

RURAL MUNICIPALITY OF VICTORY NO. 226

Auditor's Report

Financial Statements

December 31, 2020

MANAGEMENT'S RESPONSIBILITY

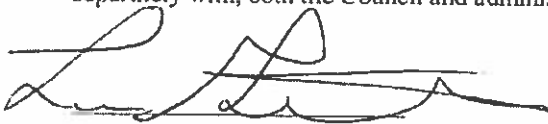
To the Ratepayers of
Rural Municipality of Victory No. 226 :

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. 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.

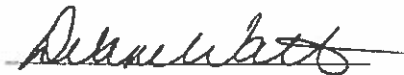
In discharging its responsibilities for the integrity and fair presentation of the consolidated financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and 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 the administration and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the Municipality's external auditors.

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



Reeve



Administrator

INDEPENDENT AUDITOR'S REPORT

To the Reeve and Council of Rural Municipality of Victory No. 226

Qualified Opinion

We have audited the consolidated financial statements of Rural Municipality of Victory No. 226, which comprise the consolidated statement of financial position as at December 31, 2020 and the consolidated statements of financial activities, changes in net financial assets, and changes in financial position for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Qualified Opinion

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

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Rural Municipality in accordance with the ethical requirements that are relevant to our audit of the 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.

Other Matter

The financial statements for the Rural Municipality of Victory No. 226 for the year ended December 31, 2019 were audited by another auditor who expressed a qualified opinion on those statements on June 9, 2020.

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements, management is responsible for assessing the Rural Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and the use of the going concern basis of accounting unless management either intends to liquidate the Rural Municipality or cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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 Rural 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 Rural 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 financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Rural Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

Saskatoon, Saskatchewan
May 6, 2021


Chartered Professional Accountants

RURAL MUNICIPALITY OF VICTORY NO. 226**Statement 1****CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

December 31, 2020
with comparative figures for 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Financial assets:		
Cash and temporary investments (Note 2)	\$ 1,274,216	1,315,421
Taxes receivable - Municipal (Note 3)	22,223	34,988
Other accounts receivable (Note 4)	49,476	50,190
Land for re-sale (Note 5)	1,115	679
Long-term investments (Note 6)	71,910	67,526
Other	-	-
Total financial assets	1,418,940	1,468,804
<u>LIABILITIES</u>		
Bank indebtedness	-	-
Accounts payable	58,153	191,157
Accrued liabilities payable	-	-
Deposits	-	-
Deferred revenue (Note 7)	380	27,096
Accrued landfill costs (Note 8)	75,000	75,000
Liability for contaminated sites	-	-
Other liabilities	-	-
Long-term debt (Note 9)	-	-
Lease obligations	-	-
Total liabilities	133,533	293,253
NET FINANCIAL ASSETS (DEBT)	1,285,407	1,175,551
Non-financial assets:		
Tangible capital assets (Schedule 6, 7)	2,455,448	2,270,746
Prepaid and deferred charges	-	-
Stock and supplies	331,201	417,881
Other (Note 10)	-	22,701
Total non-financial assets	2,786,649	2,711,328
	<u>\$ 4,072,056</u>	<u>3,886,879</u>
Accumulated Surplus (Schedule 8)	<u>\$ 4,072,056</u>	<u>3,886,879</u>

APPROVED ON BEHALF OF COUNCIL:

Reeve

Councillor

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226**Statement 2****CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

Year ended December 31, 2020
with comparative figures for 2019

		<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Revenues:				
Taxes and other unconditional revenue	(Schedule 1)	\$ 1,023,800	1,034,341	1,035,566
Fees and charges	(Schedule 4, 5)	31,770	94,149	71,268
Conditional grants	(Schedule 4, 5)	5,538	7,410	7,373
Tangible capital asset sales - gain (loss)	(Schedule 4, 5)	5,000	-	(114,144)
Land sales - gain (loss)	(Schedule 4, 5)	-	-	-
Investment income and commissions	(Schedule 4, 5)	17,689	12,056	23,990
Restructurings	(Schedule 4, 5)	-	-	-
Other revenues	(Schedule 4, 5)	-	-	-
Total Revenues		<u>1,083,797</u>	<u>1,147,956</u>	<u>1,024,053</u>
Expenditures:				
General government services	(Schedule 3)	215,841	196,488	214,414
Protective services	(Schedule 3)	36,887	67,884	67,814
Transportation services	(Schedule 3)	933,118	736,446	844,266
Environmental and public health services	(Schedule 3)	67,450	50,313	43,109
Planning and development services	(Schedule 3)	500	-	-
Recreation and cultural services	(Schedule 3)	17,613	29,375	13,097
Utility services	(Schedule 3)	1,500	-	-
Restructurings	(Schedule 3)	-	-	-
Total Expenditures		<u>1,272,909</u>	<u>1,080,506</u>	<u>1,182,700</u>
Surplus (deficit) of revenues over expenditures before other capital contributions		<u>(189,112)</u>	<u>67,450</u>	<u>(158,647)</u>
Provincial/Federal capital grants and contributions	(Schedule 4, 5)	<u>83,172</u>	<u>117,727</u>	<u>55,664</u>
Surplus (deficit) of revenues over expenditures		(105,940)	185,177	(102,983)
Accumulated surplus (deficit), beginning of year		<u>3,886,879</u>	<u>3,886,879</u>	<u>3,989,862</u>
Accumulated surplus (deficit), end of year		<u>\$ 3,780,939</u>	<u>4,072,056</u>	<u>3,886,879</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

Statement 3

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Surplus (deficit)	\$ <u>(105,940)</u>	<u>185,177</u>	<u>(102,983)</u>
(Acquisition) of tangible capital assets	-	(380,908)	(158,546)
Amortization of tangible capital assets	183,114	196,206	188,032
Proceeds on disposal of tangible capital assets	-	-	164,953
Loss (gain) on disposal of tangible capital assets	(5,000)	-	114,144
Transfer of assets/liabilities in restructuring transactions	<u>-</u>	<u>-</u>	<u>-</u>
Surplus (deficit) of capital expenses over expenditures	<u>178,114</u>	<u>(184,702)</u>	<u>308,583</u>
(Acquisition) of supplies inventories	-	(10,607)	(417,881)
(Acquisition) of prepaid expenses	-	-	(22,701)
Consumption of supplies inventories	-	97,287	297,683
Use of prepaid expenses	<u>-</u>	<u>22,701</u>	<u>-</u>
Surplus (deficit) of expenses of other non-financial over expenditures	<u>-</u>	<u>109,381</u>	<u>(142,899)</u>
Increase (decrease) in Net Financial Assets	72,174	109,856	62,701
Net Financial Assets (Debt) - Beginning of the year	<u>1,175,551</u>	<u>1,175,551</u>	<u>1,112,850</u>
Net Financial Assets (Debt)- End of year	\$ <u>1,247,725</u>	<u>1,285,407</u>	<u>1,175,551</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

Statement 4

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 2020
with comparative figures for 2019

Cash provided by (used in) the following activities:	<u>2020</u>	<u>2019</u>
Operating:		
Surplus (deficit)	\$ 185,177	(102,983)
Amortization	196,206	188,032
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>114,144</u>
	381,383	199,193
Change in assets/liabilities		
Taxes receivable - Municipal	12,766	8,153
Other accounts receivable	714	(162)
Land for re-sale	(436)	-
Other financial assets	-	-
Accounts and accrued liabilities payable	(133,006)	54,053
Deposits	-	-
Deferred revenue	(26,715)	3
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Stock and supplies	86,680	(120,198)
Prepayments and deferred charges	-	-
Other (Bridge Project)	<u>22,701</u>	<u>(22,701)</u>
Net cash from operations	<u>344,087</u>	<u>118,341</u>
Capital:		
Acquisition of capital assets	(380,908)	(158,546)
Proceeds from the disposal of capital assets	-	164,950
Other capital	<u>-</u>	<u>-</u>
Net cash from (used for) capital	<u>(380,908)</u>	<u>6,404</u>
Investing:		
Long-term investments	(4,384)	(8,769)
Other investments	<u>-</u>	<u>-</u>
Net cash used for investing	<u>(4,384)</u>	<u>(8,769)</u>
Financing activities:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	-	-
Other financing	<u>-</u>	<u>-</u>
Net cash from financing	<u>-</u>	<u>-</u>
Increase (decrease) in cash resources	(41,205)	115,976
Cash and temporary investments, beginning of year	<u>1,315,421</u>	<u>1,199,445</u>
Cash and temporary investments, end of year (Note 2)	<u>\$ 1,274,216</u>	<u>1,315,421</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the municipality are prepared by management in accordance with the local government accounting standards established by the Public Sector Accounting Board. Significant aspects of the accounting policies are as follows:

(a) Basis of Accounting

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

(b) Reporting Entity

The financial statements consolidate the assets, liabilities and flow of resources of the Municipality. The entity is comprised of all organizations 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 financial statements are as follows:

Entity

Beechy & District Fire Council - 50%

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 hall and conservation and development authorities are collected and remitted in accordance with the 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 the result of a direct financial return. Government transfers are recognized as either expenditures or revenues in the period that the events giving rise to the transfer occurred, as long as:

- a) the transfer is authorized;
- b) eligibility criteria have been met by the recipient; and
- c) a reasonable estimate of the amount can be made

Unearned 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.

RURAL MUNICIPALITY OF VICTORY NO. 226
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Budget

Budget information is presented on a basis consistent with that used for actual results (accrual basis). The budget was approved by Council on May 5, 2020. The Beechy & District Fire Council budget is not reflected in these figures.

(h) 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.

(i) 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.

(j) Appropriated Reserves

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

(k) 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.

(l) 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 investments in the Saskatchewan Association of Rural Municipalities - Self Insurance Fund are accounted for on the equity basis.

(m) 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 of the inventory in the ordinary course of business.

RURAL MUNICIPALITY OF VICTORY NO. 226
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) 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 the contribution. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The costs of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The Municipality's tangible capital asset useful lives was updated February 2019 and are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land improvements	5 to 25 years
Buildings	10 to 50 years
Vehicles and equipment	
Vehicles	5 to 10 years
Machinery & Equipment	5 to 15 years
<i>Infrastructure Assets</i>	
Infrastructure assets	30 to 75 Years
Water and sewer	30 to 75 years
Road network assets	30 to 75 years

Government contributions: Government contributions for the acquisition of capital assets are reported as capital revenue and do not reduce the cost of the related asset.

Works of art and other unrecognized assets: Assets that have a historical or cultural significance, which include works of art, monuments and other cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with this property cannot be made.

Capitalization of interest: The Municipality does not capitalize interest incurred while a tangible capital asset is under construction.

Leases: All leases are recorded on the financial statements 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.

(o) Landfill liability

The Municipality maintains a waste disposal site. The costs to close and maintain sold waste landfill sites are based on estimated future expenses, adjusted for inflation and discounted to current dollars. The annual provision is recorded as an expense and the accumulated provision is reported as a liability on the consolidated statement of financial position. Recommended disclosure is provided in Note 8.

RURAL MUNICIPALITY OF VICTORY NO. 226
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Trust Funds

Funds held in trust for others, under a trust agreement or statute, are not included in the consolidated financial statements as they are not controlled by the municipality. Trust fund activities administered by the municipality are disclosed in Note 16.

(q) Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) the municipality:
 - i. is directly responsible; or
 - ii. accepts responsibility;
- d) it is expected that future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

(r) 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 its contributions.

(s) Measurement Uncertainty

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

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

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

RURAL MUNICIPALITY OF VICTORY NO. 226
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) 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 borrowing.

These 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 the delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

2. CASH AND TEMPORARY INVESTMENTS

	<u>2020</u>	<u>2019</u>
Cash	\$ 1,261,474	1,297,220
Temporary investments	-	-
Restricted Cash	<u>12,742</u>	<u>18,201</u>
	<u>\$ 1,274,216</u>	<u>1,315,421</u>

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

RURAL MUNICIPALITY OF VICTORY NO. 226
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

3. TAXES AND GRANTS IN LIEU RECEIVABLE

	<u>2020</u>	<u>2019</u>
Municipal: - Current	\$ 21,935	34,694
- Arrears	<u>288</u>	<u>294</u>
	22,223	34,988
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Total municipal taxes receivable	<u>22,223</u>	<u>34,988</u>
School: - Current	5,875	9,891
- Arrears	<u>202</u>	<u>207</u>
Total school taxes receivable	<u>6,077</u>	<u>10,098</u>
Other: - Current	6,150	6,747
- Arrears	<u>-</u>	<u>-</u>
Total other collections receivable	<u>6,150</u>	<u>6,747</u>
Total taxes and grants in lieu receivable	34,450	51,833
Deduct taxes receivable to be collected on behalf of other organizations	<u>(12,227)</u>	<u>(16,845)</u>
Total taxes receivable - Municipal	<u>\$ 22,223</u>	<u>34,988</u>

4. OTHER ACCOUNTS RECEIVABLE

	<u>2020</u>	<u>2019</u>
Federal government	\$ 30,150	29,323
Provincial government	-	-
Local government	2,027	14,917
Utility	-	-
Trade	4,440	2,333
Other (share of Beechy & District Fire Council)	<u>12,859</u>	<u>3,617</u>
Total other accounts receivable	49,476	50,190
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Net other accounts receivable	<u>\$ 49,476</u>	<u>50,190</u>

RURAL MUNICIPALITY OF VICTORY NO. 226
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020

5. LAND FOR RESALE

	<u>2020</u>	<u>2019</u>
Tax title property	\$ 5,075	4,316
Less: - allowance for market value adjustment	(1,698)	(1,698)
- due to other taxing authorities	<u>(2,262)</u>	<u>(1,939)</u>
Net tax title Property	<u>1,115</u>	<u>679</u>
Other land	-	-
Less: - allowance for market value adjustment	<u>-</u>	<u>-</u>
Net other land	<u>-</u>	<u>-</u>
Total land for resale	<u>\$ 1,115</u>	<u>679</u>

6. LONG-TERM INVESTMENTS

	<u>2020</u>	<u>2019</u>
Sask. Assoc. of Rural Municipalities - Self-insurance fund	\$ 49,572	47,368
Sask. Assoc. of Rural Municipalities - Property-insurance fund	<u>22,338</u>	<u>20,158</u>
Total long term investments	<u>\$ 71,910</u>	<u>67,526</u>

7. DEFERRED REVENUE

	<u>2020</u>	<u>2019</u>
Deferred revenue	\$ -	27,067
Prepaid and deferred charges	<u>380</u>	<u>29</u>
	<u>\$ 380</u>	<u>27,096</u>

8. ACCRUED LANDFILL COSTS

	<u>2020</u>	<u>2019</u>
Accrued landfill costs	<u>\$ 75,000</u>	<u>75,000</u>

In 2020 the Municipality has accrued an overall liability for environmental matters in the amount of \$75,000 (2019 - \$75,000) 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.

9. LONG-TERM DEBT

The authorized debt limit for the Municipality is \$751,122. The authorized 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)). The incremental debt above the debt limit authorized in the *Municipalities Act* is approved by the Saskatchewan Municipal Board.

RURAL MUNICIPALITY OF VICTORY NO. 226
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

10. OTHER NON-FINANCIAL ASSETS

	<u>2020</u>	<u>2019</u>
Bridge Project	\$ <u>-</u>	<u>22,701</u>

11. 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.

12. PENSION PLAN

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality's pension expense in 2020 was \$26,450 (2019 - \$56,791). 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.

Based on the latest information available (December 31, 2019 Audited Financial Statements) the Municipal Employees Pension Plan had a surplus in the net assets available for benefits of \$658,468,000. This is based on the most recent actuarial valuation, completed December 31, 2018. The Rural Municipality's portion of this is not readily determinable.

13. COVID-19

Since December 31, 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canadian, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

It is unknown to what extent these factors will impact the Municipality, however they could play a significant factor on the community in their ability to pay and service their taxes, as well as the events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Rural Municipality for future periods.

14. COMPARATIVE FIGURES

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

15. RELATED PARTIES

The consolidated financial statements include transactions with related parties. The Municipality is related to Beechy & District Fire council under common control of the Council.

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

RURAL MUNICIPALITY OF VICTORY NO. 226
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020

16. TRUSTS ADMINISTERED BY THE MUNICIPALITY

A summary of trust fund activity by the municipality during the year is as follows:

	<u>2020</u>	<u>2019</u>
Health Funds & History Books		
Balance - Beginning of Year	\$ 74,471	75,999
Revenue (History Book sales)	780	-
Revenue (Donations)	-	125
Interest Revenue	<u>244</u>	<u>1,122</u>
Subtotal	75,495	77,246
Expenditure (Loan payment)	<u>-</u>	<u>(2,775)</u>
Balance - End of Year	<u>\$ 75,495</u>	<u>74,471</u>

17. BEECHY & DISTRICT FIRE COUNCIL

The Municipality and the Village of Beechy (the "Members") jointly own and operate the Beechy & District Regional Fire Council (the "Council"), a regional fire council created under the authority of the Municipalities Act of the Province of Saskatchewan by bylaw of the members.

The following is 100% of the financial position and result of operations of the Council, a non-business government partnership, of which 50% has been proportionately consolidated into the financial statements of Members:

	2020 100%	2020 50%	2019 100%	2019 50%
Financial Position				
Financial Assets				
Cash	\$ 25,484	12,742	36,402	18,201
Accounts receivable	25,716	12,858	7,234	3,617
	<u>51,200</u>	<u>25,600</u>	<u>43,636</u>	<u>21,818</u>
Liabilities				
Accounts Payable	<u>3,940</u>	<u>1,970</u>	<u>2,254</u>	<u>1,127</u>
	<u>3,940</u>	<u>1,970</u>	<u>2,254</u>	<u>1,127</u>
Net Financial Assets	47,260	23,630	41,382	20,691
Non-financial Assets				
Tangible Capital Assets	<u>139,638</u>	<u>69,819</u>	<u>150,032</u>	<u>75,016</u>
Accumulated Surplus	<u>\$ 186,898</u>	<u>93,449</u>	<u>191,414</u>	<u>95,707</u>
Operations				
Revenues	\$ 63,014	31,507	56,428	28,214
Expenses	<u>(67,530)</u>	<u>(33,765)</u>	<u>(64,832)</u>	<u>(32,416)</u>
Annual deficit	(4,516)	(2,258)	(8,404)	(4,202)
Accumulated Surplus, opening	<u>191,414</u>	<u>95,707</u>	<u>199,818</u>	<u>99,909</u>
Accumulated Surplus, closing	<u>\$ 186,898</u>	<u>93,449</u>	<u>191,414</u>	<u>95,707</u>

RURAL MUNICIPALITY OF VICTORY NO. 226
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

18. RECENT ACCOUNTING PRONOUNCEMENTS

A number of new and amended standards have been issued that may impact the Rural Municipality:

Standards Effective 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 is 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 is 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.

Standards Effective On Or After April 1, 2023:

PS 3400 Revenue is 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 Rural Municipality continues to assess the impacts of the above accounting standards. The extent of impact resulting from the adoption of these standards is not known at this time.

RURAL MUNICIPALITY OF VICTORY NO. 226

SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
TAXES			
General municipal tax levy	\$ 825,557	824,071	727,057
Abatements and adjustments	-	-	(9,995)
Discount on current year taxes	<u>(20,000)</u>	<u>(31,609)</u>	<u>(23,441)</u>
Net municipal taxes	805,557	792,462	693,621
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	1,500	2,286	1,947
Special tax levy	3,315	3,441	3,315
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Taxes	<u>810,372</u>	<u>798,189</u>	<u>698,883</u>
UNCONDITIONAL GRANTS			
Revenue sharing	207,755	207,810	223,815
Organized Hamlet	4,611	4,611	4,276
Other (Safe Restart)	<u>-</u>	<u>22,669</u>	<u>-</u>
Total Unconditional Grants	<u>212,366</u>	<u>235,090</u>	<u>228,091</u>
GRANTS IN LIEU OF TAXES			
Federal	-	-	-
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
TransGas	-	-	-
SPMC - Municipal Share	-	-	107,530
Sasktel	1,062	1,062	1,062
Other	-	-	-
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other	-	-	-
Other Government Transfers			
S.P.C. Surcharge	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Grants in Lieu of Taxes	<u>1,062</u>	<u>1,062</u>	<u>108,592</u>
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	<u>\$ 1,023,800</u>	<u>1,034,341</u>	<u>1,035,566</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 420	557	554
Sales of supplies	1,000	1,282	1,238
Other (Rentals)	1,900	1,763	1,933
Total Fees and Charges	3,320	3,602	3,725
Tangible capital asset sales - gain (loss)	-	-	20
Land sales - gain (loss)	-	-	-
Investment income and commissions	17,689	12,056	23,990
Other	-	-	-
Total other segmented revenue	21,009	15,658	27,735
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	21,009	15,658	27,735
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total General Government Services	21,009	15,658	27,735
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Fire fees	-	31,507	28,214
Total Fees and Charges	-	31,507	28,214
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	31,507	28,214
Conditional Grants			
Student employment	-	-	-
Local government	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	31,507	28,214
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Local government	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Protective Services	-	31,507	28,214

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 10.500	27,106	15,151
Sales of supplies	14.150	25,059	15,746
Road Maintenance and Restoration Agreements	1.800	2,035	1,750
Frontage	-	-	-
Other	-	-	-
Total Fees and Charges	26.450	54,200	32,647
Tangible capital asset sales - gain (loss)	5.000	-	(114,164)
Other	-	-	-
Total other segmented revenue	31.450	54,200	(81,517)
Conditional Grants			
Primary Weight Corridor	-	-	-
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	31.450	54,200	(81,517)
Capital			
Conditional Grants			
Federal Gas Tax	80.759	60,697	53,251
MREP (Heavy Haul, CTP, Municipal Bridges)	-	-	-
Provincial Disaster Assistance	-	-	-
Other (Municipal Economic Enhancement Program)	-	54,617	-
Total Capital	80.759	115,314	53,251
Restructuring Revenue	-	-	-
Total Transportation Services	112,209	169,514	(28,266)
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Waste and Disposal Fees	-	-	-
Other (Sale of Pest Control products)	2,000	4,840	6,682
Total Fees and Charges	2,000	4,840	6,682
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	2,000	4,840	6,682
Conditional Grants			
Student employment	-	-	-
TAPD	-	-	-
Local government	5,538	5,538	5,424
Other (MMSW)	-	1,872	1,949
Total Conditional Grants	5,538	7,410	7,373
Total Operating	7,538	12,250	14,055
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
TAPD	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Environmental and Public Health Services Services	7,538	12,250	14,055

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020

with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Maintenance and Development Charges	\$ -	-	-
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	-	-
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Planning and Development Services	-	-	-
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Sales of supplies	-	-	-
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	-	-
Conditional Grants			
Student Employment	-	-	-
Local government	-	-	-
Donations	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Local government	2,413	2,413	2,413
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	2,413	2,413	2,413
Restructuring Revenue	-	-	-
Total Recreation and Cultural Services	2,413	2,413	2,413

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Water	\$ -	-	-
Sewer	-	-	-
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	-	-
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
New Building Canada Fund (SCF, NRP)	-	-	-
Clean Water and Wastewater Fund	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Utility Services	-	-	-
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 143,169</u>	<u>231,342</u>	<u>44,151</u>
 SUMMARY			
Total Other Segmented Revenue	\$ 54,459	106,205	(18,886)
Total Conditional Grants	5,538	7,410	7,373
Total Capital Grants and Contributions	83,172	117,727	55,664
Restructuring Revenue	-	-	-
TOTAL REVENUE BY FUNCTION	<u>\$ 143,169</u>	<u>231,342</u>	<u>44,151</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2020

with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 37,400	26,517	33,390
Wages and benefits	117,600	112,488	121,208
Professional/Contractual services	37,542	31,812	40,419
Utilities	4,610	4,529	4,450
Maintenance, materials, and supplies	13,500	20,441	14,275
Grants and contributions -operating	-	-	-
-capital	-	-	-
Amortization	669	669	669
Interest	20	32	3
Allowance for uncollectibles	-	-	-
General Government Services	<u>211,341</u>	<u>196,488</u>	<u>214,414</u>
Restructuring	-	-	-
Total General Government Services	<u>211,341</u>	<u>196,488</u>	<u>214,414</u>
PROTECTIVE SERVICES			
Police protection			
Wages and benefits	-	-	-
Professional/Contractual services	18,500	18,303	17,667
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions -operating	200	200	200
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Fire protection			
Wages and benefits	-	-	-
Professional/Contractual services	4,000	3,475	1,444
Utilities	600	526	529
Maintenance, materials, and supplies	-	-	-
Grants and contributions -operating	12,760	12,760	12,760
-capital	-	-	-
Amortization	827	4,053	5,745
Interest	-	-	-
Other (Beechy & District Fire Council)	-	28,567	29,469
Protective Services	<u>36,887</u>	<u>67,884</u>	<u>67,814</u>
Restructuring	-	-	-
Total Protective Services	<u>36,887</u>	<u>67,884</u>	<u>67,814</u>
TRANSPORTATION SERVICES			
Council remuneration and travel	5,500	-	-
Wages and benefits	293,400	229,828	252,508
Professional/Contractual services	167,300	49,792	33,726
Utilities	10,300	9,020	9,383
Maintenance, materials, and supplies	169,500	134,399	179,477
Gravel	110,000	121,924	187,554
Grants and contributions -operating	-	-	-
-capital	-	-	-
Amortization	181,618	191,483	181,618
Interest	-	-	-
Other	-	-	-
Transportation Services	<u>937,618</u>	<u>736,446</u>	<u>844,266</u>
Restructuring	-	-	-
Total Transportation Services	<u>937,618</u>	<u>736,446</u>	<u>844,266</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	\$ -	-	-
Professional/Contractual services	39,500	28,907	19,395
Utilities	4,950	5,521	4,878
Maintenance, materials, and supplies	23,000	15,885	18,836
Grants and contributions			
-operating			
Waste disposal	-	-	-
Public health	-	-	-
-capital			
Waste disposal	-	-	-
Public health	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Environmental and Public Health Services	<u>67,450</u>	<u>50,313</u>	<u>43,109</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Environmental and Public Health Services	<u>67,450</u>	<u>50,313</u>	<u>43,109</u>
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	500	-	-
Grants and contributions			
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Planning and Development Services	<u>500</u>	<u>-</u>	<u>-</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Planning and Development Services	<u>500</u>	<u>-</u>	<u>-</u>
RECREATION AND CULTURAL SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	8,100	8,122	6,084
Utilities	-	-	-
Maintenance, materials, and supplies	2,500	-	-
Grants and contributions			
-operating	2,413	16,713	2,413
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other (Scholarships and donations)	4,600	4,540	4,600
Recreation and Cultural Services	<u>17,613</u>	<u>29,375</u>	<u>13,097</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Recreation and Cultural Services	<u>17,613</u>	<u>29,375</u>	<u>13,097</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
UTILITY SERVICES			
Wages and benefits	\$ -	-	-
Professional/Contractual services	-	-	-
Utilities	-	-	-
Maintenance, materials, and supplies	1,500	-	-
Grants and contributions -operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other	-	-	-
Utility Services	<u>1,500</u>	<u>-</u>	<u>-</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Services	<u>1,500</u>	<u>-</u>	<u>-</u>
 TOTAL EXPENDITURES BY FUNCTION	 \$ <u>1,272,909</u>	 <u>1,080,506</u>	 <u>1,182,700</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
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	\$ 3,602	31,507	54,200	4,840	-	-	-	94,149
Tangible capital asset sales - Gain (loss)	-	-	-	-	-	-	-	-
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	12,056	-	-	-	-	-	-	12,056
Other revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	-	7,410	-	-	-	7,410
Grants - Capital	-	-	115,314	-	-	2,413	-	117,727
Restructurings	-	-	-	-	-	-	-	-
Total revenues	<u>15,658</u>	<u>31,507</u>	<u>169,514</u>	<u>12,250</u>	<u>-</u>	<u>2,413</u>	<u>-</u>	<u>231,342</u>
Expenses (Schedule 3)								
Wages & Benefits	139,005	-	229,828	-	-	-	-	368,833
Professional/Contractual Services	31,812	21,778	49,792	28,907	-	8,122	-	140,411
Utilities	4,529	526	9,020	5,521	-	-	-	19,596
Maintenance, materials and supplies	20,441	-	256,323	15,885	-	4,540	-	297,189
Grants and contributions	-	12,960	-	-	-	16,713	-	29,673
Amortization	669	4,053	191,483	-	-	-	-	196,205
Interest	32	-	-	-	-	-	-	32
Allowance for uncollectibles	-	-	-	-	-	-	-	-
Other	-	28,567	-	-	-	-	-	28,567
Restructurings	-	-	-	-	-	-	-	-
Total expenses	<u>196,488</u>	<u>67,884</u>	<u>736,446</u>	<u>50,313</u>	<u>-</u>	<u>29,375</u>	<u>-</u>	<u>1,080,506</u>
Surplus (deficit) by function	(180,830)	(36,377)	(566,932)	(38,063)	-	(26,962)	-	(849,164)
Taxation and other unconditional revenue (Schedule 1)								<u>1,034,341</u>
Net Surplus (Deficit)								<u>\$ 185,177</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
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	\$ 3,725	28,214	32,647	6,682	-	-	-	71,268
Tangible capital asset sales - Gain (loss)	20	-	(114,164)	-	-	-	-	(114,144)
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	23,990	-	-	-	-	-	-	23,990
Other revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	-	7,373	-	-	-	7,373
Grants - Capital	-	-	53,251	-	-	2,413	-	55,664
Restructurings	-	-	-	-	-	-	-	-
Total revenues	<u>27,735</u>	<u>28,214</u>	<u>(28,266)</u>	<u>14,055</u>	<u>-</u>	<u>2,413</u>	<u>-</u>	<u>44,151</u>
Expenses (Schedule 3)								
Wages & Benefits	154,598	-	252,508	-	-	-	-	407,106
Professional/Contractual Services	40,419	19,111	33,726	19,395	-	6,084	-	118,735
Utilities	4,450	529	9,383	4,878	-	-	-	19,240
Maintenance, materials and supplies	14,275	-	367,031	18,836	-	-	-	400,142
Grants and contributions	-	12,960	-	-	-	2,413	-	15,373
Amortization	669	5,745	181,618	-	-	-	-	188,032
Interest	3	-	-	-	-	-	-	3
Allowance for uncollectibles	-	-	-	-	-	-	-	-
Other	-	29,469	-	-	-	4,600	-	34,069
Restructurings	-	-	-	-	-	-	-	-
Total expenses	<u>214,414</u>	<u>67,814</u>	<u>844,266</u>	<u>43,109</u>	<u>-</u>	<u>13,097</u>	<u>-</u>	<u>1,182,700</u>
Surplus (deficit) by function	(186,679)	(39,600)	(872,532)	(29,054)	-	(10,684)	-	(1,138,549)
Taxation and other unconditional revenue (Schedule 1)								<u>1,035,566</u>
Net Surplus (Deficit)								<u>\$ (102,983)</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

Year ended December 31, 2020
with comparative figures for 2019

	2020							2019	
	General Assets					Infrastructure Assets	General / Infrastructure Assets Under Construction	Total	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
Asset cost									
Opening asset costs	\$ 15,863	10,464	96,072	138,232	1,868,867	2,250,298	-	4,379,796	4,688,910
Additions during the year	-	-	-	-	-	380,908	-	380,908	158,546
Disposals and write-downs during the year	-	-	-	-	-	(16,965)	-	(16,965)	(467,660)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing asset costs	<u>15,863</u>	<u>10,464</u>	<u>96,072</u>	<u>138,232</u>	<u>1,868,867</u>	<u>2,614,241</u>	<u>-</u>	<u>4,743,739</u>	<u>4,379,796</u>
Accumulated amortization cost									
Opening accumulated amortization costs	-	345	48,928	31,144	648,268	1,380,365	-	2,109,050	2,109,581
Add: Amortization taken	-	1,051	1,840	8,905	153,961	30,449	-	196,206	188,032
Less: Accumulated amortization on disposals	-	-	-	-	-	(16,965)	-	(16,965)	(188,563)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	<u>-</u>	<u>1,396</u>	<u>50,768</u>	<u>40,049</u>	<u>802,229</u>	<u>1,393,849</u>	<u>-</u>	<u>2,288,291</u>	<u>2,109,050</u>
Net book value	<u>\$ 15,863</u>	<u>9,068</u>	<u>45,304</u>	<u>98,183</u>	<u>1,066,638</u>	<u>1,220,392</u>	<u>-</u>	<u>2,455,448</u>	<u>2,270,746</u>
1. Total contributed/donated assets received in 2020:	\$ -								
2. List of assets recognized at nominal value in 2020 are:									
-Infrastructure Assets	\$ -								
-Vehicles	\$ -								
-Machinery and Equipment	\$ -								
3. Amount of interest capitalized in 2020:	\$ -								

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	2020							2019
	General Government	Protective Services	Transportatio n Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total
Asset cost								Total
Opening asset costs	\$ 53,049	122,912	4,151,908	51,127	-	300	500	4,379,796
Additions during the year	-	-	380,908	-	-	-	-	380,908
Disposals and write-downs during the year	-	-	(16,965)	-	-	-	-	(16,965)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
Closing asset costs	<u>53,049</u>	<u>122,912</u>	<u>4,515,851</u>	<u>51,127</u>	<u>-</u>	<u>300</u>	<u>500</u>	<u>4,743,739</u>
Accumulated amortization cost								
Opening accumulated amortization costs	23,291	30,901	2,016,673	38,185	-	-	-	2,109,050
Add: Amortization taken	669	4,053	191,484	-	-	-	-	196,206
Less: Accumulated amortization on disposals	-	-	(16,965)	-	-	-	-	(16,965)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	<u>23,960</u>	<u>34,954</u>	<u>2,191,192</u>	<u>38,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,288,291</u>
Net book value	<u>\$ 29,089</u>	<u>87,958</u>	<u>2,324,659</u>	<u>12,942</u>	<u>-</u>	<u>300</u>	<u>500</u>	<u>2,455,448</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226
CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS
Year ended December 31, 2020

	<u>2019</u>	<u>Changes</u>	<u>2020</u>
UNAPPROPRIATED SURPLUS	\$ <u>1,265,438</u>	<u>(20,638)</u>	<u>1,244,800</u>
APPROPRIATED RESERVES			
Machinery and equipment	187,000	(25,000)	162,000
Public reserve	-	-	-
Capital trust	-	-	-
Utility	-	-	-
Other (Beechy & District Fire Council)	95,707	(2,257)	93,450
Other (Landfill)	<u>20,000</u>	<u>20,000</u>	<u>40,000</u>
Total Appropriated	<u>302,707</u>	<u>(7,257)</u>	<u>295,450</u>
ORGANIZED HAMLETS			
Hamlet of Demaine	<u>47,988</u>	<u>(1,075)</u>	<u>46,913</u>
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	2,270,746	214,147	2,484,893
Less: Related debt	<u>-</u>	<u>-</u>	<u>-</u>
Net Investment in Tangible Capital Assets	<u>2,270,746</u>	<u>214,147</u>	<u>2,484,893</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Total Accumulated Surplus	\$ <u>3,886,879</u>	<u>185,177</u>	<u>4,072,056</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

SCHEDULE OF MILL RATES AND ASSESSMENTS

Year ended December 31, 2020

	PROPERTY CLASS						Total
	<u>Agriculture</u>	<u>Residential</u>	<u>Residential Condominium</u>	<u>Seasonal Residential</u>	<u>Commercial & Industrial</u>	<u>Potash Mine(s)</u>	
Taxable Assessment	\$ 122,192,735	9,266,295	-	-	1,126,010	-	\$ 132,585,040
Regional Park Assessment							-
Total Assessment							\$ 132,585,040
Mill Rate Factor(s)	1.0000	1.0000	1.0000	1.0000	1.2500		
Total Base/Minimum Tax (generated for each property class)	-	6,400	-	-	400		6,800
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ 794,253	20,416	-	-	9,402		824,071

MILL RATES:

	<u>MILLS</u>
Average Municipal*	6.215
Average School*	1.665
Potash Mill Rate	-
Uniform Municipal Mill Rate	6.500

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

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

SCHEDULE OF COUNCIL REMUNERATION

Year ended December 31, 2020

Position	Name	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Reeve	Donald Shirtliff	\$ 3,675	1,665	5,340
Councilor	H. Lee Galbraith	2,775	225	3,000
Councilor	Chad Peters	3,375	888	4,263
Councilor	Devin Hermanson	1,275	200	1,475
Councilor	Colten Sander	2,850	211	3,061
Councillor	Wayne Jansen	2,400	437	2,837
Councillor	Harold Gates	2,475	592	3,067
Councillor	Kerry Ringrose	150	23	173
Total		<u>\$ 18,975</u>	<u>4,241</u>	<u>23,216</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

SCHEDULE OF RESTRUCTURING

Year ended December 31, 2020

Carrying Amount of Assets and Liabilities Transferred/Received at Restructuring Date

Cash and temporary investments	\$ -
Taxes Receivable - Municipal	-
Other accounts receivable	-
Land for resale	-
Long-term investments	-
Debt charges recoverable	-
Bank indebtedness	-
Accounts payable	-
Accrued liabilities payable	-
Deposits	-
Deferred revenue	-
Accrued landfill costs	-
Liability for contaminated sites	-
Other liabilities	-
Long-term debt	-
Lease obligations	-
Tangible capital assets	-
Prepayments and deferred charges	-
Stock and supplies	-
Other	-
Total Net Carrying Amount Received (Transferred)	\$ -

See accompanying notes to the financial statements.