

Rural Municipality of Usborne No. 310

Consolidated Financial Statements

December 31, 2020

Rural Municipality of Usborne No. 310

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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 Osborne No. 310:

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 the consolidated financial statements.

Council is composed entirely of council members 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 fulfills 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.

May 21, 2021



Reeve



Administrator

To the Reeve and Councillors of the Rural Municipality of Osborne No. 310:

Opinion

We have audited the consolidated financial statements of the Rural Municipality of Osborne No. 310 (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, cash flows and the related schedules 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

May 21, 2021

MNP LLP


Chartered Professional Accountants

Rural Municipality of Usborne No. 310
Consolidated Statement of Financial Position
As at December 31, 2020

Statement 1

	2020	2019
ASSETS		
Financial Assets		
Cash and Temporary Investments (Note 2)	2,276,951	2,510,024
Taxes Receivable - Municipal (Note 3)	39,408	52,535
Other Accounts Receivable (Note 4)	188,111	159,757
Receivable from Ministry of Finance - Education Property Taxes	-	1,024
Receivable from Saskatchewan Municipal Hail Insurance Association	1,112	634
Land for Resale (Note 5)	18,182	11,950
Long-Term Investments (Note 6)	3,140,633	3,090,786
Total Financial Assets	5,664,397	5,826,710
LIABILITIES		
Accounts Payable	112,462	69,945
Payable to Ministry of Finance - Education Property Taxes	3,173	-
Deferred Revenue (Note 7)	26,682	5,450
Total Liabilities	142,317	75,395
NET FINANCIAL ASSETS	5,522,080	5,751,315
Non-Financial Assets		
Tangible Capital Assets (Schedule 6, 7)	9,045,087	9,029,671
Prepayments and Deferred Charges	16,054	15,232
Stock and Supplies	308,723	254,188
Total Non-Financial Assets	9,369,864	9,299,091
Accumulated Surplus (Schedule 8)	14,891,944	15,050,406


Reeve


Councillor

Rural Municipality of Usborne No. 310
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)	1,821,550	1,789,027	1,768,250
Fees and Charges (Schedule 4, 5)	229,550	292,889	291,899
Conditional Grants (Schedule 4, 5)	4,120	2,816	12,462
Tangible Capital Asset Sales - Gain (Loss) (Schedule 4, 5)	-	(106,707)	(15,720)
Land Sales - Gain (Loss) (Schedule 4, 5)	-	-	-
Investment Income and Commissions (Schedule 4, 5)	12,200	95,412	111,805
Other Revenues (Schedule 4, 5)	25,400	71,670	32,393
Total Revenues	2,092,820	2,145,107	2,201,089
Expenses			
General Government Services (Schedule 3)	336,000	345,296	296,484
Protective Services (Schedule 3)	61,700	54,875	63,805
Transportation Services (Schedule 3)	1,480,300	1,767,935	1,364,729
Environmental and Public Health Services (Schedule 3)	93,800	71,063	62,647
Planning and Development Services (Schedule 3)	31,500	28,074	11,235
Recreation and Cultural Services (Schedule 3)	80,300	64,606	68,838
Utility Services (Schedule 3)	184,150	102,777	115,950
Total Expenses	2,267,750	2,434,626	1,983,688
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(174,930)	(289,519)	217,401
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	620,500	131,057	96,416
Surplus (Deficit) of Revenues over Expenses	445,570	(158,462)	313,817
Accumulated Surplus, Beginning of Year	15,050,406	15,050,406	14,736,589
Accumulated Surplus, End of Year	15,495,976	14,891,944	15,050,406

Rural Municipality of Usborne No. 310
Consolidated Statement of Change in Net Financial Assets
For the year ended December 31, 2020

Statement 3

	2020 Budget	2020	2019
Surplus (Deficit)	445,570	(158,462)	313,817
Acquisition of tangible capital assets	(2,120,000)	(622,650)	(178,091)
Amortization of tangible capital assets	-	394,527	399,376
Proceeds on disposal of tangible capital assets	2,500	106,000	16,529
Loss on disposal of tangible capital assets	-	106,707	15,720
Surplus (deficit) of capital expenses over expenditures	(2,117,500)	(15,416)	253,534
Consumption of supplies inventories	-	-	14,165
(Acquisition) of supplies inventories	-	(54,535)	-
Consumption of prepaid expense	-	-	-
(Acquisition) of prepaid expense	-	(822)	(13,101)
Surplus (deficit) of expenses of other non-financial over expenditures	-	(55,357)	1,064
Increase (Decrease) in Net Financial Assets	(1,671,930)	(229,235)	568,415
Net Financial Assets - Beginning of Year	5,751,315	5,751,315	5,182,900
Net Financial Assets - End of Year	4,079,385	5,522,080	5,751,315

Rural Municipality of Usborne No. 310
Consolidated Statement of Cash Flow
For the year ended December 31, 2020

Statement 4

	2020	2019
Cash provided by the following activities		
Operating:		
Surplus (Deficit)	(158,462)	313,817
Amortization	394,527	399,376
Loss on disposal of tangible capital assets	106,707	15,720
	<u>342,772</u>	<u>728,913</u>
Change in assets/liabilities		
Taxes receivable - Municipal	13,127	(10,511)
Other receivables	(28,354)	306,617
Land for resale	(6,232)	20,748
Accounts and accrued liabilities payable	42,517	(27,587)
Deferred Revenue	21,232	600
Due to/from Ministry of Finance - Education Property Taxes	4,197	(9,383)
Due to/from Saskatchewan Municipal Hail Insurance Association	(478)	(1,476)
Stock and supplies for use	(54,535)	14,165
Prepayments and deferred charges	(822)	(13,101)
Net cash from operations	333,424	1,008,985
Capital:		
Acquisition of capital assets	(622,650)	(178,091)
Proceeds from the disposal of capital assets	106,000	16,529
Net cash used for capital	(516,650)	(161,562)
Investing:		
Long-term investments	(49,847)	(53,771)
Net cash from (used for) investing	(49,847)	(53,771)
Financing:		
Long-term debt repaid	-	-
Net cash used for financing	-	-
Increase (decrease) in cash resources	(233,073)	793,652
Cash and Temporary Investments - Beginning of Year	2,510,024	1,716,372
Cash and Temporary Investments - End of Year	2,276,951	2,510,024

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 revenue 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 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 Council for the administration of their financial affairs and resources. Entities included in these consolidated financial statements are as follows:

Entity

Guernsey & District Recreation Board
Lockwood Cemetery

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 and municipal hail 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 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) 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.

Rural Municipality of Usborne No. 310
Notes to the Consolidated Financial Statements
For the year ended December 31, 2020

1. Significant accounting policies - continued

- 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.
- 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>
General Assets	
Land	Indefinite
Land Improvements	15 to 25 Yrs
Buildings	40 Yrs
Vehicles & Equipment	
Vehicles	10 to 25 Yrs
Machinery and Equipment	5 to 20 Yrs
Infrastructure Assets	
Infrastructure Assets	20 to 75 Yrs
Water & Sewer	40 to 75 Yrs
Road Network Assets	20 to 60 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) **Landfill Post Closure Liability:** The Municipality has not provided post closure costs as they are not readily determinable.
- p) **Measurement Uncertainty:** The preparation of consolidated financial statements in conformity with public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenditures during the period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

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

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

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

- r) **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 as this time.

Rural Municipality of Usborne No. 310
Notes to the Consolidated Financial Statements
For the year ended December 31, 2020

	2020	2019
2. Cash and temporary investments		
Cash	1,796,205	2,060,888
Temporary Investments	480,746	449,136
Total Cash and Temporary Investments	2,276,951	2,510,024
Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less.		
3. Taxes and grants in lieu receivable		
Municipal - Current	34,549	50,711
- Arrears	25,233	21,337
	59,782	72,048
- Less Allowance for Uncollectible	(20,374)	(19,513)
Total municipal taxes receivable	39,408	52,535
School - Current	9,894	18,443
- Arrears	5,120	3,015
Total school taxes receivable	15,014	21,458
Hail - Current	1,778	6,548
- Arrears	-	1,230
Total other taxes receivable	1,778	7,778
Total taxes and grants in lieu receivable	56,200	81,771
Deduct taxes receivable to be collected on behalf of other organizations	(16,792)	(29,236)
Municipal and Grants in Lieu Taxes Receivable	39,408	52,535
4. Other accounts receivable		
Federal government	113,060	64,524
Provincial government	67,054	34,253
Utility	11,746	13,066
Trade	34,257	48,236
Potash tax sharing	-	-
Total Other Accounts Receivable	226,117	160,079
Less Allowance for Uncollectible	(38,006)	(322)
Net Other Accounts Receivable	188,111	159,757

Rural Municipality of Usborne No. 310
Notes to the Consolidated Financial Statements
For the year ended December 31, 2020

	2020	2019
5. Land for resale		
Tax title property	49,483	42,244
Allowance for market value adjustment	(20,665)	(20,665)
Deduct portion due to Other Tax Authority (School)	(13,086)	(12,079)
Deduct portion due to Other Tax Authority (Hail)	-	-
Net Tax Title Property	15,732	9,500
Other Land for resale	34,309	34,309
Allowance for market value adjustment	(31,859)	(31,859)
Net Other Land for Resale	2,450	2,450
Other Land	3,776	3,776
Allowance for market value adjustment	(1,585)	(1,585)
Deduct portion due to Other Tax Authority (School)	(2,191)	(2,191)
Net Other Land	-	-
Total Land for Resale	18,182	11,950

6. Long-term investments

Sask Assoc of Rural Municipalities - Self Insurance Fund	92,975	88,823
RBC fixed income portfolio investments	3,027,952	2,982,477
Affinity Credit Union term deposits - Lockwood Cemetery	14,012	13,860
Conexus Credit Union term deposit - Guernsey & District Recreation Board	5,694	5,626
Total Long-term Investments	3,140,633	3,090,786

7. Deferred Revenue

Municipal Economic Enhancement Program	21,032	-
Deposit	5,650	5,450
Total Deferred Revenue	26,682	5,450

8. Long-term debt

As at December 31, 2020, the Municipality did not have any long-term debt outstanding. The debt limit of the Municipality is \$2,049,783. 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)).

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, together with a number of other rural and urban municipalities, is a member of the Regional Authority of Carlton Trail - Waste Management District Ltd. ("REACT"). REACT is governed by the Department of Saskatchewan Environment and Resource Management ("SERM") and 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.

Rural Municipality of Usborne No. 310
Notes to the Consolidated Financial Statements
For the year ended December 31, 2020

10. Commitments

The Municipality has entered into an agreement with the Lanigan and District Fire Association to assist in funding future capital expenditures for a ten year period commencing in 2012 for a total of \$61,220. In each year during the agreement period, the annual commitment will be calculated using the Municipality's percentage of the taxable assessment of the area covered applied to the annual levy. In 2020, the Municipality's share was \$6,122 with the remaining commitment of \$6,122 to be paid in 2021.

The Municipality resolved to distribute a recreation levy equally to Drake, Lanigan, and Watrous Recreation Facilities on an annual basis commencing in 2015. The levy is based on 1/2 mill applied to the taxable assessment. The Municipality contributed a total levy of \$30,844 (\$9,822 per recreation facility for Drake and Watrous plus \$11,200 matching donation to Lanigan Waterpark in lieu of regular levy) in 2020 (2019 - \$28,710 total levy).

In November 2020, the Municipality entered into an agreement to purchase a 2021 Schulte XH1500 Mower for a total cost of \$33,500 plus applicable taxes, with anticipated delivery in June 2021.

11. 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 \$49,069 (2019 - \$48,777). 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.

12. Budget

On June 10, 2020, the Council approved its operating budget on planned expenses relating to the current year funding and other current year sources of revenue.

13. Comparative Figures

Prior year comparative figures have been restated to conform to current year presentation.

14. 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.

Rural Municipality of Usborne No. 310
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	948,340	880,341	884,051
Abatements and adjustments	(5,000)	(2,566)	(2,319)
Discount on current year taxes	(42,400)	(43,175)	(43,190)
Net Municipal Taxes	900,940	834,600	838,542
Potash tax share	725,000	727,069	770,066
Penalties on tax arrears	4,700	5,070	4,872
Special tax levy	4,800	4,800	4,800
Total Taxes	1,635,440	1,571,539	1,618,280
UNCONDITIONAL GRANTS			
Equalization (Revenue Sharing)	168,720	168,210	133,692
Safe Restart	-	31,557	-
Organized Hamlet	14,320	14,391	13,090
Total Unconditional Grants	183,040	214,158	146,782
GRANTS IN LIEU OF TAXES			
Federal	-	-	-
Provincial			
Transgas	1,620	1,767	1,625
Sasktel	1,450	1,563	1,563
Total Grants in Lieu of Taxes	3,070	3,330	3,188
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	1,821,550	1,789,027	1,768,250

Rural Municipality of Usborne No. 310
Consolidated 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			
- Sales of supplies	1,950	6,462	4,611
- Hamlet administration fee	8,800	8,800	8,800
- Permits	200	-	250
- Other (tax enforcement, trailer license fees)	13,500	18,085	21,051
Total Fees and Charges	24,450	33,347	34,712
- Land sales - gain	-	-	-
- Investment income and commissions	12,200	95,412	111,805
- Rental income	19,400	65,055	28,018
Total Other Segmented Revenue	56,050	193,814	174,535
Total Operating	56,050	193,814	174,535
Total General Government Services	56,050	193,814	174,535

TRANSPORTATION SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	18,500	64,350	20,815
- Road maintenance and restoration agreements	-	-	-
- Other (gravel extraction fees)	150,000	142,906	182,862
Total Fees and Charges	168,500	207,256	203,677
- Tangible capital asset sales - gain (loss)	-	(106,707)	(15,720)
Total Other Segmented Revenue	168,500	100,549	187,957
Total Operating	168,500	100,549	187,957
Capital			
Conditional Grants			
- Gas Tax	15,600	46,817	67,516
- Primary Weight Corridor	28,900	29,240	28,900
- Municipal Economic Enhancement Program	76,000	55,000	-
- Municipal Roads for the Economy Program	500,000	-	-
Total Capital	620,500	131,057	96,416
Total Transportation Services	789,000	231,606	284,373

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and disposal fees	600	687	705
- Sales of supplies	500	447	538
Total Fees and Charges	1,100	1,134	1,243
Total Other Segmented Revenue	1,100	1,134	1,243
Conditional Grants			
- Provincial Invasive Plant Control Program	-	1,296	-
- Provincial Rat Eradication Program	2,920	225	11,167
Total Conditional Grants	2,920	1,521	11,167
Total Operating	4,020	2,655	12,410
Total Environmental and Public Health Services	4,020	2,655	12,410

Rural Municipality of Usborne No. 310
Consolidated Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2020

Schedule 2 - 2

	2020 Budget	2020	2019
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Subsidiary entities	-	220	219
Total Fees and Charges	-	220	219
- Donations	6,000	6,615	4,375
Total Other Segmented Revenue	6,000	6,835	4,594
Conditional Grants			
- Saskatchewan Lotteries community grant	1,200	1,295	1,295
Total Conditional Grants	1,200	1,295	1,295
Total Operating	7,200	8,130	5,889
Total Recreation and Cultural Services	7,200	8,130	5,889

UTILITY SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Water	28,500	40,307	41,645
- Sewer	7,000	10,625	10,403
Total Fees and Charges	35,500	50,932	52,048
Total Other Segmented Revenue	35,500	50,932	52,048
Total Operating	35,500	50,932	52,048
Total Utility Services	35,500	50,932	52,048

TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	891,770	487,137	529,255
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SUMMARY

Total Other Segmented Revenue	267,150	353,264	420,377
Total Conditional Grants	4,120	2,816	12,462
Total Capital Grants and Contributions	620,500	131,057	96,416
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	891,770	487,137	529,255

Rural Municipality of Usborne No. 310
Consolidated 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	43,200	31,882	36,015
Wages and benefits	158,500	156,065	151,050
Professional/Contractual services	99,000	90,938	82,585
Utilities	4,300	4,264	4,088
Maintenance, materials and supplies	29,500	21,769	26,123
Grants and contributions - operating	1,500	815	795
Allowance (recovery) for uncollectibles	-	38,545	(5,190)
Amortization	-	1,018	1,018
Total General Government Services	336,000	345,296	296,484

PROTECTIVE SERVICES

Police protection

Professional/Contractual services	25,500	25,479	24,594
Grants and contributions - operating	200	200	200

Fire protection

Professional/Contractual services	36,000	29,196	39,011
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Total Protective Services	61,700	54,875	63,805
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TRANSPORTATION SERVICES

Council remuneration	32,000	27,000	27,000
Wages and benefits	561,900	494,889	494,614
Professional/Contractual services	95,200	287,246	75,639
Utilities	23,850	19,550	19,426
Maintenance, materials, and supplies	525,350	336,917	283,491
Gravel	242,000	229,206	86,583
Amortization	-	373,127	377,976

Total Transportation Services	1,480,300	1,767,935	1,364,729
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Rural Municipality of Usborne No. 310
Consolidated Schedule of Expenses by Function
For the year ended December 31, 2020

Schedule 3 - 2

	2020 Budget	2020	2019
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Professional/Contractual services	78,800	56,266	49,130
Grants and contributions - operating			
○ Public Health	15,000	14,797	13,517
Total Environmental and Public Health Services	93,800	71,063	62,647
PLANNING AND DEVELOPMENT SERVICES			
Professional/Contractual services	1,500	-	352
Other (watershed and slough project)	30,000	28,074	10,883
Total Planning and Development Services	31,500	28,074	11,235
RECREATION AND CULTURAL SERVICES			
Wages and benefits	5,000	2,690	4,738
Professional/Contractual services	15,050	14,063	14,379
Utilities	12,150	8,524	10,042
Maintenance, materials and supplies	3,950	2,330	1,446
Grants and contributions - operating	44,150	35,194	36,452
Subsidiary entities	-	1,555	1,531
Amortization	-	250	250
Total Recreation and Cultural Services	80,300	64,606	68,838
UTILITY SERVICES			
Wages and benefits	34,100	30,374	30,484
Professional/Contractual services	112,500	30,594	37,694
Utilities	18,650	14,375	14,255
Maintenance, materials and supplies	18,900	7,302	13,385
Amortization	-	20,132	20,132
Total Utility Services	184,150	102,777	115,950
TOTAL EXPENSES BY FUNCTION	2,267,750	2,434,626	1,983,688

Rural Municipality of Usborne No. 310
Consolidated 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	33,347	-	207,256	1,134	-	220	50,932	292,889
Tangible Capital Asset Sales - Gain (Loss)	-	-	(106,707)	-	-	-	-	(106,707)
Land Sales - Gain (Loss)	-	-	-	-	-	-	-	-
Investment Income and Commissions	95,412	-	-	-	-	-	-	95,412
Other Revenues	65,055	-	-	-	-	6,615	-	71,670
Grants - Conditional	-	-	-	1,521	-	1,295	-	2,816
- Capital	-	-	131,057	-	-	-	-	131,057
Total revenues	193,814	-	231,606	2,655	-	8,130	50,932	487,137
Expenses (Schedule 3)								
Wages & Benefits	187,947	-	521,889	-	-	2,690	30,374	742,900
Professional/Contractual Services	90,938	54,675	287,246	56,266	-	14,063	30,594	533,782
Utilities	4,264	-	19,550	-	-	8,524	14,375	46,713
Maintenance Materials and Supplies	21,769	-	566,123	-	-	2,330	7,302	597,524
Grants and Contributions	815	200	-	14,797	-	35,194	-	51,006
Interest	-	-	-	-	-	-	-	-
Amortization	1,018	-	373,127	-	-	250	20,132	394,527
Allowance (Recovery) for Uncollectibles	38,545	-	-	-	-	-	-	38,545
Other	-	-	-	-	28,074	1,555	-	29,629
Total expenses	345,296	54,875	1,767,935	71,063	28,074	64,606	102,777	2,434,626
Deficit by Function	(151,482)	(54,875)	(1,536,329)	(68,408)	(28,074)	(56,476)	(51,845)	(1,947,489)
Taxation and other unconditional revenue (Schedule 1)								1,789,027
Net Deficit								(158,462)

Rural Municipality of Usborne No. 310
Consolidated 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	34,712	-	203,677	1,243	-	219	52,048	291,899
Tangible Capital Asset Sales - Gain (Loss)	-	-	(15,720)	-	-	-	-	(15,720)
Land Sales - Gain (Loss)	-	-	-	-	-	-	-	-
Investment Income and Commissions	111,805	-	-	-	-	-	-	111,805
Other Revenues	28,018	-	-	-	-	4,375	-	32,393
Grants - Conditional	-	-	-	11,167	-	1,295	-	12,462
- Capital	-	-	96,416	-	-	-	-	96,416
Total revenues	174,535	-	284,373	12,410	-	5,889	52,048	529,255
Expenses (Schedule 3)								
Wages & Benefits	187,065	-	521,614	-	-	4,738	30,484	743,901
Professional/Contractual Services	82,585	63,605	75,639	49,130	352	14,379	37,694	323,384
Utilities	4,088	-	19,426	-	-	10,042	14,255	47,811
Maintenance Materials and Supplies	26,123	-	370,074	-	-	1,446	13,385	411,028
Grants and Contributions	795	200	-	13,517	-	36,452	-	50,964
Amortization	1,018	-	377,976	-	-	250	20,132	399,376
Interest	-	-	-	-	-	-	-	-
Allowance (Recovery) for Uncollectibles	(5,190)	-	-	-	-	-	-	(5,190)
Other	-	-	-	-	10,883	1,531	-	12,414
Total expenses	296,484	63,805	1,364,729	62,647	11,235	68,838	115,950	1,983,688
Deficit by Function	(121,949)	(63,805)	(1,080,356)	(50,237)	(11,235)	(62,949)	(63,902)	(1,454,433)

Taxation and other unconditional revenue (Schedule 1)

1,768,250

Net Surplus	313,817
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Rural Municipality of Osborne No. 310
Consolidated Schedule of Tangible Capital Assets by Object
For the year ended December 31, 2020

Schedule 6

		2020						2019		
	General Assets					Infrastructure Assets	General/ Infrastructure Assets Under Construction	Total	Total	
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets				
Assets	Asset cost									
	Opening Asset costs	21,107	-	1,034,162	223,051	2,459,711	10,303,531	7,620	14,049,182	13,933,757
	Additions during the year	-	-	-	7,687	468,332	146,631	-	622,650	178,091
	Disposals and write-downs during the year	-	-	-	-	(281,910)	(65,869)	-	(347,779)	(62,666)
	Transfers (from) assets under construction	-	-	-	-	-	7,620	(7,620)	-	-
Closing Asset Costs		21,107	-	1,034,162	230,738	2,646,133	10,391,913	-	14,324,053	14,049,182
Amortization	Accumulated Amortization Cost									
	Opening Accumulated Amortization Costs	-	-	162,683	93,230	710,026	4,053,572	-	5,019,511	4,650,552
	Add: Amortization taken	-	-	25,704	22,302	121,764	224,757	-	394,527	399,376
	Less: Accumulated amortization on disposals	-	-	-	-	(84,573)	(50,499)	-	(135,072)	(30,417)
Closing Accumulated Amortization Costs		-	-	188,387	115,532	747,217	4,227,830	-	5,278,966	5,019,511
Net Book Value		21,107	-	845,775	115,206	1,898,916	6,164,083	-	9,045,087	9,029,671
1. Total contributed/donated assets received in 2020		\$	-							
2. List of assets recognized at nominal value in 2020 are:										
- Infrastructure Assets		\$	-							
- Buildings		\$	-							
3. Amount of interest capitalized in 2020		\$	-							

Rural Municipality of Usborne No. 310
Consolidated 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
Assets	Asset cost								
	Opening Asset costs	5,148	-	13,179,331	-	-	10,407	854,296	14,049,182
	Additions during the year	-	-	564,880	-	-	-	57,770	622,650
	Disposals and write-downs during the year	-	-	(347,779)	-	-	-	-	(347,779)
Closing Asset Costs		5,148	-	13,396,432	-	-	10,407	912,066	14,324,053
Amortization	Accumulated Amortization Cost								
	Opening Accumulated Amortization Costs	3,054	-	4,763,213	-	-	4,250	248,994	5,019,511
	Add: Amortization taken	1,018	-	373,127	-	-	250	20,132	394,527
	Less: Accumulated amortization on disposals	-	-	(135,072)	-	-	-	-	(135,072)
Closing Accumulated Amortization Costs		4,072	-	5,001,268	-	-	4,500	269,126	5,278,966
Net Book Value		1,076	-	8,395,164	-	-	5,907	642,940	9,045,087
									9,029,671

Rural Municipality of Usborne No. 310
Consolidated Schedule of Accumulated Surplus
For the year ended December 31, 2020

Schedule 8

	2019	Changes	2020
UNAPPROPRIATED SURPLUS	5,702,216	(94,907)	5,607,309
APPROPRIATED RESERVES			
Machinery and Equipment	205,000	(138,750)	66,250
Heavy Haul Resurfacing Reserve	51,847	-	51,847
Lockwood Reserve	51,887	11,801	63,688
Guernsey & District Recreation Board	8,189	88	8,277
Lockwood Cemetery	21,864	3,100	24,964
Total Appropriated	338,787	(123,761)	215,026
ORGANIZED HAMLETS			
Hamlet of Guernsey	(20,268)	44,790	24,522
Total Hamlets	(20,268)	44,790	24,522
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	9,029,671	15,416	9,045,087
Net Investment in Tangible Capital Assets	9,029,671	15,416	9,045,087
Total Accumulated Surplus	15,050,406	(158,462)	14,891,944

Rural Municipality of Usborne No. 310
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	85,698,340	11,889,460	-	-	18,839,600	332,635,300	449,062,700
Regional Park Assessment							-
Total Assessment							449,062,700
Mill Rate Factor(s)	0.95	0.75	-	-	1.20		
Total Base/Minimum Tax (generated for each property class)	-	29,301	-	-	3,077		32,378
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	610,601	97,144	-	-	172,596		880,341

MILL RATES:

MILLS

Average Municipal*	7.5613
Average School*	7.8153
Potash Mill Rate	6.5209
Uniform Municipal Mill Rate	7.5000
Hamlet of Guernsey Municipal Mill Rate	11.0000

* 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 Usborne No. 310
Schedule of Council Remuneration
For the year ended December 31, 2020

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Jack Gibney	8,203	907	9,110
Fred Toman	6,775	870	7,645
Howard Toews	6,663	1,108	7,771
Lance Gunther	6,426	956	7,382
Don Shantz	6,308	1,150	7,458
Ryan Morningstar	6,189	1,070	7,259
Darren Carlson	5,834	1,062	6,896
Total	46,398	7,123	53,521