

Village of Spy Hill
CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2020

Village of Spy Hill

Spy Hill, Saskatchewan

December 31, 2020

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Management's Responsibility

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 is 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 fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with external auditors. The council is also responsible for recommending the appointment of the municipality's external auditors.

Baker Tilly SK LLP, an independent firm of chartered professional accountants, is appointed by the council to audit the 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.



Mayor



Administrator



Independent Auditors' Report

To the Council
Village of Spy Hill

Opinion

We have audited the consolidated financial statements of Village of Spy Hill, (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 Flow 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 results of its operations and its consolidated cash flow 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 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 related to going concern and using the going concern basis of accounting unless management either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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



Auditors' Responsibilities for the Audit of the 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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.

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

Baker Tilly SK LLP

Baker Tilly SK LLP

Yorkton, SK
March 26, 2021

Village of Spy Hill
 Spy Hill, Saskatchewan
 Consolidated Statement of Financial Position as at December 31, 2020

Statement 1

	2020	2019 (Note 12)
Assets		
Financial Assets		
Cash and temporary investments - note 2	271,116	254,491
Taxes receivable - municipal - note 3	22,426	13,825
Other accounts receivable - note 4	38,916	36,452
Land for resale - note 5	6,432	6,500
Investments - note 6	127,812	125,286
Other assets - note 8	31,044	24,090
Total Financial Assets	497,746	460,644
Liabilities		
Accounts payable	6,906	20,179
Utility deposits	5,610	5,510
Deferred revenue - note 7	39,064	
Accrued landfill costs - note 9	750	210,300
Long-term debt - note 10	51,994	68,326
Total Liabilities	104,324	304,315
Net Financial Assets	393,422	156,329
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	717,353	720,774
Prepayments and deferred charges	4,908	2,694
Stock and supplies	5,521	5,521
Total Non-Financial Assets	727,782	728,989
Accumulated Surplus - schedule 8	\$ 1,121,204	\$ 885,318

Approved on behalf of the council:

Mayor

Councillor

Village of Spy Hill
 Consolidated Statement of Operations
 For the year ended December 31, 2020

Statement 2

	2020 Budget [Note 1(t)]	2020 Actual	2019 Actual (Note12)
Revenues			
Taxes and other unconditional revenue			
- schedule 1	248,033	253,995	226,259
Fees and charges - schedules 4 and 5	87,241	260,223	97,380
Conditional grants - schedules 4 and 5		2,447	2,460
Land sales - gain (loss) - schedules 4 and 5	1,500	(5,999)	(1,584)
Investment income and commissions			
- schedules 4 and 5	5,300	3,829	6,163
Other revenues - schedules 4 and 5			2,664
Total Revenue	<u>342,074</u>	<u>514,495</u>	<u>333,342</u>
Expenses - schedule 3			
General government services	98,239	81,619	96,224
Protective services	20,910	24,519	27,809
Transportation services	42,800	50,523	48,698
Environmental and public health services	127,950	27,822	25,685
Recreation and cultural services	8,404	8,612	9,339
Utilities services	86,400	85,514	68,200
Total Expenses	<u>384,703</u>	<u>278,609</u>	<u>275,955</u>
Surplus (Deficit) of Revenues over Expenses Before Other Capital Contributions	(42,629)	235,886	57,387
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>9,100</u>	<u>0</u>	<u>24,316</u>
Surplus (Deficit) of Revenue over Expenses	(33,529)	235,886	81,703
Accumulated Surplus, Beginning of Year	<u>885,318</u>	<u>885,318</u>	<u>803,615</u>
Accumulated Surplus, End of Year	<u>\$ 851,789</u>	<u>\$ 1,121,204</u>	<u>\$ 885,318</u>

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

Village of Spy Hill
 Consolidated Statement of Change in Net Financial Assets
 For the year ended December 31, 2020

Statement 3

	2020 Budget [Note 1(t)]	2020 Actual	2019 Actual (Note12)
Surplus	<u>(33,529)</u>	<u>235,886</u>	<u>81,703</u>
(Acquisition) of tangible capital assets		(21,757)	(73,475)
Amortization of tangible capital assets		25,178	20,515
Proceeds on disposal of tangible capital assets			2,665
Loss (gain) on the disposal of tangible capital assets	<u>0</u>	<u>0</u>	<u>(2,664)</u>
Surplus (Deficit) of Capital Expenses over Expenditures	0	3,421	(52,959)
Use of prepaid expense	<u>0</u>	<u>(2,214)</u>	<u>(104)</u>
Increase (Decrease) in Net Financial Assets	(33,529)	237,093	28,640
Net Financial Assets, beginning of year	<u>156,329</u>	<u>156,329</u>	<u>127,689</u>
Net Financial Assets, End of Year	<u>\$ 122,800</u>	<u>\$ 393,422</u>	<u>\$ 156,329</u>

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

Village of Spy Hill
 Consolidated Statement of Cash Flow
 For the year ended December 31, 2020

Statement 4

	2020	2019 (Note 12)
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus	235,886	81,703
Amortization	25,178	20,515
Loss (gain) on disposal of tangible capital assets	<u>()</u>	<u>(2,664)</u>
	<u>261,064</u>	<u>99,554</u>
Change in Assets/Liabilities		
Taxes receivable - municipal	(8,601)	1,751
Other receivables	(2,464)	(5,321)
Land for resale	68	
Other financial assets	(6,954)	(13,654)
Accounts payable	(13,272)	4,209
Utility deposits	100	(600)
Deferred revenue	39,064	
Other liabilities	(209,550)	
Prepayments and deferred charges	<u>(2,214)</u>	<u>(105)</u>
Cash Provided by Operating Transactions	<u>57,241</u>	<u>85,834</u>
Capital:		
Acquisition of capital assets	(21,757)	(73,475)
Proceeds from the disposal of capital assets	<u>2,665</u>	<u>2,665</u>
Cash Applied to Capital Transactions	<u>(21,757)</u>	<u>(70,810)</u>
Investing:		
Proceeds on disposal of long-term investments	125,285	124,260
Additions to long-term investments	<u>(127,812)</u>	<u>(125,285)</u>
Cash Provided by (Applied to) Investing Transactions	<u>(2,527)</u>	<u>(1,025)</u>
Financing:		
Long-term debt repaid	<u>(16,332)</u>	<u>(15,856)</u>
Change in Cash and Temporary Investments During the Year	16,625	(1,857)
Cash and temporary Investments, beginning of year	<u>254,491</u>	<u>256,348</u>
Cash and Temporary Investments, End of Year	<u>\$ 271,116</u>	<u>\$ 254,491</u>

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

Village of Spy Hill
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

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:

(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 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	Basis of Recording
Spy Hill Fire Department	Proportionate consolidation

All inter-organizational transactions and balances have been eliminated.

(c) Collection of funds for other authorities

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

(d) Government transfers

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

- (i) the transfers are authorized;
- (ii) any eligibility criteria have been met; and
- (iii) a reasonable estimate of the amount can be made.

Unearned government transfer amounts received will be recorded as deferred revenue.

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

(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.

Village of Spy Hill
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

1. **Significant Accounting Policies** - continued

(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.

(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) Investments

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with maturity dates longer than three months from the date of the Statement of Financial Position have been classified as other investments concurrent with the nature of the investment.

(j) 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 first-in first-out cost method. Net realizable value is the estimated selling price in the ordinary course of business.

Village of Spy Hill
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

1. **Significant Accounting Policies** - continued

(k) Tangible capital assets

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

Asset	Useful Life
General Assets	
Land improvements	30 years
Buildings	30 to 40 years
Vehicles	10 years
Machinery and equipment	5 to 10 years
Infrastructure Assets	
Paving, sidewalks and roadways	30 to 40 years
Water and sewer	75 years

(l) 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.

(m) Works of art

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.

(n) Capitalization of interest

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

(o) Leases

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

Village of Spy Hill
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

1. **Significant Accounting Policies** - continued

(p) 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.

(q) Revenue

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

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

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

(r) 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 collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

The measurement of materials and supplies are based on estimates of volume and quality.

The opening asset costs of tangible capital assets have been estimated where actual costs were not available.

Amortization is based on the estimated useful lives of tangible capital assets.

Land for resale is stated after evaluation for market value and an appropriate allowance for market value adjustment is provided where considered necessary.

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.

Village of Spy Hill
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

1. **Significant Accounting Policies** - continued

(s) 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.

(t) Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on May 22, 2020.

(u) New standards and amendments to standards

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

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

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

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

Village of Spy Hill
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

1. **Significant Accounting Policies** - continued

(u) New standards and amendments to standards - continued

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

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

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

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

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

	2020	2019
2. Cash and Temporary Investments		
Cash	<u>\$ 271,116</u>	<u>\$ 254,491</u>

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

Village of Spy Hill
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

	2020	2019		
3. Taxes and Grants In Lieu Receivable				
Municipal - current	19,982	13,810		
Municipal - arrears	2,444	16,570		
	22,426	30,380		
Less: Allowance for uncollectibles	0	16,555		
Total municipal taxes receivable	22,426	13,825		
School - current	5,773	2,970		
School - arrears	293	2,866		
Total school taxes receivable	6,066	5,836		
Total taxes and grants in lieu receivable	28,492	19,661		
Less: Taxes receivable to be collected on behalf of other organizations	6,066	5,836		
Municipal and Grants In Lieu Taxes Receivable	\$ 22,426	\$ 13,825		
4. Other Accounts Receivable				
Trade	20,230	16,064		
Utility	18,216	19,828		
Provincial government	1,530	1,620		
Total other accounts receivable	39,976	37,512		
Less: Allowance for uncollectibles	1,060	1,060		
Net Other Accounts Receivable	\$ 38,916	\$ 36,452		
5. Land for Resale				
Tax title property	34,979	30,330		
Less: Allowance for market value adjustment	28,547	23,830		
Total Land for Resale	\$ 6,432	\$ 6,500		
6. Investments				
Term investments	\$ 127,812	\$ 125,286		
7. Deferred Revenue				
	Balance, Beginning of Year	Plus Amount Received	Less Amount Recognized	Balance, End of Year
Gas Tax		14,868		14,868
Municipal Economic Enhancement		24,146		24,146
Other		50		50
	\$ 0	\$ 39,064	\$ 0	\$ 39,064

Village of Spy Hill
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

8. Other Assets

In 2018, the municipality entered into an agreement with the R. M. of Spy Hill with respect to the use, maintenance, and acquisition of the equipment and buildings used by the fire department. The agreement meets the definition of a government partnership under PSAS and has, therefore, been proportionately consolidated within the municipality. Other assets represents the municipality's proportionate share of the assets under the agreement, which are held in trust by the R. M. of Spy Hill.

9. Accrued Landfill Costs

In 2020, the municipality has accrued an overall liability for environmental matters in the amount of \$750 (2019 - \$210,300) 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 \$750 (2019 - \$210,300) of the estimated total landfill post-closure care expenses. Estimated total expenditures represent the sum of the discounted future cash flows for post-closure care activities discounted at the municipality's average long-term borrowing rate of 6% (2019 - 6%).

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. 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.

In 2020, the landfill was closed and the remaining liability represents the estimated cost associated with the post-closure requirements..

10. Long-Term Debt

The debt limit of the municipality for 2021 is \$447,570. 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)).

Debenture debt is repayable in annual payments of \$18,382 with an interest rate of 3.00%.

Future principal and interest payments are as follows:

	Principal	Interest	2020 Total	2019 Total
2021	16,822	1,560	18,382	18,382
2022	17,326	1,055	18,381	18,381
2023	17,846	535	18,381	18,381
	<u>\$ 51,994</u>	<u>\$ 3,150</u>	<u>\$ 55,144</u>	<u>\$ 55,144</u>

Village of Spy Hill
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

11. Employee Benefit Plans

The municipality participates in a contributory defined benefit pension plan for all of its employees. For defined benefit plans considered to be multi-employer plans, contributions are expensed when they are due and payable. The municipality currently participates in the Municipal Employees Pension Plan.

The contributions by the participating employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. The portion of the annual benefit costs and of the asset surpluses (deficits) that are attributable to the municipality cannot be easily determined.

Accordingly, the multi-employer plans are accounted for on the defined contribution basis. No portion of the asset (deficit) surplus of the plan is recognized in these consolidated financial statements. The benefit expense reflected in the consolidated financial statements is equal to the municipality's contributions for the year.

All contributions by employees are matched equally by the employer. The contribution rates were updated on July 1, 2018. Employee contribution rates in effect for the year are as follows:

	2020	2019
General members	9.00 %	9.00 %
Designated members	12.50 %	12.50 %

Contributions to the plan during the year were as follows:

Benefit expense	\$ 3,783	\$ 3,633
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As per the most recently audited consolidated financial statements dated December 31, 2019, the plan surplus is \$658,468,000.

Village of Spy Hill
Notes to Consolidated Financial Statements
For the year ended December 31, 2020

12. Comparative Figures

The comparative financial statements have been restated to correct for overamortization of tangible capital assets. As a result, the comparative statement of operations for the year ending December 31, 2019 has been restated as follows:

Line Item	As Restated	As Previously Stated	Difference
Expenses			
Transportation services	48,698	62,203	(13,505)
Adjustment to surplus (deficit) of revenue over expenses			13,505
Balance of accumulated surplus, end of year, as previously stated			<u>871,812</u>
Balance of accumulated surplus, end of year, as restated			<u>\$ 885,317</u>

The comparative statement of financial position as at December 31, 2019 has been restated as follows:

Line Item	As Restated	As Previously Stated	Difference
Tangible capital assets	\$ 720,774	\$ 707,269	\$ 13,505

13. Related Parties

The consolidated financial statements include transactions with related parties. The municipality is related to Spy Hill Fire Department 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.

14. Impact of COVID-19

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

15. Commitments

The Village of Spy Hill has committed to donating \$5,000 per year for ten years to the St. Anthony's Hospital Foundation in Esterhazy for the purpose of building a new hospital. The total cost of this commitment is \$50,000 over ten years beginning in 2014.

Village of Spy Hill
 Consolidated Schedule of Taxes and Other Unconditional Revenue Schedule 1
 For the year ended December 31, 2020

	2020 Budget [Note 1(t)]	2020 Actual	2019 Actual (Note12)
Taxes			
General municipal tax levy	160,218	159,317	147,115
Abatements and adjustments		(1,250)	
Discount on current year taxes	(5,400)	(5,877)	(5,371)
Net municipal taxes	<u>154,818</u>	<u>152,190</u>	<u>141,744</u>
Potash tax share	31,300	31,328	26,603
Penalties on tax arrears	<u>3,201</u>	<u>3,201</u>	<u>2,988</u>
Total Taxes	<u>189,319</u>	<u>186,719</u>	<u>171,335</u>
Unconditional Grants			
Equalization (revenue sharing)	40,059	40,059	36,304
Safe Restart		<u>10,022</u>	
Total Unconditional Grants	<u>40,059</u>	<u>50,081</u>	<u>36,304</u>
Grants In Lieu of Taxes			
Provincial			
SaskTel	855	855	855
S.P.C. surcharge	11,800	11,391	11,821
Sask Energy Surcharge	<u>6,000</u>	<u>4,949</u>	<u>5,944</u>
Total Grants In Lieu of Taxes	<u>18,655</u>	<u>17,195</u>	<u>18,620</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 248,033</u>	<u>\$ 253,995</u>	<u>\$ 226,259</u>

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

Village of Spy Hill
 Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-1
 For the year ended December 31, 2020

	2020 Budget [Note 1(t)]	2020 Actual	2019 Actual (Note 12)
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	4,000	2,965	8,872
Sale of supplies	25		24
Rentals	1,501	1,501	1,501
General office services	50	60	50
Expense recoveries	12,015	36,266	1,669
Total Fees and Charges	<u>17,591</u>	<u>40,792</u>	<u>12,116</u>
Land sales - gain (loss)	1,500	(5,999)	(1,584)
Investment income and commissions	5,300	3,829	6,163
Total Other Segmented Revenue	<u>24,391</u>	<u>38,622</u>	<u>16,695</u>
Total General Government Services	<u>\$ 24,391</u>	<u>\$ 38,622</u>	<u>\$ 16,695</u>
Protective Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Policing and fire fees		5,062	14,839
Total Other Segmented Revenue	<u>0</u>	<u>5,062</u>	<u>14,839</u>
Total Protective Services	<u>\$ 0</u>	<u>\$ 5,062</u>	<u>\$ 14,839</u>
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of gravel supplies	100		40
Total Other Segmented Revenue	<u>100</u>	<u>0</u>	<u>40</u>
Total Operating	<u>100</u>	<u>0</u>	<u>40</u>
Capital			
Conditional Grants			
Gas tax			24,316
Total Capital	<u>0</u>	<u>0</u>	<u>24,316</u>
Total Transportation Services	<u>\$ 100</u>	<u>\$ 0</u>	<u>\$ 24,356</u>

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

Village of Spy Hill

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-2
For the year ended December 31, 2020

	2020 Budget [Note 1(t)]	2020 Actual	2019 Actual (Note12)
Environmental and Public Health Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Waste disposal fees	200	225	320
Expense recoveries		136,167	
Total Fees and Charges	<u>200</u>	<u>136,392</u>	<u>320</u>
Total Other Segmented Revenue	<u>200</u>	<u>136,392</u>	<u>320</u>
Total Environmental and Public Health Services	<u>\$ 200</u>	<u>\$ 136,392</u>	<u>\$ 320</u>
Recreation and Cultural Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Donations		550	
Land sales - gain			2,664
Total Other Segmented Revenue	<u>0</u>	<u>550</u>	<u>2,664</u>
Conditional Grants			
Saskatchewan Lotteries		2,447	2,460
Total Conditional Grants	<u>0</u>	<u>2,447</u>	<u>2,460</u>
Total Recreation and Cultural Services	<u>\$ 0</u>	<u>\$ 2,997</u>	<u>\$ 5,124</u>
Utility Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Water	45,450	52,971	46,181
Sewer	23,900	24,456	23,884
Total Fees and Charges	<u>69,350</u>	<u>77,427</u>	<u>70,065</u>
Total Other Segmented Revenue	<u>69,350</u>	<u>77,427</u>	<u>70,065</u>
Total Operating	<u>69,350</u>	<u>77,427</u>	<u>70,065</u>
Capital			
Conditional Grants			
New Deal for Municipalities	9,100		
Total Capital	<u>9,100</u>	<u>0</u>	<u>0</u>
Total Utility Services	<u>\$ 78,450</u>	<u>\$ 77,427</u>	<u>\$ 70,065</u>
Total Operating and Capital Revenue by Function	<u>\$ 103,141</u>	<u>\$ 260,500</u>	<u>\$ 131,399</u>
Summary			
Total Other Segmented Revenue	94,041	258,053	104,623
Total Conditional Grants		2,447	2,460
Total Capital Grants and Contributions	<u>9,100</u>		<u>24,316</u>
Total Operating and Capital Revenue by Function	<u>\$ 103,141</u>	<u>\$ 260,500</u>	<u>\$ 131,399</u>

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

Village of Spy Hill
 Total Expenses by Function
 For the year ended December 31, 2020

Schedule 3-1

	2020 Budget [Note 1(t)]	2020 Actual	2019 Actual (Note12)
General Government Services			
Council remuneration and travel	8,852	9,008	9,035
Wages and benefits	51,355	51,630	49,419
Contractual services - assessment	3,357	3,357	3,371
Contractual services - other	16,425	13,610	14,237
Utilities	3,300	3,227	3,127
Maintenance, materials and supplies	2,800	1,503	3,123
Grants and contributions - operating	1,000	3,747	3,447
Amortization	3,000		
Insurance	5,400	5,572	5,360
Interest - long-term loans	2,450	1,804	2,287
Allowance for uncollectibles	300	(11,839)	2,818
Total General Government Services	\$ 98,239	\$ 81,619	\$ 96,224
Protective Services			
Police protection			
Contractual services	7,900	8,092	7,810
Fire protection			
Contractual services	650	1,223	1,865
Utilities		2,803	4,217
Maintenance, materials and supplies		6,923	9,385
Grants and contributions	12,360		
Amortization		5,478	4,532
Total Protective Services	\$ 20,910	\$ 24,519	\$ 27,809
Transportation Services			
Wages and benefits	14,000	5,295	
Contractual services - maintenance	13,500	12,966	20,868
Utilities	10,600	10,263	10,702
Gravel	1,000	2,301	
Machinery costs/fuel/blades	2,200	1,216	2,220
Amortization		12,746	12,568
Other materials and supplies	1,500	5,736	2,340
Total Transportation Services	\$ 42,800	\$ 50,523	\$ 48,698

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

Village of Spy Hill
 Total Expenses by Function
 For the year ended December 31, 2020

Schedule 3-2

	2020 Budget [Note 1(t)]	2020 Actual	2019 Actual (Note12)
Environmental and Public Health Services			
Contractual services - waste	123,490	24,990	23,400
Grants and contributions - housing	<u>4,460</u>	<u>2,832</u>	<u>2,285</u>
Total Environmental and Public Health Services	<u>\$ 127,950</u>	<u>\$ 27,822</u>	<u>\$ 25,685</u>
Recreation and Cultural Services			
Utilities	3,250	2,872	3,360
Maintenance, materials and supplies	200	200	481
Grants and contributions - operating	4,604	4,613	4,571
Amortization		605	605
Libraries	<u>350</u>	<u>322</u>	<u>322</u>
Total Recreation and Cultural Services	<u>\$ 8,404</u>	<u>\$ 8,612</u>	<u>\$ 9,339</u>
Utility Services			
Contractual services	44,300	58,222	46,594
Utilities	26,500	11,642	12,524
Maintenance, materials and supplies	10,600	9,301	6,272
Amortization	<u>5,000</u>	<u>6,349</u>	<u>2,810</u>
Total Utility Services	<u>\$ 86,400</u>	<u>\$ 85,514</u>	<u>\$ 68,200</u>
Total Expenses by Function	<u>\$ 384,703</u>	<u>\$ 278,609</u>	<u>\$ 275,955</u>

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

Village of Spy Hill

Consolidated Schedule of Segment Disclosure by Function
For the year ended December 31, 2020

Schedule 4

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	40,792	5,062		136,392		550	77,427	260,223
Land sales - gain (loss)	(5,999)							(5,999)
Investment income and commissions	3,829							3,829
Grants - conditional						2,447		2,447
Total Revenues	<u>38,622</u>	<u>5,062</u>	<u>0</u>	<u>136,392</u>	<u>0</u>	<u>2,997</u>	<u>77,427</u>	<u>260,500</u>
Expenses - schedule 3								
Wages and benefits	51,630		5,295					56,925
Professional/contractual services	25,975	9,315	12,966	24,990			58,222	131,468
Utilities	3,227	2,803	10,263			2,872	11,642	30,807
Maintenance materials and supplies	1,503	6,923	2,301			200	9,301	20,228
Machinery costs/fuel/blades			1,216					1,216
Grants and contributions	3,747			2,832		4,613		11,192
Amortization		5,478	12,746			605	6,349	25,178
Insurance	5,572							5,572
Libraries						322		322
Interest	1,804							1,804
Allowance for uncollectibles	(11,839)							(11,839)
Other			5,736					5,736
Total Expenses	<u>81,619</u>	<u>24,519</u>	<u>50,523</u>	<u>27,822</u>	<u>0</u>	<u>8,612</u>	<u>85,514</u>	<u>278,609</u>
Surplus (Deficit) by Function	<u>\$(42,997)</u>	<u>\$(19,457)</u>	<u>\$(50,523)</u>	<u>\$ 108,570</u>	<u>\$ 0</u>	<u>\$(5,615)</u>	<u>\$(8,087)</u>	<u>(18,109)</u>
Taxation and other unconditional revenue - schedule 1								<u>253,995</u>
Net Surplus								<u>\$ 235,886</u>

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

Village of Spy Hill

Consolidated Schedule of Segment Disclosure by Function
For the year ended December 31, 2019

Schedule 5

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	12,116	14,839	40	320			70,065	97,380
Land sales - gain (loss)	(1,584)							(1,584)
Investment income and commissions	6,163							6,163
Other revenues						2,664		2,664
Grants - conditional						2,460		2,460
Grants - capital			24,316					24,316
Total Revenues	<u>16,695</u>	<u>14,839</u>	<u>24,356</u>	<u>320</u>	<u>0</u>	<u>5,124</u>	<u>70,065</u>	<u>131,399</u>
Expenses - schedule 3								
Wages and benefits	49,419							49,419
Professional/contractual services	26,643	9,675	20,868	23,400			46,594	127,180
Utilities	3,127	4,217	10,702			3,360	12,524	33,930
Maintenance materials and supplies	3,123	9,385				481	6,272	19,261
Machinery costs/fuel/blades			2,220					2,220
Grants and contributions	3,447			2,285		4,571		10,303
Amortization		4,532	12,568			605	2,810	20,515
Insurance	5,360							5,360
Libraries						322		322
Interest	2,287							2,287
Allowance for uncollectibles	2,818							2,818
Other			2,340					2,340
Total Expenses	<u>96,224</u>	<u>27,809</u>	<u>48,698</u>	<u>25,685</u>	<u>0</u>	<u>9,339</u>	<u>68,200</u>	<u>275,955</u>
Surplus (Deficit) by Function	<u>\$(79,529)</u>	<u>\$(12,970)</u>	<u>\$(24,342)</u>	<u>\$(25,365)</u>	<u>\$ 0</u>	<u>\$(4,215)</u>	<u>\$ 1,865</u>	<u>(144,556)</u>
Taxation and other unconditional revenue - schedule 1								<u>226,259</u>
Net Surplus								<u>\$ 81,703</u>

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

Village of Spy Hill
 Consolidated Schedule of Tangible Capital Assets by Object
 For the year ended December 31, 2020

Schedule 6

	2020							Total	2019 Total
	General Assets					Infrastruct. Assets	General/ Infrastruct. Assets under Constr.		
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
Asset Cost									
Opening Asset Cost	24,949	43,912	500,879	10,000	232,378	1,978,675	0	2,790,793	2,827,319
Additions during the year					21,757			21,757	73,475
Disposals and write-down during the year									(110,001)
Closing Asset Costs	<u>24,949</u>	<u>43,912</u>	<u>500,879</u>	<u>10,000</u>	<u>254,135</u>	<u>1,978,675</u>	<u>0</u>	<u>2,812,550</u>	<u>2,790,793</u>
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	0	8,520	351,484	10,000	138,900	1,561,115	0	2,070,019	2,159,504
Add: Amortization taken		1,220	3,917		7,356	12,685		25,178	20,515
Less: Accumulated amortization on disposals									110,000
Closing Accumulated Amortization Costs	<u>0</u>	<u>9,740</u>	<u>355,401</u>	<u>10,000</u>	<u>146,256</u>	<u>1,573,800</u>	<u>0</u>	<u>2,095,197</u>	<u>2,070,019</u>
Net Book Value	<u>\$ 24,949</u>	<u>\$ 34,172</u>	<u>\$ 145,478</u>	<u>\$ 0</u>	<u>\$ 107,879</u>	<u>\$ 404,875</u>	<u>\$ 0</u>	<u>\$ 717,353</u>	<u>\$ 720,774</u>

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

Village of Spy Hill

Consolidated Schedule of Tangible Capital Assets by Function For the year ended December 31, 2020

Schedule 7

	2020							2019	
	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Water & Sewer	Total	Total
Asset Cost									
Opening Asset Cost	62,240	402,774	1,852,085	0	0	161,851	311,843	2,790,793	2,827,319
Additions during the year		16,065					5,692	21,757	73,475
Disposals and write-down during the year									(110,001)
Closing Asset Costs	62,240	418,839	1,852,085	0	0	161,851	317,535	2,812,550	2,790,793
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	52,131	216,532	1,426,265	0	0	134,270	240,821	2,070,019	2,159,504
Add: Amortization taken		5,478	12,746			605	6,349	25,178	20,515
Less: Accumulated amortization on disposals									110,000
Closing Accumulated Amortization Costs	52,131	222,010	1,439,011	0	0	134,875	247,170	2,095,197	2,070,019
Net Book Value	\$ 10,109	\$ 196,829	\$ 413,074	\$ 0	\$ 0	\$ 26,976	\$ 70,365	\$ 717,353	\$ 720,774

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

Village of Spy Hill
 Consolidated Schedule of Accumulated Surplus
 For the year ended December 31, 2020

Schedule 8

	2019	Changes	2020
Unappropriated Surplus	<u>39,760</u>	<u>222,975</u>	<u>262,735</u>
Appropriated Surplus			
Other			
Paving reserve	72,100		72,100
Municipal reserve	100		100
Spy Hill Fire Department reserve	2,500		2,500
Landfill reserve	<u>118,410</u>		<u>118,410</u>
	<u>193,110</u>	<u>0</u>	<u>193,110</u>
Total Appropriated	<u>193,110</u>	<u>0</u>	<u>193,110</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	720,774	(3,421)	717,353
Less: Related debt	<u>68,326</u>	<u>(16,332)</u>	<u>51,994</u>
Net Investment in Tangible Capital Assets	<u>652,448</u>	<u>12,911</u>	<u>665,359</u>
Total Accumulated Surplus	<u>\$ 885,318</u>	<u>\$ 235,886</u>	<u>\$ 1,121,204</u>

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

Village of Spy Hill
 Schedule of Mill Rates and Assessments
 For the year ended December 31, 2020

Schedule 9

	<u>Property Class</u>					Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	
Taxable Assessment	50,600	9,129,760			2,135,500	11,315,860
Regional Park Assessment						
Total Assessment						11,315,860
Mill Rate Factor(s)	1.0000	1.0000			0.7500	
Total Base/Minimum Tax (generated for each property class)	506	80,400			9,600	90,506
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	506	135,961			22,850	159,317
Mill Rates:	Mills					
Average Municipal*						14.0791
Average School*						4.5100
Potash Mill Rate						
Uniform Municipal Mill Rate						10.0000

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

Village of Spy Hill
Schedule of Council Remuneration
For the year ended December 31, 2020

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Allan Perrin	2,253	1,050	3,303
Barb Decker	750		750
Ralph Jack	150		150
Denyse Jack	1,437	75	1,512
Rosanne Atkinson	300		300
Bill Perrin	150		150
	<u>5,040</u>	<u>1,125</u>	<u>6,165</u>
	\$ 5,040	\$ 1,125	\$ 6,165

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part of these consolidated financial statements.*