

Management's Responsibility

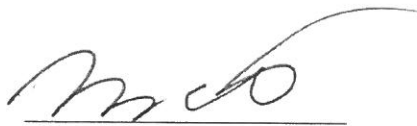
To the Ratepayers of Rural Municipality of Douglas No. 436

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 judgements 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.

Vantage, 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

January 12, 2022



INDEPENDENT AUDITORS' REPORT

Reeve and Council
Rural Municipality of Douglas No. 436
Speers, Saskatchewan

Qualified Opinion

We have audited the accompanying financial statements of the Rural Municipality of Douglas No. 436, which comprise the statement of financial position as at December 31, 2020, the statements of operations, change 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, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Rural Municipality of Douglas No. 436 as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The municipality has interests in the 16 to 43 Waste Management Corporation which is a government partnership. The municipality has not recorded in its financial statements this interest using the proportionate consolidation method, which constitutes a departure from Canadian Public Sector Accounting Standards. The effect on the financial statements of the failure to consolidate has not been determined.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Rural Municipality of Douglas No. 436 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 Rural Municipality of Douglas No. 436'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.

Those charged with governance are 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 judgement 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 auditors' 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 auditors' 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.



Chartered Professional Accountants

North Battleford, Saskatchewan
January 12, 2022

Rural Municipality of Douglas No. 436
Statement of Financial Position
As at December 31, 2020

Statement 1

	2020	2019
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	2,463,937	2,341,069
Taxes Receivable - Municipal (Note 3)	118,648	303,905
Other Accounts Receivable (Note 4)	117,791	28,066
Land for Resale (Note 5)	1,933	1,933
Long-Term Investments (Note 6)	70,662	67,098
Debt Charges Recoverable		
Other (<i>Specify</i>)		
Total Financial Assets	2,772,971	2,742,071
LIABILITIES		
Bank Indebtedness		
Accounts Payable	15,707	12,121
Accrued Liabilities Payable		
Deposits	494	494
Deferred Revenue	156	
Accrued Landfill Costs (Note 7)	81,000	54,000
Liability for Contaminated Sites		
Other Liabilities		
Long-Term Debt		
Lease Obligations		
Total Liabilities	97,357	66,615
NET FINANCIAL ASSETS (DEBT)	2,675,614	2,675,456
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	1,651,499	1,544,412
Prepayments and Deferred Charges		
Stock and Supplies	104,997	157,439
Other		
Total Non-Financial Assets	1,756,496	1,701,851
ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)	4,432,110	4,377,307

Rural Municipality of Douglas No. 436
Statement of Operations
For the year ended December 31, 2020

Statement 2

	2020 Budget	2020	2019
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	948,140	973,291	887,958
Fees and Charges (Schedule 4, 5)	85,180	135,223	115,778
Conditional Grants (Schedule 4, 5)	39,680	40,396	48,483
Tangible Capital Asset Sales - Gain (Loss) (Schedule 4, 5)	(24,340)	(50,067)	4,490
Land Sales - Gain (Schedule 4, 5)		1,366	
Investment Income and Commissions (Schedule 4, 5)	38,600	22,852	31,871
Restructurings (Schedule 4,5)			
Other Revenues (Schedule 4, 5)	500		
Total Revenues	1,087,760	1,123,061	1,088,580
EXPENSES			
General Government Services (Schedule 3)	208,000	183,608	206,284
Protective Services (Schedule 3)	27,940	28,777	27,709
Transportation Services (Schedule 3)	860,910	836,851	812,060
Environmental and Public Health Services (Schedule 3)	75,710	94,684	60,643
Planning and Development Services (Schedule 3)			
Recreation and Cultural Services (Schedule 3)	6,210	5,618	9,215
Utility Services (Schedule 3)			
Restructurings (Schedule 3)			
Total Expenses	1,178,770	1,149,538	1,115,911
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(91,010)	(26,477)	(27,331)
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	20,650	81,280	41,737
Surplus (Deficit) of Revenues over Expenses	(70,360)	54,803	14,406
Accumulated Surplus (Deficit), Beginning of Year	4,377,307	4,377,307	4,362,901
Accumulated Surplus (Deficit), End of Year	4,306,947	4,432,110	4,377,307

Rural Municipality of Douglas No. 436
Statement of Change in Net Financial Assets
For the year ended December 31, 2020

Statement 3

	2020 Budget	2020	2019
Surplus (Deficit)	(70,360)	54,803	14,406
(Acquisition) of tangible capital assets		(455,392)	(10,402)
Amortization of tangible capital assets		153,238	184,539
Proceeds on disposal of tangible capital assets		145,000	4,490
Loss (gain) on disposal of tangible capital assets		50,067	(4,490)
Transfer of assets/liabilities in restructuring transactions			
Surplus (Deficit) of capital expenses over expenditures		(107,087)	174,137
(Acquisition) of supplies inventories			(46,683)
(Acquisition) of prepaid expense			
Consumption of supplies inventory		52,442	34,325
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures		52,442	(12,358)
Increase/Decrease in Net Financial Assets	(70,360)	158	176,185
Net Financial Assets (Debt) - Beginning of Year	2,675,456	2,675,456	2,499,271
Net Financial Assets (Debt) - End of Year	2,605,096	2,675,614	2,675,456

Rural Municipality of Douglas No. 436
Statement of Cash Flow
For the year ended December 31, 2020

Statement 4

	2020	2019
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	54,803	14,406
Amortization	153,238	184,539
Loss (gain) on disposal of tangible capital assets	50,067	(4,490)
	258,108	194,455
Change in assets/liabilities		
Taxes Receivable - Municipal	185,257	(64,240)
Other Receivables	(89,725)	25,691
Land for Resale		(303)
Other Financial Assets		
Accounts and Accrued Liabilities Payable	3,586	(4,508)
Deposits		(3,856)
Deferred Revenue	156	
Accrued Landfill Costs	27,000	27,000
Liability for Contaminated Sites		
Other Liabilities		
Stock and Supplies	52,442	(12,358)
Prepayments and Deferred Charges		
Other (<i>Specify</i>)		
Cash provided by operating transactions	436,824	161,881
Capital:		
Acquisition of tangible capital assets	(455,392)	(10,402)
Proceeds on disposal of tangible capital assets	145,000	4,490
Other capital		
Cash applied to capital transactions	(310,392)	(5,912)
Investing:		
Long-term investments	(3,564)	(7,281)
Other investments		
Cash provided by (applied to) investing transactions	(3,564)	(7,281)
Financing:		
Debt charges recovered		
Long-term debt issued		
Long-term debt repaid		
Other financing		
Cash provided by (applied to) financing transactions		
Change in Cash and Temporary Investments during the year	122,868	148,688
Cash and Temporary Investments - Beginning of Year	2,341,069	2,192,381
Cash and Temporary Investments - End of Year	2,463,937	2,341,069

Rural Municipality of Douglas No. 436
Notes to the Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies

The financial statements of the municipality have been prepared by management in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the municipality are as follows:

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.

- a) **Reporting Entity:** The financial statements consolidate the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources.
- b) **Collection of Funds for Other Authorities:** Collection of funds by the municipality for school boards, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.
- 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 the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occur, providing:
 - a) the transfers are authorized
 - b) any eligibility criteria have been met; and
 - c) reasonable estimates of the amounts 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) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- f) **Net Financial Assets:** Net Financial Assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.
- g) **Non-Financial Assets:** Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.
- h) **Appropriated Reserves:** Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 8.
- i) **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.
- j) **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 Funds are accounted for on the equity basis.

1. Significant Accounting Policies - continued

- k) **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.
- l) **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 deflation 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 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. Tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land Improvements	15 Yrs
Buildings	40 Yrs
Vehicles and Equipment	
Vehicles	10 Yrs
Machinery and Equipment	5 to 20 Yrs
Motor Graders	13 Yrs
<i>Infrastructure Assets</i>	
Infrastructure Assets	
Water and Sewer	40 Yrs
Road Network Assets	15 to 40 Yrs

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

- m) **Landfill Liability:** The municipality no longer operates a landfill. The land for the landfill that is no longer in use is owed by the municipality and has yet to be decommissioned. To assist with calculating the estimated closure costs, the request for an Environmental Site Assessment (ESA) was submitted to the Ministry of Environment (MOE) in 2017. The MOE has indicated that the submission will be reviewed in the near future. To offset any potential liability to the municipality, accrued landfill costs have been calculated per Note 7.
- 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) **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.
- 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 collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

The measurement of materials and supplies is 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.

1. Significant Accounting Policies - continued

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

The segments (functions) are as follows:

General Government: 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 April 15, 2020.

New Standards and Amendments to Standards:

- s) **Effective for Fiscal Years Beginning On or After April 1, 2022:**

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

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

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

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

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

Effective for Fiscal Years Beginning On or After April 1, 2023:

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

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

Rural Municipality of Douglas No. 436
Notes to the Financial Statements
For the year ended December 31, 2020

2. Cash and Temporary Investments

	2020	2019
Cash	2,463,937	2,341,069
Temporary Investments		
Restricted Cash		
Total Cash and Temporary Investments	2,463,937	2,341,069

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 current purposes is included in restricted cash.]

3. Taxes Receivable - Municipal

	2020	2019
Municipal - Current	44,738	56,473
- Arrears	79,562	253,084
	124,300	309,557
- Less Allowance for Uncollectible	(5,652)	(5,652)
Total municipal taxes receivable	118,648	303,905
School - Current	14,864	16,317
- Arrears	47,289	121,160
Total school taxes receivable	62,153	137,477
Other - Municipal Hail	7,036	7,256
Total taxes and grants in lieu receivable	187,837	448,638
Deduct taxes receivable to be collected on behalf of other organizations	(69,189)	(144,733)
Total Taxes Receivable - Municipal	118,648	303,905

4. Other Accounts Receivable

	2020	2019
Federal Government	30,513	7,884
Provincial Government	86,594	15,105
Local Government	360	339
Utility		
Trade	1,812	6,226
Other (<i>Specify</i>)		
Total Other Accounts Receivable	119,279	29,554
Less: Allowance for Uncollectible	(1,488)	(1,488)
Net Other Accounts Receivable	117,791	28,066

Rural Municipality of Douglas No. 436
Notes to the Financial Statements
For the year ended December 31, 2020

5. Land for Resale

	2020	2019
Tax Title Property	1,933	1,933
Allowance for market value adjustment		
Net Tax Title Property	1,933	1,933
Other Land		
Allowance for market value adjustment		
Net Other Land		
Total Land for Resale	1,933	1,933

6. Long-Term Investments

	2020	2019
Sask Association of Rural Municipalities - Self Insurance Fund - Liability	38,438	36,742
- Property	23,187	20,651
Credit union equity	9,037	9,705
Total Long-Term Investments	70,662	67,098

The long term investments in the Saskatchewan Association of Rural Municipalities - Self Insurance Funds are accounted for on the equity basis.

7. Accrued Landfill Costs

	2020	2019
Environmental Liabilities	81,000	54,000

In 2020 the municipality has accrued an overall liability for environmental matters in the amount of \$81,000 (prior year - \$54,000) which represents management's best estimate of this liability. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

8. Long-Term Debt

The debt limit of the municipality is \$745,572.00. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the *Municipalities Act* section 161(1)).

9. Contingent Liabilities

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

The municipality, in conjunction with the Towns of Blaine Lake, Hafford and Radisson and the Village of Maymont, has guaranteed mortgage financing to purchase land and buildings for the 16 to 43 Waste Management Corporation. The outstanding mortgage balance as at December 31, 2020 was \$1,089,904. The municipality's share of this guarantee is \$191,130. The municipality's share of total term and line of credit financing of \$210,458 for the 16 to 43 Waste Management Corporation is \$35,778. There is no indication that the municipality will be required to assume these liabilities.

Rural Municipality of Douglas No. 436
Notes to the Financial Statements
For the year ended December 31, 2020

10. Pension Plan

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality's pension expense in 2020 was \$28,565. 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.

11. Comparative Figures

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

12. Contractual Rights

The municipality is a beneficiary of the Rural Municipality Tax Loss Compensation Trust Fund and is entitled to on-going annual payments from the trust under terms of the Rural Municipal Tax Loss Compensation Agreement dated October 6, 1993. The municipality's revenue from this fund in 2020 was \$56,183 with an entitlement balance of \$1,219,628 remaining at December 31, 2020.

13. Subsequent Events

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern." This coronavirus continues to spread throughout the world and has adversely impacted global commercial activity and has contributed to significant declines and volatility in financial markets. The extent of COVID-19's effect on the municipality's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict. The rapid development and fluidity of this situation make it impossible to ascertain the ultimate adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the municipality, its performance, and its financial results.

Rural Municipality of Douglas No. 436
 Schedule of Taxes and Other Unconditional Revenue
 For the year ended December 31, 2020

Schedule 1

	2020 Budget	2020	2019
TAXES			
General municipal tax levy	646,120	646,119	619,783
Abatements and adjustments			
Discount on current year taxes	(22,000)	(23,839)	(21,860)
Net Municipal Taxes	624,120	622,280	597,923
Potash tax share			
Trailer license fees			
Penalties on tax arrears	20,000	18,830	28,181
Special tax levy			
Other (<i>Specify</i>)			
Total Taxes	644,120	641,110	626,104

UNCONDITIONAL GRANTS

Revenue Sharing	254,900	254,993	238,985
Safe Restart		20,879	
Total Unconditional Grants	254,900	275,872	238,985

GRANTS IN LIEU OF TAXES

Federal			
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
Central Services			
SaskTel	120	126	122
Other (<i>Specify</i>)			
Local/Other			
Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement	49,000	56,183	22,747
Other (<i>Specify</i>)			
Other Government Transfers			
S.P.C. Surcharge			
Sask Energy Surcharge			
Other (<i>Specify</i>)			
Total Grants in Lieu of Taxes	49,120	56,309	22,869

TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	948,140	973,291	887,958
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Rural Municipality of Douglas No. 436
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2020

Schedule 2 - 1

	2020 Budget	2020	2019
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work			
- Sales of supplies	600	1,513	1,781
- Other (<i>Specify</i>)	280	4,571	1,173
Total Fees and Charges	880	6,084	2,954
- Tangible capital asset sales - gain (loss)			4,490
- Land sales - gain		1,366	
- Investment income and commissions	38,600	22,852	31,871
- Other (<i>Specify</i>)	500		
Total Other Segmented Revenue	39,980	30,302	39,315
Conditional Grants			
- Student Employment			
- Other (SARM Internship)	6,670	6,667	13,333
Total Conditional Grants	6,670	6,667	13,333
Total Operating	46,650	36,969	52,648
Capital			
Conditional Grants			
- Federal Gas Tax	20,650	30,975	41,737
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital	20,650	30,975	41,737
Restructuring Revenue (<i>Specify, if any</i>)			
Total General Government Services	67,300	67,944	94,385

PROTECTIVE SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Other (<i>Specify</i>)	1,150	1,151	1,150
Total Fees and Charges	1,150	1,151	1,150
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue	1,150	1,151	1,150
Conditional Grants			
- Student Employment			
- Local government			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating	1,150	1,151	1,150

Capital

Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Local government			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Protective Services	1,150	1,151	1,150

Rural Municipality of Douglas No. 436
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2020

Schedule 2 - 2

	2020 Budget	2020	2019
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	10,800	30,002	32,598
- Sales of supplies	15,300	15,532	19,653
- Road Maintenance and Restoration Agreements	57,000	75,900	57,000
- Frontage			
- Other (Specify)			
Total Fees and Charges	83,100	121,434	109,251
- Tangible capital asset sales - gain (loss)	(24,340)	(50,067)	
- Other (Specify)			
Total Other Segmented Revenue	58,760	71,367	109,251
Conditional Grants			
- MREP (CTP)	29,900	29,680	29,900
- Student Employment			
- Other (Specify)			
Total Conditional Grants	29,900	29,680	29,900
Total Operating	88,660	101,047	139,151
Capital			
Conditional Grants			
- Federal Gas Tax			
- MREP (Heavy Haul, CTP, Municipal Bridges)			
- Provincial Disaster Assistance			
- Other (MEEP)		50,305	
Total Capital		50,305	
Restructuring Revenue (Specify, if any)			
Total Transportation Services	88,660	151,352	139,151

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees			
- Other (Specify)	50	6,554	2,423
Total Fees and Charges	50	6,554	2,423
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	50	6,554	2,423
Conditional Grants			
- Student Employment			
- TAPD			
- Local government			
- Other (Beaver and Rat Control)	2,000	2,938	4,139
Total Conditional Grants	2,000	2,938	4,139
Total Operating	2,050	9,492	6,562

Capital

Conditional Grants			
- Federal Gas Tax			
- TAPD			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Restructuring Revenue (Specify, if any)			
Total Environmental and Public Health Services	2,050	9,492	6,562

Rural Municipality of Douglas No. 436
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2020

Schedule 2 - 3

	2020 Budget	2020	2019
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges			
- Other (<i>Specify</i>)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating			
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Planning and Development Services			

RECREATION AND CULTURAL SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (<i>Specify</i>)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Local government			
- Other (Sask Lotteries Community Grant)	1,110	1,111	1,111
Total Conditional Grants	1,110	1,111	1,111
Total Operating	1,110	1,111	1,111
Capital			
Conditional Grants			
- Federal Gas Tax			
- Local government			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Recreation and Cultural Services	1,110	1,111	1,111

Rural Municipality of Douglas No. 436
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2020

Schedule 2 - 4

	2020 Budget	2020	2019
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water			
- Sewer			
- Other (<i>Specify</i>)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Other (<i>Specify</i>)			
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 (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Utility Services			
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	160,270	231,050	242,359

SUMMARY

Total Other Segmented Revenue	99,940	109,374	152,139
Total Conditional Grants	39,680	40,396	48,483
Total Capital Grants and Contributions	20,650	81,280	41,737
Restructuring Revenue			
TOTAL REVENUE BY FUNCTION	160,270	231,050	242,359

Rural Municipality of Douglas No. 436
 Total Expenses by Function
 For the year ended December 31, 2020

Schedule 3 - 1

	2020 Budget	2020	2019
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	31,600	19,061	25,955
Wages and benefits	116,300	100,102	120,111
Professional/Contractual services	44,950	49,918	42,547
Utilities	3,500	3,691	3,258
Maintenance, materials and supplies	3,300	3,307	4,094
Grants and contributions - operating	4,000	3,674	4,774
- capital			
Amortization	3,850	3,855	5,545
Interest			
Allowance for uncollectible			
Other (Long Term Service Awards)	500		
General Government Services	208,000	183,608	206,284
Restructuring (Specify, if any)			
Total General Government Services	208,000	183,608	206,284

PROTECTIVE SERVICES

Police protection

Wages and benefits			
Professional/Contractual services	16,500	16,858	16,272
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating			
- capital			
Other (Specify)			

Fire protection

Wages and benefits			
Professional/Contractual services	11,440	11,919	11,437
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Other (Specify)			

Protective Services	27,940	28,777	27,709
Restructuring (Specify, if any)			
Total Protective Services	27,940	28,777	27,709

TRANSPORTATION SERVICES

Wages and benefits	360,560	327,661	332,246
Professional/Contractual services	55,130	63,137	48,554
Utilities	8,220	7,348	7,820
Maintenance, materials and supplies	175,500	180,630	153,111
Gravel	92,500	114,789	97,443
Grants and contributions - operating			
- capital			
Amortization	169,000	143,275	172,886
Interest		11	
Other (Specify)			

Transportation Services	860,910	836,851	812,060
Restructuring (Specify, if any)			
Total Transportation Services	860,910	836,851	812,060

Rural Municipality of Douglas No. 436
 Total Expenses by Function
 For the year ended December 31, 2020

Schedule 3 - 2

	2020 Budget	2020	2019
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits			
Professional/Contractual services	19,350	53,667	48,175
Utilities	750	639	699
Maintenance, materials and supplies	5,500	8,770	5,661
Grants and contributions - operating			
o Waste disposal	17,000	25,500	
o Public Health			
- capital			
o Waste disposal			
o Public Health			
Amortization	6,110	6,108	6,108
Interest			
Other (Landfill - future decommissioning)	27,000		
Environmental and Public Health Services	75,710	94,684	60,643
Restructuring (Specify, if any)			
Total Environmental and Public Health Services	75,710	94,684	60,643

PLANNING AND DEVELOPMENT SERVICES

Wages and benefits			
Professional/Contractual services			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Other (<i>Specify</i>)			
Planning and Development Services			
Restructuring (Specify, if any)			
Total Planning and Development Services			

RECREATION AND CULTURAL SERVICES

Wages and benefits			
Professional/Contractual services	4,400	4,413	4,413
Utilities	700	649	691
Maintenance, materials and supplies			
Grants and contributions - operating	1,110	556	4,111
- capital			
Amortization			
Interest			
Allowance for uncollectible			
Other (<i>Specify</i>)			
Recreation and Cultural Services	6,210	5,618	9,215
Restructuring (Specify, if any)			
Total Recreation and Cultural Services	6,210	5,618	9,215

Rural Municipality of Douglas No. 436
 Total Expenses by Function
 For the year ended December 31, 2020

Schedule 3 - 3

	2020 Budget	2020	2019
UTILITY SERVICES			
Wages and benefits			
Professional/Contractual services			
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Allowance for uncollectible			
Other (<i>Specify</i>)			
Utility Services			
Restructuring (Specify, if any)			
Total Utility Services			
 TOTAL EXPENSES BY FUNCTION	 1,178,770	 1,149,538	 1,115,911

Rural Municipality of Douglas No. 436
 Schedule of Segment Disclosure by Function
 For the year ended December 31, 2020

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	6,084	1,151	121,434	6,554				135,223
Tangible Capital Asset Sales - Loss			(50,067)					(50,067)
Land Sales - Gain	1,366							1,366
Investment Income and Commissions	22,852							22,852
Other Revenues								
Grants - Conditional	6,667		29,680	2,938		1,111		40,396
- Capital	30,975		50,305					81,280
Restructurings								
Total Revenues	67,944	1,151	151,352	9,492		1,111		231,050
Expenses (Schedule 3)								
Wages and Benefits	119,163		327,661					446,824
Professional/Contractual Services	49,918	28,777	63,137	53,667		4,413		199,912
Utilities	3,691		7,348	639		649		12,327
Maintenance Materials and Supplies	3,307		295,419	8,770				307,496
Grants and Contributions	3,674			25,500		556		29,730
Amortization	3,855		143,275	6,108				153,238
Interest			11					11
Allowance for Uncollectible								
Restructurings								
Other								
Total Expenses	183,608	28,777	836,851	94,684		5,618		1,149,538
Surplus (Deficit) by Function	(115,664)	(27,626)	(685,499)	(85,192)		(4,507)		(918,488)
Taxes and other unconditional revenue (Schedule 1)								973,291
Net Surplus (Deficit)								54,803

Rural Municipality of Douglas No. 436
 Schedule of Segment Disclosure by Function
 For the year ended December 31, 2019

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	2,954	1,150	109,251	2,423				115,778
Tangible Capital Asset Sales - Gain	4,490							4,490
Land Sales - Gain								
Investment Income and Commissions	31,871							31,871
Other Revenues								
Grants - Conditional	13,333		29,900	4,139		1,111		48,483
- Capital	41,737							41,737
Restructurings								
Total Revenues	94,385	1,150	139,151	6,562		1,111		242,359
Expenses (Schedule 3)								
Wages and Benefits	146,066		332,246					478,312
Professional/Contractual Services	42,547	27,709	48,554	48,175		4,413		171,398
Utilities	3,258		7,820	699		691		12,468
Maintenance Materials and Supplies	4,094		250,554	5,661				260,309
Grants and Contributions	4,774					4,111		8,885
Amortization	5,545		172,886	6,108				184,539
Interest								
Allowance for Uncollectible								
Restructurings								
Other								
Total Expenses	206,284	27,709	812,060	60,643		9,215		1,115,911
Surplus (Deficit) by Function	(111,899)	(26,559)	(672,909)	(54,081)		(8,104)		(873,552)
Taxes and other unconditional revenue (Schedule 1)								887,958
Net Surplus (Deficit)								14,406

Rural Municipality of Douglas No. 436
 Schedule of Tangible Capital Assets by Object
 For the year ended December 31, 2020

Schedule 6

	2020						2019	
	General Assets						Infrastructure Assets	General/Infrastructure Assets Under Construction
	Land	Land Improvements	Buildings	Vehicles	Machinery and Equipment	Linear assets		
Assets								
Opening Asset Costs	165,171	960	239,950	27,205	1,935,573	2,954,022	5,322,881	5,318,661
Additions during the year					455,392		455,392	10,402
Disposals and write-downs during the year					(349,410)		(349,410)	(6,182)
Transfers (from) assets under construction								
Transfer of capital assets related to restructuring (Schedule 11)								
Closing Asset Costs	165,171	960	239,950	27,205	2,041,555	2,954,022	5,428,863	5,322,881
Amortization								
Opening Accumulated Amortization Costs		960	121,632	20,481	895,317	2,740,079	3,778,469	3,600,112
Add: Amortization taken			5,909	2,970	90,288	54,071	153,238	184,539
Less: Accumulated amortization on disposals					(154,343)		(154,343)	(6,182)
Transfer of capital assets related to restructuring (Schedule 11)								
Closing Accumulated Amortization Costs		960	127,541	23,451	831,262	2,794,150	3,777,364	3,778,469
Net Book Value	165,171	Nil	112,409	3,754	1,210,293	159,872	1,651,499	1,544,412

1. Total contributed/donated assets received in 2020

2. List of assets recognized at nominal value in 2020 are:

- Infrastructure Assets Nil
- Vehicles Nil
- Machinery and Equipment Nil
- Amount of interest capitalized in Schedule 6 Nil

Rural Municipality of Douglas No. 436
 Schedule of Tangible Capital Assets by Function
 For the year ended December 31, 2020

Schedule 7

	2020						2019	
	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Water and Sewer	Total
Assets								
Opening Asset Costs	105,569	5,800	5,089,729	121,783				5,322,881
Additions during the year			455,392					455,392
Disposals and write-downs during the year			(349,410)					(349,410)
Transfer of capital assets related to restructuring (Schedule 11)								(6,182)
Closing Asset Costs	105,569	5,800	5,195,711	121,783				5,428,863
Amortization								
Opening Accumulated Amortization Costs	76,038	5,700	3,619,804	76,927				3,778,469
Add: Amortization taken	3,855		143,275	6,108				153,238
Less: Accumulated amortization on disposals			(154,343)					(154,343)
Transfer of capital assets related to restructuring (Schedule 11)								(6,182)
Closing Accumulated Amortization Costs	79,893	5,700	3,608,736	83,035				3,777,364
Net Book Value	25,676	100	1,586,975	38,748				1,651,499
								1,544,412

Rural Municipality of Douglas No. 436
 Schedule of Accumulated Surplus
 For the year ended December 31, 2020

Schedule 8

	2019	Changes	2020
UNAPPROPRIATED SURPLUS	2,813,893	(41,284)	2,772,609
APPROPRIATED RESERVES			
Machinery and Equipment			
Public Reserve			
Capital Trust			
Utility			
Other (<i>Specify</i>)	19,002	(11,000)	8,002
Total Appropriated	19,002	(11,000)	8,002
ORGANIZED HAMLETS (add lines if required)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Total Organized Hamlets			
INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6, 7)	1,544,412	107,087	1,651,499
Less: Related debt			
Net Investment in Tangible Capital Assets	1,544,412	107,087	1,651,499
Total Accumulated Surplus	4,377,307	54,803	4,432,110

Rural Municipality of Douglas No. 436
 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 and Industrial	Potash Mine(s)	
Taxable Assessment	113,790,800	3,906,820			782,100		118,479,720
Regional Park Assessment							
Total Assessment							118,479,720
Mill Rate Factor(s)	1.0000	1.3000			1.0000		
Total Base/Minimum Tax (generated for each property class)							
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	614,470	27,426			4,223		646,119

MILL RATES: MILLS

Average Municipal*	5.4534
Average School*	1.5506
Potash Mill Rate	
Uniform Municipal Mill Rate	5.4000

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

Rural Municipality of Douglas No. 436
 Schedule of Council Remuneration
 For the year ended December 31, 2020

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Nick Partyka	4,300	667	4,967
Councillor Div. 1	Jim Attrux	2,000	100	2,100
Councillor Div. 2	Randy Bohun	600	39	639
Councillor Div. 3	Leonard Yasieniuk	2,800	400	3,200
Councillor Div. 4	Howard Linnell	2,700	96	2,796
Councillor Div. 5	Blair Jackson	2,300	175	2,475
Councillor Div. 6	Wayne Rafuse	2,550	334	2,884
Total		17,250	1,811	19,061