

R. M. of Clayton No. 333

FINANCIAL STATEMENTS

Year Ended December 31, 2020

R. M. of Clayton No. 333

Hyas, Saskatchewan
December 31, 2020

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Management's Responsibility

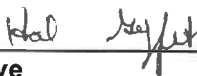
To the ratepayers of R. M. of Clayton No. 333:

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 Clayton No. 333

Opinion

We have audited the financial statements of R. M. of Clayton No. 333, (the municipality), which comprise the Statement of Financial Position as at December 31, 2020 and the Statements of Operations, Change 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
September 8, 2021

R. M. of Clayton No. 333
 Hyas, Saskatchewan
 Statement of Financial Position as at December 31, 2020

Statement 1

	2020	2019 (Note 11)
Assets		
Financial Assets		
Cash and temporary investments - note 2	1,895,640	1,295,617
Taxes receivable - municipal - note 3	143,490	132,949
Other accounts receivable - note 4	137,857	110,997
Land for resale - note 5	3,045	3,045
Long-term investments - note 6	113,779	110,112
Total Financial Assets	2,293,811	1,652,720
Liabilities		
Accounts payable	26,410	23,532
Deferred revenue	249,425	170,518
Accrued landfill costs - note 7	23,842	23,842
Other liabilities	260	260
Long-term debt - note 8	339,179	169,618
Lease obligations	154,833	154,833
Total Liabilities	639,116	542,603
Net Financial Assets	1,654,695	1,110,117
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	3,812,016	3,714,820
Prepayments and deferred charges	22,612	25,729
Stock and supplies	261,486	490,376
Total Non-Financial Assets	4,096,114	4,230,925
Accumulated Surplus - schedule 8	\$ 5,750,809	\$ 5,341,042

Approved on behalf of the council:

Reeve

Councillor

R. M. of Clayton No. 333
Statement of Operations
For the year ended December 31, 2020

Statement 2

	2020 Budget [Note 1(s)]	2020 Actual	2019 Actual (Note 11)
Revenues			
Taxes and other unconditional revenue - schedule 1	2,086,740	2,199,013	2,088,530
Fees and charges - schedules 4 and 5	66,620	84,538	97,521
Conditional grants - schedules 4 and 5	12,330	22,957	12,329
Tangible capital asset sales - gain (loss) - schedules 4 and 5		14,768	(403,559)
Land sales - gain - schedules 4 and 5			925
Investment income and commissions - schedules 4 and 5	7,900	21,821	22,181
Total Revenue	<u>2,173,590</u>	<u>2,343,097</u>	<u>1,817,927</u>
Expenses - schedule 3			
General government services	538,680	342,494	378,040
Protective services	34,940	38,893	43,764
Transportation services	1,658,210	1,633,739	1,685,379
Environmental and public health services	83,660	75,434	77,909
Planning and development services	3,520	3,520	3,520
Recreation and cultural services	7,820	7,962	7,814
Utilities services			5,000
Total Expenses	<u>2,326,830</u>	<u>2,102,042</u>	<u>2,201,426</u>
Surplus (Deficit) of Revenues over Expenses Before Other Capital Contributions	(153,240)	241,055	(383,499)
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>144,730</u>	<u>168,712</u>	<u>152,511</u>
Surplus (Deficit) of Revenue over Expenses	(8,510)	409,767	(230,988)
Accumulated Surplus, Beginning of Year	<u>5,341,042</u>	<u>5,341,042</u>	<u>5,572,030</u>
Accumulated Surplus, End of Year	<u>\$ 5,332,532</u>	<u>\$ 5,750,809</u>	<u>\$ 5,341,042</u>

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

R. M. of Clayton No. 333
Statement of Change in Net Financial Assets
For the year ended December 31, 2020

Statement 3

	2020 Budget [Note 1(s)]	2020 Actual	2019 Actual (Note 11)
Surplus (Deficit)	(8,510)	409,767	(230,988)
(Acquisition) of tangible capital assets		(477,124)	(87,816)
Amortization of tangible capital assets		267,496	313,106
Proceeds on disposal of tangible capital assets		127,200	34,285
Loss (gain) on the disposal of tangible capital assets		(14,768)	402,634
Surplus (Deficit) of Capital Expenses over Expenditures	<u>0</u>	<u>(97,196)</u>	<u>662,209</u>
(Acquisition) of supplies inventories		(57,141)	(667,894)
(Acquisition) of prepaid expense		(5,711)	(26,484)
Consumption of supplies inventory		286,031	472,973
Use of prepaid expense	<u>0</u>	<u>8,828</u>	<u>4,609</u>
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>232,007</u>	<u>(216,796)</u>
Increase (Decrease) in Net Financial Assets	(8,510)	544,578	214,425
Net Financial Assets, beginning of year	<u>1,110,117</u>	<u>1,110,117</u>	<u>895,692</u>
Net Financial Assets, End of Year	<u>\$ 1,101,607</u>	<u>\$ 1,654,695</u>	<u>\$ 1,110,117</u>

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

R. M. of Clayton No. 333
Statement of Cash Flow
For the year ended December 31, 2020

Statement 4

	2020	2019 (Note 11)
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus (Deficit)	409,767	(230,988)
Amortization	267,496	313,106
Loss (gain) on disposal of tangible capital assets	<u>(14,768)</u>	<u>402,634</u>
	662,495	484,752
Change in Assets/Liabilities		
Taxes receivable - municipal	(10,542)	(22,999)
Other receivables	(26,860)	(28,876)
Accounts payable	2,879	(95,009)
Deferred revenue	78,907	38,241
Other liabilities		(805)
Stock and supplies for use	228,890	(194,921)
Prepayments and deferred charges	<u>3,117</u>	<u>(21,875)</u>
Cash Provided by Operating Transactions	<u>938,886</u>	<u>158,508</u>
Capital:		
Acquisition of capital assets	(477,124)	(87,816)
Proceeds from the disposal of capital assets	<u>127,200</u>	<u>34,285</u>
Cash Applied to Capital Transactions	<u>(349,924)</u>	<u>(53,531)</u>
Investing:		
Additions to long-term investments	<u>(3,667)</u>	<u>(5,164)</u>
Financing:		
Long-term debt issued	250,000	
Long-term debt repaid	<u>(235,272)</u>	<u>(189,001)</u>
Cash Provided by (Applied to) Financing Transactions	<u>14,728</u>	<u>(189,001)</u>
Change in Cash and Temporary Investments During the Year	600,023	(89,188)
Cash and temporary investments, beginning of year	<u>1,295,617</u>	<u>1,384,805</u>
Cash and Temporary Investments, End of Year	<u>\$ 1,895,640</u>	<u>\$ 1,295,617</u>

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

R. M. of Clayton No. 333
Notes to Financial Statements
For the year ended December 31, 2020

1. Significant Accounting Policies

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

(c) Government transfers

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

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

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

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

(d) Deferred revenue - fees and charges

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

(e) Net financial assets

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

R. M. of Clayton No. 333
Notes to Financial Statements
For the year ended December 31, 2020

1. **Significant Accounting Policies** - continued

(f) Non-financial assets

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

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

(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	40 years
Buildings	40 years
Vehicles	10-20 years
Mobile equipment	10-20 years
Linear assets	40 years
Infrastructure Assets	
Paving, sidewalks and roadways	40 years

R. M. of Clayton No. 333
Notes to Financial Statements
For the year ended December 31, 2020

1. **Significant Accounting Policies** - continued

(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.

(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) Landfill liability

The R. M. of Clayton No. 333 no longer maintains a waste disposal site, and an environmental assessment has been completed but has yet to be fully decommissioned. The municipality has accrued costs in order to cover the expected decommissioning costs.

(o) 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.

(p) 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.

R. M. of Clayton No. 333
Notes to Financial Statements
For the year ended December 31, 2020

1. **Significant Accounting Policies** - continued

(q) 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 collectibility 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) 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.

(s) Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on May 13, 2020.

R. M. of Clayton No. 333
Notes to Financial Statements
For the year ended December 31, 2020

1. **Significant Accounting Policies** - continued

(t) New standards and amendments to standards

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

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

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

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

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

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

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

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

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

R. M. of Clayton No. 333
Notes to Financial Statements
For the year ended December 31, 2020

	2020	2019
2. Cash and Temporary Investments		
Cash	1,379,431	784,519
Temporary investments	<u>516,209</u>	<u>511,098</u>
Total Cash and Temporary Investments	<u>\$ 1,895,640</u>	<u>\$ 1,295,617</u>

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

	2020	2019
3. Taxes and Grants In Lieu Receivable		
Municipal - current	100,998	92,487
Municipal - arrears	<u>53,992</u>	<u>45,114</u>
	154,990	137,601
Less: Allowance for uncollectibles	<u>11,500</u>	<u>4,652</u>
Total municipal taxes receivable	<u>143,490</u>	<u>132,949</u>
School - current	12,677	12,132
School - arrears	<u>9,880</u>	<u>6,932</u>
Total school taxes receivable	<u>22,557</u>	<u>19,064</u>
Other	<u>0</u>	<u>172</u>
Total taxes and grants in lieu receivable	166,047	152,185
Less: Taxes receivable to be collected on behalf of other organizations	<u>22,557</u>	<u>19,236</u>
Municipal and Grants In Lieu Taxes Receivable	<u>\$ 143,490</u>	<u>\$ 132,949</u>
4. Other Accounts Receivable		
Provincial government	65,140	64,800
Utility		(60)
Trade	4,897	1,204
Other	<u>67,820</u>	<u>45,053</u>
Net Other Accounts Receivable	<u>\$ 137,857</u>	<u>\$ 110,997</u>
5. Land for Resale		
Tax title property	4,113	4,113
Less: Allowance for market value adjustment	<u>1,068</u>	<u>1,068</u>
Total Land for Resale	<u>\$ 3,045</u>	<u>\$ 3,045</u>

R. M. of Clayton No. 333
Notes to Financial Statements
For the year ended December 31, 2020

	2020	2019
6. Long-Term Investments		
Sask. Assoc. of Rural Municipalities - Self-Insurance Fund	81,779	78,112
Other	<u>32,000</u>	<u>32,000</u>
	<u>\$ 113,779</u>	<u>\$ 110,112</u>

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

	2020	2019
7. Accrued Landfill Costs		
Accrued landfill costs	<u>\$ 23,842</u>	<u>\$ 23,842</u>

In 2020, the municipality has accrued an overall liability for environmental matters in the amount of \$23,842 (2019 - \$23,842) which represents management's best estimate of this liability. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Included in environmental liabilities is \$23,842 (2019 - \$23,842) of the estimated total landfill closure and post-closure care expenses. The estimated liability for these expenses is recognized as the landfill site's capacity is used and the reported liability represents the portion of the estimated total expenses recognized as at December 31, 2020 based on the cumulative capacity used at that date, compared to the total estimated landfill capacity. Estimated total expenditures represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at the municipality's average long-term borrowing rate of 6% (2019 - 6%).

8. Long-Term Debt

The debt limit of the municipality for 2021 is \$1,745,641. 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).

- (a) Affinity Credit Union bank loan is repayable at 2.95% with monthly blended principal and interest payments of \$7,265.

Future principal and interest payments are as follows:

	Principal	Interest	2020 Total	2019 Total
2020	82,090	5,090	87,180	
2021	84,545	2,635	87,180	
2022	<u>43,328</u>	<u>374</u>	<u>43,702</u>	
	<u>\$ 209,963</u>	<u>\$ 8,099</u>	<u>\$ 218,062</u>	<u>\$ 0</u>

- (b) Affinity Credit Union bank loan is repayable at 3.99% with bi-weekly blended principal and interest payments of \$1,784.

R. M. of Clayton No. 333
Notes to Financial Statements
For the year ended December 31, 2020

8. **Long-Term Debt** - continued

Future principal repayments are estimated as follows:

	Principal	Interest	2020 Total	2019 Total
2020	42,027	4,357	46,384	46,384
2021	43,737	2,647	46,384	46,384
2022	43,452	869	44,321	46,384
2023				44,337
	<u>\$ 129,216</u>	<u>\$ 7,873</u>	<u>\$ 137,089</u>	<u>\$ 183,489</u>

9. **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	\$ 33,426	\$ 36,835
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As per the most recently audited financial statements dated December 31, 2019, the plan surplus is \$658,468,000.

R. M. of Clayton No. 333
Notes to Financial Statements
For the year ended December 31, 2020

10. 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:

In 2018, the municipality entered an agreement with the Parkland Regional Waste Management Authority along with seven other municipalities to guarantee a portion of a loan between PRWMA and the Crossroads Credit Union. This loan will be used to finance the building of a landfill site. The portion of the loan guaranteed by the R. M. of Clayton is in the amount of \$29,691. There is no indication, at this time, that the PRWMA will not be able to meet the obligations of the loan.

11. Comparative Figures

Certain balances for comparative purposes have been reclassified to conform with the current year's presentation.

The comparative financial statements have been restated to correct deferred revenue at December 31, 2019. 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			
Provincial/Federal Capital Grants and Contributions	152,511	190,752	<u>(38,241)</u>
			<u>(38,241)</u>
Expenses			
Adjustment to excess (deficiency) of revenue over expenses			(38,241)
Balance of net assets/fund balances, end of year, as previously stated			5,511,560
Adjustment to excess (deficiency) of revenue over expenses			<u>(132,277)</u>
Balance of net assets/fund balances, end of year, as restated			<u>\$ 5,341,042</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
Deferred Revenue	\$ 170,518	\$ 0	\$ 170,518
Unappropriated surplus	5,341,042	5,511,560	(170,518)

R. M. of Clayton No. 333
Notes to Financial Statements
For the year ended December 31, 2020

12. 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.

13. Commitments

The R. M. signed an operating lease agreement with John Deere Financial for the lease of a 2018 John Deere 772GXDW motor grader. Monthly payments of \$3,117 plus tax are due on the lease through June 2022.

R. M. of Clayton No. 333Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2020

Schedule 1

	2020 Budget [Note 1(s)]	2020 Actual	2019 Actual (Note 11)
Taxes			
General municipal tax levy	1,663,840	1,666,161	1,660,137
Abatements and adjustments	(500)	(1,957)	(2,569)
Discount on current year taxes	(25,000)	(24,922)	(21,795)
Net municipal taxes	<u>1,638,340</u>	<u>1,639,282</u>	<u>1,635,773</u>
Penalties on tax arrears	<u>12,000</u>	<u>21,344</u>	<u>16,732</u>
Total Taxes	<u>1,650,340</u>	<u>1,660,626</u>	<u>1,652,505</u>
Unconditional Grants			
Equalization (revenue sharing)	419,830	487,855	419,825
Organized hamlet	3,050	3,253	3,051
Safe Restart Grant		<u>35,315</u>	
Total Unconditional Grants	<u>422,880</u>	<u>526,423</u>	<u>422,876</u>
Grants In Lieu of Taxes			
Provincial			
Transgas	400	408	375
SaskTel		1,361	1,879
Sask Wildlife		8,049	8,749
Local/Other			
Treaty land entitlement	<u>13,120</u>	<u>2,146</u>	<u>2,146</u>
Total Grants In Lieu of Taxes	<u>13,520</u>	<u>11,964</u>	<u>13,149</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 2,086,740</u>	<u>\$ 2,199,013</u>	<u>\$ 2,088,530</u>

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

R. M. of Clayton No. 333Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2020

Schedule 2-1

	2020 Budget [Note 1(s)]	2020 Actual	2019 Actual (Note 11)
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	2,200	879	2,024
Sale of supplies	7,600	7,307	7,549
Rentals	2,000	2,000	2,000
Licenses and permits	1,700	3,800	2,250
Other		454	26,484
Total Fees and Charges	<u>13,500</u>	<u>14,440</u>	<u>40,307</u>
Land sales - gain			925
Investment income and commissions	7,900	21,821	22,181
Total Other Segmented Revenue	<u>21,400</u>	<u>36,261</u>	<u>63,413</u>
Total General Government Services	<u>\$ 21,400</u>	<u>\$ 36,261</u>	<u>\$ 63,413</u>
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	2,500	2,050	3,995
Sale of supplies	47,620	54,645	41,392
Road maintenance and restoration agreements	3,000	13,403	11,806
Total Fees and Charges	<u>53,120</u>	<u>70,098</u>	<u>57,193</u>
Tangible capital asset sales - gain (loss)		14,768	(403,559)
Total Other Segmented Revenue	<u>53,120</u>	<u>84,866</u>	<u>(346,366)</u>
Traffic Safety Grant		8,200	
Total Conditional Grants	<u>0</u>	<u>8,200</u>	<u>0</u>
Total Operating	<u>53,120</u>	<u>93,066</u>	<u>(346,366)</u>
Capital			
Conditional Grants			
Gas tax	34,930	8,698	42,711
Municipal Economic Enhancement Program		49,874	
Heavy haul	64,800	65,140	64,800
Designated road	45,000	45,000	45,000
Total Capital	<u>144,730</u>	<u>168,712</u>	<u>152,511</u>
Total Transportation Services	<u>\$ 197,850</u>	<u>\$ 261,778</u>	<u>\$(193,855)</u>

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

R. M. of Clayton No. 333Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2020

Schedule 2-2

	2020 Budget [Note 1(s)]	2020 Actual	2019 Actual (Note 11)
Environmental and Public Health Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of supplies			21
Total Other Segmented Revenue	<u>0</u>	<u>0</u>	<u>21</u>
Conditional Grants			
Pest control	12,330	14,757	12,329
Total Conditional Grants	<u>12,330</u>	<u>14,757</u>	<u>12,329</u>
Total Environmental and Public Health Services	<u>\$ 12,330</u>	<u>\$ 14,757</u>	<u>\$ 12,350</u>
Planning and Development Services			
Operating			
Total Operating and Capital Revenue by Function	<u>\$ 231,580</u>	<u>\$ 312,796</u>	<u>\$(118,092)</u>
Summary			
Total Other Segmented Revenue	74,520	121,127	(282,932)
Total Conditional Grants	12,330	22,957	12,329
Total Capital Grants and Contributions	<u>144,730</u>	<u>168,712</u>	<u>152,511</u>
Total Operating and Capital Revenue by Function	<u>\$ 231,580</u>	<u>\$ 312,796</u>	<u>\$(118,092)</u>

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

R. M. of Clayton No. 333
 Total Expenses by Function
 For the year ended December 31, 2020

Schedule 3-1

	2020 Budget [Note 1(s)]	2020 Actual	2019 Actual (Note 11)
General Government Services			
Council remuneration and travel	59,690	42,339	47,890
Wages and benefits	145,090	147,376	112,020
Professional/Contractual services	129,260	91,094	130,803
Utilities	5,300	3,963	3,698
Maintenance, materials and supplies	36,650	43,232	70,393
Amortization	2,450	2,447	2,448
Interest	160,240	5,195	10,788
Allowance for uncollectibles		6,848	
Total General Government Services	\$ 538,680	\$ 342,494	\$ 378,040
Protective Services			
Police protection			
Professional/Contractual services	27,100	28,514	27,523
Fire protection			
Contractual services		2,550	
Grants and contributions - operating	4,600	4,588	13,000
Amortization	3,240	3,241	3,241
Total Protective Services	\$ 34,940	\$ 38,893	\$ 43,764
Transportation Services			
Wages and benefits	404,480	395,155	399,208
Professional/Contractual services	262,060	207,158	267,197
Utilities	19,450	15,019	18,792
Maintenance, materials and supplies	106,200	62,113	103,719
Gravel	320,000	520,151	394,478
Machinery costs/fuel/blades	218,080	162,772	187,002
Amortization	313,340	261,808	307,417
Interest	14,600	9,563	7,566
Total Transportation Services	\$ 1,658,210	\$ 1,633,739	\$ 1,685,379
Environmental and Public Health Services			
Professional/Contractual services	35,680	31,573	35,232
Grants and contributions - operating	45,500	42,624	41,440
Grants and contributions - public health	2,480	1,237	1,237
Total Environmental and Public Health Services	\$ 83,660	\$ 75,434	\$ 77,909
Planning and Development Services			
Grants and contributions - operating	\$ 3,520	\$ 3,520	\$ 3,520
Recreation and Cultural Services			
Libraries	\$ 7,820	\$ 7,962	\$ 7,814
Utility Services			
Maintenance, materials and supplies	\$ 0	\$	\$ 5,000
Total Expenses by Function	\$ 2,326,830	\$ 2,102,042	\$ 2,201,426

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

R. M. of Clayton No. 333
 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	14,440		70,098					84,538
Tangible capital asset sales - gain			14,768					14,768
Investment income and commissions	21,821							21,821
Grants - conditional			8,200	14,757				22,957
Grants - capital			168,712					168,712
Total Revenues	<u>36,261</u>	<u>0</u>	<u>261,778</u>	<u>14,757</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>312,796</u>
Expenses - schedule 3								
Wages and benefits	147,376		395,155					542,531
Professional/contractual services	133,433	31,064	207,158	31,573				403,228
Utilities	3,963		15,019					18,982
Maintenance materials and supplies	43,232		582,264					625,496
Machinery costs/fuel/blades			162,772					162,772
Grants and contributions		4,588		43,861	3,520			51,969
Amortization	2,447	3,241	261,808					267,496
Libraries						7,962		7,962
Interest	5,195		9,563					14,758
Allowance for uncollectibles	6,848							6,848
Total Expenses	<u>342,494</u>	<u>38,893</u>	<u>1,633,739</u>	<u>75,434</u>	<u>3,520</u>	<u>7,962</u>	<u>0</u>	<u>2,102,042</u>
Surplus (Deficit) by Function	<u>\$ (306,233)</u>	<u>\$ (38,893)</u>	<u>\$ (1,371,961)</u>	<u>\$ (60,677)</u>	<u>\$ (3,520)</u>	<u>\$ (7,962)</u>	<u>\$ 0</u>	<u>(1,789,246)</u>
Taxation and other unconditional revenue - schedule 1								<u>2,199,013</u>
Net Surplus								<u>\$ 409,767</u>

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

R. M. of Clayton No. 333
 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	40,307		57,193	21				97,521
Tangible capital asset sales - gain (loss)			(403,559)					(403,559)
Land sales - gain	925							925
Investment income and commissions	22,181							22,181
Grants - conditional				12,329				12,329
Grants - capital			152,511					152,511
Total Revenues	<u>63,413</u>	<u>0</u>	<u>(193,855)</u>	<u>12,350</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(118,092)</u>
Expenses - schedule 3								
Wages and benefits	112,020		399,208					511,228
Professional/contractual services	178,693	27,523	267,197	35,232				508,645
Utilities	3,698		18,792					22,490
Maintenance materials and supplies	70,393		498,197				5,000	573,590
Machinery costs/fuel/blades			187,002					187,002
Grants and contributions		13,000		42,677	3,520			59,197
Amortization	2,448	3,241	307,417					313,106
Libraries						7,814		7,814
Interest	10,788		7,566					18,354
Total Expenses	<u>378,040</u>	<u>43,764</u>	<u>1,685,379</u>	<u>77,909</u>	<u>3,520</u>	<u>7,814</u>	<u>5,000</u>	<u>2,201,426</u>
Surplus (Deficit) by Function	<u>\$ (314,627)</u>	<u>\$ (43,764)</u>	<u>\$ (1,879,234)</u>	<u>\$ (65,559)</u>	<u>\$ (3,520)</u>	<u>\$ (7,814)</u>	<u>\$ (5,000)</u>	<u>(2,319,518)</u>
Taxation and other unconditional revenue - schedule 1								<u>2,088,530</u>
Net Surplus (Deficit)								<u>\$ (230,988)</u>

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

R. M. of Clayton No. 333
 Schedule of Tangible Capital Assets by Object
 For the year ended December 31, 2020

Schedule 6

	2020							Total	2019
	General Assets					Infrastruct. Assets	General/ Infrastruct. Assets under Constr.		
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Total		
Asset Cost									
Opening Asset Cost	115,483	0	917,423	61,952	1,506,601	7,482,123	0	10,083,582	10,535,088
Additions during the year					372,402		104,722	477,124	87,816
Disposals and write-down during the year					(281,081)			(281,081)	(539,322)
Closing Asset Costs	<u>115,483</u>	<u>0</u>	<u>917,423</u>	<u>61,952</u>	<u>1,597,922</u>	<u>7,482,123</u>	<u>104,722</u>	<u>10,279,625</u>	<u>10,083,582</u>
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	0	0	127,527	0	941,141	5,300,094	0	6,368,762	6,158,059
Add: Amortization taken			20,787	11,918	111,838	122,953		267,496	313,106
Less: Accumulated amortization on disposals					168,649			168,649	102,403
Closing Accumulated Amortization Costs	<u>0</u>	<u>0</u>	<u>148,314</u>	<u>11,918</u>	<u>884,330</u>	<u>5,423,047</u>	<u>0</u>	<u>6,467,609</u>	<u>6,368,762</u>
Net Book Value	<u>\$ 115,483</u>	<u>\$ 0</u>	<u>\$ 769,109</u>	<u>\$ 50,034</u>	<u>\$ 713,592</u>	<u>\$ 2,059,076</u>	<u>\$ 104,722</u>	<u>\$ 3,812,016</u>	<u>\$ 3,714,820</u>

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

R. M. of Clayton No. 333
 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	Total
Asset Cost									
Opening Asset Cost	43,391	73,817	9,950,807	0	0	0	15,567	10,083,582	10,535,088
Additions during the year			477,124					477,124	87,816
Disposals and write-down during the year			(281,081)					(281,081)	(539,322)
Closing Asset Costs	<u>43,391</u>	<u>73,817</u>	<u>10,146,850</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,567</u>	<u>10,279,625</u>	<u>10,083,582</u>
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	35,987	36,910	6,285,741	0	0	0	10,124	6,368,762	6,158,059
Add: Amortization taken	2,447	3,241	261,808					267,496	313,106
Less: Accumulated amortization on disposals			168,649					168,649	102,403
Closing Accumulated Amortization Costs	<u>38,434</u>	<u>40,151</u>	<u>6,378,900</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,124</u>	<u>6,467,609</u>	<u>6,368,762</u>
Net Book Value	<u>\$ 4,957</u>	<u>\$ 33,666</u>	<u>\$ 3,767,950</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,443</u>	<u>\$ 3,812,016</u>	<u>\$ 3,714,820</u>

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

R. M. of Clayton No. 333
 Schedule of Accumulated Surplus
 For the year ended December 31, 2020

Schedule 8

	2019	Changes	2020
Unappropriated Surplus	<u>1,277,648</u>	<u>421,548</u>	<u>1,699,196</u>
Appropriated Surplus			
Other			
Public reserve	983		983
Future expenditures	<u>511,098</u>	<u>60,800</u>	<u>571,898</u>
	<u>512,081</u>	<u>60,800</u>	<u>572,881</u>
Total Appropriated	<u>512,081</u>	<u>60,800</u>	<u>572,881</u>
Organized Hamlets			
Hamlet of Swan Plain	<u>6,111</u>	<u>(216)</u>	<u>5,895</u>
Net Investment in Tangible Capital Assets			
Tangible capital assets - schedule 6	3,714,820	97,196	3,812,016
Less: Related debt	<u>169,618</u>	<u>169,561</u>	<u>339,179</u>
Net Investment in Tangible Capital Assets	<u>3,545,202</u>	<u>(72,365)</u>	<u>3,472,837</u>
Total Accumulated Surplus	<u>\$ 5,341,042</u>	<u>\$ 409,767</u>	<u>\$ 5,750,809</u>

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

R. M. of Clayton No. 333
 Schedule of Mill Rates and Assessments
 For the year ended December 31, 2020

Schedule 9

	<u>Property Class</u>					Total
	Agriculture	Residential	Condominium Residential	Seasonal Residential	Commercial & Industrial	
Taxable Assessment	126,820,613	8,733,449		351,055	3,596,700	139,501,817
Regional Park Assessment						139,501,817
Total Assessment						139,501,817
Mill Rate Factor(s)	1.0000	1.0000		1.0000	1.0000	
Total Base/Minimum Tax (generated for each property class)	166,800					166,800
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	1,530,122	93,687		3,688	38,664	1,666,161
Mill Rates:						
		Mills				
Average Municipal*		11.9437				
Average School*		1.7299				
Potash Mill Rate						
Uniform Municipal Mill Rate	10.7500					
Hamlet of Swan Plain Mill Rate	10.0000					

*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).

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

R. M. of Clayton No. 333
Schedule of Council Remuneration
For the year ended December 31, 2020

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Hal Griffith	375	156	531
Duane Hicks	3,345	1,850	5,195
Harold Ferstl	2,265	537	2,802
Darin Jacquemart	3,825	1,349	5,174
Dean Serdachny	2,434	684	3,118
Ronald Perepeluk	2,393	622	3,015
Dwight Rubletz	2,370	780	3,150
Lorne Ball	3,525	885	4,410
	<u>\$ 20,532</u>	<u>\$ 6,863</u>	<u>\$ 27,395</u>

Transactions with these related parties are in the normal course of operations and are settled on normal trade terms.