

RURAL MUNICIPALITY OF ELFROS #307

Auditor's Report

Financial Statements

December 31, 2020

MANAGEMENT'S RESPONSIBILITY

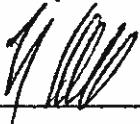
To the Ratepayers of
Rural Municipality of Elfros #307 :

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

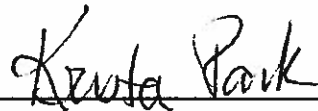
In discharging its responsibilities for the integrity and fair presentation of the financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately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

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



Reeve



Administrator



CHARTERED PROFESSIONAL ACCOUNTANTS

Bill Jensen, C.P.A. Prof. Corp.
Jeff Stromberg, C.P.A. Prof. Corp.

INDEPENDENT AUDITOR'S REPORT

To the Reeve and Council of Rural Municipality of Elfros #307

Report on the Financial Statements

Opinion

We have audited the financial statements of **Rural Municipality of Elfros #307**, which comprise the statement of financial position as at **December 31, 2020** and the statements of financial activities, changes in net financial assets, and changes in financial position for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for 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 Rural Municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

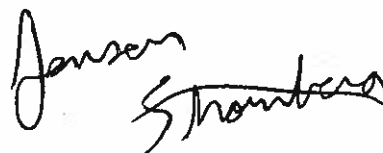
Auditor's Responsibility for the Audit of the Financial Statements

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 Rural Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Rural Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Rural Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Saskatoon, Saskatchewan
April 13, 2021

Chartered Professional Accountants

RURAL MUNICIPALITY OF ELFROS #307

Statement 1

STATEMENT OF FINANCIAL POSITION

December 31, 2020
with comparative figures for 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Financial assets:		
Cash and temporary investments (Note 2)	\$ 1,094,681	1,284,822
Taxes receivable - Municipal (Note 3)	88,880	104,780
Other accounts receivable (Note 4)	76,366	44,692
Land for re-sale (Note 5)	1,467	1,546
Long-term investments (Note 6)	74,760	70,489
Debt charges recoverable	-	-
Other	-	-
	1,336,154	1,506,329
<u>LIABILITIES</u>		
Bank indebtedness	-	-
Accounts payable	5,952	71,128
Accrued liabilities payable	-	-
Deposits	3,000	3,000
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	270	414
Long-term debt (Note 7)	-	-
Lease obligations	-	-
	9,222	74,542
NET FINANCIAL ASSETS (DEBT)	1,326,932	1,431,787
Non-financial assets:		
Tangible capital assets (Schedule 6, 7)	4,232,938	3,828,149
Prepaid and deferred charges	5,396	10,505
Stock and supplies	72,746	62,229
	4,311,080	3,900,883
Accumulated Surplus (Deficit) (Schedule 8)	\$ 5,638,012	5,332,670

APPROVED ON BEHALF OF COUNCIL:

_____ Reeve

_____ Councillor

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF ELFROS #307

Statement 2

STATEMENT OF FINANCIAL ACTIVITIES

Year ended December 31, 2020
with comparative figures for 2019

		<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Revenues:				
Taxes and other unconditional revenue	(Schedule 1)	\$ 1,323,530	1,349,962	1,303,569
Fees and charges	(Schedule 4, 5)	45,995	41,655	50,686
Conditional grants	(Schedule 4, 5)	97,024	90,808	42,507
Tangible capital asset sales - gain (loss)	(Schedule 4, 5)	-	-	2,714
Land sales - gain (loss)	(Schedule 4, 5)	-	525	1,350
Investment income and commissions	(Schedule 4, 5)	6,600	5,363	7,896
Restructurings	(Schedule 4, 5)	-	-	-
Other revenues	(Schedule 4, 5)	-	-	<u>1,990</u>
Total Revenues		<u>1,473,149</u>	<u>1,488,313</u>	<u>1,410,712</u>
Expenditures:				
General government services	(Schedule 3)	232,842	221,433	238,756
Protective services	(Schedule 3)	33,595	34,138	33,262
Transportation services	(Schedule 3)	1,586,557	899,482	811,482
Environmental and public health services	(Schedule 3)	28,948	28,899	34,680
Planning and development services	(Schedule 3)	-	-	-
Recreation and cultural services	(Schedule 3)	9,196	10,755	10,997
Utility services	(Schedule 3)	31,055	22,868	20,959
Restructurings	(Schedule 3)	-	-	-
Total Expenditures		<u>1,922,193</u>	<u>1,217,575</u>	<u>1,150,136</u>
Surplus (deficit) of revenues over expenditures before other capital contributions		<u>(449,044)</u>	<u>270,738</u>	<u>260,576</u>
Provincial/Federal capital grants and contributions	(Schedule 4, 5)	<u>23,069</u>	<u>34,604</u>	<u>54,198</u>
Surplus (deficit) of revenues over expenditures		<u>(425,975)</u>	<u>305,342</u>	<u>314,774</u>
Accumulated surplus (deficit), beginning of year		<u>5,332,670</u>	<u>5,332,670</u>	<u>5,017,896</u>
Accumulated surplus (deficit), end of year		<u>\$ 4,906,695</u>	<u>5,638,012</u>	<u>5,332,670</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF ELFROS #307

Statement 3

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Surplus (deficit)	\$ (425,975)	305,342	314,774
(Acquisition) of tangible capital assets	-	(608,285)	(343,158)
Amortization of tangible capital assets	-	203,496	241,133
Proceeds on disposal of tangible capital assets	-	-	7,715
Loss (gain) on disposal of tangible capital assets	-	-	(2,714)
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (deficit) of capital expenses over expenditures	-	(404,789)	(97,024)
(Acquisition) of supplies inventories	-	(56,013)	(18,560)
(Acquisition) of prepaid expenses	-	(5,146)	(10,506)
Consumption of supplies inventories	-	45,496	34,128
Use of prepaid expenses	-	10,255	872
Surplus (deficit) of expenses of other non-financial over expenditures	-	(5,408)	5,934
Increase (decrease) in Net Financial Assets	(425,975)	(104,855)	223,684
Net Financial Assets (Debt) - Beginning of the year	<u>1,431,787</u>	<u>1,431,787</u>	<u>1,208,103</u>
Net Financial Assets (Debt)- End of year	<u>\$ 1,005,812</u>	<u>1,326,932</u>	<u>1,431,787</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF ELFROS #307

Statement 4

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 2020
with comparative figures for 2019

Cash provided by (used in) the following activities:	<u>2020</u>	<u>2019</u>
Operating:		
Surplus (deficit)	\$ 305,342	314,774
Amortization	203,496	241,133
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>(2,714)</u>
	508,838	553,193
Change in assets/liabilities		
Taxes receivable - Municipal	15,901	193
Other accounts receivable	(31,674)	45,908
Land for re-sale	79	1,166
Other financial assets	-	-
Accounts and accrued liabilities payable	(65,177)	55,521
Deposits	-	-
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	(144)	(2,387)
Stock and supplies	(10,517)	15,568
Prepayments and deferred charges	5,109	(9,633)
Other	<u>-</u>	<u>-</u>
Net cash from operations	<u>422,415</u>	<u>659,529</u>
Capital:		
Acquisition of capital assets	(608,285)	(343,158)
Proceeds from the disposal of capital assets	-	7,715
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(608,285)</u>	<u>(335,443)</u>
Investing:		
Long-term investments	(4,271)	(6,473)
Other investments	<u>-</u>	<u>-</u>
Net cash used for investing	<u>(4,271)</u>	<u>(6,473)</u>
Financing activities:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	-	-
Other financing	<u>-</u>	<u>-</u>
Net cash from financing	<u>-</u>	<u>-</u>
Increase (decrease) in cash resources	(190,141)	317,613
Cash and temporary investments, beginning of year	<u>1,284,822</u>	<u>967,209</u>
Cash and temporary investments, end of year (Note 2)	<u>\$ 1,094,681</u>	<u>1,284,822</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF ELFROS #307

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) Reporting Entity

The financial statements consolidate the assets, liabilities and flow of resources of the Municipality. The entity is comprised of all organizations owned or controlled by the Municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

(c) 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 the relevant legislation. The amounts collected are disclosed in Note 3.

(d) Government Transfers

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

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

Unearned government transfer amounts received but not earned will be recorded as deferred revenue. Earned government transfer amounts not received will be recorded as an amount receivable.

(e) Deferred Revenue - Fees and Charges

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

(f) Local Improvement Charges

Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.

RURAL MUNICIPALITY OF ELFROS #307

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Net-Financial Assets

Net-financial assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.

(h) Non-Financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

(i) Appropriated Reserves

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

(j) Property Tax Revenue

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

(k) Investments

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment.

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

(l) Inventories

Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price of the inventory in the ordinary course of business.

RURAL MUNICIPALITY OF ELFROS #307

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Tangible Capital Assets

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

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land improvements	5 to 20 years
Buildings	10 to 50 years
Vehicles and equipment	
Vehicles	5 to 10 years
Machinery & Equipment	5 to 10 years
<i>Infrastructure Assets</i>	
Infrastructure assets	30 to 75 Years

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

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

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

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

(n) Landfill liability

The Rural Municipality of Elfros #307 does not maintain a waste disposal site. No amount has been recorded as an asset or liability.

RURAL MUNICIPALITY OF ELFROS #307

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

1. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

(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.

The Municipality does not have any contaminated sites.

(p) **Employee benefit plans**

Contributions to the municipality's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to its contributions.

(q) **Measurement Uncertainty**

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

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

The 'Opening asset costs' of tangible capital assets have been estimated where actual costs were not available. Amortization is based on the estimated useful lives of tangible capital assets.

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

(r) **Basis of Segmentation/Segment Report**

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

These segments (functions) are as follows:

General Government: The general government segment provides for the administration of the Municipality.

Protective Services: Protective services is comprised of expenses for Police and Fire protection.

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

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

RURAL MUNICIPALITY OF ELFROS #307

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Planning and Development: The planning and development segment provides for neighbourhood development and sustainability.

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

Utility Services: The utility services segment provides for the delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

2. CASH AND TEMPORARY INVESTMENTS

	<u>2020</u>	<u>2019</u>
Cash	\$ 407,111	847,252
Temporary investments	<u>687,570</u>	<u>437,570</u>
	<u>\$ 1,094,681</u>	<u>1,284,822</u>

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

3. TAXES AND GRANTS IN LIEU RECEIVABLE

	<u>2020</u>	<u>2019</u>
Municipal: - Current	\$ 55,412	88,946
- Arrears	<u>33,468</u>	<u>15,834</u>
	88,880	104,780
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Total municipal taxes receivable	<u>88,880</u>	<u>104,780</u>
School: - Current	9,369	13,589
- Arrears	<u>5,338</u>	<u>2,757</u>
Total school taxes receivable	<u>14,707</u>	<u>16,346</u>
Other: - Current	9,222	10,975
- Arrears	<u>-</u>	<u>-</u>
Total other collections receivable	<u>9,222</u>	<u>10,975</u>
Total taxes and grants in lieu receivable	112,809	132,101
Deduct taxes receivable to be collected on behalf of other organizations	<u>(23,929)</u>	<u>(27,321)</u>
Total taxes receivable - Municipal	<u>\$ 88,880</u>	<u>104,780</u>

RURAL MUNICIPALITY OF ELFROS #307

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

4. OTHER ACCOUNTS RECEIVABLE

	<u>2020</u>	<u>2019</u>
Federal government	\$ 38,675	29,849
Provincial government	-	-
Local government	-	-
Utility	-	-
Trade	37,691	14,843
Expense recovery (SJ Crushing)	<u>-</u>	<u>46,336</u>
Total other accounts receivable	76,366	91,028
Less: allowance for uncollectibles (SJ Crushing)	<u>-</u>	<u>(46,336)</u>
Net other accounts receivable	<u>\$ 76,366</u>	<u>44,692</u>

5. LAND FOR RESALE

	<u>2020</u>	<u>2019</u>
Tax title property	\$ 6,024	6,262
Less: - allowance for market value adjustment	<u>(4,557)</u>	<u>(4,716)</u>
Total land for resale	<u>\$ 1,467</u>	<u>1,546</u>

6. LONG-TERM INVESTMENTS

	<u>2020</u>	<u>2019</u>
Sask. Assoc. of Rural Municipalities - Self-insurance fund	\$ <u>74,760</u>	<u>70,489</u>

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

7. LONG-TERM DEBT

The authorized debt limit for the Municipality is \$1,060,306. The authorized debt limit for a Municipality is the total amount of the Municipality's own source revenues for the preceding year (the *Municipalities Act* section 161(1)). The incremental debt above the debt limit authorized in the *Municipalities Act* is approved by the Saskatchewan Municipal Board.

RURAL MUNICIPALITY OF ELFROS #307

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

8. 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.

9. PENSION PLAN

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality pension expense in 2020 was \$21,332 (2019 - \$20,112). The benefits accrued to the municipality's employees from MEPP are calculated using the following: pensionable years of service, highest average salary, and the plan accrual rate.

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

RURAL MUNICIPALITY OF ELFROS #307

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

10. RECENT ACCOUNTING PRONOUNCEMENTS

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

Standards Effective On Or After April 1, 2022

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

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

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

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

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

Standards Effective On Or After April 1, 2023

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

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

RURAL MUNICIPALITY OF ELFROS #307

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

11. BUDGET

The Financial Plan (Budget) adopted by Council on June 10, 2020 was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget expensed all tangible capital expenditures and included reserve transfers in revenue. As a result, the budget figures presented in the statements of operations and change in net financial assets include the following adjustments:

	<u>2020</u>
Budget net surplus	\$ 6,525
Transfer to reserves	<u>(432,500)</u>
Budget surplus per statement of operations	<u>\$ (425,975)</u>

RURAL MUNICIPALITY OF ELFROS #307

SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
TAXES			
General municipal tax levy	\$ 1,061,997	1,061,107	1,063,076
Abatements and adjustments	(2,750)	(1,792)	(3,527)
Discount on current year taxes	<u>(51,000)</u>	<u>(49,712)</u>	<u>(48,595)</u>
Net municipal taxes	1,008,247	1,009,603	1,010,954
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	9,100	10,502	8,981
Special tax levy	21,990	20,625	20,532
Other (Tax Enforcement Charges)	<u>1,500</u>	<u>1,976</u>	<u>973</u>
Total Taxes	<u>1,040,837</u>	<u>1,042,706</u>	<u>1,041,440</u>
UNCONDITIONAL GRANTS			
Revenue sharing	281,938	283,148	261,379
Organized Hamlet	-	-	-
Other (Safe Restart Program)	<u>-</u>	<u>23,325</u>	<u>-</u>
Total Unconditional Grants	<u>281,938</u>	<u>306,473</u>	<u>261,379</u>
GRANTS IN LIEU OF TAXES			
Federal	-	-	-
Provincial			
S.P.C. Electrical	-	-	-
Sask. Energy Gas	-	-	-
TransGas	375	408	375
Central Services	-	-	-
Sasktel	380	375	375
Other	-	-	-
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other	-	-	-
Other Government Transfers			
S.P.C. Surcharge	-	-	-
Sask Energy Surcharge	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Grants in Lieu of Taxes	<u>755</u>	<u>783</u>	<u>750</u>
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	<u>\$ 1,323,530</u>	<u>1,349,962</u>	<u>1,303,569</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF ELFROS #307

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ -	-	240
Sales of supplies	2,300	1,697	1,623
Other (Office & Admin Fees)	<u>33,215</u>	<u>33,066</u>	<u>37,794</u>
Total Fees and Charges	35,515	34,763	39,657
Tangible capital asset sales - gain (loss)	-	-	-
Land sales - gain (loss)	-	525	1,350
Investment income and commissions	6,600	5,363	7,896
Other (Insurance Proceeds)	-	-	1,990
Total other segmented revenue	<u>42,115</u>	<u>40,651</u>	<u>50,893</u>
Conditional Grants			
Student employment	-	-	-
Other (Asset management, rail safety)	<u>2,726</u>	<u>2,726</u>	<u>2,726</u>
Total Conditional Grants	<u>2,726</u>	<u>2,726</u>	<u>2,726</u>
Total Operating	<u>44,841</u>	<u>43,377</u>	<u>53,619</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Other (SARM internship)	-	-	1,667
Total Capital	<u>-</u>	<u>-</u>	<u>1,667</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total General Government Services	<u>44,841</u>	<u>43,377</u>	<u>55,286</u>
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other fire fees	-	-	1,050
Total Fees and Charges	<u>-</u>	<u>-</u>	<u>1,050</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	<u>-</u>	<u>-</u>	<u>1,050</u>
Conditional Grants			
Student employment	-	-	-
Provincial government	-	-	-
Other (Donations, training grant)	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>-</u>	<u>-</u>	<u>1,050</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Local government	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Protective Services	<u>-</u>	<u>-</u>	<u>1,050</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF ELFROS #307

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 2,000	2,460	2,100
Sales of supplies	-	-	-
Road Maintenance and Restoration Agreements	5,000	2,657	7,864
Other	25	-	-
Total Fees and Charges	<u>7,025</u>	<u>5,117</u>	<u>9,964</u>
Tangible capital asset sales - gain (loss)	-	-	2,714
Other	-	-	-
Total other segmented revenue	<u>7,025</u>	<u>5,117</u>	<u>12,678</u>
Conditional Grants			
Federal - Primary Weight Corridor	29,100	29,460	29,100
Student employment	-	-	-
Other (Municipal Economic Enhancement Program)	56,198	56,198	-
Total Conditional Grants	<u>85,298</u>	<u>85,658</u>	<u>29,100</u>
Total Operating	<u>92,323</u>	<u>90,775</u>	<u>41,778</u>
Capital			
Conditional Grants			
Federal Gas Tax	23,069	34,604	52,531
MREP (Heavy Haul, CTP, Municipal Bridges)	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>23,069</u>	<u>34,604</u>	<u>52,531</u>
Restructuring Revenue	-	-	-
Total Transportation Services	<u>115,392</u>	<u>125,379</u>	<u>94,309</u>
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Waste and Disposal Fees	180	-	-
Other	-	-	-
Total Fees and Charges	<u>180</u>	<u>-</u>	<u>-</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	<u>180</u>	<u>-</u>	<u>-</u>
Conditional Grants			
Student employment	-	-	-
TAPD	-	-	-
Provincial government	9,000	2,424	10,681
Other	-	-	-
Total Conditional Grants	<u>9,000</u>	<u>2,424</u>	<u>10,681</u>
Total Operating	<u>9,180</u>	<u>2,424</u>	<u>10,681</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
TAPD	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	-	-	-
Total Environmental and Public Health Services Services	<u>9,180</u>	<u>2,424</u>	<u>10,681</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF ELFROS #307

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Maintenance and Development Charges	\$ -	-	-
Other (Cost recoveries)	-	50	-
Total Fees and Charges	-	50	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	50	-
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	50	-
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Planning and Development Services	-	50	-
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other (centennial pins)	-	-	15
Total Fees and Charges	-	-	15
Tangible capital asset sales - gain (loss)	-	-	-
Other (Insurance proceeds)	-	-	-
Total other segmented revenue	-	-	15
Conditional Grants			
Student Employment	-	-	-
Provincial government	-	-	-
Donations	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	15
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Local government	-	-	-
Provincial Disaster Assistance	-	-	-
Other (Affinity CU, spray park donations)	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Recreation and Cultural Services	-	-	15

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF ELFROS #307

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Water	\$ 1,275	100	-
Sewer	2,000	1,625	-
Other	-	-	-
Total Fees and Charges	<u>3,275</u>	<u>1,725</u>	<u>-</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	<u>3,275</u>	<u>1,725</u>	<u>-</u>
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>3,275</u>	<u>1,725</u>	<u>-</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
New Building Canada Fund (SCF, NRP)	-	-	-
Clean Water and Wastewater Fund	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Services	<u>3,275</u>	<u>1,725</u>	<u>-</u>
 TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	 <u>\$ 172,688</u>	 <u>172,955</u>	 <u>161,341</u>
 SUMMARY			
Total Other Segmented Revenue	\$ 52,595	47,543	64,636
Total Conditional Grants	97,024	90,808	42,507
Total Capital Grants and Contributions	23,069	34,604	54,198
Restructuring Revenue	-	-	-
TOTAL REVENUE BY FUNCTION	<u>\$ 172,688</u>	<u>172,955</u>	<u>161,341</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF ELFROS #307

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 48,400	35,163	49,847
Wages and benefits	94,500	99,906	121,920
Professional/Contractual services	53,022	46,354	41,139
Utilities	4,960	4,767	4,660
Maintenance, materials, and supplies	18,500	23,563	11,907
Grants and contributions	300	1,350	540
-operating			
-capital	-	-	-
Amortization	9,960	6,759	7,078
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other (Christmas Gathering & Election)	3,200	3,571	1,665
General Government Services	<u>232,842</u>	<u>221,433</u>	<u>238,756</u>
Restructuring	-	-	-
Total General Government Services	<u>232,842</u>	<u>221,433</u>	<u>238,756</u>
PROTECTIVE SERVICES			
Police protection			
Wages and benefits	-	-	-
Professional/Contractual services	18,385	18,932	18,378
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating			
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Fire protection			
Wages and benefits	-	-	-
Professional/Contractual services	15,210	15,206	14,884
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating			
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Protective Services	<u>33,595</u>	<u>34,138</u>	<u>33,262</u>
Restructuring	-	-	-
Total Protective Services	<u>33,595</u>	<u>34,138</u>	<u>33,262</u>
TRANSPORTATION SERVICES			
Council remuneration and travel	23,600	23,693	25,511
Wages and benefits	280,600	262,562	215,708
Professional/Contractual services	370,180	208,690	135,926
Utilities	11,460	10,468	10,352
Maintenance, materials, and supplies	171,270	125,972	129,148
Gravel	49,300	72,950	63,377
Grants and contributions	-	-	-
-operating			
-capital	-	-	-
Amortization	679,913	194,913	231,231
Interest	-	-	-
Other (Radio License)	234	234	229
Transportation Services	<u>1,586,557</u>	<u>899,482</u>	<u>811,482</u>
Restructuring	-	-	-
Total Transportation Services	<u>1,586,557</u>	<u>899,482</u>	<u>811,482</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF ELFROS #307

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	24,748	25,649	24,451
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating	-	-	-
Waste disposal	-	-	-
Public health	4,200	3,250	10,229
-capital	-	-	-
Waste disposal	-	-	-
Public health	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Environmental and Public Health Services	<u>28,948</u>	<u>28,899</u>	<u>34,680</u>
Restructuring	-	-	-
Total Environmental and Public Health Services	<u>28,948</u>	<u>28,899</u>	<u>34,680</u>
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	-	-	-
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Planning and Development Services	-	-	-
Restructuring	-	-	-
Total Planning and Development Services	-	-	-
RECREATION AND CULTURAL SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	530	536	526
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating	8,666	10,219	10,471
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other	-	-	-
Recreation and Cultural Services	<u>9,196</u>	<u>10,755</u>	<u>10,997</u>
Restructuring	-	-	-
Total Recreation and Cultural Services	<u>9,196</u>	<u>10,755</u>	<u>10,997</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF ELFROS #307

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
UTILITY SERVICES			
Wages and benefits	75	-	73
Professional/Contractual services	12,250	11,204	11,403
Utilities	1,600	1,397	1,585
Maintenance, materials, and supplies	14,306	8,443	5,074
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	2,824	1,824	2,824
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other	-	-	-
Utility Services	<u>31,055</u>	<u>22,868</u>	<u>20,959</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Services	<u>31,055</u>	<u>22,868</u>	<u>20,959</u>
TOTAL EXPENDITURES BY FUNCTION	<u>\$ 1,922,193</u>	<u>1,217,575</u>	<u>1,150,136</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF ELFROS #307
SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
Year ended December 31, 2020

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and charges	\$ 34,763	-	5,117	-	50	-	1,725	41,655
Tangible capital asset sales - Gain (loss)	-	-	-	-	-	-	-	-
Land sales - Gain (loss)	525	-	-	-	-	-	-	525
Investment income and commissions	5,363	-	-	-	-	-	-	5,363
Other revenues	-	-	-	-	-	-	-	-
Grants - Conditional	2,726	-	85,658	2,424	-	-	-	90,808
Grants - Capital	-	-	34,604	-	-	-	-	34,604
Restructurings	-	-	-	-	-	-	-	-
Total revenues	<u>43,377</u>	<u>-</u>	<u>125,379</u>	<u>2,424</u>	<u>50</u>	<u>-</u>	<u>1,725</u>	<u>172,955</u>
Expenses (Schedule 3)								
Wages & Benefits	135,069	-	286,255	-	-	-	-	421,324
Professional/Contractual Services	46,354	34,138	208,690	25,649	-	536	11,204	326,571
Utilities	4,767	-	10,468	-	-	-	1,397	16,632
Maintenance, materials and supplies	23,563	-	198,922	-	-	-	8,443	230,928
Grants and contributions	1,350	-	-	3,250	-	10,219	-	14,819
Amortization	6,759	-	194,913	-	-	-	1,824	203,496
Interest	-	-	-	-	-	-	-	-
Allowance for uncollectibles.	-	-	-	-	-	-	-	-
Other	3,571	-	234	-	-	-	-	3,805
Restructurings	-	-	-	-	-	-	-	-
Total expenses	<u>221,433</u>	<u>34,138</u>	<u>899,482</u>	<u>28,899</u>	<u>-</u>	<u>10,755</u>	<u>22,868</u>	<u>1,217,575</u>
Surplus (deficit) by function	(178,056)	(34,138)	(774,103)	(26,475)	50	(10,755)	(21,143)	(1,044,620)
Taxation and other unconditional revenue (Schedule 1)	-	-	-	-	-	-	-	<u>1,349,962</u>
Net Surplus (Deficit)	-	-	-	-	-	-	-	<u>\$ 305,342</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF ELFROS #307
SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
Year ended December 31, 2019

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and charges	\$ 39,657	1,050	9,964	-	-	15	-	50,686
Tangible capital asset sales - Gain (loss)	-	-	2,714	-	-	-	-	2,714
Land sales - Gain (loss)	1,350	-	-	-	-	-	-	1,350
Investment income and commissions	7,896	-	-	-	-	-	-	7,896
Other revenues	1,990	-	-	-	-	-	-	1,990
Grants - Conditional	2,726	-	29,100	10,681	-	-	-	42,507
Grants - Capital	1,667	-	52,531	-	-	-	-	54,198
Restructurings	-	-	-	-	-	-	-	-
Total revenues	<u>55,286</u>	<u>1,050</u>	<u>94,309</u>	<u>10,681</u>	<u>-</u>	<u>15</u>	<u>-</u>	<u>161,341</u>
Expenses (Schedule 3)								
Wages & Benefits	171,767	-	241,219	-	-	-	73	413,059
Professional/Contractual Services	41,139	33,262	135,926	24,451	-	526	11,403	246,707
Utilities	4,660	-	10,352	-	-	-	1,585	16,597
Maintenance, materials and supplies	11,907	-	192,525	-	-	-	5,074	209,506
Grants and contributions	540	-	-	10,229	-	10,471	-	21,240
Amortization	7,078	-	231,231	-	-	-	2,824	241,133
Interest	-	-	-	-	-	-	-	-
Allowance for uncollectibles.	-	-	-	-	-	-	-	-
Other	1,665	-	229	-	-	-	-	1,894
Restructurings	-	-	-	-	-	-	-	-
Total expenses	<u>238,756</u>	<u>33,262</u>	<u>811,482</u>	<u>34,680</u>	<u>-</u>	<u>10,997</u>	<u>20,959</u>	<u>1,150,136</u>
Surplus (deficit) by function	(183,470)	(32,212)	(717,173)	(23,999)	-	(10,982)	(20,959)	(988,795)
Taxation and other unconditional revenue (Schedule 1)								<u>1,303,569</u>
Net Surplus (Deficit)								<u>\$ 314,774</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF ELFROS #307
SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

Year ended December 31, 2020
with comparative figures for 2019

	2020							2019	
	General Assets				Infrastructure Assets	General / Infrastructure Assets Under Construction	Total	Total	
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
Asset cost									
Opening asset costs	\$ 8,411	-	182,653	27,869	1,344,877	5,819,098	307,309	7,690,217	7,383,948
Additions during the year	-	-	-	-	191,500	724,094	(307,309)	608,285	343,158
Disposals and write-downs during the year	-	-	-	-	-	-	-	-	(36,889)
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing asset costs	<u>8,411</u>	<u>-</u>	<u>182,653</u>	<u>27,869</u>	<u>1,536,377</u>	<u>6,543,192</u>	<u>-</u>	<u>8,298,502</u>	<u>7,690,217</u>
Accumulated amortization cost									
Opening accumulated amortization costs	-	-	100,530	13,722	743,361	3,004,455	-	3,862,068	3,652,823
Add: Amortization taken	-	-	5,599	2,287	77,309	118,301	-	203,496	241,133
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	-	(31,888)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	<u>-</u>	<u>-</u>	<u>106,129</u>	<u>16,009</u>	<u>820,670</u>	<u>3,122,756</u>	<u>-</u>	<u>4,065,564</u>	<u>3,862,068</u>
Net book value	<u>\$ 8,411</u>	<u>-</u>	<u>76,524</u>	<u>11,860</u>	<u>715,707</u>	<u>3,420,436</u>	<u>-</u>	<u>4,232,938</u>	<u>3,828,149</u>

- 1. Total contributed/donated assets received in 2020: \$ -
- 2. List of assets recognized at nominal value in 2020 are:
 - Infrastructure Assets \$ -
 - Vehicles \$ -
 - Machinery and Equipment \$ -
- 3. Amount of interest capitalized in 2020: \$ -

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF ELFROS #307
SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION

Year ended December 31, 2020
with comparative figures for 2019

	2020							2019	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
Asset cost									
Opening asset costs	\$ 219,475	-	7,186,639	-	-	-	284,103	7,690,217	7,383,948
Additions during the year	3,196	-	602,885	-	-	-	2,204	608,285	343,158
Disposals and write-downs during the year	-	-	-	-	-	-	-	-	(36,889)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing asset costs	<u>222,671</u>	<u>-</u>	<u>7,789,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>286,307</u>	<u>8,298,502</u>	<u>7,690,217</u>
Accumulated amortization cost									
Opening accumulated amortization costs	124,296	-	3,468,831	-	-	-	268,941	3,862,068	3,652,823
Add: Amortization taken	6,759	-	194,913	-	-	-	1,824	203,496	241,133
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	-	(31,888)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	<u>131,055</u>	<u>-</u>	<u>3,663,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>270,765</u>	<u>4,065,564</u>	<u>3,862,068</u>
Net book value	<u>\$ 91,616</u>	<u>-</u>	<u>4,125,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,542</u>	<u>4,232,938</u>	<u>3,828,149</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF ELFROS #307

SCHEDULE OF ACCUMULATED SURPLUS

Year ended December 31, 2020

	<u>2019</u>	<u>Changes</u>	<u>2020</u>
UNAPPROPRIATED SURPLUS	\$ <u>700,181</u>	<u>(101,947)</u>	<u>598,234</u>
APPROPRIATED RESERVES			
Machinery and equipment	475,570	-	475,570
Public reserve	-	-	-
Capital trust	-	-	-
Utility	19,291	2,500	21,791
Other	<u>287,259</u>	<u>-</u>	<u>287,259</u>
Total Appropriated	<u>782,120</u>	<u>2,500</u>	<u>784,620</u>
ORGANIZED HAMLETS			
Hamlet of Mozart	19,202	-	19,202
Hamlet of Leslie	<u>3,018</u>	<u>-</u>	<u>3,018</u>
Total Hamlets	22,220	-	22,220
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	3,828,149	404,789	4,232,938
Less: Related debt	<u>-</u>	<u>-</u>	<u>-</u>
Net Investment in Tangible Capital Assets	<u>3,828,149</u>	<u>404,789</u>	<u>4,232,938</u>
Total Accumulated Surplus	<u>\$ 5,332,670</u>	<u>305,342</u>	<u>5,638,012</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF ELFROS #307

SCHEDULE OF MILL RATES AND ASSESSMENTS

Year ended December 31, 2020
with comparative figures for 2019

	PROPERTY CLASS						Total
	<u>Agriculture</u>	<u>Residential</u>	<u>Residential Condominium</u>	<u>Seasonal Residential</u>	<u>Commercial & Industrial</u>	<u>Potash Mine(s)</u>	
Taxable Assessment	\$ 93,346,550	6,602,185	-	-	6,945,600	-	\$ 106,894,335
Regional Park Assessment							-
Total Assessment							\$ 106,894,335
Mill Rate Factor(s)	1.2000	0.8900	1.0000	1.0000	1.5000		
Total Base/Minimum Tax (generated for each property class)	<u>1,000</u>	<u>6,266</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>7,266</u>
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ <u>918,211</u>	<u>57,007</u>	<u>-</u>	<u>-</u>	<u>85,889</u>		<u>1,061,107</u>

<u>MILL RATES:</u>	<u>MILLS</u>
Average Municipal*	9.927
Average School*	1.920
Potash Mill Rate	-
Uniform Municipal Mill Rate	8.200

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

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF ELFROS #307

SCHEDULE OF COUNCIL REMUNERATION

Year ended December 31, 2020
with comparative figures for 2019

Position	Name	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Reeve	Michael Yaskowich	\$ 8,100	1,923	10,023
Reeve	Norman Hall	450	60	510
Councillor	Adam Stephanson	754	113	867
Councillor	Barry Magnuson	4,936	1,133	6,069
Councillor	Barry Syrota	6,400	1,230	7,630
Councillor	Brenda Zemluk	5,400	1,025	6,425
Councillor	Danny Burko	754	146	900
Councillor	Kevin Arngrimson	5,076	913	5,989
Councillor	Kristjan Thordarson	5,600	1,166	6,766
Councillor	Sam McLennan	6,100	1,308	7,408
Total		<u>\$ 43,570</u>	<u>9,017</u>	<u>52,587</u>

See accompanying notes to the financial statements.