

R. M. of Keys No. 303

FINANCIAL STATEMENTS

Year Ended December 31, 2019

R. M. of Keys No. 303

Canora, Saskatchewan

December 31, 2019

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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 Keys No. 303

Opinion

We have audited the financial statements of R. M. of Keys No. 303, (the municipality), which comprise the Statement of Financial Position as at December 31, 2019 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, 2019, 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
June 9, 2020

R. M. of Keys No. 303

Canora, Saskatchewan

Statement 1

Statement of Financial Position as at December 31, 2019

	2019	2018
Assets		
Financial Assets		
Cash and temporary investments - note 2	1,262,545	1,160,712
Taxes receivable - municipal - note 3	144,383	151,183
Other accounts receivable - note 4	87,418	48,513
Land for resale - note 5	6,889	
Long-term investments - note 6	53,552	48,440
Total Financial Assets	<u>1,554,787</u>	<u>1,408,848</u>
Liabilities		
Accounts payable	15,336	14,231
Utility deposits		2,843
Long-term debt - note 8	79,448	166,112
Total Liabilities	<u>94,784</u>	<u>183,186</u>
Net Financial Assets	<u>1,460,003</u>	<u>1,225,662</u>
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	3,374,557	3,246,524
Prepayments and deferred charges	8,087	510
Stock and supplies	6,935	15,949
Total Non-Financial Assets	<u>3,389,579</u>	<u>3,262,983</u>
Accumulated Surplus - schedule 8	<u>\$ 4,849,582</u>	<u>\$ 4,488,645</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 Keys No. 303
Statement of Operations
For the year ended December 31, 2019

Statement 2

	2019 Budget [Note 1(r)]	2019 Actual	2018 Actual
Revenues			
Taxes and other unconditional revenue			
- schedule 1	1,613,923	1,602,695	1,484,525
Fees and charges - schedules 4 and 5	72,395	75,321	97,452
Conditional grants - schedules 4 and 5	8,000	6,895	9,702
Investment income and commissions			
- schedules 4 and 5	5,000	16,209	8,050
Total Revenue	<u>1,699,318</u>	<u>1,701,120</u>	<u>1,599,729</u>
Expenses - schedule 3			
General government services	400,290	324,087	293,596
Protective services	30,500	45,294	27,987
Transportation services	876,830	937,777	979,354
Environmental and public health services	47,980	60,817	47,992
Planning and development services	13,500	17,394	7,984
Recreation and cultural services	5,150	5,950	5,527
Utilities services	20,400	31,842	26,429
Total Expenses	<u>1,394,650</u>	<u>1,423,161</u>	<u>1,388,869</u>
Surplus of Revenues over Expenses before Other Capital Contributions	304,668	277,959	210,860
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>35,090</u>	<u>82,978</u>	<u>57,379</u>
Surplus of Revenue over Expenses	339,758	360,937	268,239
Accumulated Surplus, Beginning of Year	<u>4,488,645</u>	<u>4,488,645</u>	<u>4,220,406</u>
Accumulated Surplus, End of Year	<u>\$ 4,828,403</u>	<u>\$ 4,849,582</u>	<u>\$ 4,488,645</u>

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

R. M. of Keys No. 303
Statement of Change in Net Financial Assets
For the year ended December 31, 2019

Statement 3

	2019 Budget [Note 1(r)]	2019 Actual	2018 Actual
Surplus	<u>339,758</u>	<u>360,937</u>	<u>268,239</u>
(Acquisition) of tangible capital assets	(495,160)	(344,550)	(205,467)
Amortization of tangible capital assets	<u> </u>	<u>216,517</u>	<u>204,845</u>
Surplus (Deficit) of Capital Expenses over Expenditures	<u>(495,160)</u>	<u>(128,033)</u>	<u>(622)</u>
(Acquisition) of supplies inventories			(176,053)
(Acquisition) of prepaid expense		(7,577)	(562)
Consumption of supplies inventory		9,014	210,532
Use of prepaid expense	<u>0</u>	<u> </u>	<u>339</u>
Surplus of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>1,437</u>	<u>34,256</u>
Increase (Decrease) in Net Financial Assets	(155,402)	234,341	301,873
Net Financial Assets, beginning of year	<u>1,225,662</u>	<u>1,225,662</u>	<u>923,789</u>
Net Financial Assets, End of Year	<u>\$ 1,070,260</u>	<u>\$ 1,460,003</u>	<u>\$ 1,225,662</u>

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

R. M. of Keys No. 303
Statement of Cash Flow
For the year ended December 31, 2019

Statement 4

	2019	2018
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus	360,937	268,239
Amortization	216,517	204,845
	<u>577,454</u>	<u>473,084</u>
Change in Assets/Liabilities		
Taxes receivable - municipal	6,800	(37,829)
Other receivables	(38,905)	100,939
Land for resale	(6,890)	875
Accounts payable	1,107	14,137
Utility deposits	(2,843)	
Stock and supplies for use	9,013	34,478
Prepayments and deferred charges	(7,577)	(223)
Cash Provided by Operating Transactions	<u>538,159</u>	<u>585,461</u>
Capital:		
Acquisition of capital assets	(344,550)	(205,467)
Investing:		
Long-term investments	<u>(5,112)</u>	<u>(1,291)</u>
Financing:		
Long-term debt repaid	<u>(86,664)</u>	<u>(96,100)</u>
Change in Cash and Temporary Investments During the Year	101,833	282,603
Cash and temporary investments, beginning of year	<u>1,160,712</u>	<u>878,109</u>
Cash and Temporary Investments, End of Year	<u>\$ 1,262,545</u>	<u>\$ 1,160,712</u>

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

R. M. of Keys No. 303
Notes to Financial Statements
For the year ended December 31, 2019

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 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.

(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 Keys No. 303
Notes to Financial Statements
For the year ended December 31, 2019

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 terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment. The long-term investments in the Saskatchewan Association of Rural Municipalities Self-Insurance Fund are accounted for on the equity basis.

(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	10-15 years
Linear assets	35-40 years
Infrastructure Assets	
Paving, sidewalks and roadways	15 years

R. M. of Keys No. 303
Notes to Financial Statements
For the year ended December 31, 2019

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) 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. 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 Keys No. 303
Notes to Financial Statements
For the year ended December 31, 2019

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 collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

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

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

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

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the 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 6, 2019.

R. M. of Keys No. 303
Notes to Financial Statements
For the year ended December 31, 2019

1. **Significant Accounting Policies** - continued

(s) New accounting standards

Effective January 1, 2019, the municipality adopted the following standard to comply with Public Sector Accounting Standards (PSAS). This standard applies to all public sector entities for years beginning on or after April 1, 2018. Adoption of this standard requires all public sector entities to assess information using definitions, criteria and exceptions provided in the standards and apply professional judgement to comply with the disclosure requirements of each standard.

PS 3430 Restructuring transactions provides guidance on how to account for and report restructuring transactions by transferors and recipients of assets and/or liabilities. The new standard has been adopted on a prospective basis.

Future accounting standards

Effective on or after April 1, 2021:

PS 1201 Financial statement presentation replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure in government financial statements. 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.

PS 3041 Portfolio investments replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of, portfolio investments. 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.

PS 3280 Asset retirement obligations, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of a liability for retirement of a tangible capital asset. 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 on or after April 1, 2022:

PS 3400 Revenue, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of revenue.

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

R. M. of Keys No. 303
Notes to Financial Statements
For the year ended December 31, 2019

	2019	2018
2. Cash and Temporary Investments		
Cash	711,105	776,879
Temporary investments	<u>551,440</u>	<u>383,833</u>
Total Cash and Temporary Investments	<u>\$ 1,262,545</u>	<u>\$ 1,160,712</u>

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

	2019	2018
3. Taxes and Grants In Lieu Receivable		
Municipal - current	79,496	79,845
Municipal - arrears	<u>64,120</u>	<u>76,767</u>
	143,616	156,612
Less: Allowance for uncollectibles	<u>0</u>	<u>5,780</u>
Total municipal taxes receivable	<u>143,616</u>	<u>150,832</u>
School - current	25,315	17,800
School - arrears	<u>22,496</u>	<u>30,952</u>
Total school taxes receivable	<u>47,811</u>	<u>48,752</u>
Other	<u>2,723</u>	<u>2,307</u>
Total taxes and grants in lieu receivable	194,150	201,891
Less: Taxes receivable to be collected on behalf of other organizations	<u>49,767</u>	<u>50,708</u>
Municipal and Grants In Lieu Taxes Receivable	<u>\$ 144,383</u>	<u>\$ 151,183</u>
4. Other Accounts Receivable		
Provincial government	41,885	5,500
Trade	11,511	12,831
Other	<u>45,533</u>	<u>37,382</u>
Total other accounts receivable	98,929	55,713
Less: Allowance for uncollectibles	<u>11,511</u>	<u>7,200</u>
Net Other Accounts Receivable	<u>\$ 87,418</u>	<u>\$ 48,513</u>
5. Land for Resale		
Tax title property	10,191	3,302
Less: Allowance for market value adjustment	<u>3,302</u>	<u>3,302</u>
Total Land for Resale	<u>\$ 6,889</u>	<u>\$ 0</u>

R. M. of Keys No. 303
Notes to Financial Statements
For the year ended December 31, 2019

	2019	2018
6. Long-Term Investments		
Sask. Assoc. of Rural Municipalities - Self-Insurance Fund	<u>\$ 53,552</u>	<u>\$ 48,440</u>

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

7. Bank Indebtedness

Bank indebtedness includes an operating loan amounting to \$250,000 (2018 - \$250,000) and bearing interest at 4.45%.

8. Long-Term Debt

- (a) The debt limit of the municipality for 2020 is \$1,166,002. 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).
- (b) Bank loan is repayable to the Affinity Credit Union in monthly instalments of \$7,222, plus interest at a rate of prime, maturing in 2020.

Future principal repayments are estimated as follows:

	Principal	Interest	2019 Total	2018 Total
2019				98,797
2020	<u>79,448</u>	<u>1,466</u>	<u>80,914</u>	<u>73,444</u>
	<u>\$ 79,448</u>	<u>\$ 1,466</u>	<u>\$ 80,914</u>	<u>\$ 172,241</u>

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.

R. M. of Keys No. 303
Notes to Financial Statements
For the year ended December 31, 2019

9. **Employee Benefit Plans** - continued

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:

	2019	2018
General members	9.00 %	9.00 %
Designated members	12.50 %	12.50 %

Contributions to the plan during the year were as follows:

Benefit expense	\$ 19,936	\$ 17,570
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As per the most recently audited financial statements dated December 31, 2018, the plan surplus is \$463,236,000.

10. **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.

11. **Subsequent Events**

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

R. M. of Keys No. 303Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2019

Schedule 1

	2019 Budget [Note 1(r)]	2019 Actual	2018 Actual
Taxes			
General municipal tax levy	1,092,490	1,075,872	1,050,062
Abatements and adjustments		(286)	
Discount on current year taxes		(1,114)	(51,272)
Net municipal taxes	<u>1,092,490</u>	<u>1,074,472</u>	<u>998,790</u>
Penalties on tax arrears	16,800	19,608	18,852
Special tax levy	<u>168,470</u>	<u>172,452</u>	<u>172,060</u>
Total Taxes	<u>1,277,760</u>	<u>1,266,532</u>	<u>1,189,702</u>
Unconditional Grants			
Equalization (revenue sharing)	315,916	315,916	274,895
Organized hamlet	<u>12,478</u>	<u>12,478</u>	<u>12,159</u>
Total Unconditional Grants	<u>328,394</u>	<u>328,394</u>	<u>287,054</u>
Grants In Lieu of Taxes			
Provincial			
SaskTel	2,013	2,013	1,324
Transgas	142	142	142
Local/Other			
Treaty land entitlement	5,614	5,614	5,614
SERM			689
Total Grants In Lieu of Taxes	<u>7,769</u>	<u>7,769</u>	<u>7,769</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 1,613,923</u>	<u>\$ 1,602,695</u>	<u>\$ 1,484,525</u>

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

R. M. of Keys No. 303Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2019

Schedule 2-1

	2019 Budget [Note 1(r)]	2019 Actual	2018 Actual
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	500	428	453
Sale of supplies	1,600	1,581	1,934
Expense recoveries	18,000	23,591	18,620
Total Fees and Charges	<u>20,100</u>	<u>25,600</u>	<u>21,007</u>
Investment income and commissions	5,000	16,209	8,050
Total Other Segmented Revenue	<u>25,100</u>	<u>41,809</u>	<u>29,057</u>
Conditional Grants			
Sask Rural Municipal Administrator Internship Program (MAIP)			3,333
Total Conditional Grants	<u>0</u>	<u>0</u>	<u>3,333</u>
Total General Government Services	<u>\$ 25,100</u>	<u>\$ 41,809</u>	<u>\$ 32,390</u>
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	23,000	24,621	45,849
Sale of supplies	200	195	190
Other	125		125
Total Fees and Charges	<u>23,325</u>	<u>24,816</u>	<u>46,164</u>
Total Other Segmented Revenue	<u>23,325</u>	<u>24,816</u>	<u>46,164</u>
Total Operating	<u>23,325</u>	<u>24,816</u>	<u>46,164</u>
Capital			
Conditional Grants			
Gas Tax		51,078	25,479
Heavy haul	35,090	31,900	31,900
Total Capital	<u>35,090</u>	<u>82,978</u>	<u>57,379</u>
Total Transportation Services	<u>\$ 58,415</u>	<u>\$ 107,794</u>	<u>\$ 103,543</u>

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

R. M. of Keys No. 303

Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2019

Schedule 2-2

	2019 Budget [Note 1(r)]	2019 Actual	2018 Actual
Environmental and Public Health Services			
Operating			
Conditional Grants			
Pest control	8,000	6,895	6,369
Total Conditional Grants	<u>8,000</u>	<u>6,895</u>	<u>6,369</u>
Total Environmental and Public Health Services	<u>\$ 8,000</u>	<u>\$ 6,895</u>	<u>\$ 6,369</u>
Planning and Development Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Licenses and permits	1,000	600	794
Other			4,459
Total Fees and Charges	<u>1,000</u>	<u>600</u>	<u>5,253</u>
Total Other Segmented Revenue	<u>1,000</u>	<u>600</u>	<u>5,253</u>
Total Planning and Development Services	<u>\$ 1,000</u>	<u>\$ 600</u>	<u>\$ 5,253</u>
Recreation and Cultural Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Rentals	1,770	2,690	1,770
Recreation fees	9,700	5,365	10,058
Total Fees and Charges	<u>11,470</u>	<u>8,055</u>	<u>11,828</u>
Total Other Segmented Revenue	<u>11,470</u>	<u>8,055</u>	<u>11,828</u>
Total Recreation and Cultural Services	<u>\$ 11,470</u>	<u>\$ 8,055</u>	<u>\$ 11,828</u>
Utility Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Water	16,500	16,250	13,200
Total Other Segmented Revenue	<u>16,500</u>	<u>16,250</u>	<u>13,200</u>
Total Utility Services	<u>\$ 16,500</u>	<u>\$ 16,250</u>	<u>\$ 13,200</u>
Total Operating and Capital Revenue by Function	<u>\$ 120,485</u>	<u>\$ 181,403</u>	<u>\$ 172,583</u>
Summary			
Total Other Segmented Revenue	77,395	91,530	105,502
Total Conditional Grants	8,000	6,895	9,702
Total Capital Grants and Contributions	<u>35,090</u>	<u>82,978</u>	<u>57,379</u>
Total Operating and Capital Revenue by Function	<u>\$ 120,485</u>	<u>\$ 181,403</u>	<u>\$ 172,583</u>

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

R. M. of Keys No. 303
 Total Expenses by Function
 For the year ended December 31, 2019

Schedule 3-1

	2019 Budget [Note 1(r)]	2019 Actual	2018 Actual
General Government Services			
Council remuneration and travel	72,900	58,189	63,496
Wages and benefits	94,176	110,338	99,498
Professional/contractual services	61,950	81,380	47,145
Utilities	7,500	7,781	7,217
Maintenance, materials and supplies	15,650	13,592	10,800
Insurance	39,800	45,082	33,896
Interest	105,564	5,398	20,354
Allowance for uncollectibles		(1,470)	
Other	<u>2,750</u>	<u>3,797</u>	<u>11,190</u>
Total General Government Services	<u>\$ 400,290</u>	<u>\$ 324,087</u>	<u>\$ 293,596</u>
Protective Services			
Police protection			
Professional/contractual services	18,000	18,131	18,000
Fire protection			
Professional/contractual services	<u>12,500</u>	<u>27,163</u>	<u>9,987</u>
Total Protective Services	<u>\$ 30,500</u>	<u>\$ 45,294</u>	<u>\$ 27,987</u>
Transportation Services			
Wages and benefits	268,900	241,501	248,238
Professional/contractual services	19,000	14,291	19,040
Utilities	20,730	19,292	20,027
Maintenance, material, and supplies	203,200	74,279	89,837
Gravel	200,000	201,748	186,229
Machinery costs/fuel/blades	120,000	126,626	129,343
Culverts/drainage	40,000	40,389	77,183
Amortization		216,517	204,845
Other materials and supplies	<u>5,000</u>	<u>3,134</u>	<u>4,612</u>
Total Transportation Services	<u>\$ 876,830</u>	<u>\$ 937,777</u>	<u>\$ 979,354</u>

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

R. M. of Keys No. 303
 Total Expenses by Function
 For the year ended December 31, 2019

Schedule 3-2

	2019 Budget [Note 1(r)]	2019 Actual	2018 Actual
Environmental and Public Health Services			
Professional/contractual services	47,980	60,817	46,992
Grants and contributions - public health	<u> </u>	<u> </u>	<u>1,000</u>
Total Environmental and Public Health Services	<u>\$ 47,980</u>	<u>\$ 60,817</u>	<u>\$ 47,992</u>
Planning and Development Services			
Contractual services	<u>\$ 13,500</u>	<u>\$ 17,394</u>	<u>\$ 7,984</u>
Recreation and Cultural Services			
Maintenance, materials and supplies		802	379
Libraries	<u>5,150</u>	<u>5,148</u>	<u>5,148</u>
Total Recreation and Cultural Services	<u>\$ 5,150</u>	<u>\$ 5,950</u>	<u>\$ 5,527</u>
Utility Services			
Professional/contractual services	1,000	14,544	4,398
Utilities	2,200	1,491	2,129
Maintenance, materials and supplies	<u>17,200</u>	<u>15,807</u>	<u>19,902</u>
Total Utility Services	<u>\$ 20,400</u>	<u>\$ 31,842</u>	<u>\$ 26,429</u>
Total Expenses by Function	<u>\$ 1,394,650</u>	<u>\$ 1,423,161</u>	<u>\$ 1,388,869</u>

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

R. M. of Keys No. 303

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

Schedule 4

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	25,600		24,816		600	8,055	16,250	75,321
Investment income and commissions	16,209							16,209
Grants - conditional				6,895				6,895
Grants - capital			82,978					82,978
Total Revenues	41,809	0	107,794	6,895	600	8,055	16,250	181,403
Expenses - schedule 3								
Wages and benefits	110,338		241,501					351,839
Professional/contractual services	139,569	45,294	14,291	60,817	17,394		14,544	291,909
Utilities	7,781		19,292				1,491	28,564
Maintenance materials and supplies	13,592		276,027			802	15,807	306,228
Machinery costs/fuel/blades			126,626					126,626
Culverts/drainage			40,389					40,389
Amortization			216,517					216,517
Insurance	45,082							45,082
Libraries						5,148		5,148
Interest	5,398							5,398
Allowance for uncollectibles	(1,470)							(1,470)
Other	3,797		3,134					6,931
Total Expenses	324,087	45,294	937,777	60,817	17,394	5,950	31,842	1,423,161
Surplus (Deficit) by Function	\$(282,278)	\$(45,294)	\$(829,983)	\$(53,922)	\$(16,794)	\$ 2,105	\$(15,592)	(1,241,758)
Taxation and other unconditional revenue - schedule 1								1,602,695
Net Surplus								\$ 360,937

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

R. M. of Keys No. 303

Schedule of Segment Disclosure by Function
For the year ended December 31, 2018

Schedule 5

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	21,007		46,164		5,253	11,828	13,200	97,452
Investment income and commissions	8,050							8,050
Grants - conditional	3,333			6,369				9,702
Grants - capital			57,379					57,379
Total Revenues	<u>32,390</u>	<u>0</u>	<u>103,543</u>	<u>6,369</u>	<u>5,253</u>	<u>11,828</u>	<u>13,200</u>	<u>172,583</u>
Expenses - schedule 3								
Wages and benefits	99,498		248,238					347,736
Professional/contractual services	110,641	27,987	19,040	46,992	7,984		4,398	217,042
Utilities	7,217		20,027				2,129	29,373
Maintenance materials and supplies	10,800		276,066			379	19,902	307,147
Machinery costs/fuel/blades			129,343					129,343
Culverts/drainage			77,183					77,183
Grants and contributions				1,000				1,000
Amortization			204,845					204,845
Insurance	33,896							33,896
Libraries						5,148		5,148
Interest	20,354							20,354
Other	11,190		4,612					15,802
Total Expenses	<u>293,596</u>	<u>27,987</u>	<u>979,354</u>	<u>47,992</u>	<u>7,984</u>	<u>5,527</u>	<u>26,429</u>	<u>1,388,869</u>
Surplus (Deficit) by Function	<u>\$ (261,206)</u>	<u>\$ (27,987)</u>	<u>\$ (875,811)</u>	<u>\$ (41,623)</u>	<u>\$ (2,731)</u>	<u>\$ 6,301</u>	<u>\$ (13,229)</u>	<u>(1,216,286)</u>
Taxation and other unconditional revenue - schedule 1								<u>1,484,525</u>
Net Surplus								<u>\$ 268,239</u>

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

R. M. of Keys No. 303

Schedule of Tangible Capital Assets by Object
For the year ended December 31, 2019

Schedule 6

	2019							Total	2018 Total
	General Assets					Infrastruct. Assets	General/ Infrastruct. Assets under Constr.		
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
Asset Cost									
Opening Asset Cost	5,737	108,057	200,408	0	1,297,872	4,820,173	0	6,432,247	6,226,781
Additions during the year						344,550		344,550	205,466
Closing Asset Costs	<u>5,737</u>	<u>108,057</u>	<u>200,408</u>	<u>0</u>	<u>1,297,872</u>	<u>5,164,723</u>	<u>0</u>	<u>6,776,797</u>	<u>6,432,247</u>
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	0	37,816	128,066	0	437,058	2,582,783	0	3,185,723	2,980,878
Add: Amortization taken		2,701	3,531		110,027	100,258		216,517	204,845
Closing Accumulated Amortization Costs	<u>0</u>	<u>40,517</u>	<u>131,597</u>	<u>0</u>	<u>547,085</u>	<u>2,683,041</u>	<u>0</u>	<u>3,402,240</u>	<u>3,185,723</u>
Net Book Value	<u>\$ 5,737</u>	<u>\$ 67,540</u>	<u>\$ 68,811</u>	<u>\$ 0</u>	<u>\$ 750,787</u>	<u>\$ 2,481,682</u>	<u>\$ 0</u>	<u>\$ 3,374,557</u>	<u>\$ 3,246,524</u>

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

R. M. of Keys No. 303
 Schedule of Tangible Capital Assets by Function
 For the year ended December 31, 2019

Schedule 7

	2019							2018	
	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Water & Sewer	Total	Total
Asset Cost									
Opening Asset Cost	48,671	0	6,383,576	0	0	0	0	6,432,247	6,226,781
Additions during the year			344,550					344,550	205,466
Closing Asset Costs	<u>48,671</u>	<u>0</u>	<u>6,728,126</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,776,797</u>	<u>6,432,247</u>
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	48,671	0	3,137,052	0	0	0	0	3,185,723	2,980,878
Add: Amortization taken			216,517					216,517	204,845
Closing Accumulated Amortization Costs	<u>48,671</u>	<u>0</u>	<u>3,353,569</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,402,240</u>	<u>3,185,723</u>
Net Book Value	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,374,557</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,374,557</u>	<u>\$ 3,246,524</u>

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 part of these financial statements.*

R. M. of Keys No. 303
 Schedule of Accumulated Surplus
 For the year ended December 31, 2019

Schedule 8

	2018	Changes	2019
Unappropriated Surplus	<u>873,391</u>	<u>(15,837)</u>	<u>857,554</u>
Appropriated Surplus			
Machinery and equipment			
Machinery and equipment reserve	91,090	260,350	351,440
Bridge reserve	<u>100,000</u>	<u>100,000</u>	<u>200,000</u>
	<u>191,090</u>	<u>360,350</u>	<u>551,440</u>
Other			
Crystal Lake - water reserve	8,917	(13,274)	(4,357)
Crystal Lake - paving reserve	<u>125,410</u>	<u>(125,410)</u>	<u>(4,357)</u>
	<u>134,327</u>	<u>(138,684)</u>	<u>(4,357)</u>
Total Appropriated	<u>325,417</u>	<u>221,666</u>	<u>547,083</u>
Hamlet of Crystal Lake	<u>209,425</u>	<u>(59,589)</u>	<u>149,836</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	3,246,524	128,033	3,374,557
Less: Related debt	<u>166,112</u>	<u>(86,664)</u>	<u>79,448</u>
Net Investment in Tangible Capital Assets	<u>3,080,412</u>	<u>214,697</u>	<u>3,295,109</u>
Total Accumulated Surplus	<u>\$ 4,488,645</u>	<u>\$ 360,937</u>	<u>\$ 4,849,582</u>

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 part of these financial statements.*

R. M. of Keys No. 303
 Schedule of Mill Rates and Assessments
 For the year ended December 31, 2019

Schedule 9

	<u>Property Class</u>					Total
	Agriculture	Residential	Condominium	Seasonal Residential	Commercial & Industrial	
Taxable Assessment	90,459,755	38,500,400			4,618,500	133,578,655
Regional Park Assessment						133,578,655
Total Assessment						133,578,655
Mill Rate Factor(s)						
Total Base/Minimum Tax (generated for each property class)						
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	814,105	220,640			41,127	1,075,872
Mill Rates:	Mills					
Average Municipal*	8.0542					
Average School*	2.3700					
Potash Mill Rate						
Uniform Municipal Mill Rate	9.0000					
Hamlet of Crystal Lake Mill Rate	5.0000					

*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 Keys No. 303
Schedule of Council Remuneration
For the year ended December 31, 2019

Schedule 10

Name	Remuneration	Mileage	Reimbursed Costs	Total
Garth Bates	10,260	4,544		14,804
Mark Hofer	5,325	2,946		8,271
Clinton Kraynick	5,438	1,256		6,694
Donald Kraynick	3,500	604		4,104
Wallace Butterfield	6,800	3,777		10,577
Lorne Gazdewich	5,400	1,569		6,969
Cal Statchuk	5,042	2,502		7,544
Brad Tarras	3,113	700		3,813
Don Olson	3,625	1,958		5,583
Howard Fox	4,313	17		4,330
Brad Tokoruk	1,000			1,000
	<u>53,816</u>	<u>19,873</u>	<u>0</u>	<u>73,689</u>
	\$	\$	\$	\$

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part of these financial statements.*