80,160	80,931	96,103
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TRANSPORTATION SERVICES

Wages and benefits	622,060	544,828	511,082
Professional/Contractual services	35,680	28,778	31,309
Utilities	51,500	49,366	41,911
Maintenance, materials and supplies	420,140	408,212	328,467
Gravel	175,500	395,285	218,275
Amortization	279,650	352,204	329,558
Interest	-	-	-
Snow removal	4,500	3,300	3,600
Flood disaster expenditure	-	-	-
Allowance for uncollectibles	-	-	-

Total Transportation Services	1,589,030	1,781,973	1,464,202
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ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Wages and benefits	-	-	-
Professional/Contractual services	86,810	91,188	87,611
Utilities	-	-	-
Maintenance, materials and supplies	3,300	2,473	3,075
Grants and contributions - operating	11,000	7,199	5,799
Amortization	-	-	-

Total Environmental and Public Health Services	101,110	100,860	96,485
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Rural Municipality of Sasman No. 336

Schedule of Expenses by Function

For the year ended December 31, 2020

Schedule 3 - 2

	2020 Budget	2020	2019
PLANNING AND DEVELOPMENT SERVICES			
Professional/Contractual services	100	67	75
Grants and contributions - operating	-	-	-
Memberships	11,860	11,904	11,864
Total Planning and Development Services	11,960	11,971	11,939
RECREATION AND CULTURAL SERVICES			
Professional/Contractual services	20,440	16,707	20,194
Maintenance, materials and supplies	4,290	2,602	3,773
Amortization	260	255	255
Subsidiary expenses	-	4,284	30,422
Total Recreation and Cultural Services	24,990	23,848	54,644
UTILITY SERVICES			
Professional/Contractual services	38,210	42,033	41,321
Utilities	9,140	8,975	9,145
Maintenance, materials and supplies	6,500	9,196	7,224
Amortization	840	837	839
Total Utility Services	54,690	61,041	58,529
TOTAL EXPENSES BY FUNCTION	2,139,140	2,307,325	2,092,421

Rural Municipality of Sasman No. 336
 Schedule of Segment Disclosure by Function
 For the year ended December 31, 2020

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	11,228	-	48,208	-	-	12	29,286	88,734
Tangible Capital Asset Sales - Gain (Loss)	-	-	41,339	-	-	-	-	41,339
Land Sales - Gain (Loss)	(28,705)	-	-	-	-	-	-	(28,705)
Investment Income and Commissions	22,111	-	-	-	-	-	-	22,111
Other Revenues	-	-	46,223	-	-	15,608	-	61,831
Grants - Conditional	-	-	94,700	6,934	-	-	-	101,634
- Capital	-	-	67,702	-	-	-	-	67,702
Total revenues	4,634	-	298,172	6,934	-	15,620	29,286	354,646
Expenses (Schedule 3)								
Wages & Benefits	157,496	-	544,828	-	-	-	-	702,324
Professional/Contractual Services	100,991	80,355	28,778	91,188	67	16,707	42,033	360,119
Utilities	8,201	-	49,366	-	-	-	8,975	66,542
Maintenance, Materials and Supplies	13,648	-	803,497	2,473	-	2,602	9,196	831,416
Grants and Contributions	-	576	-	7,199	-	-	-	7,775
Amortization	2,244	-	352,204	-	-	255	837	355,540
Insurance	986	-	-	-	-	-	-	986
Interest	-	-	-	-	-	-	-	-
Allowance for (Recovery of) Uncollectibles	(36,865)	-	-	-	-	-	-	(36,865)
Other	-	-	3,300	-	11,904	4,284	-	19,488
Total expenses	246,701	80,931	1,781,973	100,860	11,971	23,848	61,041	2,307,325
Deficit by Function	(242,067)	(80,931)	(1,483,801)	(93,926)	(11,971)	(8,228)	(31,755)	(1,952,679)

Taxation and other unconditional revenue (Schedule 1)

2,417,856

Net Surplus

465,177

Rural Municipality of Sasman No. 336
 Schedule of Segment Disclosure by Function
 For the year ended December 31, 2019

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	11,547	-	39,731	-	200	48	27,855	79,381
Tangible Capital Asset Sales - Gain (Loss)	-	-	24,499	-	-	-	-	24,499
Land Sales - Gain (Loss)	(6,560)	-	-	-	-	-	-	(6,560)
Investment Income and Commissions	26,025	-	-	-	-	-	-	26,025
Other Revenues	-	-	39,554	-	-	18,107	-	57,661
Grants - Conditional	-	-	94,000	10,335	-	-	-	104,335
- Capital	-	-	100,196	-	-	-	-	100,196
Total revenues	31,012	-	297,980	10,335	200	18,155	27,855	385,537
Expenses (Schedule 3)								
Wages & Benefits	216,015	-	511,082	-	-	-	-	727,097
Professional/Contractual Services	75,502	95,903	31,309	87,611	75	20,194	41,321	351,915
Utilities	7,781	-	41,911	-	-	-	9,145	58,837
Maintenance, Materials and Supplies	12,266	-	546,742	3,075	-	3,773	7,224	573,080
Grants and Contributions	-	200	-	5,799	-	-	-	5,999
Amortization	2,244	-	329,558	-	-	255	839	332,896
Insurance	975	-	-	-	-	-	-	975
Interest	-	-	-	-	-	-	-	-
Allowance for (Recovery of) Uncollectibles	(4,264)	-	-	-	-	-	-	(4,264)
Other	-	-	3,600	-	11,864	30,422	-	45,886
Total expenses	310,519	96,103	1,464,202	96,485	11,939	54,644	58,529	2,092,421
Deficit by Function	(279,507)	(96,103)	(1,166,222)	(86,150)	(11,739)	(36,489)	(30,674)	(1,706,884)
Taxation and other unconditional revenue (Schedule 1)								2,361,868
Net Surplus								654,984

Rural Municipality of Sasman No. 336
 Schedule of Tangible Capital Assets by Object
 For the year ended December 31, 2020

		2020						2019		
		General Assets					Infrastructure Assets	General/Infrastructure Assets Under Construction	Total	Total
		Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets			
Assets	Asset cost									
	Opening Asset costs	5,900	-	257,586	31,572	2,333,860	9,877,094	-	12,506,012	12,062,495
	Additions during the year	-	-	-	-	120,841	14,126	-	134,967	506,761
	Disposals and write-downs during the year	-	-	-	-	(110,090)	-	-	(110,090)	(63,244)
	Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-
	Closing Asset Costs	5,900	-	257,586	31,572	2,344,611	9,891,220	-	12,530,889	12,506,012
Amortization	Accumulated Amortization Cost									
	Opening Accumulated Amortization Costs	-	-	149,803	27,940	1,071,665	3,944,889	-	5,194,297	4,924,644
	Add: Amortization taken	-	-	5,936	2,244	98,515	248,845	-	355,540	332,896
	Less: Accumulated amortization on disposals	-	-	-	-	(110,089)	-	-	(110,089)	(63,243)
		Closing Accumulated Amortization Costs	-	-	155,739	30,184	1,060,091	4,193,734	-	5,439,748
	Net Book Value	5,900	-	101,847	1,388	1,284,520	5,697,486	-	7,091,141	7,311,715

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

Rural Municipality of Sasman No. 336
 Schedule of Tangible Capital Assets by Function
 For the year ended December 31, 2020

Schedule 7

		2020							2019	
		General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
Assets	Asset cost									
	Opening Asset costs	54,284	-	12,212,740	20,000	-	10,615	208,373	12,506,012	12,062,495
	Additions during the year		-	134,967	-	-	-	-	134,967	506,761
	Disposals and write-downs during the year	-	-	(110,090)	-	-	-	-	(110,090)	(63,244)
	Closing Asset Costs	54,284	-	12,237,617	20,000	-	10,615	208,373	12,530,889	12,506,012
Amortization	Accumulated Amortization Cost									
	Opening Accumulated Amortization Costs	47,623	-	4,961,347	19,999	-	4,593	160,735	5,194,297	4,924,644
	Add: Amortization taken	2,244	-	352,204	-	-	255	837	355,540	332,896
	Less: Accumulated amortization on disposals	-	-	(110,089)	-	-	-	-	(110,089)	(63,243)
	Closing Accumulated Amortization Costs	49,867	-	5,203,462	19,999	-	4,848	161,572	5,439,748	5,194,297
	Net Book Value	4,417	-	7,034,155	1	-	5,767	46,801	7,091,141	7,311,715

Rural Municipality of Sasman No. 336
 Schedule of Accumulated Surplus
 For the year ended December 31, 2020

Schedule 8

	2019	Changes	2020
UNAPPROPRIATED SURPLUS	2,581,448	534,348	3,115,796

APPROPRIATED RESERVES

Equipment and Infrastructure Reserve	201,010	67,062	268,072
Public Reserve	1,500	392	1,892
Northshore Fishing Lake - Resort Road	10,000	-	10,000
Northshore Fishing Lake - Fish Shack	10,000	(4,000)	6,000
Northshore Fishing Lake - Lagoon Cell	10,000	-	10,000
Northshore Fishing Lake - Building & Equipment	30,000	40,000	70,000
Sasman Park Fund	5,941	10,549	16,490
Total Appropriated	268,451	114,003	382,454

ORGANIZED HAMLETS

Hamlet of Kuroki	70,362	(681)	69,681
Hamlet of Kylemore	30,812	(9,511)	21,301
Hamlet of Northshore Fishing Lake	334,858	24,587	359,445
Hamlet of Ottman-Murray Beach	213,643	23,005	236,648
Total Hamlets	649,675	37,400	687,075

NET INVESTMENT IN TANGIBLE CAPITAL ASSETS

Tangible capital assets (Schedule 6)	7,311,715	(220,574)	7,091,141
Less: Related debt	-	-	-
Net Investment in Tangible Capital Assets	7,311,715	(220,574)	7,091,141

Total Accumulated Surplus	10,811,289	465,177	11,276,466
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Rural Municipality of Sasman No. 336
 Schedule of Mill Rates and Assessments
 For the year ended December 31, 2020

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	136,407,410	62,273,540	-	-	4,145,550		202,826,500
Regional Park Assessment							-
Total Assessment							202,826,500
Mill Rate Factor(s)	1.00	1.00	-	-	1.00		
Total Base/Minimum Tax (generated for each property class)	-	312,225	-	-	3,450		315,675
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	1,364,252	600,073	-	-	47,790		2,012,115

MILL RATES:	MILLS
Average Municipal*	9.9204
Average School*	2.3548
Potash Mill Rate	-
Uniform Municipal Mill Rate	10.0000

* 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 Sasman No. 336
Schedule of Council Remuneration
For the year ended December 31, 2020

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Dwayne Nakrayko	8,575	1,862	10,437
Bryan Myers	6,875	1,233	8,108
Dale Redman	6,725	1,221	7,946
Barry Marquette	6,650	1,584	8,234
Nevin Morrow	6,425	1,421	7,846
Stuart Byman	5,875	1,375	7,250
Patrick Schultz	5,850	1,331	7,181
Total	46,975	10,027	57,002