

R. M. of Wallace No. 243

FINANCIAL STATEMENTS

Year Ended December 31, 2020

R. M. of Wallace No. 243

Yorkton, Saskatchewan

December 31, 2020

Table of Contents

	Page
Management's Responsibility	1
Independent Auditors' Report	2-3
Statement of Financial Position	4
Statement of Operations	5
Statement of Change in Net Financial Assets	6
Statement of Cash Flow	7
Notes to Financial Statements	8-15
Schedule of Taxes and Other Unconditional Revenue	16
Schedule of Operating and Capital Revenue by Function	17-18
Total Expenses by Function	19-20
Schedule of Segment Disclosure by Function	21-22
Schedule of Tangible Capital Assets by Object	23
Schedule of Tangible Capital Assets by Function	24
Schedule of Accumulated Surplus	25
Schedule of Mill Rates and Assessments	26
Schedule of Council Remuneration	27

Management's Responsibility

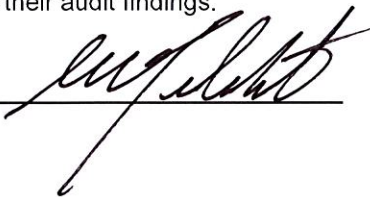
The municipality's management is responsible for the preparation and presentation of the accompanying financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles and methods,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

In discharging its responsibilities for the integrity and fair presentation of the 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 financial statements.

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

Baker Tilly SK LLP, an independent firm of chartered professional accountants, is appointed by the council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the council and management to discuss their audit findings.

Reeve



Administrator



Independent Auditors' Report

To the Council
R. M. of Wallace No. 243

Opinion

We have audited the financial statements of R. M. of Wallace No. 243, (the municipality), which comprise the Statement of Financial Position as at December 31, 2020 and the Statements of Operations, Changes in Net Financial Assets and Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the municipality as at December 31, 2020, and results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 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 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.

Baker Tilly SK LLP

Baker Tilly SK LLP

Yorkton, SK
May 14, 2021

R. M. of Wallace No. 243

Yorkton, Saskatchewan

Statement 1

Statement of Financial Position as at December 31, 2020

	2020	2019 (Note 10)
Assets		
Financial Assets		
Cash and temporary investments - note 2	1,609,343	1,610,271
Taxes receivable - municipal - note 3	115,906	282,703
Other accounts receivable - note 4	153,483	89,354
Land for resale - note 5	3,517	3,517
Long-term investments - note 6	11,389	17,500
Total Financial Assets	<u>1,893,638</u>	<u>2,003,345</u>
Liabilities		
Accounts payable	187,952	43,648
Deferred revenue	123,064	81,405
Total Liabilities	<u>311,016</u>	<u>125,053</u>
Net Financial Assets	<u>1,582,622</u>	<u>1,878,292</u>
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	4,108,699	3,735,910
Prepayments and deferred charges	1,882	1,678
Stock and supplies	82,613	99,872
Total Non-Financial Assets	<u>4,193,194</u>	<u>3,837,460</u>
Accumulated Surplus - schedule 8	<u>\$ 5,775,816</u>	<u>\$ 5,715,752</u>

Approved on behalf of the council:

Reeve

Councillor

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

R. M. of Wallace No. 243
Statement of Operations
For the year ended December 31, 2020

Statement 2

	2020 Budget [Note 1(r)]	2020 Actual	2019 Actual (Note 10)
Revenues			
Taxes and other unconditional revenue			
- schedule 1	2,283,590	2,339,071	2,258,012
Fees and charges - schedules 4 and 5	46,484	30,132	28,277
Conditional grants - schedules 4 and 5	22,707	16,817	39,991
Tangible capital asset sales - gain (loss)			
- schedules 4 and 5	(50,000)	(132,647)	(174)
Land sales - gain - schedules 4 and 5	3,000		375
Investment income and commissions			
- schedules 4 and 5	16,000	3,485	25,268
Total Revenue	<u>2,321,781</u>	<u>2,256,858</u>	<u>2,351,749</u>
Expenses - schedule 3			
General government services	450,289	379,465	392,312
Protective services	126,087	132,511	114,234
Transportation services	1,811,448	1,742,765	1,624,325
Environmental and public health services	107,297	104,255	100,877
Planning and development services	12,350	2,072	7,413
Recreation and cultural services	15,657	16,144	15,481
Utilities services	12,553	4,522	4,646
Total Expenses	<u>2,535,681</u>	<u>2,381,734</u>	<u>2,259,288</u>
Surplus (Deficit) of Revenues over Expenses Before Other Capital Contributions	(213,900)	(124,876)	92,461
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>201,025</u>	<u>184,940</u>	<u>55,813</u>
Surplus (Deficit) of Revenue over Expenses	(12,875)	60,064	148,274
Accumulated Surplus, Beginning of Year	<u>5,715,752</u>	<u>5,715,752</u>	<u>5,567,478</u>
Accumulated Surplus, End of Year	<u>\$ 5,702,877</u>	<u>\$ 5,775,816</u>	<u>\$ 5,715,752</u>

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

R. M. of Wallace No. 243
Statement of Change in Net Financial Assets
For the year ended December 31, 2020

Statement 3

	2020 Budget [Note 1(r)]	2020 Actual	2019 Actual (Note 10)
Surplus (Deficit)	<u>(12,875)</u>	<u>60,064</u>	<u>148,274</u>
(Acquisition) of tangible capital assets		(862,825)	(526,129)
Amortization of tangible capital assets		182,578	165,058
Proceeds on disposal of tangible capital assets		174,809	
Loss on the disposal of tangible capital assets		<u>132,647</u>	<u>174</u>
Surplus (Deficit) of Capital Expenses over Expenditures	<u>0</u>	<u>(372,791)</u>	<u>(360,897)</u>
(Acquisition) of supplies inventories		(170,495)	(70,496)
(Acquisition) of prepaid expense		(1,882)	(1,678)
Consumption of supplies inventory		187,756	152,116
Use of prepaid expense		<u>1,678</u>	<u>1,739</u>
Surplus of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>17,057</u>	<u>81,681</u>
Increase (Decrease) in Net Financial Assets	<u>(12,875)</u>	<u>(295,670)</u>	<u>(130,942)</u>
Net Financial Assets, beginning of year	<u>1,878,292</u>	<u>1,878,292</u>	<u>2,009,234</u>
Net Financial Assets, End of Year	<u>\$ 1,865,417</u>	<u>\$ 1,582,622</u>	<u>\$ 1,878,292</u>

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

R. M. of Wallace No. 243
Statement of Cash Flow
For the year ended December 31, 2020

Statement 4

	2020	2019 (Note 10)
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus	60,064	148,274
Amortization	182,579	165,058
Loss on disposal of tangible capital assets	132,647	174
Loss on disposal of investments	6,111	
	<u>381,401</u>	<u>313,506</u>
Change in Assets/Liabilities		
Taxes receivable - municipal	166,797	(90,224)
Other receivables	(64,129)	49,307
Accounts payable	144,307	(189,949)
Other liabilities	41,658	81,055
Stock and supplies for use	17,258	81,621
Prepayments and deferred charges	(204)	61
Cash Provided by Operating Transactions	<u>687,088</u>	<u>245,377</u>
Capital:		
Acquisition of capital assets	(862,825)	(526,129)
Proceeds from the disposal of capital assets	174,809	
Cash Applied to Capital Transactions	<u>(688,016)</u>	<u>(526,129)</u>
Change in Cash and Temporary Investments During the Year	(928)	(280,752)
Cash and temporary Investments, beginning of year	<u>1,610,271</u>	<u>1,891,023</u>
Cash and Temporary Investments, End of Year	<u>\$ 1,609,343</u>	<u>\$ 1,610,271</u>

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

1. Significant Accounting Policies

The financial statements of the municipality are prepared by management in accordance with the local government accounting standards recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. 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 requires revenues to be recognized as they become available and measurable, and expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

(b) Collection of funds for other authorities

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

(c) Government transfers

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

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

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

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

(d) Deferred revenue - fees and charges

Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.

(e) 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.

R. M. of Wallace No. 243
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(f) 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.

(g) 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.

(h) Investments

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with maturity dates longer than one year from the date of the Statement of Financial Position 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.

(i) 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.

(j) Tangible capital assets

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

Assets	Useful Life
General Assets	
Land	Indefinite
Land improvements	15 years
Buildings	40 years
Vehicles	10 years
Mobile equipment	10-20 years
Linear assets	15-40 years
Infrastructure Assets	
Paving, sidewalks and roadways	15-40 years

R. M. of Wallace No. 243
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(k) 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.

(l) Capitalization of interest

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

(m) Leases

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

(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) Revenue

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

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

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

R. M. of Wallace No. 243
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(p) Measurement uncertainty

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

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

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

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

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.

(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: provides for the administration of the municipality.

Protective services: comprised of expenses for police and fire protection.

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

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

Planning and development: provides for neighbourhood development and sustainability.

Recreation and culture: provides for community services through the provision of recreation and leisure services.

Utility services: provides for delivery of water, collecting and treating of wastewater, and providing collection and disposal of solid waste.

(r) Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on June 12, 2020.

R. M. of Wallace No. 243
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(s) New standards and amendments to standards

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

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

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

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

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

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

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

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

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

R. M. of Wallace No. 243
Notes to Financial Statements
For the year ended December 31, 2020

	2020	2019
2. Cash and Temporary Investments		
Cash	\$ 1,609,343	\$ 1,610,271
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	97,274	201,560
Municipal - arrears	22,477	82,143
	<u>119,751</u>	<u>283,703</u>
Less: Allowance for uncollectibles	3,845	1,000
Total municipal taxes receivable	<u>115,906</u>	<u>282,703</u>
School - current	29,836	54,151
School - arrears	3,253	27,972
Total school taxes receivable	<u>33,089</u>	<u>82,123</u>
Other	<u>3,266</u>	<u>43,270</u>
Total taxes and grants in lieu receivable	152,261	408,096
Less: Taxes receivable to be collected on behalf of other organizations	<u>36,355</u>	<u>125,393</u>
Municipal and Grants In Lieu Taxes Receivable	<u>\$ 115,906</u>	<u>\$ 282,703</u>
4. Other Accounts Receivable		
Federal government	33,903	750
Provincial government	284	12,884
Local government	2,028	2,028
Trade	59,328	9,809
Other	<u>57,940</u>	<u>63,883</u>
Net Other Accounts Receivable	<u>\$ 153,483</u>	<u>\$ 89,354</u>
5. Land for Resale		
Tax title property	4,912	4,912
Less: Allowance for market value adjustment	<u>1,395</u>	<u>1,395</u>
Total Land for Resale	<u>\$ 3,517</u>	<u>\$ 3,517</u>
6. Long-Term Investments		
Other	<u>\$ 11,389</u>	<u>\$ 17,500</u>

R. M. of Wallace No. 243
Notes to Financial Statements
For the year ended December 31, 2020

7. Bank Indebtedness

Credit arrangements:

At 2020, the municipality had lines of credit totaling \$400,000, none of which were drawn. The following has been collateralized in connection with this line-of-credit:

- all accounts, intangibles, indebtedness and claims for or rights to money, both present and future of every nature and kind including, without limitation, all taxes and arrears of taxes owing to the municipality, including taxes raised by way of special levy.
- proceeds including but not limited to goods, chattel paper, investment property, documents of title, instruments, money, intangibles and all other proceeds arising directly or indirectly from the disposition, exchange, loss, replacement, renewal, destruction of or dealing with the collateral.

8. Long-Term Debt

The debt limit of the municipality for 2021 is \$1,947,565. 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).

9. Employee Benefit Plans

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

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

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

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

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

Contributions to the plan during the year were as follows:

Benefit expense	\$ 36,044	\$ 34,871
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As per the most recently audited financial statements dated December 31, 2019, the plan surplus is \$658,468,000.

R. M. of Wallace No. 243
Notes to Financial Statements
For the year ended December 31, 2020

10. Comparative Figures

Certain balances for comparative purposes have been reclassified to conform with the current year's presentation.

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

Line Item	As Restated	As Previously Stated	Difference
Revenues			
Provincial/Federal Capital Grants and Contributions	55,813	136,851	<u>(81,038)</u>
Expenses			
Adjustment to excess (deficiency) of revenue over expenses			(81,038)
Balance of net assets/fund balances, end of year, as previously stated			<u>5,796,790</u>
Balance of net assets/fund balances, end of year, as restated			<u>\$ 5,715,752</u>

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

Line Item	As Restated	As Previously Stated	Difference
Deferred revenue	\$ 81,405	\$ 367	\$ 81,038
Unappropriated surplus	5,715,752	5,796,790	(81,038)

11. Commitments

The municipality has an operating lease for a 2018 Caterpillar motor grader. The annual minimum payments under the operating lease are as follows: 2021 - \$265,956.

The municipality commenced leasing office space December 7, 2020 for a term of two years and 25 days, which will expire December 31, 2022, with an option to renew for another three years. Basic rent is payable monthly at a rate of \$845 plus GST, and the RM will also be subject to their proportionate share of operating costs which are estimated to be approximately \$7,800 per year.

In January 2021, the municipality signed a five-year operating lease agreement for a Toshiba multi-function copier at a cost of \$114/month.

R. M. of Wallace No. 243Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2020

Schedule 1

	2020 Budget [Note 1(r)]	2020 Actual	2019 Actual (Note 10)
Taxes			
General municipal tax levy	2,008,353	2,006,719	2,008,012
Abatements and adjustments	(15,000)	(6,291)	(14,891)
Discount on current year taxes	(84,100)	(86,480)	(83,537)
Net municipal taxes	<u>1,909,253</u>	<u>1,913,948</u>	<u>1,909,584</u>
Penalties on tax arrears	15,600	15,441	11,445
Special tax levy	<u>49,724</u>	<u>49,724</u>	<u>44,387</u>
Total Taxes	<u>1,974,577</u>	<u>1,979,113</u>	<u>1,965,416</u>
Unconditional Grants			
Equalization (revenue sharing)	306,836	306,904	290,349
Safe Restart program	<u> </u>	<u>50,825</u>	<u> </u>
Total Unconditional Grants	<u>306,836</u>	<u>357,729</u>	<u>290,349</u>
Grants In Lieu of Taxes			
Provincial			
SaskTel	1,574	1,650	1,668
SERM	<u>603</u>	<u>579</u>	<u>579</u>
Total Grants In Lieu of Taxes	<u>2,177</u>	<u>2,229</u>	<u>2,247</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 2,283,590</u>	<u>\$ 2,339,071</u>	<u>\$ 2,258,012</u>

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

R. M. of Wallace No. 243Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2020

Schedule 2-1

	2020 Budget [Note 1(r)]	2020 Actual	2019 Actual (Note 10)
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of supplies	3,500	2,312	3,309
Licenses and permits	2,000		1,357
Other	3,100	5,718	2,472
Total Fees and Charges	<u>8,600</u>	<u>8,030</u>	<u>7,138</u>
Tangible capital asset sales - gain (loss)	(50,000)		(174)
Land sales - gain	3,000		375
Investment income and commissions	16,000	3,485	25,268
Total Other Segmented Revenue	<u>(22,400)</u>	<u>11,515</u>	<u>32,607</u>
Total General Government Services	<u>\$(22,400)</u>	<u>\$ 11,515</u>	<u>\$ 32,607</u>
Protective Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Policing and fire fees	15,000	7,446	
Total Other Segmented Revenue	<u>15,000</u>	<u>7,446</u>	<u>0</u>
Total Protective Services	<u>\$ 15,000</u>	<u>\$ 7,446</u>	<u>\$ 0</u>
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	500		
Sale of supplies	2,000		727
Licenses and permits	12,000	5,711	12,310
Other		332	
Road maintenance and restoration agreements	136	136	125
Total Fees and Charges	<u>14,636</u>	<u>6,179</u>	<u>13,162</u>
Tangible capital asset sales - gain (loss)		(132,647)	
Total Other Segmented Revenue	<u>14,636</u>	<u>(126,468)</u>	<u>13,162</u>
Total Operating	<u>14,636</u>	<u>(126,468)</u>	<u>13,162</u>
Capital			
Conditional Grants			
Gas tax	50,268	156,440	27,513
Municipal Economic Enhancement Program	122,457		
CTP primary weight	28,300	28,500	28,300
Total Capital	<u>201,025</u>	<u>184,940</u>	<u>55,813</u>
Total Transportation Services	<u>\$ 215,661</u>	<u>\$ 58,472</u>	<u>\$ 68,975</u>

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

R. M. of Wallace No. 243Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2020

Schedule 2-2

	2020 Budget [Note 1(r)]	2020 Actual	2019 Actual (Note 10)
Environmental and Public Health Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Waste disposal fees	5,448	6,158	5,448
Sale of supplies	1,000	519	729
Total Fees and Charges	<u>6,448</u>	<u>6,677</u>	<u>6,177</u>
Total Other Segmented Revenue	<u>6,448</u>	<u>6,677</u>	<u>6,177</u>
Conditional Grants			
Pest control	<u>8,300</u>	<u>12,582</u>	<u>34,733</u>
Total Conditional Grants	<u>8,300</u>	<u>12,582</u>	<u>34,733</u>
Total Environmental and Public Health Services	\$ 14,748	\$ 19,259	\$ 40,910
Planning and Development Services			
Conditional Grants			
Other - Wallace Creek	<u>10,000</u>	<u>0</u>	<u>0</u>
Total Conditional Grants	<u>10,000</u>	<u>0</u>	<u>0</u>
Total Planning and Development Services	\$ 10,000	\$ 0	\$ 0
Recreation and Cultural Services			
Conditional Grants			
Saskatchewan Lotteries	<u>4,407</u>	<u>4,235</u>	<u>5,258</u>
Total Conditional Grants	<u>4,407</u>	<u>4,235</u>	<u>5,258</u>
Total Recreation and Cultural Services	\$ 4,407	\$ 4,235	\$ 5,258
Utility Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sewer	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>
Total Other Segmented Revenue	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>
Total Utility Services	\$ 1,800	\$ 1,800	\$ 1,800
Total Operating and Capital Revenue by Function	\$ 239,216	\$ 102,727	\$ 149,550
Summary			
Total Other Segmented Revenue	15,484	(99,030)	53,746
Total Conditional Grants	22,707	16,817	39,991
Total Capital Grants and Contributions	<u>201,025</u>	<u>184,940</u>	<u>55,813</u>
Total Operating and Capital Revenue by Function	\$ 239,216	\$ 102,727	\$ 149,550

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

R. M. of Wallace No. 243
 Total Expenses by Function
 For the year ended December 31, 2020

Schedule 3-1

	2020 Budget [Note 1(r)]	2020 Actual	2019 Actual (Note 10)
General Government Services			
Council remuneration and travel	104,735	66,020	88,955
Wages and benefits	193,400	182,733	185,478
Professional/Contractual services	67,945	62,662	77,274
Utilities	10,700	9,829	9,613
Maintenance, materials and supplies	58,800	46,520	26,286
Grants and contributions - capital	10,000	6,500	1,500
Amortization	929	1,821	1,133
Insurance	2,100	535	1,999
Interest	180		74
Allowance for uncollectibles	1,500	2,845	
	<u>450,289</u>	<u>379,465</u>	<u>392,312</u>
Total General Government Services	\$ 450,289	\$ 379,465	\$ 392,312
Protective Services			
Police protection			
Professional/Contractual services	40,000	41,036	39,610
Fire protection			
Professional/Contractual services	15,855	21,243	9,874
Grants and contributions - operating	70,232	70,232	64,750
	<u>126,087</u>	<u>132,511</u>	<u>114,234</u>
Total Protective Services	\$ 126,087	\$ 132,511	\$ 114,234
Transportation Services			
Wages and benefits	423,800	404,330	403,497
Professional/Contractual services	407,000	353,268	240,644
Utilities	11,310	9,100	9,917
Maintenance, materials and supplies	276,287	226,612	343,474
Gravel	446,500	566,784	462,744
Amortization	243,551	177,715	160,882
Other	3,000	4,956	3,167
	<u>1,811,448</u>	<u>1,742,765</u>	<u>1,624,325</u>
Total Transportation Services	\$ 1,811,448	\$ 1,742,765	\$ 1,624,325

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

R. M. of Wallace No. 243
Total Expenses by Function
For the year ended December 31, 2020

Schedule 3-2

	2020 Budget [Note 1(r)]	2020 Actual	2019 Actual (Note 10)
Environmental and Public Health Services			
Professional/Contractual services	81,350	80,462	79,844
Maintenance, materials and supplies	4,000	1,846	4,463
Grants and contributions - operating	19,657	19,657	14,280
Amortization	<u>2,290</u>	<u>2,290</u>	<u>2,290</u>
Total Environmental and Public Health Services	<u>\$ 107,297</u>	<u>\$ 104,255</u>	<u>\$ 100,877</u>
Planning and Development Services			
Professional/Contractual services	<u>\$ 12,350</u>	<u>\$ 2,072</u>	<u>\$ 7,413</u>
Recreation and Cultural Services			
Grants and contributions - operating	4,407	4,235	4,235
Libraries	<u>11,250</u>	<u>11,909</u>	<u>11,246</u>
Total Recreation and Cultural Services	<u>\$ 15,657</u>	<u>\$ 16,144</u>	<u>\$ 15,481</u>
Utility Services			
Wages and benefits	1,000		1,519
Maintenance, materials and supplies	10,800	3,769	2,374
Amortization	<u>753</u>	<u>753</u>	<u>753</u>
Total Utility Services	<u>\$ 12,553</u>	<u>\$ 4,522</u>	<u>\$ 4,646</u>
Total Expenses by Function	<u>\$ 2,535,681</u>	<u>\$ 2,381,734</u>	<u>\$ 2,259,288</u>

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

R. M. of Wallace No. 243
Schedule of Segment Disclosure by Function
For the year ended December 31, 2020

Schedule 4

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	8,030	7,446	6,179	6,677			1,800	30,132
Tangible capital asset sales - gain (loss)			(132,647)					(132,647)
Investment income and commissions	3,485							3,485
Grants - conditional				12,582		4,235		16,817
Grants - capital			184,940					184,940
Total Revenues	11,515	7,446	58,472	19,259	0	4,235	1,800	102,727
Expenses - schedule 3								
Wages and benefits	182,733		404,330					587,063
Professional/contractual services	128,682	62,279	353,268	80,462	2,072			626,763
Utilities	9,829		9,100					18,929
Maintenance materials and supplies	46,520		793,396	1,846			3,769	845,531
Grants and contributions	6,500	70,232		19,657		4,235		100,624
Amortization	1,821		177,715	2,290			753	182,579
Insurance	535							535
Libraries						11,909		11,909
Allowance for uncollectibles	2,845							2,845
Other			4,956					4,956
Total Expenses	379,465	132,511	1,742,765	104,255	2,072	16,144	4,522	2,381,734
Surplus (Deficit) by Function	\$ (367,950)	\$ (125,065)	\$ (1,684,293)	\$ (84,996)	\$ (2,072)	\$ (11,909)	\$ (2,722)	(2,279,007)
Taxation and other unconditional revenue - schedule 1								2,339,071
Net Surplus								\$ 60,064

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

R. M. of Wallace No. 243
Schedule of Segment Disclosure by Function
For the year ended December 31, 2019

Schedule 5

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	7,138	0	13,162	6,177			1,800	28,277
Tangible capital asset sales - gain (loss)	(174)							(174)
Land sales - gain	375							375
Investment income and commissions	25,268							25,268
Grants - conditional				34,733		5,258		39,991
Grants - capital			55,813					55,813
Total Revenues	<u>32,607</u>	<u>0</u>	<u>68,975</u>	<u>40,910</u>	<u>0</u>	<u>5,258</u>	<u>1,800</u>	<u>149,550</u>
Expenses - schedule 3								
Wages and benefits	185,478		403,497				1,519	590,494
Professional/contractual services	166,229	49,484	240,644	79,844	7,413			543,614
Utilities	9,613		9,917					19,530
Maintenance materials and supplies	26,286		806,218	4,463			2,374	839,341
Grants and contributions	1,500	64,750		14,280		4,235		84,765
Amortization	1,133		160,882	2,290			753	165,058
Insurance	1,999							1,999
Libraries						11,246		11,246
Interest	74							74
Other			3,167					3,167
Total Expenses	<u>392,312</u>	<u>114,234</u>	<u>1,624,325</u>	<u>100,877</u>	<u>7,413</u>	<u>15,481</u>	<u>4,646</u>	<u>2,259,288</u>
Surplus (Deficit) by Function	<u>\$ (359,705)</u>	<u>\$ (114,234)</u>	<u>\$ (1,555,350)</u>	<u>\$ (59,967)</u>	<u>\$ (7,413)</u>	<u>\$ (10,223)</u>	<u>\$ (2,846)</u>	<u>(2,109,738)</u>
Taxation and other unconditional revenue - schedule 1								<u>2,258,012</u>
Net Surplus								<u>\$ 148,274</u>

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

R. M. of Wallace No. 243
Schedule of Tangible Capital Assets by Object
For the year ended December 31, 2020

Schedule 6

	2020							2019
	General Assets					Infrastruct. Assets	General/ Infrastruct. Assets under Constr.	Total
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets		Total
Asset Cost								
Opening Asset Cost	2,362	6,280	99,299		1,008,871	7,011,433		8,128,245
Additions during the year					561,262	301,563		862,825
Disposals and write-down during the year					(425,392)	(92,884)		(518,276)
Closing Asset Costs	<u>2,362</u>	<u>6,280</u>	<u>99,299</u>	<u>0</u>	<u>1,144,741</u>	<u>7,220,112</u>	<u>0</u>	<u>8,472,794</u>
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs		5,443	88,544		220,783	4,077,565		4,392,335
Add: Amortization taken		419	682		58,393	123,084		182,578
Less: Accumulated amortization on disposals					117,934	92,884		210,818
Closing Accumulated Amortization Costs	<u>0</u>	<u>5,863</u>	<u>89,225</u>	<u>0</u>	<u>161,242</u>	<u>4,107,765</u>	<u>0</u>	<u>4,392,335</u>
Net Book Value	<u>\$ 2,362</u>	<u>\$ 417</u>	<u>\$ 10,074</u>	<u>\$ 0</u>	<u>\$ 983,499</u>	<u>\$ 3,112,347</u>	<u>\$ 0</u>	<u>\$ 4,108,699</u>
								<u>\$ 3,735,910</u>

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part of these financial statements.*

R. M. of Wallace No. 243
Schedule of Tangible Capital Assets by Function
For the year ended December 31, 2020

Schedule 7

	2020							2019
	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Water & Sewer	Total
Asset Cost								
Opening Asset Cost	48,444		7,925,040	107,156	17,500		30,105	7,603,784
Additions during the year	23,856		838,969					526,129
Disposals and write-down during the year			(518,276)					(1,668)
Closing Asset Costs	<u>72,300</u>	<u>0</u>	<u>8,245,733</u>	<u>107,156</u>	<u>17,500</u>	<u>0</u>	<u>30,105</u>	<u>8,128,245</u>
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	44,117		4,276,624	26,995	17,500		27,099	4,228,771
Add: Amortization taken	1,821		177,714	2,290			753	165,058
Less: Accumulated amortization on disposals			210,818					1,494
Closing Accumulated Amortization Costs	<u>45,938</u>	<u>0</u>	<u>4,243,520</u>	<u>29,285</u>	<u>17,500</u>	<u>0</u>	<u>27,852</u>	<u>4,392,335</u>
Net Book Value	<u>\$ 26,362</u>	<u>\$ 0</u>	<u>\$ 4,002,213</u>	<u>\$ 77,871</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,253</u>	<u>\$ 3,735,910</u>

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part of these financial statements.*

R. M. of Wallace No. 243
Schedule of Accumulated Surplus
For the year ended December 31, 2020

Schedule 8

	2019	Changes	2020
Unappropriated Surplus	<u>1,619,133</u>	<u>(313,725)</u>	<u>1,305,408</u>
Appropriated Surplus			
Machinery and equipment			
Machinery and equipment reserve	<u>157,500</u>	<u>0</u>	<u>157,500</u>
Other			
Cash in lieu of dedicated reserve	20,189	1,000	21,189
Bridges	2,396		2,396
Annexation	<u>180,624</u>		<u>180,624</u>
	<u>203,209</u>	<u>1,000</u>	<u>204,209</u>
Total Appropriated	<u>360,709</u>	<u>1,000</u>	<u>361,709</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	<u>3,735,910</u>	<u>372,789</u>	<u>4,108,699</u>
Net Investment in Tangible Capital Assets	<u>3,735,910</u>	<u>372,789</u>	<u>4,108,699</u>
Total Accumulated Surplus	<u>\$ 5,715,752</u>	<u>\$ 60,064</u>	<u>\$ 5,775,816</u>

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

R. M. of Wallace No. 243
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	145,933,205	35,283,000			21,201,310		202,417,515
Regional Park Assessment							
Total Assessment							202,417,515
Mill Rate Factor(s)	0.6000	0.4500			1.0000		
Total Base/Minimum Tax (generated for each property class)	7,250	13,850			150		21,250
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	1,404,735	262,702			339,282		2,006,719
Mill Rates:		Mills					
Average Municipal*		9.9138					
Average School*		2.4058					
Potash Mill Rate							
Uniform Municipal Mill Rate	16.0000						

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

R. M. of Wallace No. 243
Schedule of Council Remuneration
For the year ended December 31, 2020

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Garry Liebrecht	27,300	11,299	38,599
Barry Novak	12,600	6,560	19,160
Bryan Upshall	2,800	1,082	3,882
Sid Wonitowy	16,800	7,945	24,745
Dale Cherry	16,625	7,743	24,368
Trent Guenther	17,675	7,721	25,396
Ervin Stricker	16,975	8,380	25,355
David Burym	16,625	8,056	24,681
	<u>\$ 127,400</u>	<u>\$ 58,786</u>	<u>\$ 186,186</u>

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