

**R. M. of Invermay No. 305**

**FINANCIAL STATEMENTS**

**Year Ended December 31, 2020**

## **R. M. of Invermay No. 305**

Invermay, Saskatchewan  
December 31, 2020

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### **Table of Contents**

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

### **Management's Responsibility**


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

In discharging its responsibilities for the integrity and fair presentation of the financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are properly maintained to provide reliable information for the preparation of the financial statements.

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

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

  
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Reeve

  
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Administrator

## **Independent Auditors' Report**

To the Council  
R. M. of Invermay No. 305

### *Opinion*

We have audited the financial statements of R. M. of Invermay No. 305, (the municipality), which comprise the Statement of Financial Position as at December 31, 2020 and the Statements of Operations, Changes in Net Financial Assets and Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

### *Basis for Opinion*

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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



### *Auditors' Responsibilities for the Audit of the Financial Statements*

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Baker Tilly SK LLP**

*Baker Tilly SK LLP*

Yorkton, SK  
March 10, 2021

**R. M. of Invermay No. 305**

Invermay, Saskatchewan

Statement 1

Statement of Financial Position as at December 31, 2020

	2020	2019
<b>Assets</b>		
<b>Financial Assets</b>		
Cash and temporary investments - note 2	1,780,571	1,502,097
Taxes receivable - municipal - note 3	25,672	35,179
Other accounts receivable - note 4	45,583	57,707
Long-term investments - note 6	38,255	36,913
<b>Total Financial Assets</b>	<u>1,890,081</u>	<u>1,631,896</u>
<b>Liabilities</b>		
Accounts payable	22	190,194
Deferred revenue - note 8	10,750	
RM share of accrued landfill costs - note 9	114,286	38,095
<b>Total Liabilities</b>	<u>125,058</u>	<u>228,289</u>
<b>Net Financial Assets</b>	<u>1,765,023</u>	<u>1,403,607</u>
<b>Non-Financial Assets</b>		
Tangible capital assets - schedules 6 and 7	2,815,617	3,013,718
Prepayments and deferred charges	283	283
Stock and supplies - note 5	154,670	255,254
<b>Total Non-Financial Assets</b>	<u>2,970,570</u>	<u>3,269,255</u>
<b>Accumulated Surplus - schedule 8</b>	<u>\$ 4,735,593</u>	<u>\$ 4,672,862</u>

Approved on behalf of the council:

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Reeve

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Councillor

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

**R. M. of Invermay No. 305**  
Statement of Operations  
For the year ended December 31, 2020

Statement 2

	<b>2020 Budget (Note 1(r))</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
<b>Revenues</b>			
Taxes and other unconditional revenue - schedule 1	1,091,400	1,105,390	1,045,039
Fees and charges - schedules 4 and 5	44,130	40,758	40,683
Conditional grants - schedules 4 and 5	21,270	54,552	25,444
Tangible capital asset sales - gain - schedules 4 and 5			( 101,370)
Investment income and commissions - schedules 4 and 5	13,080	9,502	13,086
<b>Total Revenue</b>	<u>1,169,880</u>	<u>1,210,202</u>	<u>1,022,882</u>
<b>Expenses - schedule 3</b>			
General government services	158,402	157,377	159,473
Protective services	19,310	21,284	20,313
Transportation services	579,910	865,761	995,497
Environmental and public health services	120,800	115,815	44,925
Planning and development services	10,067	10,067	9,245
Recreation and cultural services	6,700	5,928	6,590
<b>Total Expenses</b>	<u>895,189</u>	<u>1,176,232</u>	<u>1,236,043</u>
<b>Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions</b>	274,691	33,970	( 213,161)
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>19,180</u>	<u>28,763</u>	<u>41,284</u>
<b>Surplus (Deficit) of Revenue over Expenses</b>	293,871	62,733	( 171,877)
<b>Accumulated Surplus, Beginning of Year</b>	<u>4,672,862</u>	<u>4,672,862</u>	<u>4,844,739</u>
<b>Accumulated Surplus, End of Year</b>	<u>\$ 4,966,733</u>	<u>\$ 4,735,595</u>	<u>\$ 4,672,862</u>

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

**R. M. of Invermay No. 305**  
Statement of Change in Net Financial Assets  
For the year ended December 31, 2020

Statement 3

	<b>2020 Budget (Note 1(r))</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
<b>Surplus (Deficit)</b>	<u>293,871</u>	<u>62,733</u>	<u>( 171,877)</u>
(Acquisition) of tangible capital assets		( 28,145)	( 582,172)
Amortization of tangible capital assets		226,246	214,389
Proceeds on disposal of tangible capital assets			209,000
Loss on the disposal of tangible capital assets			<u>101,370</u>
<b>Surplus (Deficit) of Capital Expenses over Expenditures</b>	<u>0</u>	<u>198,101</u>	<u>( 57,413)</u>
(Acquisition) of supplies inventories			( 26,974)
Consumption of supplies inventory		<u>100,582</u>	
<b>Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures</b>	<u>0</u>	<u>100,582</u>	<u>( 26,974)</u>
<b>Increase (Decrease) in Net Financial Assets</b>	293,871	361,416	( 256,264)
Net Financial Assets, beginning of year	<u>1,403,607</u>	<u>1,403,607</u>	<u>1,659,871</u>
<b>Net Financial Assets, End of Year</b>	<u>\$ 1,697,478</u>	<u>\$ 1,765,023</u>	<u>\$ 1,403,607</u>

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



**R. M. of Invermay No. 305**  
Statement of Cash Flow  
For the year ended December 31, 2020

Statement 4

	2020	2019
<b>Cash Provided by (used for) the Following Activities</b>		
<b>Operating:</b>		
<b>Surplus (Deficit)</b>	62,733	( 171,877)
Amortization	226,246	214,389
Loss on disposal of tangible capital assets	<u>          </u>	<u>101,370</u>
	288,979	143,882
<b>Change in Assets/Liabilities</b>		
Taxes receivable - municipal	9,507	( 4,818)
Other receivables	12,125	( 21,696)
Accounts payable and accrued liabilities	( 190,174)	189,857
Utility deposits		( 828)
Deferred revenue	10,750	
Other liabilities	76,190	
Stock and supplies for use	<u>100,584</u>	<u>( 26,975)</u>
<b>Cash Provided by Operating Transactions</b>	<u>307,961</u>	<u>279,422</u>
<b>Capital:</b>		
Acquisition of capital assets	( 28,145)	( 582,172)
Proceeds from the disposal of capital assets		<u>209,000</u>
<b>Cash Applied to Capital Transactions</b>	<u>( 28,145)</u>	<u>( 373,172)</u>
<b>Investing:</b>		
Additions to long-term investments	<u>( 1,342)</u>	<u>( 1,663)</u>
<b>Change in Cash and Temporary Investments During the Year</b>	278,474	( 95,413)
Cash and temporary investments, beginning of year	<u>1,502,097</u>	<u>1,597,510</u>
<b>Cash and Temporary Investments, End of Year</b>	<u>\$ 1,780,571</u>	<u>\$ 1,502,097</u>

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

**1. Significant Accounting Policies**

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

**(a) Basis of accounting**

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

**(b) Collection of funds for other authorities**

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

**(c) Government transfers**

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

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

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

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

**(d) Deferred revenue - fees and charges**

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

**(e) Net financial assets**

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

**R. M. of Invermay No. 305**  
Notes to Financial Statements  
For the year ended December 31, 2020

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**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) Investments

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with maturity dates longer than one year from the date of the Statement of Financial Position have been classified as other long-term investments concurrent with the nature of the investment. The long-term investments in the Saskatchewan Association of Rural Municipalities Self-Insurance Fund are accounted for on the equity basis.

(h) Stock and Supplies

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.

(i) 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:

<b>Assets</b>	<b>Useful Life</b>
General Assets	
Land	Indefinite
Land improvements	15 years
Buildings	40 years
Vehicles	10 years
Machinery and equipment	5 to 20 years
Linear assets	15 to 40 years

(j) 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.

**R. M. of Invermay No. 305**  
Notes to Financial Statements  
For the year ended December 31, 2020

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**1. Significant Accounting Policies - continued**

**(k) Works of art**

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.

**(l) Capitalization of interest**

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

**(m) Leases**

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

**(n) Employee benefit plans**

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

**(o) Revenue**

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

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

**R. M. of Invermay No. 305**  
Notes to Financial Statements  
For the year ended December 31, 2020

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**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 May 13, 2020.

**R. M. of Invermay No. 305**  
Notes to Financial Statements  
For the year ended December 31, 2020

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**1. Significant Accounting Policies - continued**

(s) New standards and amendments to standards

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

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

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

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

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

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

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

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

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

**R. M. of Invermay No. 305**  
Notes to Financial Statements  
For the year ended December 31, 2020

	2020	2019
<b>2. Cash and Temporary Investments</b>		
Cash	1,780,566	1,498,703
Temporary investments	<u>5</u>	<u>3,394</u>
<b>Total Cash and Temporary Investments</b>	<b><u>\$ 1,780,571</u></b>	<b><u>\$ 1,502,097</u></b>

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

	2020	2019
<b>3. Taxes and Grants In Lieu Receivable</b>		
Municipal - current	25,481	35,058
Municipal - arrears	<u>191</u>	<u>121</u>
	25,672	35,179
Less: Allowance for uncollectibles	<u>0</u>	<u>0</u>
Total municipal taxes receivable	<u>25,672</u>	<u>35,179</u>
School - current	5,012	6,886
School - arrears	<u>44</u>	<u>41</u>
Total school taxes receivable	<u>5,056</u>	<u>6,927</u>
Other	<u>1,339</u>	<u>15,695</u>
Total taxes and grants in lieu receivable	32,067	57,801
Less: Taxes receivable to be collected on behalf of other organizations	<u>6,395</u>	<u>22,622</u>
<b>Municipal and Grants In Lieu Taxes Receivable</b>	<b><u>\$ 25,672</u></b>	<b><u>\$ 35,179</u></b>

<b>4. Other Accounts Receivable</b>		
Federal government	16,504	43,075
Provincial government	19,705	5,930
Trade	<u>9,374</u>	<u>8,702</u>
<b>Net Other Accounts Receivable</b>	<b><u>\$ 45,583</u></b>	<b><u>\$ 57,707</u></b>

**5. Stock and Supplies**

Stock and supplies are comprised of the following:

Gravel	129,857	234,252
Stock and Supplies	<u>24,813</u>	<u>21,002</u>
	<b><u>\$ 154,670</u></b>	<b><u>\$ 255,254</u></b>

**R. M. of Invermay No. 305**  
Notes to Financial Statements  
For the year ended December 31, 2020

	2020	2019
<b>6. Long-Term Investments</b>		
Sask. Rural Municipalities Assoc. - Self-Insurance Fund	30,755	29,413
Co-operative Equity	<u>7,500</u>	<u>7,500</u>
	<u>\$ 38,255</u>	<u>\$ 36,913</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 \$200,000 (2019 - \$200,000) and bearing interest at 4.70%. Assets pledged as collateral are taxes receivable.

**8. Deferred Revenue**

	Balance, Beginning of Year	Plus Amount Received	Less Amount Recognized	Balance, End of Year
Municipal Economic Enhancement	\$ <u>0</u>	\$ <u>46,712</u>	\$ <u>35,962</u>	\$ <u>10,750</u>

	2020	2019
<b>9. Accrued Landfill Costs</b>		
RM share of accrued landfill costs	<u>\$ 114,286</u>	<u>\$ 38,095</u>

In 2020, the municipality has accrued an overall liability for environmental matters in the amount of \$114,286 (2019 - \$38,095) which represents management's best estimate of this liability. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Included in environmental liabilities is \$114,286 (2019 - \$38,095) of the estimated total landfill closure and post-closure care expenses. The estimated liability for these expenses is recognized as the landfill site's capacity is used and the reported liability represents the portion of the estimated total expenses recognized as at December 31, 2020 based on the cumulative capacity used at that date, compared to the total estimated landfill capacity. Estimated total expenditures represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at the municipality's average long-term borrowing rate of 5% (2019 - 5%).

Landfill closure and post-closure care requirements have been defined in accordance with The Environmental Management and Protection Act and include final covering and landscaping of the landfill, pumping of ground water, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a period of time using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.



**R. M. of Invermay No. 305**  
Notes to Financial Statements  
For the year ended December 31, 2020

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**9. Accrued Landfill Costs - continued**

Landfill closure and post-closure care requirements have been defined in accordance with The Environmental Act and include final covering and landscaping of the landfill, pumping of ground water, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events over a future time period using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The site is currently inactive.

**10. Long-Term Debt**

The debt limit of the municipality for 2021 is \$804,095. 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).

**11. Employee Benefit Plans**

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

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

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

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

	<b>2020</b>	<b>2019</b>
General members	9.00 %	9.00 %
Designated members	12.50 %	12.50 %

Contributions to the plan during the year were as follows:

Benefit expense	\$ 21,347	\$ 25,619
-----------------	-----------	-----------

As per the most recently audited financial statements dated December 31, 2019, the plan surplus is \$658,468,000.

**12. Contingent Liabilities**

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

The municipality is a member of the Parkland Regional Waste Management Authority ("PRWMA"). PRWMA is governed by the Department of Saskatchewan Environment and Resource Management (SERM) and is responsible for the waste collection, landfill operations and future site restoration costs of its landfills. The municipality participates in PRWMA in the form of a levy, based on the operations of PRWMA and is, therefore, contingently liable, in the form of increased levies, for underlying liabilities and expenses related to landfill closure costs of PRWMA.

**13. Impact of COVID-19**

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 Invermay No. 305**Schedule of Taxes and Other Unconditional Revenue  
For the year ended December 31, 2020

Schedule 1

	<b>2020 Budget (Note 1(r))</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
<b>Taxes</b>			
General municipal tax levy	785,890	785,890	786,193
Abatements and adjustments		( 569)	
Discount on current year taxes	( 26,620)	( 31,486)	( 26,622)
Net municipal taxes	<u>759,270</u>	<u>753,835</u>	<u>759,571</u>
Penalties on tax arrears	<u>1,080</u>	<u>1,019</u>	<u>1,077</u>
<b>Total Taxes</b>	<u>760,350</u>	<u>754,854</u>	<u>760,648</u>
<b>Unconditional Grants</b>			
Equalization (revenue sharing)	323,830	323,930	277,173
Safe Restart		<u>19,388</u>	
<b>Total Unconditional Grants</b>	<u>323,830</u>	<u>343,318</u>	<u>277,173</u>
<b>Grants In Lieu of Taxes</b>			
Federal	7,220	194	194
Provincial			
SERM		4,476	4,476
SaskTel		<u>2,548</u>	<u>2,548</u>
<b>Total Grants In Lieu of Taxes</b>	<u>7,220</u>	<u>7,218</u>	<u>7,218</u>
<b>Total Taxes and Other Unconditional Revenue</b>	<u>\$ 1,091,400</u>	<u>\$ 1,105,390</u>	<u>\$ 1,045,039</u>

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

**R. M. of Invermay No. 305**Schedule of Operating and Capital Revenue by Function  
For the year ended December 31, 2020

Schedule 2-1

	<b>2020 Budget (Note 1(r))</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
<b>General Government Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges			
Custom work	1,000	900	721
Other	1,780	1,333	1,775
Total Fees and Charges	2,780	2,233	2,496
Investment income and commissions	13,080	9,502	13,086
Total Other Segmented Revenue	15,860	11,735	15,582
<b>Total General Government Services</b>	<b>\$ 15,860</b>	<b>\$ 11,735</b>	<b>\$ 15,582</b>
<b>Transportation Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges			
Custom work	4,840	2,215	4,837
Licenses and permits	800	600	200
Road maintenance and restoration agreement	35,710	35,710	33,150
Total Fees and Charges	41,350	38,525	38,187
Tangible capital asset sales - gain (loss)			( 101,370)
Total Other Segmented Revenue	41,350	38,525	( 63,183)
Conditional Grants			
Primary Weight Corridor	15,000	14,840	15,000
Municipal Economic Enhancement		35,962	
Total Conditional Grants	15,000	50,802	15,000
<b>Total Operating</b>	<b>56,350</b>	<b>89,327</b>	<b>( 48,183)</b>
<b>Capital</b>			
Conditional Grants			
Gas tax	19,180	28,763	41,284
<b>Total Capital</b>	<b>19,180</b>	<b>28,763</b>	<b>41,284</b>
<b>Total Transportation Services</b>	<b>\$ 75,530</b>	<b>\$ 118,090</b>	<b>\$ ( 6,899)</b>

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part of these financial statements.*

**R. M. of Invermay No. 305**Schedule of Operating and Capital Revenue by Function  
For the year ended December 31, 2020

Schedule 2-2

	<b>2020 Budget (Note 1(r))</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
<b>Environmental and Public Health Services</b>			
Conditional Grants			
Provincial Rat Eradication Program	6,000	3,000	10,174
Beaver Control Program	270	750	270
Total Conditional Grants	<u>6,270</u>	<u>3,750</u>	<u>10,444</u>
<b>Total Environmental and Public Health Services</b>	<u>\$ 6,270</u>	<u>\$ 3,750</u>	<u>\$ 10,444</u>
<b>Total Operating and Capital Revenue by Function</b>	<u>\$ 97,660</u>	<u>\$ 133,575</u>	<u>\$ 19,127</u>
<b>Summary</b>			
Total Other Segmented Revenue	57,210	50,260	( 47,601)
Total Conditional Grants	21,270	54,552	25,444
Total Capital Grants and Contributions	<u>19,180</u>	<u>28,763</u>	<u>41,284</u>
<b>Total Operating and Capital Revenue by Function</b>	<u>\$ 97,660</u>	<u>\$ 133,575</u>	<u>\$ 19,127</u>

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**R. M. of Invermay No. 305**  
Total Expenses by Function  
For the year ended December 31, 2020

Schedule 3-1

	<b>2020 Budget (Note 1(r))</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
<b>General Government Services</b>			
Council remuneration and travel	23,639	21,229	25,534
Wages and benefits	74,338	74,202	72,671
Professional/Contractual services	32,965	30,951	33,072
Utilities	5,810	5,767	5,386
Maintenance, materials and supplies	10,270	12,682	10,078
Insurance	11,350	12,521	12,707
Interest	30	25	25
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total General Government Services</b>	<b>\$ 158,402</b>	<b>\$ 157,377</b>	<b>\$ 159,473</b>
<b>Protective Services</b>			
Police protection			
Professional/Contractual services	15,310	15,854	15,310
Fire protection			
Professional/Contractual services	4,000	4,427	4,000
Amortization		1,003	1,003
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Protective Services</b>	<b>\$ 19,310</b>	<b>\$ 21,284</b>	<b>\$ 20,313</b>
<b>Transportation Services</b>			
Council remuneration and travel	3,470	4,196	2,701
Wages and benefits	252,860	218,630	269,398
Professional/Contractual services	45,390	59,788	159,759
Utilities	5,310	5,242	5,294
Maintenance, materials and supplies	122,880	90,755	115,267
Gravel	150,000	261,907	229,692
Amortization		225,243	213,386
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Transportation Services</b>	<b>\$ 579,910</b>	<b>\$ 865,761</b>	<b>\$ 995,497</b>
<b>Environmental and Public Health Services</b>			
Professional/Contractual services	44,600	39,625	43,105
Other	76,200	76,190	1,820
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Environmental and Public Health Services</b>	<b>\$ 120,800</b>	<b>\$ 115,815</b>	<b>\$ 44,925</b>
<b>Planning and Development Services</b>			
Grants and contributions - operating	10,067	10,067	9,245
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Recreation and Cultural Services</b>			
Libraries	5,500	5,528	5,390
Grants and contributions - operating	1,200	400	1,200
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Recreation and Cultural Services</b>	<b>\$ 6,700</b>	<b>\$ 5,928</b>	<b>\$ 6,590</b>
<b>Total Expenses by Function</b>	<b>\$ 895,189</b>	<b>\$ 1,176,232</b>	<b>\$ 1,236,043</b>

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part of these financial statements.*

**R. M. of Invermay No. 305**  
Schedule of Segment Disclosure by Function  
For the year ended December 31, 2020

Schedule 4

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
<b>Revenues - schedule 2</b>								
Fees and charges	2,233		38,525					40,758
Investment income and commissions	9,502							9,502
Grants - conditional			50,802	3,750				54,552
Grants - capital			28,763					28,763
Total Revenues	11,735	0	118,090	3,750	0	0	0	133,575
<b>Expenses - schedule 3</b>								
Wages and benefits	74,202		218,630					292,832
Professional/contractual services	52,180	20,281	63,984	39,625				176,070
Utilities	5,767		5,242					11,009
Maintenance materials and supplies	12,682		352,662					365,344
Grants and contributions					10,067	400		10,467
Amortization		1,003	225,243					226,246
Insurance	12,521							12,521
Libraries						5,528		5,528
Interest	25							25
Other				76,190				76,190
Total Expenses	157,377	21,284	865,761	115,815	10,067	5,928	0	1,176,232
<b>Surplus (Deficit) by Function</b>	<b>\$( 145,642)</b>	<b>\$( 21,284)</b>	<b>\$( 747,671)</b>	<b>\$( 112,065)</b>	<b>\$( 10,067)</b>	<b>\$( 5,928)</b>	<b>\$ 0</b>	<b>( 1,042,657)</b>
Taxation and other unconditional revenue - schedule 1								1,105,390
<b>Net Surplus</b>								<b>\$ 62,733</b>

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**R. M. of Invermay No. 305**  
Schedule of Segment Disclosure by Function  
For the year ended December 31, 2019

Schedule 5

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
<b>Revenues - schedule 2</b>								
Fees and charges	2,496		38,187					40,683
Tangible capital asset sales - gain (loss)			( 101,370)					( 101,370)
Investment income and commissions	13,086							13,086
Grants - conditional			15,000	10,444				25,444
Grants - capital			41,284					41,284
<b>Total Revenues</b>	<b>15,582</b>	<b>0</b>	<b>( 6,899)</b>	<b>10,444</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,127</b>
<b>Expenses - schedule 3</b>								
Wages and benefits	72,671		269,398					342,069
Professional/contractual services	58,606	19,310	162,460	43,105				283,481
Utilities	5,386		5,294					10,680
Maintenance materials and supplies	10,078		344,959					355,037
Grants and contributions					9,245	1,200		10,445
Amortization		1,003	213,386					214,389
Insurance	12,707							12,707
Libraries						5,390		5,390
Interest	25							25
Other				1,820				1,820
<b>Total Expenses</b>	<b>159,473</b>	<b>20,313</b>	<b>995,497</b>	<b>44,925</b>	<b>9,245</b>	<b>6,590</b>	<b>0</b>	<b>1,236,043</b>
<b>Surplus (Deficit) by Function</b>	<b>\$( 143,891)</b>	<b>\$( 20,313)</b>	<b>\$( 1,002,396)</b>	<b>\$( 34,481)</b>	<b>\$( 9,245)</b>	<b>\$( 6,590)</b>	<b>\$ 0</b>	<b>( 1,216,916)</b>
Taxation and other unconditional revenue - schedule 1								1,045,039
<b>Net Surplus (Deficit)</b>								<b>\$( 171,877)</b>

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**R. M. of Invermay No. 305**  
Schedule of Tangible Capital Assets by Object  
For the year ended December 31, 2020

Schedule 6

	2020							2019	
	General Assets					Infrastruct. Assets	General/ Infrastruct. Assets under Constr.	Total	Total
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
Asset Cost									
Opening Asset Cost	36,466	0	2	0	1,540,260	4,545,004	0	6,121,732	5,963,560
Additions during the year						28,145		28,145	582,172
Disposals and write-down during the year									( 424,000)
Closing Asset Costs	<u>36,466</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>1,540,260</u>	<u>4,573,149</u>	<u>0</u>	<u>6,149,877</u>	<u>6,121,732</u>
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	0	0	0	0	351,996	2,756,018	0	3,108,014	3,007,255
Add: Amortization taken					101,819	124,427		226,246	214,389
Less: Accumulated amortization on disposals									113,630
Closing Accumulated Amortization Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>453,815</u>	<u>2,880,445</u>	<u>0</u>	<u>3,334,260</u>	<u>3,108,014</u>
Net Book Value	<u>\$ 36,466</u>	<u>\$ 0</u>	<u>\$ 2</u>	<u>\$ 0</u>	<u>\$ 1,086,445</u>	<u>\$ 1,692,704</u>	<u>\$ 0</u>	<u>\$ 2,815,617</u>	<u>\$ 3,013,718</u>

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part of these financial statements.*

**R. M. of Invermay No. 305**  
Schedule of Tangible Capital Assets by Function  
For the year ended December 31, 2020

Schedule 7

	2020							2019
	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Water & Sewer	Total
Asset Cost								
Opening Asset Cost	13,502	25,000	6,083,230	0	0	0	0	6,121,732
Additions during the year			28,145					28,145
Disposals and write-down during the year								( 424,000)
Closing Asset Costs	<u>13,502</u>	<u>25,000</u>	<u>6,111,375</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,149,877</u>
Accumulated Amortization Cost								
Opening Accumulated								
Amortization costs	0	7,022	3,100,992	0	0	0	0	3,108,014
Add: Amortization taken		1,003	225,243					226,246
Less: Accumulated amortization on disposals								113,630
Closing Accumulated Amortization Costs	<u>0</u>	<u>8,025</u>	<u>3,326,235</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,334,260</u>
Net Book Value	<u>\$ 13,502</u>	<u>\$ 16,975</u>	<u>\$ 2,785,140</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,815,617</u>

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**R. M. of Invermay No. 305**  
Schedule of Accumulated Surplus  
For the year ended December 31, 2020

Schedule 8

	2019	Changes	2020
<b>Unappropriated Surplus</b>	<u>1,659,144</u>	<u>260,832</u>	<u>1,919,976</u>
<b>Net Investments in Tangible Capital Assets</b>			
Tangible capital assets - schedule 6	<u>3,013,718</u>	<u>( 198,101)</u>	<u>2,815,617</u>
<b>Net Investment in Tangible Capital Assets</b>	<u>3,013,718</u>	<u>( 198,101)</u>	<u>2,815,617</u>
<b>Total Accumulated Surplus</b>	<u>\$ 4,672,862</u>	<u>\$ 62,731</u>	<u>\$ 4,735,593</u>

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part of these financial statements.*

**R. M. of Invermay No. 305**  
Schedule of Mill Rates and Assessments  
For the year ended December 31, 2020

Schedule 9

	<b>Property Class</b>					<b>Total</b>
	<b>Agriculture</b>	<b>Residential</b>	<b>Residential Condominium</b>	<b>Seasonal Residential</b>	<b>Commercial &amp; Industrial</b>	<b>Potash Mine(s)</b>
Taxable Assessment	89,700,180	2,450,855			2,996,900	95,147,935
Regional Park Assessment						
Total Assessment						95,147,935
Mill Rate Factor(s)	0.9600	1.3600			1.9400	
Total Base/Minimum Tax (generated for each property class)						
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	710,426	27,499			47,965	785,890
<b>Mill Rates:</b>	<b>Mills</b>					
Average Municipal*	8.2597					
Average School*	1.6500					
Potash Mill Rate						
Uniform Municipal Mill Rate	8.2500					

\*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).

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**R. M. of Invermay No. 305**  
Schedule of Council Remuneration  
For the year ended December 31, 2020

Schedule 10

<b>Name</b>	<b>Remuneration</b>	<b>Reimbursed Costs</b>	<b>Total</b>
Bev Whyatt	3,337	661	3,998
Roger Genoway	3,479	720	4,199
William Jack	3,062	296	3,358
Ken Kowalchuk	3,522	415	3,937
Dale Minhinnick	2,760	180	2,940
Phillip Shewchuk	2,961	383	3,344
Regan Graham	3,278	247	3,525
	<u>          </u>	<u>          </u>	<u>          </u>
	<u>\$ 22,399</u>	<u>\$ 2,902</u>	<u>\$ 25,301</u>