

Rural Municipality of LeRoy No. 339
Financial Statements
December 31, 2021

Rural Municipality of LeRoy No. 339

Contents

For the year ended December 31, 2021

Page

Management's Responsibility

Independent Auditor's Report

Financial Statements

Statement 1 - Statement of Financial Position	1
Statement 2 - Statement of Operations	2
Statement 3 - Statement of Changes in Net Financial Assets.	3
Statement 4 - Statement of Cash Flow	4

Notes to the Financial Statements	5
---	---

Schedules

Schedule 1 - Schedule of Taxes and other Unconditional Revenue	11
Schedule 2 - Schedule of Operating and Capital Revenue by Function	12
Schedule 3 - Schedule of Expenses by Function	14
Schedule 4 - Schedule of Current Year Segment Disclosure by Function	16
Schedule 5 - Schedule of Prior Year Segment Disclosure by Function	17
Schedule 6 - Schedule of Tangible Capital Assets by Object.	18
Schedule 7 - Schedule of Tangible Capital Assets by Function.	19
Schedule 8 - Schedule of Accumulated Surplus	20
Schedule 9 - Schedule of Mill Rates and Assessments	21
Schedule 10 - Schedule of Council Remuneration	22

Management's Responsibility

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

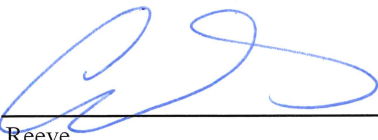
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting 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.

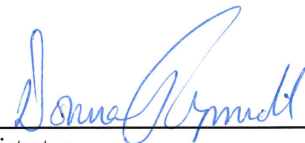
Council is composed entirely of council members who are neither management nor employees of the Municipality. Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the annual financial statements. Council fulfils these responsibilities 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 13, 2022



Reeve



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, 2021, 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, 2021, 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.

Emphasis of Matter - Comparative Information

As part of our audit of the financial statements of the Municipality for the year ended December 31, 2021, we also audited the adjustments described in Note 13 that were applied to restate the financial statements for the year ended December 31, 2020. In our opinion, such adjustments are appropriate and have been properly applied.

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 13, 2022

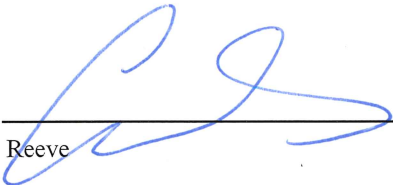
MNP LLP

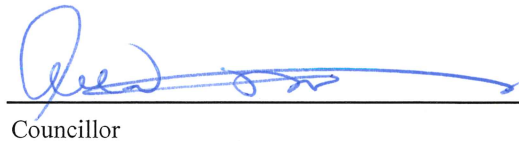
Chartered Professional Accountants

Rural Municipality of LeRoy No. 339
Statement of Financial Position
As at December 31, 2021

Statement 1

	2021	2020
<i>(restated - Note 13)</i>		
ASSETS		
Financial Assets		
Cash and Temporary Investments (Note 2)	3,263,665	3,157,894
Taxes Receivable - Municipal (Note 3)	12,038	15,466
Other Accounts Receivable (Note 4)	743,439	104,038
Long-Term Investments (Note 5)	5,675,788	5,647,954
Total Financial Assets	9,694,930	8,925,352
LIABILITIES		
Accounts Payable	1,055,199	336,063
Deferred Revenue (Note 6)	61,224	72,376
Total Liabilities	1,116,423	408,439
NET FINANCIAL ASSETS	8,578,507	8,516,913
Non-Financial Assets		
Tangible Capital Assets (Schedule 6, 7)	38,545,556	38,470,049
Prepayments and Deferred Charges	5,273	12,737
Stock and Supplies	649,539	665,307
Total Non-Financial Assets	39,200,368	39,148,093
Accumulated Surplus (Schedule 8)	47,778,875	47,665,006


Reeve


Councillor

Rural Municipality of LeRoy No. 339
Statement of Operations
For the year ended December 31, 2021

Statement 2

	2021 Budget	2021	2020
			(restated - Note 13)
Revenues			
Taxes and Other Unconditional Revenue (Schedule 1)	3,255,648	3,251,526	3,022,040
Fees and Charges (Schedule 4, 5)	250,600	275,596	296,961
Conditional Grants (Schedule 4, 5)	9,020	9,023	23,040
Investment Income and Commissions (Schedule 4, 5)	128,750	129,204	144,830
Tangible Capital Asset Sales - Gain (Loss) (Schedule 4, 5)	-	-	(369,488)
Land Sales - Gain (Schedule 4, 5)	-	-	-
Total Revenues	3,644,018	3,665,349	3,117,383
Expenses			
General Government Services (Schedule 3)	294,530	234,377	360,098
Protective Services (Schedule 3)	58,180	48,794	48,230
Transportation Services (Schedule 3)	4,838,952	4,530,477	3,585,398
Environmental and Public Health Services (Schedule 3)	78,150	58,374	54,400
Planning and Development Services (Schedule 3)	175,760	178,590	175,023
Recreation and Cultural Services (Schedule 3)	26,970	28,255	26,971
Utility Services (Schedule 3)	6,000	5,665	3,380
Total Expenses	5,478,542	5,084,532	4,253,500
Deficit of Revenues over Expenses before Other Capital Contributions	(1,834,524)	(1,419,183)	(1,136,117)
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	726,170	1,533,052	75,487
Surplus (Deficit) of Revenues over Expenses	(1,108,354)	113,869	(1,060,630)
Accumulated Surplus, Beginning of Year, as previously stated	48,072,473	48,072,473	48,725,636
Correction of an Error (Note 13)	(407,467)	(407,467)	-
Accumulated Surplus, Beginning of Year, as restated	47,665,006	47,665,006	48,725,636
Accumulated Surplus, End of Year	46,556,652	47,778,875	47,665,006

Rural Municipality of LeRoy No. 339
Statement of Change in Net Financial Assets
For the year ended December 31, 2021

Statement 3

	2021 Budget	2021	2020
			<i>(restated - Note 13)</i>
Surplus (Deficit)	(1,108,354)	113,869	(1,060,630)
Acquisition of tangible capital assets	(1,665,220)	(2,494,118)	(1,092,235)
Amortization of tangible capital assets	2,340,310	2,418,611	2,322,473
Proceeds on disposal of tangible capital assets	-	-	204,297
Loss (Gain) on the disposal of tangible capital assets	-	-	369,488
Surplus (Deficit) of capital expenses over expenditures	675,090	(75,507)	1,804,023
Use (Acquisition) of prepaid expense	-	7,464	(923)
Consumption (Acquisition) of supplies inventory	42,000	15,768	(182,745)
Surplus (Deficit) of expenses of other non-financial over expenditures	42,000	23,232	(183,668)
Increase (Decrease) in Net Financial Assets	(391,264)	61,594	559,725
Net Financial Assets - Beginning of Year	8,516,913	8,516,913	7,957,188
Net Financial Assets - End of Year	8,125,649	8,578,507	8,516,913

Rural Municipality of LeRoy No. 339
Statement of Cash Flow
For the year ended December 31, 2021

Statement 4

	2021	2020
	<i>(restated - Note 13)</i>	
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	113,869	(1,060,630)
Amortization	2,418,611	2,322,473
Loss (Gain) on disposal of tangible capital assets	-	369,488
	<u>2,532,480</u>	<u>1,631,331</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	3,428	4,611
Other Accounts Receivables	(639,401)	55,546
Accounts Payable	719,136	3,085
Deferred Revenue	(11,152)	72,230
Prepayments and Deferred Charges	7,464	(923)
Stock and Supplies	15,768	(182,745)
Net cash from operations	2,627,723	1,583,135
Capital:		
Acquisition of tangible capital assets	(2,494,118)	(1,092,235)
Proceeds from the disposal of tangible capital assets	-	204,297
Net cash used for capital	(2,494,118)	(887,938)
Investing:		
Long-term investments	(27,834)	15,724
Net cash from (used for) investing	(27,834)	15,724
Financing:		
Long-term debt issued	-	-
Long-term debt repaid	-	-
Net cash from financing	-	-
Increase in cash resources	105,771	710,921
Cash and Investments - Beginning of Year	<u>3,157,894</u>	<u>2,446,973</u>
Cash and Investments - End of Year	<u>3,263,665</u>	<u>3,157,894</u>

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, 2021

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, 2021

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>
<i>General Assets</i>	
Land	Indefinite
Buildings	10 to 40 Yrs
Vehicles & Equipment	
Vehicles	5 to 10 Yrs
Machinery and Equipment	3 to 25 Yrs
<i>Infrastructure Assets</i>	
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.

1. Significant accounting policies - continued

- p) **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.

- q) **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, 2021

	2021	2020
2. Cash and Temporary Investments		
Cash	3,263,665	3,157,894
Temporary Investments	-	-
Total Cash and temporary investments	3,263,665	3,157,894
Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less.		
3. Taxes and Grants in Lieu Receivable		
Municipal - Current	11,168	15,436
- Arrears	3,738	2,898
	14,906	18,334
- Less Allowance for Uncollectible	(2,868)	(2,868)
Total municipal taxes receivable	12,038	15,466
School - Current	4,417	7,393
- Arrears	1,038	653
Total school taxes receivable	5,455	8,046
Other - Current	2,285	2,253
- Arrears	10	1
	2,295	2,254
Total taxes and grants in lieu receivable	19,788	25,766
Deduct taxes receivable to be collected on behalf of other organizations	(7,750)	(10,300)
Municipal and Grants in Lieu Taxes Receivable	12,038	15,466
4. Other Accounts Receivable		
Federal government	2,713	3,925
Provincial government	644,784	380
Local government	26,300	7,904
Trade	20,542	38,595
Accrued interest	49,100	53,234
Total Other Accounts Receivable	743,439	104,038
Less Allowance for Uncollectible	-	-
Net Other Accounts Receivable	743,439	104,038
5. Long-term Investments		
Term Deposits	5,552,804	5,532,788
Sask Association of Rural Municipalities - Self Insurance Fund	76,667	72,248
Midway Co-operative Ltd.	46,317	42,918
Total Long-term Investments	5,675,788	5,647,954
6. Deferred Revenue		
Prepaid taxes	55	64
Municipal Economic Enhancement Program	-	72,152
Canada Community-Building Fund	61,169	-
Other deferred revenue	-	160
Total Deferred Revenue	61,224	72,376

Rural Municipality of LeRoy No. 339
Notes to the Financial Statements
For the year ended December 31, 2021

7. Long-Term Debt

The debt limit of the Municipality is \$3,207,832. 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. 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 is in a cost sharing agreement with the Mid Sask. Municipal Alliance to develop a Growth Management Strategy and individual Official Community Plans. During 2021, a contribution in the amount of \$12,984 (2020 - \$12,672) 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 October 2021, the Municipality entered into an agreement to purchase a 2023 Western Star 47X truck for a total of \$189,845 including applicable taxes, with anticipated delivery in 2022. A \$5,000 deposit was made leaving a commitment of \$184,845 at December 31, 2021.

In October 2021, the Municipality entered into an agreement to purchase a 2022 Caterpillar motor grader for a net cost of \$304,974 including applicable taxes after trade in allowance of \$150,000, with anticipated delivery in 2022.

In February 2021, the Municipality entered into an agreement with the Minister of Highways and Infrastructure to contribute 30% of the total project cost for upgrades to Grid Road 761. As at December 31, 2021, the estimated commitment remaining is \$216,000.

10. Budget

On August 11, 2021, Council approved its operating budget on planned expenses relating to the current year funding and other current year sources of revenue.

11. 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 2021 was \$53,400 (2020 - \$60,700). 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.

12. Significant Event

Since March of 2020, the global outbreak of COVID-19 (coronavirus) 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

Notes to the Financial Statements

For the year ended December 31, 2021

13. Correction of an Error

During the year, it was identified that opening tangible capital assets were overstated in the amount of \$407,467. In order to correct this error, the 2020 financial statements have been restated to decrease tangible capital assets by \$407,467, decrease in asset costs - linear assets by \$975,829, decrease in accumulated amortization costs - linear assets by \$568,362, increase in tangible capital asset sales - loss by \$425,297, decrease in amortization expense (transportation services) by \$17,830, increase in deficit of revenues over expenses by \$407,467 and decrease in 2021 opening accumulated surplus by \$407,467.

14. Comparative Figures

Prior year comparative figures have been restated to conform to the current year's presentation.

Rural Municipality of LeRoy No. 339
Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2021

Schedule 1

	2021 Budget	2021	2020
TAXES			
General municipal tax levy	3,070,816	3,070,816	2,786,034
Abatements and adjustments	(5,000)	(4,729)	-
Discount on current year taxes	(141,258)	(145,595)	(129,641)
Net Municipal Taxes	2,924,558	2,920,492	2,656,393
Potash tax share	103,890	103,894	108,106
Penalties on tax arrears	1,150	1,087	1,542
Total Taxes	3,029,598	3,025,473	2,766,041
UNCONDITIONAL GRANTS			
Equalization (Revenue Sharing)	226,050	226,053	226,053
Safe Restart	-	-	29,946
Total Unconditional Grants	226,050	226,053	255,999
GRANTS IN LIEU OF TAXES			
Provincial			
TransGas	-	-	-
Total Grants in Lieu of Taxes	-	-	-
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	3,255,648	3,251,526	3,022,040

Rural Municipality of LeRoy No. 339
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2021

Schedule 2 - 1

2021 Budget	2021	2020
		(restated - Note 13)

GENERAL GOVERNMENT SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Custom work	90	-	94
- Sales of supplies	1,280	853	1,287
- Other - licenses, permits, rebates and other	16,130	15,509	50,918
Total Fees and Charges	17,500	16,362	52,299
- Land sales - gain (loss)	-	-	-
- Investment income and commissions	128,750	129,204	144,830
Total Other Segmented Revenue	146,250	145,566	197,129
Total Operating	146,250	145,566	197,129
Total General Government Services	146,250	145,566	197,129

PROTECTIVE SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Fire fees	-	-	-
Total Fees and Charges	-	-	-
Total Other Segmented Revenue	-	-	-
Total Operating	-	-	-
Total Protective Services	-	-	-

TRANSPORTATION SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Custom work	194,220	227,967	211,867
- Sales of supplies	190	-	815
- Road maintenance and restoration agreements	38,690	31,267	31,980
Total Fees and Charges	233,100	259,234	244,662
- Tangible capital asset sales - gain (loss)	-	-	(369,488)
Total Other Segmented Revenue	233,100	259,234	(124,826)
Total Operating	233,100	259,234	(124,826)

Capital

Conditional Grants			
- Canada Community-Building Fund	14,810	-	44,427
- Primary Weight Corridor	31,060	31,060	31,060
- BHP Billiton road construction agreement	-	840,977	-
- Municipal Economic Enhancement Program	72,150	72,312	-
- Rural Integrated Roads for Growth	608,150	588,703	-
Total Capital	726,170	1,533,052	75,487
Total Transportation Services	959,270	1,792,286	(49,339)

Rural Municipality of LeRoy No. 339
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2021

Schedule 2 - 2

2021 Budget	2021	2020
		<i>(restated - Note 13)</i>

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Other	-	-	-
Total Fees and Charges	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Local government	9,020	9,023	23,040
Total Conditional Grants	9,020	9,023	23,040
Total Operating	9,020	9,023	23,040
Total Environmental and Public Health Services	9,020	9,023	23,040

PLANNING AND DEVELOPMENT SERVICES

Operating

Conditional Grants			
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Total Planning and Development Services	-	-	-

UTILITY SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Water	-	-	-
Total Fees and Charges	-	-	-
Total Other Segmented Revenue	-	-	-
Total Operating	-	-	-
Total Utility Services	-	-	-

TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	1,114,540	1,946,875	170,830
--	------------------	------------------	----------------

SUMMARY

Total Other Segmented Revenue	379,350	404,800	72,303
Total Conditional Grants	9,020	9,023	23,040
Total Capital Grants and Contributions	726,170	1,533,052	75,487
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	1,114,540	1,946,875	170,830

Rural Municipality of LeRoy No. 339

Schedule of Expenses by Function

For the year ended December 31, 2021

Schedule 3 - 1

	2021 Budget	2021	2020
			(restated - Note 13)
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	38,090	27,278	34,554
Wages and benefits	117,480	80,158	135,802
Professional/Contractual services	88,010	89,770	93,583
Utilities	8,380	9,220	10,900
Maintenance, materials and supplies	36,830	21,836	79,527
Allowance for uncollectible	310	689	306
Amortization	5,430	5,426	5,426
Total Government Services	294,530	234,377	360,098

PROTECTIVE SERVICES

Police protection

Professional/Contractual services	24,180	24,828	24,179
Grants and contributions - operating	200	200	200

Fire protection

Professional/Contractual services	1,010	889	965
Grants and contributions - operating	31,000	21,188	21,166
Maintenance, materials, and supplies	100	-	31
Amortization	1,690	1,689	1,689

Total Protective Services	58,180	48,794	48,230
----------------------------------	---------------	---------------	---------------

TRANSPORTATION SERVICES

Council remuneration and travel	730	673	568
Wages and benefits	484,150	409,541	451,140
Professional/Contractual Services	41,530	51,860	47,171
Utilities	15,360	14,605	15,694
Maintenance, materials, and supplies	704,042	695,369	538,522
Gravel	156,700	44,991	216,945
Grants and contributions - operating	1,103,250	901,942	-
Amortization	2,333,190	2,411,496	2,315,358

Total Transportation Services	4,838,952	4,530,477	3,585,398
--------------------------------------	------------------	------------------	------------------

Rural Municipality of LeRoy No. 339
Schedule of Expenses by Function
For the year ended December 31, 2021

Schedule 3 - 2

		2021 Budget	2021	2020
(restated - Note 13)				
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES				
	Wages and benefits	-	-	-
	Professional/Contractual services	16,300	19,979	15,928
	Maintenance, materials and supplies	5,050	3,629	3,669
	Grants and contributions - capital	-	-	-
	- Public health	28,190	6,152	6,189
	- Waste disposal	28,610	28,614	28,614
Total Environmental and Public Health Services		78,150	58,374	54,400
PLANNING AND DEVELOPMENT SERVICES				
	Wages and benefits	121,570	131,364	148,595
	Professional/Contractual services	54,150	47,191	25,704
	Grants and contributions - operating	40	35	724
Total Planning and Development Services		175,760	178,590	175,023
RECREATION AND CULTURAL SERVICES				
	Professional/Contractual services	6,750	6,752	6,752
	Grants and contributions - operating	20,220	21,503	20,219
Total Recreation and Cultural Services		26,970	28,255	26,971
UTILITY SERVICES				
	Maintenance, materials and supplies	6,000	5,665	3,380
Total Utility Services		6,000	5,665	3,380
TOTAL EXPENSES BY FUNCTION		5,478,542	5,084,532	4,253,500

Rural Municipality of LeRoy No. 339
Schedule of Segment Disclosure by Function
For the year ended December 31, 2021

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	16,362	-	259,234	-	-	-	-	275,596
Investment Income and Commissions	129,204	-	-	-	-	-	-	129,204
Tangible Capital Asset Sales - Gain (Loss)	-	-	-	-	-	-	-	-
Land Sales - Gain (Loss)	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	-	9,023	-	-	-	9,023
- Capital	-	-	1,533,052	-	-	-	-	1,533,052
Total revenues	145,566	-	1,792,286	9,023	-	-	-	1,946,875
Expenses (Schedule 3)								
Wages & Benefits	107,436	-	410,214	-	131,364	-	-	649,014
Professional/Contractual Services	89,770	25,717	51,860	19,979	47,191	6,752	-	241,269
Utilities	9,220	-	14,605	-	-	-	-	23,825
Maintenance, Materials and Supplies	21,836	-	740,360	3,629	-	-	5,665	771,490
Grants and Contributions	689	21,388	901,942	34,766	35	21,503	-	980,323
Amortization	5,426	1,689	2,411,496	-	-	-	-	2,418,611
Other	-	-	-	-	-	-	-	-
Total expenses	234,377	48,794	4,530,477	58,374	178,590	28,255	5,665	5,084,532
Deficit by Function	(88,811)	(48,794)	(2,738,191)	(49,351)	(178,590)	(28,255)	(5,665)	(3,137,657)
Taxation and other unconditional revenue (Schedule 1)								3,251,526
Net Surplus								113,869

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

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								<i>(restated - Note 13)</i>
Fees and Charges	52,299	-	244,662	-	-	-	-	296,961
Investment Income and Commissions	144,830	-	-	-	-	-	-	144,830
Tangible Capital Asset Sales - Gain (Loss)	-	-	(369,488)	-	-	-	-	(369,488)
Land Sales - Gain (Loss)	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	-	23,040	-	-	-	23,040
- Capital	-	-	75,487	-	-	-	-	75,487
Total revenues	197,129	-	(49,339)	23,040	-	-	-	170,830
Expenses (Schedule 3)								
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	-	34,803	724	20,219	-	77,418
Amortization	5,426	1,689	2,315,358	-	-	-	-	2,322,473
Other	-	-	-	-	-	-	-	-
Total expenses	360,098	48,230	3,585,398	54,400	175,023	26,971	3,380	4,253,500
Deficit by Function	(162,969)	(48,230)	(3,634,737)	(31,360)	(175,023)	(26,971)	(3,380)	(4,082,670)
Taxation and other unconditional revenue (Schedule 1)								3,022,040
Net Deficit								(1,060,630)

Rural Municipality of LeRoy No. 339
Schedule of Tangible Capital Assets by Object
For the year ended December 31, 2021

Schedule 6

2021							2020 (restated - Note 13)								
Assets	General Assets						Infrastructure Assets	Infrastructure Assets Under Construction	Total	Total					
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets									
	Asset cost														
	Opening Asset costs	45,001	-	847,400	839,100	2,898,529	50,848,574	1,305	55,479,909	55,718,013					
	Additions during the year	-	-	38,160	-	287,752	2,168,206	-	2,494,118	1,092,235					
	Disposals and write-downs during the year	-	-	-	-	-	-	-	-	(1,330,339)					
	Transfers (from) assets under construction	-	-	-	-	-	1,305	(1,305)	-	-					
Closing Asset Costs							45,001	-	885,560	839,100	3,186,281	53,018,085	-	57,974,027	55,479,909
Amortization	Accumulated Amortization Cost														
	Opening Accumulated Amortization Costs	-	-	303,476	267,762	979,763	15,458,859	-	17,009,860	15,443,941					
	Add: Amortization taken	-	-	19,398	66,138	270,034	2,063,041	-	2,418,611	2,322,473					
	Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	-	(756,554)					
	Closing Accumulated Amortization Costs	-	-	322,874	333,900	1,249,797	17,521,900	-	19,428,471	17,009,860					
Net Book Value							45,001	-	562,686	505,200	1,936,484	35,496,185	-	38,545,556	38,470,049

1. Total contributed/donated assets received in 2021 \$ 840,968

2. List of assets recognized at nominal value in 2021 are:

- Infrastructure Assets \$ -
- Vehicles \$ -
- Machinery and Equipment \$ -

3. Amount of interest capitalized in 2021 \$ -

Rural Municipality of LeRoy No. 339
Schedule of Tangible Capital Assets by Function
For the year ended December 31, 2021

Schedule 7

		2021							2020
									(restated - Note 13)
Assets		General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total
	Asset cost								Total
	Opening Asset costs	272,900	99,450	55,106,057	1,502	-	-	-	55,479,909
	Additions during the year (including assets under construction)	-	9,750	2,484,368	-	-	-	-	2,494,118
	Disposals and write-downs during the year	-	-	-	-	-	-	-	-
Closing Asset Costs		272,900	109,200	57,590,425	1,502	-	-	-	57,974,027
Amortization	Accumulated Amortization Cost								Total
	Opening Accumulated Amortization Costs	173,632	85,936	16,750,292	-	-	-	-	17,009,860
	Add: Amortization taken	5,426	1,689	2,411,496	-	-	-	-	2,418,611
	Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	-
	Closing Accumulated Amortization Costs	179,058	87,625	19,161,788	-	-	-	-	19,428,471
Net Book Value		93,842	21,575	38,428,637	1,502	-	-	-	38,545,556
									38,470,049

Rural Municipality of LeRoy No. 339
Schedule of Accumulated Surplus
For the year ended December 31, 2021

Schedule 8

	2020	Changes	2021
	<i>(restated - Note 13)</i>		
UNAPPROPRIATED SURPLUS	6,536,957	38,362	6,575,319
APPROPRIATED RESERVES			
Future Capital Expenditures	2,158,000	-	2,158,000
Capital Trust	500,000	-	500,000
Total Appropriated	2,658,000	-	2,658,000
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	38,470,049	75,507	38,545,556
Less: Related debt	-	-	-
Net Investment in Tangible Capital Assets	38,470,049	75,507	38,545,556
Total Accumulated Surplus	47,665,006	113,869	47,778,875

Rural Municipality of LeRoy No. 339
Schedule of Mill Rates and Assessments
For the year ended December 31, 2021

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	166,467,895	11,827,395	-	-	181,813,292	-	360,108,582
Regional Park Assessment	-	-					-
Total Assessment	-	-					360,108,582
Mill Rate Factor(s)	1.0000	1.2500	-	-	2.2700		
Total Base/Minimum Tax (generated for each property class)	-	-	-	-	-		-
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	860,638	76,435	-	-	2,133,743		3,070,816

MILL RATES:	MILLS
Average Municipal*	8.5275
Average School*	5.6896
Potash Mill Rate	-
Uniform Municipal Mill Rate	5.1700

* 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, 2021

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Calvin Buhs	5,500	-	5,500
Simon Skinner	3,900	-	3,900
Allan Moorman	3,400	-	3,400
Randy Buhs	2,800	-	2,800
Cody Block	2,650	-	2,650
Tracy Mollenbeck	2,200	-	2,200
Tom Senko	2,200	-	2,200
Total	22,650	-	22,650