

R. M. of Preeceville No. 334

FINANCIAL STATEMENTS

Year Ended December 31, 2020

R. M. of Preeceville No. 334

Preeceville, Saskatchewan

December 31, 2020

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Management's Responsibility

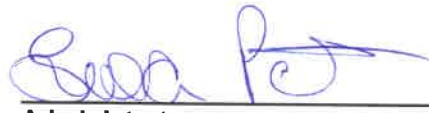
The municipality's management is responsible for the preparation and presentation of the accompanying financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles and methods,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

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

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

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


Reeve


Administrator

Independent Auditors' Report

To the Council
R. M. of Preeceville No. 334

Opinion

We have audited the financial statements of R. M. of Preeceville No. 334, (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 Auditors' 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Baker Tilly SK LLP

Baker Tilly SK LLP

Yorkton, SK
April 12, 2021

R. M. of Preeceville No. 334

Preeceville, Saskatchewan

Statement 1

Statement of Financial Position as at December 31, 2020

	2020	2019
Assets		
Financial Assets		
Cash and temporary investments - note 2	1,030,517	1,145,484
Taxes receivable - municipal - note 3	128,360	143,791
Other accounts receivable - note 4	93,085	91,028
Land for resale - note 5	2,208	
Long-term investments - note 7	482,482	266,224
Total Financial Assets	<u>1,736,652</u>	<u>1,646,527</u>
Liabilities		
Accounts payable - note 9	40,347	33,212
Deferred revenue - note 8	364,572	151,154
Total Liabilities	<u>404,919</u>	<u>184,366</u>
Net Financial Assets	<u>1,331,733</u>	<u>1,462,161</u>
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	3,828,875	4,031,244
Prepayments and deferred charges	238	843
Stock and supplies - note 6	183,159	163,247
Total Non-Financial Assets	<u>4,012,272</u>	<u>4,195,334</u>
Accumulated Surplus - schedule 8	<u>\$ 5,344,005</u>	<u>\$ 5,657,495</u>

Approved on behalf of the council:

Reeve

Councillor

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

R. M. of Preeceville No. 334
Statement of Operations
For the year ended December 31, 2020

Statement 2

	2020 Budget [Note 1(r)]	2020 Actual	2019 Actual
Revenues			
Taxes and other unconditional revenue			
- schedule 1	1,523,363	1,587,053	1,430,982
Fees and charges - schedules 4 and 5	88,365	86,757	140,422
Conditional grants - schedules 4 and 5	8,606	11,120	9,116
Tangible capital asset sales - gain (loss)			
- schedules 4 and 5			(78,822)
Land sales - gain - schedules 4 and 5			2,425
Investment income and commissions			
- schedules 4 and 5	8,300	11,113	12,179
Total Revenue	<u>1,628,634</u>	<u>1,696,043</u>	<u>1,516,302</u>
Expenses - schedule 3			
General government services	261,153	257,994	250,191
Protective services	50,200	44,464	42,925
Transportation services	1,189,361	1,570,998	1,220,920
Environmental and public health services	107,762	100,801	112,054
Planning and development services	20,870	20,071	20,666
Recreation and cultural services	22,550	25,086	22,387
Utilities services	8,800	16,209	10,629
Total Expenses	<u>1,660,696</u>	<u>2,035,623</u>	<u>1,679,772</u>
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(32,062)	(339,580)	(163,470)
Provincial/Federal Capital Grants and Contributions			
- schedules 4 and 5	79,573	26,090	25,800
Surplus (Deficit) of Revenue over Expenses	47,511	(313,490)	(137,670)
Accumulated Surplus, Beginning of Year	<u>5,657,495</u>	<u>5,657,495</u>	<u>5,795,165</u>
Accumulated Surplus, End of Year	<u>\$ 5,705,006</u>	<u>\$ 5,344,005</u>	<u>\$ 5,657,495</u>

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

R. M. of Preeceville No. 334
Statement of Change in Net Financial Assets
For the year ended December 31, 2020

Statement 3

	2020 Budget [Note 1(r)]	2020 Actual	2019 Actual
Surplus (Deficit)	<u>47,511</u>	<u>(313,490)</u>	<u>(137,670)</u>
(Acquisition) of tangible capital assets		(5,300)	(76,377)
Amortization of tangible capital assets		207,669	205,864
Proceeds on disposal of tangible capital assets			238,113
Loss on the disposal of tangible capital assets			<u>78,822</u>
Surplus of Capital Expenses over Expenditures	<u>0</u>	<u>202,369</u>	<u>446,422</u>
(Acquisition) of supplies inventories		(19,912)	(122,210)
(Acquisition) of prepaid expense			(611)
Use of prepaid expense		<u>605</u>	
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>(19,307)</u>	<u>(122,821)</u>
Increase (Decrease) in Net Financial Assets	47,511	(130,428)	185,931
Net Financial Assets, beginning of year	<u>1,462,161</u>	<u>1,462,161</u>	<u>1,276,230</u>
Net Financial Assets, End of Year	<u>\$ 1,509,672</u>	<u>\$ 1,331,733</u>	<u>\$ 1,462,161</u>

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

R. M. of Preeceville No. 334
Statement of Cash Flow
For the year ended December 31, 2020

Statement 4

	2020	2019
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus (Deficit)	(313,490)	(137,670)
Amortization	207,669	205,864
Loss on disposal of tangible capital assets	<u>78,822</u>	<u>78,822</u>
	(105,821)	147,016
Change in Assets/Liabilities		
Taxes receivable - municipal	15,432	(38,725)
Other receivables	(2,058)	102,192
Land for resale	(2,208)	
Accounts payable	7,136	(221,930)
Deferred revenue	213,418	108,630
Stock and supplies for use	(19,912)	(122,211)
Prepayments and deferred charges	<u>605</u>	<u>(611)</u>
Cash Provided by Operating Transactions	<u>106,592</u>	<u>(25,639)</u>
Capital:		
Acquisition of capital assets	(5,300)	(76,377)
Proceeds from the disposal of capital assets	<u>238,113</u>	<u>238,113</u>
Cash Applied to Capital Transactions	<u>(5,300)</u>	<u>161,736</u>
Investing:		
Proceeds on disposal to long-term investments	100,000	
Additions to long-term investments	<u>(316,259)</u>	<u>(110,300)</u>
Cash Provided by (Applied to) Investing Transactions	<u>(216,259)</u>	<u>(110,300)</u>
Financing:		
Long-term debt repaid	<u>0</u>	<u>(119,168)</u>
Change in Cash and Temporary Investments During the Year	(114,967)	(93,371)
Cash and temporary investments, beginning of year	<u>1,145,484</u>	<u>1,238,855</u>
Cash and Temporary Investments, End of Year	<u>\$ 1,030,517</u>	<u>\$ 1,145,484</u>

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

R. M. of Preeceville No. 334
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies

The financial statements of the municipality are prepared by management in accordance with the local government accounting standards 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.

(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.

R. M. of Preeceville No. 334
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(g) Appropriated reserves

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

(h) Investments

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with maturity dates longer than three months 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.

(i) Inventories

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

(j) Tangible capital assets

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

Assets	Useful Life
General Assets	
Land	indefinite
Land improvements	15 years
Buildings	40 years
Vehicles	10 years
Mobile equipment	5-17 years
Linear assets	25-40 years
Infrastructure Assets	
Paving, sidewalks and roadways	15 years

(k) Government contributions

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

R. M. of Preeceville No. 334
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(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.

Utility revenue is recognized in the period in which the service has been provided.

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

(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.

R. M. of Preeceville No. 334
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(q) Basis of segmentation/segment report

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

The segments (functions) are as follows:

General government: provides for the administration of the municipality.

Protective services: comprised of expenses for police and fire protection.

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

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

Planning and development: provides for neighbourhood development and sustainability.

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

Utility services: provides for delivery of water, collecting and treating of wastewater, and providing collection and disposal of solid waste.

(r) Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on May 8, 2020.

(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.

R. M. of Preeceville No. 334
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies - continued

(s) New standards and amendments to standards - continued

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.

	2020	2019
2. Cash and Temporary Investments		
Cash	1,030,517	943,506
Temporary investments	<u> </u>	<u>201,978</u>
Total Cash and Temporary Investments	<u>\$ 1,030,517</u>	<u>\$ 1,145,484</u>

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

R. M. of Preeceville No. 334
Notes to Financial Statements
For the year ended December 31, 2020

	2020	2019
3. Taxes and Grants In Lieu Receivable		
Municipal - current	108,494	120,229
Municipal - arrears	<u>24,366</u>	<u>28,062</u>
	132,860	148,291
Less: Allowance for uncollectibles	<u>4,500</u>	<u>4,500</u>
Total municipal taxes receivable	<u>128,360</u>	<u>143,791</u>
School - current	26,349	27,075
School - arrears	<u>8,071</u>	<u>6,899</u>
Total school taxes receivable	<u>34,420</u>	<u>33,974</u>
Other	<u>10,259</u>	<u>3,594</u>
Total taxes and grants in lieu receivable	173,039	181,359
Less: Taxes receivable to be collected on behalf of other organizations	<u>44,679</u>	<u>37,568</u>
Municipal and Grants In Lieu Taxes Receivable	<u>\$ 128,360</u>	<u>\$ 143,791</u>
4. Other Accounts Receivable		
Provincial government	32,104	29,445
Trade	16,158	20,893
Federal government	<u>44,823</u>	<u>40,690</u>
Net Other Accounts Receivable	<u>\$ 93,085</u>	<u>\$ 91,028</u>
5. Land for Resale		
Tax title property	<u>\$ 2,208</u>	<u>\$ 0</u>
6. Stock and Supplies		
Stock and supplies are comprised of the following:		
Gravel	138,858	123,626
Other stock and supplies	<u>44,301</u>	<u>39,621</u>
	<u>\$ 183,159</u>	<u>\$ 163,247</u>
7. Long-Term Investments		
Equity in Co-op.	17,498	17,245
SARM - Self-Insurance Fund	117,678	110,979
Portfolio investments	309,306	100,000
Veterinary clinic	<u>38,000</u>	<u>38,000</u>
	<u>\$ 482,482</u>	<u>\$ 266,224</u>

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

R. M. of Preeceville No. 334
Notes to Financial Statements
For the year ended December 31, 2020

8. Deferred Revenue

	Balance, Beginning of Year	Plus Amount Received	Less Amount Recognized	Balance, End of Year
Gas Tax	151,154	81,332		232,486
Municipal Economic Enhancement	<u> </u>	<u>132,086</u>	<u> </u>	<u>132,086</u>
	<u>\$ 151,154</u>	<u>\$ 213,418</u>	<u>\$ 0</u>	<u>\$ 364,572</u>

9. Accounts Payable

Accounts payable are comprised of the following items:

	2020	2019
Accounts payable	34,645	27,424
Payroll deductions payable	<u>5,702</u>	<u>5,788</u>
	<u>\$ 40,347</u>	<u>\$ 33,212</u>

10. Long-Term Debt

The debt limit of the municipality for 2021 is \$1,031,016. 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).

R. M. of Preeceville No. 334
Notes to Financial Statements
For the year ended December 31, 2020

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:

	2020	2019
General members	9.00 %	9.00 %
Designated members	12.50 %	12.50 %

Contributions to the plan during the year were as follows:

Benefit expense	\$ 36,802	\$ 29,915
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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 also contingently liable for the following:

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.

R. M. of Preeceville No. 334
Notes to Financial Statements
For the year ended December 31, 2020

13. Comparative Figures

The comparative financial statements have been restated to account for a missed disposal of a capital asset. As a result, the comparative statement of operations for the year ending December 31, 2019 has been restated as follows:

Line Item	As Restated	As Previously Stated	Difference
Revenues			
Tangible capital asset sales - gain (loss)	(78,822)	25,670	(104,492)
Expenses			
Transportation Services	1,220,920	1,134,873	<u>86,047</u>
Adjustment to surplus (deficit) of revenue over expenses			(190,539)
Balance of accumulated surplus, end of year as previously stated			<u>5,848,034</u>
Balance of accumulated surplus, end of year, as restated			<u>\$ 5,657,495</u>

The comparative statement of financial position as at December 31, 2019 has been restated as follows:

Line Item	As Restated	As Previously Stated	Difference
Tangible Capital Assets	\$ 4,031,244	\$ 4,221,783	\$(190,539)

14. 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.

15. Commitments

The municipality has the following operating leases:

2018 John Deere motor grader with John Deere. The annual minimum payments under the operating lease are as follows: 2021 - \$25,475.

2019 John Deere 870G grader with John Deere. The annual minimum payments under the operating lease are as follows: 2021 - \$19,783; 2022 - \$19,783.

2019 Caterpillar 140M3 motor grader. The annual minimum payments under the operating lease are as follows: 2021 - \$62,844; 2022 - \$31,422.

R. M. of Preeceville No. 334
Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2020

Schedule 1

	2020 Budget [Note 1(r)]	2020 Actual	2019 Actual
Taxes			
General municipal tax levy	975,593	976,214	963,927
Abatements and adjustments	(1,100)	(448)	(111)
Discount on current year taxes	(41,000)	(42,620)	(40,141)
Net municipal taxes	<u>933,493</u>	<u>933,146</u>	<u>923,675</u>
Penalties on tax arrears	<u>6,000</u>	<u>6,729</u>	<u>5,732</u>
Total Taxes	<u>939,493</u>	<u>939,875</u>	<u>929,407</u>
Unconditional Grants			
Equalization (revenue sharing)	571,374	571,495	489,280
Organized hamlet	4,468	4,468	4,266
Safe Restart	<u>54,822</u>	<u>54,822</u>	<u>54,822</u>
Total Unconditional Grants	<u>575,842</u>	<u>630,785</u>	<u>493,546</u>
Grants In Lieu of Taxes			
Federal	101	102	102
Provincial			
SaskTel		875	875
Sask Environment	<u>7,927</u>	<u>15,416</u>	<u>7,052</u>
Total Grants In Lieu of Taxes	<u>8,028</u>	<u>16,393</u>	<u>8,029</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 1,523,363</u>	<u>\$ 1,587,053</u>	<u>\$ 1,430,982</u>

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

R. M. of Preeceville No. 334Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2020

Schedule 2-1

	2020 Budget [Note 1(r)]	2020 Actual	2019 Actual
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of supplies	2,000	2,668	2,805
Other	1,515	4,399	2,361
Total Fees and Charges	<u>3,515</u>	<u>7,067</u>	<u>5,166</u>
Land sales - gain			2,425
Investment income and commissions	8,300	11,113	12,179
Total Other Segmented Revenue	<u>11,815</u>	<u>18,180</u>	<u>19,770</u>
Total General Government Services	<u>\$ 11,815</u>	<u>\$ 18,180</u>	<u>\$ 19,770</u>
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	30,000	26,307	31,898
Sale of supplies	20,250	23,869	26,100
Rentals	650	660	701
Licenses and permits	5,000	1,968	11,977
Road maintenance and restoration agreements	20,000	18,399	55,287
Total Fees and Charges	<u>75,900</u>	<u>71,203</u>	<u>125,963</u>
Tangible capital asset sales - gain (loss)	0	0	(78,822)
Total Other Segmented Revenue	<u>75,900</u>	<u>71,203</u>	<u>47,141</u>
Total Operating	<u>75,900</u>	<u>71,203</u>	<u>47,141</u>
Capital			
Conditional Grants			
Gas tax	53,773		
Heavy haul	25,800	26,090	25,800
Total Capital	<u>79,573</u>	<u>26,090</u>	<u>25,800</u>
Total Transportation Services	<u>\$ 155,473</u>	<u>\$ 97,293</u>	<u>\$ 72,941</u>

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

R. M. of Preeceville No. 334Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2020

Schedule 2-2

	2020 Budget [Note 1(r)]	2020 Actual	2019 Actual
Environmental and Public Health Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of supplies	2,000	1,168	2,435
Total Other Segmented Revenue	<u>2,000</u>	<u>1,168</u>	<u>2,435</u>
Conditional Grants			
Sask. Water Corporation	3,500	6,014	5,156
Pest control	5,106	5,106	3,960
Total Conditional Grants	<u>8,606</u>	<u>11,120</u>	<u>9,116</u>
Total Environmental and Public Health Services	<u>\$ 10,606</u>	<u>\$ 12,288</u>	<u>\$ 11,551</u>
Recreation and Cultural Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Administration fees - Lady Lake			
Regional Park	2,000	2,019	1,908
Total Other Segmented Revenue	<u>2,000</u>	<u>2,019</u>	<u>1,908</u>
Total Recreation and Cultural Services	<u>\$ 2,000</u>	<u>\$ 2,019</u>	<u>\$ 1,908</u>
Utility Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Water	4,950	5,300	4,950
Total Other Segmented Revenue	<u>4,950</u>	<u>5,300</u>	<u>4,950</u>
Total Utility Services	<u>\$ 4,950</u>	<u>\$ 5,300</u>	<u>\$ 4,950</u>
Total Operating and Capital Revenue by Function	<u>\$ 184,844</u>	<u>\$ 135,080</u>	<u>\$ 111,120</u>
Summary			
Total Other Segmented Revenue	96,665	97,870	76,204
Total Conditional Grants	8,606	11,120	9,116
Total Capital Grants and Contributions	<u>79,573</u>	<u>26,090</u>	<u>25,800</u>
Total Operating and Capital Revenue by Function	<u>\$ 184,844</u>	<u>\$ 135,080</u>	<u>\$ 111,120</u>

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

R. M. of Preeceville No. 334
Total Expenses by Function
For the year ended December 31, 2020

Schedule 3-1

	2020 Budget [Note 1(r)]	2020 Actual	2019 Actual
General Government Services			
Council remuneration and travel	54,500	41,191	50,977
Wages and benefits	123,064	137,499	127,439
Professional/contractual services	57,216	53,123	48,563
Utilities	7,000	6,663	6,414
Maintenance, materials and supplies	7,450	13,499	7,143
Grants and contributions - operating	25	25	25
Amortization		796	796
Insurance	11,898	5,198	8,809
Interest			25
	<u> </u>	<u> </u>	<u> </u>
Total General Government Services	\$ 261,153	\$ 257,994	\$ 250,191
Protective Services			
Police protection			
Professional/contractual services	43,000	44,264	42,725
Grants and contributions - operating	200	200	200
Fire protection			
Grants and contributions - operating	7,000		
	<u> </u>	<u> </u>	<u> </u>
Total Protective Services	\$ 50,200	\$ 44,464	\$ 42,925
Transportation Services			
Wages and benefits	403,812	404,682	359,616
Professional/contractual services	237,099	301,452	240,565
Utilities	11,400	10,994	10,089
Gravel	375,000	464,473	256,771
Maintenance, materials, and supplies	162,050	184,655	149,359
Amortization		204,742	202,442
Interest			2,078
	<u> </u>	<u> </u>	<u> </u>
Total Transportation Services	\$ 1,189,361	\$ 1,570,998	\$ 1,220,920

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part of these financial statements.*

R. M. of Preeceville No. 334
 Total Expenses by Function
 For the year ended December 31, 2020

Schedule 3-2

	2020 Budget [Note 1(r)]	2020 Actual	2019 Actual
Environmental and Public Health Services			
Professional/contractual services	96,968	93,807	104,875
Maintenance, materials and supplies	1,000		
Grants and contributions - waste disposal	2,650		2,435
Grants and contributions - public health	4,144	4,144	4,144
Grants and contributions - capital	3,000	2,850	600
	<u> </u>	<u> </u>	<u> </u>
Total Environmental and Public Health Services	\$ 107,762	\$ 100,801	\$ 112,054
	<u> </u>	<u> </u>	<u> </u>
Planning and Development Services			
Professional/contractual services	20,570	19,871	19,566
Grants and contributions - operating	300	200	1,100
	<u> </u>	<u> </u>	<u> </u>
Total Planning and Development Services	\$ 20,870	\$ 20,071	\$ 20,666
	<u> </u>	<u> </u>	<u> </u>
Recreation and Cultural Services			
Maintenance, materials and supplies	50	333	23
Grants and contributions - operating	10,000	8,536	7,584
Libraries	12,500	16,217	14,780
	<u> </u>	<u> </u>	<u> </u>
Total Recreation and Cultural Services	\$ 22,550	\$ 25,086	\$ 22,387
	<u> </u>	<u> </u>	<u> </u>
Utility Services			
Professional/contractual services	3,800	8,846	3,531
Utilities	4,250	4,420	3,957
Maintenance, materials and supplies	750	812	515
Amortization		2,131	2,626
	<u> </u>	<u> </u>	<u> </u>
Total Utility Services	\$ 8,800	\$ 16,209	\$ 10,629
	<u> </u>	<u> </u>	<u> </u>
Total Expenses by Function	\$ 1,660,696	\$ 2,035,623	\$ 1,679,772
	<u> </u>	<u> </u>	<u> </u>

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

R. M. of Preeceville No. 334
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
Revenues - schedule 2								
Fees and charges	7,067		71,203	1,168		2,019	5,300	86,757
Investment income and commissions	11,113							11,113
Grants - conditional				11,120				11,120
Grants - capital			26,090					26,090
Total Revenues	<u>18,180</u>	<u>0</u>	<u>97,293</u>	<u>12,288</u>	<u>0</u>	<u>2,019</u>	<u>5,300</u>	<u>135,080</u>
Expenses - schedule 3								
Wages and benefits	137,499		404,682					542,181
Professional/contractual services	94,314	44,264	301,452	93,807	19,871		8,846	562,554
Utilities	6,663		10,994				4,420	22,077
Maintenance materials and supplies	13,499		464,473			333	812	479,117
Machinery costs/fuel/blades			184,655					184,655
Grants and contributions	25	200		6,994	200	8,536		15,955
Amortization	796		204,742				2,131	207,669
Insurance	5,198							5,198
Libraries						16,217		16,217
Total Expenses	<u>257,994</u>	<u>44,464</u>	<u>1,570,998</u>	<u>100,801</u>	<u>20,071</u>	<u>25,086</u>	<u>16,209</u>	<u>2,035,623</u>
Surplus (Deficit) by Function	<u>\$ (239,814)</u>	<u>\$ (44,464)</u>	<u>\$ (1,473,705)</u>	<u>\$ (88,513)</u>	<u>\$ (20,071)</u>	<u>\$ (23,067)</u>	<u>\$ (10,909)</u>	<u>(1,900,543)</u>
Taxation and other unconditional revenue - schedule 1								<u>1,587,053</u>
Net Surplus (Deficit)								<u><u>\$ (313,490)</u></u>

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part of these financial statements.*

R. M. of Preeceville No. 334
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
Revenues - schedule 2								
Fees and charges	5,166		125,963	2,435		1,908	4,950	140,422
Tangible capital asset sales - gain (loss)			(78,822)					(78,822)
Land sales - gain	2,425							2,425
Investment income and commissions	12,179							12,179
Grants - conditional				9,116				9,116
Grants - capital			25,800					25,800
Total Revenues	<u>19,770</u>	<u>0</u>	<u>72,941</u>	<u>11,551</u>	<u>0</u>	<u>1,908</u>	<u>4,950</u>	<u>111,120</u>
Expenses - schedule 3								
Wages and benefits	127,439		359,616					487,055
Professional/contractual services	99,540	42,725	240,565	104,875	19,566		3,531	510,802
Utilities	6,414		10,089				3,957	20,460
Maintenance materials and supplies	7,143		256,771			23	515	264,452
Machinery costs/fuel/blades			149,359					149,359
Grants and contributions	25	200		7,179	1,100	7,584		16,088
Amortization	796		202,442				2,626	205,864
Insurance	8,809							8,809
Libraries						14,780		14,780
Interest	25		2,078					2,103
Total Expenses	<u>250,191</u>	<u>42,925</u>	<u>1,220,920</u>	<u>112,054</u>	<u>20,666</u>	<u>22,387</u>	<u>10,629</u>	<u>1,679,772</u>
Surplus (Deficit) by Function	<u>\$(230,421)</u>	<u>\$(42,925)</u>	<u>\$(1,147,979)</u>	<u>\$(100,503)</u>	<u>\$(20,666)</u>	<u>\$(20,479)</u>	<u>\$(5,679)</u>	<u>(1,568,652)</u>
Taxation and other unconditional revenue - schedule 1								<u>1,430,982</u>
Net Surplus (Deficit)								<u>\$(137,670)</u>

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

R. M. of Preeceville No. 334
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
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets		Total
Asset Cost								
Opening Asset Cost	95,791	0	126,679	28,875	562,848	8,301,095	0	9,115,288
Additions during the year					5,300			5,300
Disposals and write-down during the year								(530,724)
Closing Asset Costs	<u>95,791</u>	<u>0</u>	<u>126,679</u>	<u>28,875</u>	<u>568,148</u>	<u>8,301,095</u>	<u>0</u>	<u>9,120,588</u>
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	0	0	101,225	21,655	236,550	4,724,614	0	5,084,044
Add: Amortization taken			1,119	3,609	36,491	166,450		207,669
Less: Accumulated amortization on disposals								213,789
Closing Accumulated Amortization Costs	<u>0</u>	<u>0</u>	<u>102,344</u>	<u>25,264</u>	<u>273,041</u>	<u>4,891,064</u>	<u>0</u>	<u>5,291,713</u>
Net Book Value	<u>\$ 95,791</u>	<u>\$ 0</u>	<u>\$ 24,335</u>	<u>\$ 3,611</u>	<u>\$ 295,107</u>	<u>\$ 3,410,031</u>	<u>\$ 0</u>	<u>\$ 3,828,875</u>
								<u>\$ 4,031,244</u>

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part of these financial statements.*

R. M. of Preeceville No. 334
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	56,853	0	8,930,715	0	0	0	127,720	9,115,288
Additions during the year			5,300					5,300
Disposals and write-down during the year								(530,724)
Closing Asset Costs	<u>56,853</u>	<u>0</u>	<u>8,936,015</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>127,720</u>	<u>9,120,588</u>
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	35,211	0	4,953,409	0	0	0	95,424	5,084,044
Add: Amortization taken	796		204,742				2,131	207,669
Less: Accumulated amortization on disposals								213,789
Closing Accumulated Amortization Costs	<u>36,007</u>	<u>0</u>	<u>5,158,151</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>97,555</u>	<u>5,291,713</u>
Net Book Value	<u>\$ 20,846</u>	<u>\$ 0</u>	<u>\$ 3,777,864</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 30,165</u>	<u>\$ 3,828,875</u>
								<u>\$ 4,031,244</u>

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R. M. of Preeceville No. 334
Schedule of Accumulated Surplus
For the year ended December 31, 2020

Schedule 8

	2019	Changes	2020
Unappropriated Surplus	<u>1,269,717</u>	<u>(365,295)</u>	<u>904,422</u>
Appropriated Surplus			
Other			
Future expenditures	27,371	254,018	281,389
Future capital expenditures	<u>250,000</u>	<u> </u>	<u>250,000</u>
	<u>277,371</u>	<u>254,018</u>	<u>531,389</u>
Total Appropriated	<u>277,371</u>	<u>254,018</u>	<u>531,389</u>
Organized Hamlets			
Hamlet of Ketchen	43,434	(1,931)	41,503
Hamlet of Lady Lake	12,435	224	12,659
Hamlet of Usherville	<u>23,294</u>	<u>1,863</u>	<u>25,157</u>
Total Hamlets	<u>79,163</u>	<u>156</u>	<u>79,319</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	<u>4,031,244</u>	<u>(202,369)</u>	<u>3,828,875</u>
Total Accumulated Surplus	<u>\$ 5,657,495</u>	<u>\$(313,490)</u>	<u>\$ 5,344,005</u>

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

R. M. of Preeceville No. 334
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)
Taxable Assessment	109,439,525	22,397,250			7,498,300		139,335,075
Regional Park Assessment							
Total Assessment							139,335,075
Mill Rate Factor(s)	1.0000	1.0000			1.0000		
Total Base/Minimum Tax (generated for each property class)		950			25		975
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	766,076	157,626			52,512		976,214
Mill Rates:	Mills						
Average Municipal*	7.0062						
Average School*	2.1300						
Potash Mill Rate							
Uniform Municipal Mill Rate	7.0000						

*Average Mill Rates (multiply the total tax levy for each taxing authority by 1,000 and divide by the total assessment for the taxing authority).

R. M. of Preeceville No. 334
Schedule of Council Remuneration
For the year ended December 31, 2020

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Rick Pristie	6,500	1,780	8,280
Johnny Petryshyn	1,300	499	1,799
Corwin Tonn	9,625	2,300	11,925
Darcy Rediger	4,816	770	5,586
Dale Parkin	1,000	262	1,262
Lawrence Hamilton	8,620	2,603	11,223
Linda Blender	750	166	916
Reg Strand	7,750	1,987	9,737
Reg Yaremchuk	8,250	2,168	10,418
Gabe Goodsman	5,250	2,029	7,279
	<u>\$ 53,861</u>	<u>\$ 14,564</u>	<u>\$ 68,425</u>