

**Rural Municipality of LeRoy No. 339**  
**Financial Statements**  
*December 31, 2020*

# Rural Municipality of LeRoy No. 339

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*For the year ended December 31, 2020*

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## **Management's Responsibility**

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To the Ratepayers of the Rural Municipality of LeRoy No. 339:

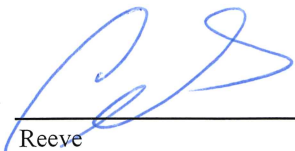
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting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

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

Council is composed entirely of council members who are neither management nor employees of the Municipality. Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the annual financial statements. Council fulfils these responsibilities by reviewing the financial information and discussing relevant matters with management. Council is also responsible for the appointment of the Municipality's external auditors.

MNP LLP is appointed by 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 with both management and Council to discuss their audit findings.

April 14, 2021



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Reeve



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Administrator

To the Reeve and Councillors of the Rural Municipality of LeRoy No. 339:

### Opinion

We have audited the financial statements of the Rural Municipality of LeRoy No. 339 (the "Municipality"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in net financial assets, cash flows and the related schedules 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 the results of its operations, changes in its net financial assets and its 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 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, Reeve and Council 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.

The Reeve and council are responsible for overseeing the Municipality's financial reporting process.

### Auditor's 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 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 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 the Reeve and council 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.

Humboldt, Saskatchewan

April 14, 2021

*MNP LLP*

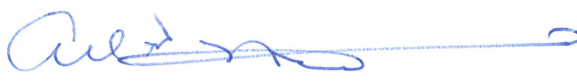
Chartered Professional Accountants

Rural Municipality of LeRoy No. 339  
Statement of Financial Position  
As at December 31, 2020

Statement 1

	2020	2019
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and Temporary Investments (Note 2)	3,157,894	2,446,973
Taxes Receivable - Municipal (Note 3)	15,466	20,077
Other Accounts Receivable (Note 4)	104,038	159,584
Long-Term Investments (Note 5)	5,647,954	5,663,678
<b>Total Financial Assets</b>	<b>8,925,352</b>	<b>8,290,312</b>
<b>LIABILITIES</b>		
Accounts Payable	336,063	332,978
Deferred Revenue (Note 6)	72,376	146
<b>Total Liabilities</b>	<b>408,439</b>	<b>333,124</b>
<b>NET FINANCIAL ASSETS</b>	<b>8,516,913</b>	<b>7,957,188</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Schedule 6, 7)	38,877,516	40,274,072
Prepayments and Deferred Charges	12,737	11,814
Stock and Supplies	665,307	482,562
<b>Total Non-Financial Assets</b>	<b>39,555,560</b>	<b>40,768,448</b>
<b>Accumulated Surplus (Schedule 8)</b>	<b>48,072,473</b>	<b>48,725,636</b>

  
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 Reeve

  
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 Councillor

**Rural Municipality of LeRoy No. 339**  
**Statement of Operations**  
**For the year ended December 31, 2020**

Statement 2

	2020 Budget	2020	2019
<b>Revenues</b>			
Taxes and Other Unconditional Revenue (Schedule 1)	2,992,049	3,022,040	2,994,419
Fees and Charges (Schedule 4, 5)	279,360	296,961	304,800
Conditional Grants (Schedule 4, 5)	15,415	23,040	14,198
Investment Income and Commissions (Schedule 4, 5)	133,680	144,830	148,088
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	52,601	55,809	-
Land Sales - Gain (Schedule 4, 5)	-	-	5,803
<b>Total Revenues</b>	<b>3,473,105</b>	<b>3,542,680</b>	<b>3,467,308</b>
<b>Expenses</b>			
General Government Services (Schedule 3)	319,036	360,098	288,142
Protective Services (Schedule 3)	50,749	48,230	53,642
Transportation Services (Schedule 3)	4,054,568	3,603,228	3,542,158
Environmental and Public Health Services (Schedule 3)	82,760	54,400	91,251
Planning and Development Services (Schedule 3)	162,635	175,023	158,583
Recreation and Cultural Services (Schedule 3)	32,600	26,971	32,475
Utility Services (Schedule 3)	2,660	3,380	2,781
<b>Total Expenses</b>	<b>4,705,008</b>	<b>4,271,330</b>	<b>4,169,032</b>
<b>Deficit of Revenues over Expenses before Other Capital Contributions</b>	<b>(1,231,903)</b>	<b>(728,650)</b>	<b>(701,724)</b>
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	60,640	75,487	96,772
<b>Deficit of Revenues over Expenses</b>	<b>(1,171,263)</b>	<b>(653,163)</b>	<b>(604,952)</b>
<b>Accumulated Surplus, Beginning of Year</b>	<b>48,725,636</b>	<b>48,725,636</b>	<b>49,330,588</b>
<b>Accumulated Surplus, End of Year</b>	<b>47,554,373</b>	<b>48,072,473</b>	<b>48,725,636</b>

**Rural Municipality of LeRoy No. 339**  
**Statement of Change in Net Financial Assets**  
**For the year ended December 31, 2020**

Statement 3

	2020 Budget	2020	2019
<b>Deficit</b>	(1,171,263)	(653,163)	(604,952)
Acquisition of tangible capital assets	(1,204,600)	(1,092,235)	(1,071,193)
Amortization of tangible capital assets	2,348,788	2,340,303	2,336,220
Proceeds on disposal of tangible capital assets	186,000	204,297	-
Gain on the disposal of tangible capital assets	(52,601)	(55,809)	-
<b>Surplus of capital expenses over expenditures</b>	<b>1,277,587</b>	<b>1,396,556</b>	<b>1,265,027</b>
Acquisition of prepaid expense	-	(923)	(168)
Consumption (Acquisition) of supplies inventory	-	(182,745)	43,864
<b>Surplus (Deficit) of expenses of other non-financial over expenditures</b>	<b>-</b>	<b>(183,668)</b>	<b>43,696</b>
<b>Increase in Net Financial Assets</b>	<b>106,324</b>	<b>559,725</b>	<b>703,771</b>
<b>Net Financial Assets - Beginning of Year</b>	<b>7,957,188</b>	<b>7,957,188</b>	<b>7,253,417</b>
<b>Net Financial Assets - End of Year</b>	<b>8,063,512</b>	<b>8,516,913</b>	<b>7,957,188</b>



**Rural Municipality of LeRoy No. 339**  
**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>		
Deficit	(653,163)	(604,952)
Amortization	2,340,303	2,336,220
Gain on disposal of tangible capital assets	(55,809)	-
	<u>1,631,331</u>	<u>1,731,268</u>
<b>Change in assets/liabilities</b>		
Taxes Receivable - Municipal	4,611	5,020
Other Accounts Receivables	55,546	661
Accounts Payable	3,085	(93,979)
Deferred Revenue	72,230	(6,284)
Prepayments and Deferred Charges	(923)	(168)
Stock and Supplies	(182,745)	43,864
<b>Net cash from operations</b>	<b>1,583,135</b>	<b>1,680,382</b>
<b>Capital:</b>		
Acquisition of tangible capital assets	(1,092,235)	(1,071,193)
Proceeds from the disposal of tangible capital assets	204,297	-
<b>Net cash used for capital</b>	<b>(887,938)</b>	<b>(1,071,193)</b>
<b>Investing:</b>		
Long-term investments	15,724	(667,373)
<b>Net cash from (used for) investing</b>	<b>15,724</b>	<b>(667,373)</b>
<b>Financing:</b>		
Long-term debt issued	-	-
Long-term debt repaid	-	-
<b>Net cash from financing</b>	<b>-</b>	<b>-</b>
<b>Increase (Decrease) in cash resources</b>	<b>710,921</b>	<b>(58,184)</b>
<b>Cash and Investments - Beginning of Year</b>	<b>2,446,973</b>	<b>2,505,157</b>
<b>Cash and Investments - End of Year</b>	<b>3,157,894</b>	<b>2,446,973</b>

*The accompanying notes are an integral part of these financial statements*

**Rural Municipality of LeRoy No. 339**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2020**

**1. Significant accounting policies**

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

- a) **Basis of accounting:** The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting requires revenue 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) **Reporting Entity:** The financial statements consolidate the assets, liabilities and flow of resources of the Municipality. The entity is comprised of all of the organizations that are owned or controlled by the Municipality and are, therefore, accountable to Council for the administration of their financial affairs and resources. For the purpose of the financial statements of the Municipality, there are no organizations that require consolidation.
  - c) **Collection of funds for other authorities:** Collection of funds by the Municipality for school boards, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation. 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 result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occur, providing:
    - a) the transfer is authorized;
    - b) any eligibility criteria have been met; and
    - c) a reasonable estimate of the amount can be made.
- Government transfer amounts received but not earned will be recorded as deferred revenue.  
Earned government transfer amounts not received will be recorded as amounts 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.
  - 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 so 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.

**Rural Municipality of LeRoy No. 339**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2020**

**1. Significant accounting policies - continued**

- 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 investment in the Saskatchewan Rural Municipalities - Self Insurance Fund is 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 in the ordinary course of business.
- 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 contribution. The tangible capital assets that are recognized at a nominal value are disclosed on 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:

<u>Asset</u>	<u>Useful Life</u>
<b>General Assets</b>	
Land	Indefinite
Buildings	10 to 40 Yrs
Vehicles & Equipment	
Vehicles	5 to 10 Yrs
Machinery and Equipment	3 to 25 Yrs
<b>Infrastructure Assets</b>	
Infrastructure Assets	15 to 60 Yrs

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

- 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) **Measurement Uncertainty:** The preparation of financial statements in conformity with 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.

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.

- p) **Trust Funds:** Funds held in trust for others are neither included in the Municipality's assets or equity. They are disclosed in Note 9.

**1. Significant accounting policies - continued**

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

The segments (functions) are as follows:

General Government: 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.

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 delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

- r) **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 re-measurement gains and losses separate from the statement of operations arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. Effective in the period PS 3450 and PS 2601 are adopted.

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

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

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

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

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

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

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

**Rural Municipality of LeRoy No. 339**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2020**

	2020	2019
<b>2. Cash and Temporary Investments</b>		
Cash	3,157,894	2,446,973
Temporary Investments	-	-
<b>Total Cash and temporary investments</b>	<b>3,157,894</b>	<b>2,446,973</b>
Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less.		
<b>3. Taxes and Grants in Lieu Receivable</b>		
Municipal - Current	15,436	15,409
- Arrears	2,898	7,230
	18,334	22,639
- Less Allowance for Uncollectible	(2,868)	(2,562)
Total municipal taxes receivable	15,466	20,077
School - Current	7,393	6,940
- Arrears	653	1,645
Total school taxes receivable	8,046	8,585
Other - Current	2,253	3,054
- Arrears	1	236
	2,254	3,290
Total taxes and grants in lieu receivable	25,766	31,952
Deduct taxes receivable to be collected on behalf of other organizations	(10,300)	(11,875)
<b>Municipal and Grants in Lieu Taxes Receivable</b>	<b>15,466</b>	<b>20,077</b>
<b>4. Other Accounts Receivable</b>		
Federal government	3,925	-
Provincial government	380	30,690
Local government	7,904	5,859
Trade	38,595	57,527
Accrued interest	53,234	65,508
Total Other Accounts Receivable	104,038	159,584
Less Allowance for Uncollectible	-	-
<b>Net Other Accounts Receivable</b>	<b>104,038</b>	<b>159,584</b>
<b>5. Long-term Investments</b>		
Term Deposits	5,532,788	5,557,856
Sask Association of Rural Municipalities - Self Insurance Fund	72,248	69,000
Midway Co-operative Ltd.	42,918	36,822
<b>Total Long-term Investments</b>	<b>5,647,954</b>	<b>5,663,678</b>
<b>6. Deferred Revenue</b>		
Prepaid taxes	64	16
Municipal Economic Enhancement Program	72,152	-
Other deferred revenue	160	130
<b>Total Deferred Revenue</b>	<b>72,376</b>	<b>146</b>

**Rural Municipality of LeRoy No. 339**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2020**

**7. Long-Term Debt**

The debt limit of the Municipality is \$3,221,254. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the *Municipalities Act* section 161(1)).

**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.

The Municipality, together with a number of other rural and urban municipalities, is a member of the Regional Authority of Carlton Trail - Waste Management District Ltd. ("REACT"). REACT is governed by the Department of Saskatchewan Environment and Resource Management ("SERM") and is responsible for waste collection, landfill operations and future site restoration costs. Expenditures that relate to on-going environmental and reclamation programs are charged against revenues as incurred. Future site restoration costs are recognized based on assumptions, engineering studies and estimates to the costs of future removal and site restoration. Changes to the underlying assumptions or legislative change in the future could have a material impact on the financial statements. As these costs are not readily determinable, the Municipality has not provided for future site restoration costs.

**9. Trusts Administered by the Municipality**

A summary of trust fund activity by the Municipality during the year is as follows:

As part of the BHP Billiton Road Construction Agreement, the Municipality was required to maintain a Trust Bank Account in order to facilitate cash transfers and authorized expenditures related to the agreement.

	<b>Current Total</b>	<b>Prior Year Total</b>
Balance - Beginning of Year	-	4,960
Cash transferred in	-	-
Interest revenue	-	2
Cash expended	-	-
Cash transferred to the Municipality	-	(4,962)
<b>Balance - End of Year</b>	<b>-</b>	<b>-</b>

As the agreement was completed in 2019, the Trust Bank Account was closed and the remaining funds were transferred to the Municipality.

**10. Commitments**

The Municipality entered into an agreement with the LeRoy Leisureland Regional Park Authority to aid in the funding of the operation and capital improvements of the park. The Municipality committed to \$9,360 per year for 5 years commencing in 2018.

The Municipality entered into an arrangement with REACT to aid in funding a new regional landfill. The Municipality committed to pay REACT a \$155 per-capita levy in the total amount of \$77,810, over a period of five years (\$15,562 per year) commencing in 2017.

The Municipality is in a cost sharing agreement with the Mid Sask. Municipal Alliance to develop a Growth Management Strategy and individual Official Community Plans. During 2020, a contribution in the amount of \$12,672 (2019 - \$11,972) was made to this initiative with the remaining costs to be divided on a per capita basis amongst the Rural Municipalities, Towns, Villages and Resort Villages that are members of the Alliance.

During 2018, the Municipality entered into an agreement with the Quill Plains Health Care Foundation to aid in funding the renovation and expansion of the Quill Plains Health Care Facility. The Municipality has committed to a maximum of \$110,000, with annual instalments of \$22,000 for a period of five years, commencing in 2019. Funds will be disbursed once the project commences.

In December 2020, the Municipality entered into an agreement to purchase a Fendt Tractor with a front end loader for a total cost of \$212,343 including applicable taxes, with anticipated delivery in 2021.

**Rural Municipality of LeRoy No. 339**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2020**

**11. Budget**

On August 12, 2020, Council approved its operating budget on planned expenses relating to the current year funding and other current year sources of revenue.

**12. Pension Plan**

The Municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality pension expense in 2020 was \$60,700 (2019 - \$59,518). 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.

**13. Significant Event**

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Municipality as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

**Rural Municipality of LeRoy No. 339**  
**Schedule of Taxes and Other Unconditional Revenue**  
**For the year ended December 31, 2020**

Schedule 1

	2020 Budget	2020	2019
<b>TAXES</b>			
General municipal tax levy	2,786,034	2,786,034	2,781,028
Abatements and adjustments	(805)	-	(803)
Discount on current year taxes	(128,705)	(129,641)	(127,875)
<b>Net Municipal Taxes</b>	<b>2,656,524</b>	<b>2,656,393</b>	<b>2,652,350</b>
Potash tax share	108,105	108,106	114,499
Penalties on tax arrears	1,365	1,542	1,517
<b>Total Taxes</b>	<b>2,765,994</b>	<b>2,766,041</b>	<b>2,768,366</b>
<b>UNCONDITIONAL GRANTS</b>			
Equalization (Revenue Sharing)	226,055	226,053	226,053
Safe Restart	-	29,946	-
<b>Total Unconditional Grants</b>	<b>226,055</b>	<b>255,999</b>	<b>226,053</b>
<b>GRANTS IN LIEU OF TAXES</b>			
Provincial			
TransGas	-	-	-
<b>Total Grants in Lieu of Taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<b>2,992,049</b>	<b>3,022,040</b>	<b>2,994,419</b>



**Rural Municipality of LeRoy No. 339**  
**Schedule of Operating and Capital Revenue by Function**  
**For the year ended December 31, 2020**

Schedule 2 - 1

2020 Budget	2020	2019
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**GENERAL GOVERNMENT SERVICES**

**Operating**

Other Segmented Revenue			
Fees and Charges			
- Custom work	-	94	808
- Sales of supplies	1,215	1,287	1,450
- Other - licenses, permits, rebates and other	12,225	50,918	34,979
Total Fees and Charges	13,440	52,299	37,237
- Land sales - gain (loss)	-	-	5,803
- Investment income and commissions	133,680	144,830	148,088
Total Other Segmented Revenue	147,120	197,129	191,128
Conditional Grants			
- Employment insurance grant	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	147,120	197,129	191,128
<b>Total General Government Services</b>	<b>147,120</b>	<b>197,129</b>	<b>191,128</b>

**PROTECTIVE SERVICES**

**Operating**

Other Segmented Revenue			
Fees and Charges			
- Fire fees	-	-	-
Total Fees and Charges	-	-	-
Total Other Segmented Revenue	-	-	-
<b>Total Operating</b>	-	-	-
<b>Total Protective Services</b>	-	-	-

**TRANSPORTATION SERVICES**

**Operating**

Other Segmented Revenue			
Fees and Charges			
- Custom work	240,000	211,867	197,106
- Sales of supplies	1,100	815	323
- Road maintenance and restoration agreements	24,820	31,980	70,134
Total Fees and Charges	265,920	244,662	267,563
- Tangible capital asset sales - gain (loss)	52,601	55,809	-
Total Other Segmented Revenue	318,521	300,471	267,563
<b>Total Operating</b>	318,521	300,471	267,563

**Capital**

Conditional Grants			
- Gas Tax	30,140	44,427	61,310
- Primary Weight Corridor	30,500	31,060	30,500
- BHP Billiton road construction agreement (Note 9)	-	-	4,962
<b>Total Capital</b>	60,640	75,487	96,772
<b>Total Transportation Services</b>	<b>379,161</b>	<b>375,958</b>	<b>364,335</b>

**Rural Municipality of LeRoy No. 339**  
**Schedule of Operating and Capital Revenue by Function**  
**For the year ended December 31, 2020**

Schedule 2 - 2

	2020 Budget	2020	2019
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Other	-	-	-
Total Fees and Charges	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Local government	15,415	23,040	14,198
Total Conditional Grants	15,415	23,040	14,198
<b>Total Operating</b>	15,415	23,040	14,198
<b>Total Environmental and Public Health Services</b>	<b>15,415</b>	<b>23,040</b>	<b>14,198</b>

**PLANNING AND DEVELOPMENT SERVICES**

<b>Operating</b>			
Conditional Grants			
- Other	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	-	-	-
<b>Total Planning and Development Services</b>	<b>-</b>	<b>-</b>	<b>-</b>

**UTILITY SERVICES**

<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Water	-	-	-
Total Fees and Charges	-	-	-
Total Other Segmented Revenue	-	-	-
<b>Total Operating</b>	-	-	-
<b>Total Utility Services</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>541,696</b>	<b>596,127</b>	<b>569,661</b>
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**SUMMARY**

Total Other Segmented Revenue	465,641	497,600	458,691
Total Conditional Grants	15,415	23,040	14,198
Total Capital Grants and Contributions	60,640	75,487	96,772
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>541,696</b>	<b>596,127</b>	<b>569,661</b>

**Rural Municipality of LeRoy No. 339**  
**Schedule of Expenses by Function**  
**For the year ended December 31, 2020**

Schedule 3 - 1

	2020 Budget	2020	2019
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	42,015	34,554	40,117
Wages and benefits	140,530	135,802	127,411
Professional/Contractual services	88,180	93,583	83,044
Utilities	9,590	10,900	9,465
Maintenance, materials and supplies	33,295	79,527	20,117
Allowance for uncollectible	-	306	2,562
Amortization	5,426	5,426	5,426
<b>Total Government Services</b>	<b>319,036</b>	<b>360,098</b>	<b>288,142</b>

**PROTECTIVE SERVICES**

**Police protection**

Professional/Contractual services	23,340	24,179	23,338
Grants and contributions - operating	100	200	-

**Fire protection**

Professional/Contractual services	940	965	936
Grants and contributions - operating	24,680	21,166	24,679
Maintenance, materials, and supplies	-	31	-
Amortization	1,689	1,689	4,689

<b>Total Protective Services</b>	<b>50,749</b>	<b>48,230</b>	<b>53,642</b>
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**TRANSPORTATION SERVICES**

Council remuneration and travel	1,370	568	759
Wages and benefits	565,925	451,140	494,351
Professional/Contractual Services	36,765	47,171	39,603
Utilities	15,030	15,694	15,009
Maintenance, materials, and supplies	633,805	538,522	569,888
Gravel	460,000	216,945	96,443
Amortization	2,341,673	2,333,188	2,326,105

<b>Total Transportation Services</b>	<b>4,054,568</b>	<b>3,603,228</b>	<b>3,542,158</b>
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**Rural Municipality of LeRoy No. 339**  
**Schedule of Expenses by Function**  
**For the year ended December 31, 2020**

Schedule 3 - 2

	2020 Budget	2020	2019
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Wages and benefits	-	-	-
Professional/Contractual services	18,680	15,928	13,506
Maintenance, materials and supplies	7,410	3,669	6,414
Grants and contributions - capital			
- Public health	28,050	6,189	42,717
- Waste disposal	28,620	28,614	28,614
<b>Total Environmental and Public Health Services</b>	<b>82,760</b>	<b>54,400</b>	<b>91,251</b>
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
Wages and benefits	132,450	148,595	127,845
Professional/Contractual services	30,150	25,704	30,703
Grants and contributions - operating	35	724	35
<b>Total Planning and Development Services</b>	<b>162,635</b>	<b>175,023</b>	<b>158,583</b>
<b>RECREATION AND CULTURAL SERVICES</b>			
Professional/Contractual services	6,630	6,752	6,626
Grants and contributions - operating	25,970	20,219	25,849
<b>Total Recreation and Cultural Services</b>	<b>32,600</b>	<b>26,971</b>	<b>32,475</b>
<b>UTILITY SERVICES</b>			
Maintenance, materials and supplies	2,660	3,380	2,781
<b>Total Utility Services</b>	<b>2,660</b>	<b>3,380</b>	<b>2,781</b>
<b>TOTAL EXPENSES BY FUNCTION</b>	<b>4,705,008</b>	<b>4,271,330</b>	<b>4,169,032</b>

**Rural Municipality of LeRoy No. 339**  
**Schedule of Segment Disclosure by Function**  
**For the year ended December 31, 2020**

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and Charges	52,299	-	244,662	-	-	-	-	296,961
Investment Income and Commissions	144,830	-	-	-	-	-	-	144,830
Tangible Capital Asset Sales - Gain (Loss)	-	-	55,809	-	-	-	-	55,809
Land Sales - Gain (Loss)	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	-	23,040	-	-	-	23,040
- Capital	-	-	75,487	-	-	-	-	75,487
<b>Total revenues</b>	<b>197,129</b>	<b>-</b>	<b>375,958</b>	<b>23,040</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>596,127</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	170,356	-	451,708	-	148,595	-	-	770,659
Professional/Contractual Services	93,583	25,144	47,171	15,928	25,704	6,752	-	214,282
Utilities	10,900	-	15,694	-	-	-	-	26,594
Maintenance, Materials and Supplies	79,527	31	755,467	3,669	-	-	3,380	842,074
Grants and Contributions	306	21,366	-	-	-	20,219	-	41,891
Amortization	5,426	1,689	2,333,188	-	-	-	-	2,340,303
Other	-	-	-	34,803	724	-	-	35,527
<b>Total expenses</b>	<b>360,098</b>	<b>48,230</b>	<b>3,603,228</b>	<b>54,400</b>	<b>175,023</b>	<b>26,971</b>	<b>3,380</b>	<b>4,271,330</b>
<b>Deficit by Function</b>	<b>(162,969)</b>	<b>(48,230)</b>	<b>(3,227,270)</b>	<b>(31,360)</b>	<b>(175,023)</b>	<b>(26,971)</b>	<b>(3,380)</b>	<b>(3,675,203)</b>
Taxation and other unconditional revenue (Schedule 1)								3,022,040
<b>Net Deficit</b>								<b>(653,163)</b>

**Rural Municipality of LeRoy No. 339**  
**Schedule of Segment Disclosure by Function**  
**For the year ended December 31, 2019**

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and Charges	37,237	-	267,563	-	-	-	-	304,800
Investment Income and Commissions	148,088	-	-	-	-	-	-	148,088
Tangible Capital Asset Sales - Gain (Loss)	-	-	-	-	-	-	-	-
Land Sales - Gain (Loss)	5,803	-	-	-	-	-	-	5,803
Grants - Conditional	-	-	-	14,198	-	-	-	14,198
- Capital	-	-	96,772	-	-	-	-	96,772
<b>Total revenues</b>	<b>191,128</b>	<b>-</b>	<b>364,335</b>	<b>14,198</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>569,661</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	167,528	-	495,110	-	127,845	-	-	790,483
Professional/Contractual Services	83,044	24,274	39,603	13,506	30,703	6,626	-	197,756
Utilities	9,465	-	15,009	-	-	-	-	24,474
Maintenance, Materials and Supplies	20,117	-	666,331	6,414	-	-	2,781	695,643
Grants and Contributions	2,562	24,679	-	-	-	25,849	-	53,090
Amortization	5,426	4,689	2,326,105	-	-	-	-	2,336,220
Other	-	-	-	71,331	35	-	-	71,366
<b>Total expenses</b>	<b>288,142</b>	<b>53,642</b>	<b>3,542,158</b>	<b>91,251</b>	<b>158,583</b>	<b>32,475</b>	<b>2,781</b>	<b>4,169,032</b>
<b>Deficit by Function</b>	<b>(97,014)</b>	<b>(53,642)</b>	<b>(3,177,823)</b>	<b>(77,053)</b>	<b>(158,583)</b>	<b>(32,475)</b>	<b>(2,781)</b>	<b>(3,599,371)</b>
Taxation and other unconditional revenue (Schedule 1)								2,994,419
<b>Net Deficit</b>								<b>(604,952)</b>

Rural Municipality of LeRoy No. 339  
Schedule of Tangible Capital Assets by Object  
For the year ended December 31, 2020

Schedule 6

		2020						2019
		General Assets					Infrastructure Assets	
		Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets	
Assets	Asset cost							
	Opening Asset costs	45,001	-	847,400	839,100	2,653,932	51,331,725	855
	Additions during the year	-	-	-	-	599,107	492,678	450
	Disposals and write-downs during the year	-	-	-	-	(354,510)	-	-
	Transfers (from) assets under construction	-	-	-	-	-	-	-
Closing Asset Costs		45,001	-	847,400	839,100	2,898,529	51,824,403	1,305
Amortization	Accumulated Amortization Cost							
	Opening Accumulated Amortization Costs	-	-	284,078	201,624	1,001,910	13,956,329	-
	Add: Amortization taken	-	-	19,398	66,138	183,875	2,070,892	-
	Less: Accumulated amortization on disposals	-	-	-	-	(206,022)	-	-
	Closing Accumulated Amortization Costs	-	-	303,476	267,762	979,763	16,027,221	-
Net Book Value		45,001	-	543,924	571,338	1,918,766	35,797,182	1,305

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

Rural Municipality of LeRoy No. 339  
Schedule of Tangible Capital Assets by Function  
For the year ended December 31, 2020

Schedule 7

	2020							2019
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	
<b>Assets</b>								
<b>Asset cost</b>								<b>Total</b>
Opening Asset costs	272,900	99,450	55,344,161	1,502	-	-	-	55,718,013
Additions during the year (including assets under construction)	-	-	1,092,235	-	-	-	-	1,092,235
Disposals and write-downs during the year	-	-	(354,510)	-	-	-	-	(354,510)
<b>Closing Asset Costs</b>	<b>272,900</b>	<b>99,450</b>	<b>56,081,886</b>	<b>1,502</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,455,738</b>
<b>Amortization</b>								
<b>Accumulated Amortization Cost</b>								<b>Total</b>
Opening Accumulated Amortization Costs	168,206	84,247	15,191,488	-	-	-	-	15,443,941
Add: Amortization taken	5,426	1,689	2,333,188	-	-	-	-	2,340,303
Less: Accumulated amortization on disposals	-	-	(206,022)	-	-	-	-	(206,022)
<b>Closing Accumulated Amortization Costs</b>	<b>173,632</b>	<b>85,936</b>	<b>17,318,654</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,578,222</b>
<b>Net Book Value</b>	<b>99,268</b>	<b>13,514</b>	<b>38,763,232</b>	<b>1,502</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,877,516</b>
								<b>40,274,072</b>



Rural Municipality of LeRoy No. 339  
Schedule of Accumulated Surplus  
For the year ended December 31, 2020

Schedule 8

	2019	Changes	2020
<b>UNAPPROPRIATED SURPLUS</b>	<b>5,793,564</b>	<b>743,393</b>	<b>6,536,957</b>
<b>APPROPRIATED RESERVES</b>			
Future Capital Expenditures	2,158,000	-	2,158,000
Capital Trust	500,000	-	500,000
<b>Total Appropriated</b>	<b>2,658,000</b>	<b>-</b>	<b>2,658,000</b>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>			
Tangible capital assets (Schedule 6)	40,274,072	(1,396,556)	38,877,516
Less: Related debt	-	-	-
<b>Net Investment in Tangible Capital Assets</b>	<b>40,274,072</b>	<b>(1,396,556)</b>	<b>38,877,516</b>
<b>Total Accumulated Surplus</b>	<b>48,725,636</b>	<b>(653,163)</b>	<b>48,072,473</b>

Rural Municipality of LeRoy No. 339  
Schedule of Mill Rates and Assessments  
For the year ended December 31, 2020

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
<b>Taxable Assessment</b>	131,831,175	12,005,705	-	-	200,697,100	-	344,533,980
<b>Regional Park Assessment</b>	-	-					-
<b>Total Assessment</b>	-	-					344,533,980
<b>Mill Rate Factor(s)</b>	1.0000	1.0000	-	-	1.7260		
<b>Total Base/Minimum Tax</b> (generated for each property class)	-	-	-	-	-		-
<b>Total Municipal Tax Levy</b> (include base and/or minimum tax and special levies)	749,197	68,228	-	-	1,968,609		2,786,034

MILL RATES:	MILLS
<b>Average Municipal*</b>	8.0864
<b>Average School*</b>	6.3026
<b>Potash Mill Rate</b>	-
<b>Uniform Municipal Mill Rate</b>	5.6830

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

**Rural Municipality of LeRoy No. 339**  
**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>
Calvin Buhs	5,900	-	5,900
Allan Moorman	4,300	-	4,300
Tracy Mollenbeck	4,200	-	4,200
Randy Buhs	3,300	-	3,300
Simon Skinner	3,150	-	3,150
Cody Block	2,800	-	2,800
Tom Senko	2,200	-	2,200
<b>Total</b>	<b>25,850</b>	<b>-</b>	<b>25,850</b>