

**R. M. of Grayson No. 184**

**FINANCIAL STATEMENTS**

**Year Ended December 31, 2020**

# **R. M. of Grayson No. 184**

Grayson, Saskatchewan  
December 31, 2020

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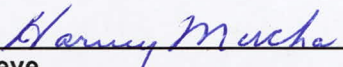
### Management's Responsibility

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

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

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

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

  
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Reeve

  
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Administrator

## **Independent Auditors' Report**

To the Council  
R. M. of Grayson No. 184

### *Opinion*

We have audited the financial statements of R. M. of Grayson No. 184, (the municipality), which comprise the Statement of Financial Position as at December 31, 2020 and the Statements of Operations, Changes in Net Financial Assets and Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

### *Basis for Opinion*

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

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

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

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

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



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

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

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

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

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

**Baker Tilly SK LLP**

*Baker Tilly SK LLP*

Yorkton, SK  
March 10, 2021

**R. M. of Grayson No. 184**

Grayson, Saskatchewan

Statement 1

Statement of Financial Position as at December 31, 2020

	2020	2019
<b>Assets</b>		
<b>Financial Assets</b>		
Cash and temporary investments - note 2	1,729,508	1,667,938
Taxes receivable - municipal - note 3	54,462	67,273
Other accounts receivable - note 4	318,784	125,343
Long-term investments - note 6	105,819	148,602
<b>Total Financial Assets</b>	<u>2,208,573</u>	<u>2,009,156</u>
<b>Liabilities</b>		
Accounts payable - note 7	15,493	640
Accrued landfill costs - note 8	25,294	25,000
Other liabilities	30,425	31,569
Lease obligations - note 10		355,235
<b>Total Liabilities</b>	<u>71,212</u>	<u>412,444</u>
<b>Net Financial Assets</b>	<u>2,137,361</u>	<u>1,596,712</u>
<b>Non-Financial Assets</b>		
Tangible capital assets - schedules 6 and 7	4,229,804	4,170,830
Prepayments and deferred charges	5,044	
Stock and supplies - note 5	185,218	212,460
<b>Total Non-Financial Assets</b>	<u>4,420,066</u>	<u>4,383,290</u>
<b>Accumulated Surplus - schedule 8</b>	<u>\$ 6,557,427</u>	<u>\$ 5,980,002</u>

Approved on behalf of the council:

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Reeve

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Councillor

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

**R. M. of Grayson No. 184**  
Statement of Operations  
For the year ended December 31, 2020

Statement 2

	<b>2020 Budget</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
<b>Revenues</b>			
Taxes and other unconditional revenue - schedule 1	1,339,014	1,374,397	1,276,109
Fees and charges - schedules 4 and 5	32,400	68,901	67,432
Conditional grants - schedules 4 and 5	27,400	39,500	27,745
Tangible capital asset sales - gain - schedules 4 and 5			2,000
Investment income and commissions - schedules 4 and 5	29,300	30,151	38,700
<b>Total Revenue</b>	<u>1,428,114</u>	<u>1,512,949</u>	<u>1,411,986</u>
<b>Expenses - schedule 3</b>			
General government services	241,732	215,661	260,657
Protective services	57,260	56,420	55,763
Transportation services	999,300	819,715	956,234
Environmental and public health services	109,855	75,720	68,538
Planning and development services	30,812	35,521	30,919
Recreation and cultural services	14,386	6,886	6,758
<b>Total Expenses</b>	<u>1,453,345</u>	<u>1,209,923</u>	<u>1,378,869</u>
<b>Surplus (Deficit) of Revenues over Expenses Before Other Capital Contributions</b>	( 25,231)	303,026	33,117
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>29,000</u>	<u>274,399</u>	<u>60,466</u>
<b>Surplus of Revenue over Expenses</b>	3,769	577,425	93,583
<b>Accumulated Surplus, Beginning of Year</b>	<u>5,980,002</u>	<u>5,980,002</u>	<u>5,886,419</u>
<b>Accumulated Surplus, End of Year</b>	<u>\$ 5,983,771</u>	<u>\$ 6,557,427</u>	<u>\$ 5,980,002</u>

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part of these financial statements.*

**R. M. of Grayson No. 184**  
Statement of Change in Net Financial Assets  
For the year ended December 31, 2020

Statement 3

	<b>2020 Budget</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
<b>Surplus</b>	<u>3,769</u>	<u>577,425</u>	<u>93,583</u>
(Acquisition) of tangible capital assets	( 268,112)	( 329,008)	( 35,811)
Amortization of tangible capital assets		270,034	278,812
Proceeds on disposal of tangible capital assets			5,000
Loss (gain) on the disposal of tangible capital assets	<u>                    </u>	<u>                    </u>	<u>( 2,000)</u>
<b>Surplus (Deficit) of Capital Expenses over Expenditures</b>	<u>( 268,112)</u>	<u>( 58,974)</u>	<u>246,001</u>
(Acquisition) of supplies inventories		( 1,236)	( 3,880)
(Acquisition) of prepaid expense		( 5,044)	
Consumption of supplies inventory		28,478	79,612
Use of prepaid expense	<u>                    </u>	<u>                    </u>	<u>455</u>
<b>Surplus of Expenses of Other Non-Financial over Expenditures</b>	<u>0</u>	<u>22,198</u>	<u>76,187</u>
<b>Increase (Decrease) in Net Financial Assets</b>	( 264,343)	540,649	415,771
Net Financial Assets, beginning of year	<u>1,596,714</u>	<u>1,596,714</u>	<u>1,180,943</u>
<b>Net Financial Assets, End of Year</b>	<u>\$ 1,332,371</u>	<u>\$ 2,137,363</u>	<u>\$ 1,596,714</u>

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



**R. M. of Grayson No. 184**  
Statement of Cash Flow  
For the year ended December 31, 2020

Statement 4

	2020	2019
<b>Cash Provided by (used for) the Following Activities</b>		
<b>Operating:</b>		
<b>Surplus</b>	577,425	93,583
Amortization	270,034	278,812
Loss (gain) on disposal of tangible capital assets		( 2,000)
Loss (gain) on disposal of investments	( 15,724)	
	<u>831,735</u>	<u>370,395</u>
<b>Change in Assets/Liabilities</b>		
Taxes receivable - municipal	12,811	( 8,565)
Other receivables	( 193,442)	43,720
Accounts payable	14,853	( 602)
Other liabilities	( 848)	11,310
Stock and supplies for use	27,242	75,732
Prepayments and deferred charges	( 5,044)	455
<b>Cash Provided by Operating Transactions</b>	<u>687,307</u>	<u>492,445</u>
<b>Capital:</b>		
Acquisition of capital assets	( 329,008)	( 35,811)
Proceeds from the disposal of capital assets		5,000
<b>Cash Applied to Capital Transactions</b>	<u>( 329,008)</u>	<u>( 30,811)</u>
<b>Investing:</b>		
Long-term investments	( 7,217)	( 8,316)
Proceeds on disposal of investments	65,724	
<b>Cash Provided by (Applied to) Investing Transactions</b>	<u>58,507</u>	<u>( 8,316)</u>
<b>Financing:</b>		
Long-term debt repaid	( 355,236)	( 61,782)
<b>Change in Cash and Temporary Investments During the Year</b>	61,570	391,536
Cash and temporary Investments, beginning of year	<u>1,667,938</u>	<u>1,276,402</u>
<b>Cash and Temporary Investments, End of Year</b>	<u>\$ 1,729,508</u>	<u>\$ 1,667,938</u>

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

**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 Grayson No. 184**  
Notes to Financial Statements  
For the year ended December 31, 2020

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**1. Significant Accounting Policies - continued**

(f) Non-financial assets

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

(g) 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:

<b>Asset</b>	<b>Useful Life</b>
General Assets	
Land	indefinite
Land improvements	40 years
Buildings	50 years
Vehicles	5 years
Mobile equipment	10 years
Linear assets	50 years
Infrastructure Assets	
Paving, sidewalks and roadways	50 years

**R. M. of Grayson No. 184**  
Notes to Financial Statements  
For the year ended December 31, 2020

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**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) Works of art

Assets that have a historical or cultural significance, which include works of art, monuments and other cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with this property cannot be made.

(m) Capitalization of interest

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

(n) 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.

(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.

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

**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 collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

The measurement of materials and supplies are based on estimates of volume and quality.

The opening asset costs of tangible capital assets have been estimated where actual costs were not available.

Amortization is based on the estimated useful lives of tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

**(r) 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 April 8, 2020.

**R. M. of Grayson No. 184**  
Notes to Financial Statements  
For the year ended December 31, 2020

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**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 Grayson No. 184**  
Notes to Financial Statements  
For the year ended December 31, 2020

	2020	2019
<b>2. Cash and Temporary Investments</b>		
Cash	\$ 1,729,508	\$ 1,667,938
Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less.		
<b>3. Taxes and Grants In Lieu Receivable</b>		
Municipal - current	47,412	64,464
Municipal - arrears	7,050	2,809
	<u>54,462</u>	<u>67,273</u>
Less: Allowance for uncollectibles	0	0
Total municipal taxes receivable	<u>54,462</u>	<u>67,273</u>
School - current	17,887	21,160
School - arrears	1,056	737
Total school taxes receivable	<u>18,943</u>	<u>21,897</u>
Other	0	2,444
Total taxes and grants in lieu receivable	73,405	91,614
Less: Taxes receivable to be collected on behalf of other organizations	<u>18,943</u>	<u>24,341</u>
<b>Municipal and Grants In Lieu Taxes Receivable</b>	<u>\$ 54,462</u>	<u>\$ 67,273</u>
<b>4. Other Accounts Receivable</b>		
Federal government	41,036	12,392
Provincial government	183,238	
Local government	81,000	94,500
Trade	<u>13,510</u>	<u>18,451</u>
<b>Net Other Accounts Receivable</b>	<u>\$ 318,784</u>	<u>\$ 125,343</u>
<b>5. Stock and Supplies</b>		
Inventories are comprised of the following:		
Stock and supplies	\$ 185,218	\$ 212,460
<b>6. Long-Term Investments</b>		
Sask. Assoc. of Rural Municipalities - Self-Insurance Fund	84,260	79,286
Other	920	50,920
Co-op. equity	<u>20,639</u>	<u>18,396</u>
	<u>\$ 105,819</u>	<u>\$ 148,602</u>

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

**R. M. of Grayson No. 184**  
Notes to Financial Statements  
For the year ended December 31, 2020

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	2020	2019
<b>7. Accounts Payable</b>		
Accounts payable are comprised of the following items:		
Accounts payable	12,461	640
Wages payable	<u>3,032</u>	<u>        </u>
	<u>\$ 15,493</u>	<u>\$ 640</u>
<b>8. Accrued Landfill Costs</b>		
Accrued landfill costs	<u>\$ 25,294</u>	<u>\$ 25,000</u>

In 2020, the municipality has accrued an overall liability for environmental matters in the amount of \$25,294 (2019 - \$25,000) 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 \$25,294 (2019 - \$25,000) 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%).

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

The unfunded liability for the landfill will be paid for through future revenues.

**9. Long-Term Debt**

The debt limit of the municipality for 2021 is \$1,000,634. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (*The Municipalities Act* Section 161).



**R. M. of Grayson No. 184**  
Notes to Financial Statements  
For the year ended December 31, 2020

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	2020	2019
<b>10. Obligations Under Capital Leases</b>		
Lease payable - Brandt Tractor Ltd.		
Maturity date - October 2, 2020		
Original amount - \$210,842		
Purpose - lease a 2017 John Deere 770G motor grader		
Interest rate - 3.99%		
Terms of repayment - blended monthly payments of \$3,002 plus sales taxes		
Security - 2017 John Deere 770G motor grader		
Balance, end of year		157,642
Lease payable - Brandt Tractor Ltd.		
Maturity date - December 1, 2020		
Original amount - \$240,842		
Purpose - lease a 2018 John Deere motor grader and Brandt Post-Less hydraulic wing		
Interest rate - 3.99%		
Terms of repayment - blended monthly payments of \$3,002 plus sales taxes		
Security - 2018 John Deere Motor Grader and Brandt Post-Less hydraulic wing		
Balance, end of year	<u>                    </u>	<u>197,593</u>
	<u>\$ 0</u>	<u>\$ 355,235</u>

Included in tangible capital assets are the following capital assets under capital lease.

	2020	2019
Cost		726,446
Accumulated amortization	<u>                    </u>	<u>( 145,289)</u>
Net book value	<u>\$ 0</u>	<u>\$ 581,157</u>

**R. M. of Grayson No. 184**  
Notes to Financial Statements  
For the year ended December 31, 2020

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**11. Employee Benefit Plans**

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

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

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

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

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

Contributions to the plan during the year were as follows:

Benefit expense	\$ 22,400	\$ 33,950
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As per the most recently audited financial statements dated December 31, 2019, the plan surplus is \$658,468,000.

**12. Contingent Liabilities**

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

**13. Annexation**

Effective January 1, 2017, the Resort Village of West End annexed land from the R. M. of Grayson No. 184 with an agreement to provide the R. M. of Grayson No. 184 with \$135,000 paid over ten years. To date, the R. M. of Grayson No. 184 has received \$40,500.

**R. M. of Grayson No. 184**Schedule of Taxes and Other Unconditional Revenue  
For the year ended December 31, 2020

Schedule 1

	<b>2020 Budget</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
<b>Taxes</b>			
General municipal tax levy	934,663	933,843	911,227
Abatements and adjustments	( 500)	( 1,112)	
Discount on current year taxes	( 35,000)	( 37,766)	( 35,336)
Net municipal taxes	899,163	894,965	875,891
Potash tax share		6,617	
Penalties on tax arrears	4,500	4,586	4,193
<b>Total Taxes</b>	<b>903,663</b>	<b>906,168</b>	<b>880,084</b>
<b>Unconditional Grants</b>			
Equalization (revenue sharing)	298,573	298,654	259,714
Organized hamlet	24,828	24,828	22,856
Safe Restart Program		30,543	
<b>Total Unconditional Grants</b>	<b>323,401</b>	<b>354,025</b>	<b>282,570</b>
<b>Grants In Lieu of Taxes</b>			
RCMP	1,000	1,481	1,354
Provincial			
SaskTel	2,854	3,329	3,044
Local/Other			
Treaty land entitlement	108,096	108,433	108,096
Specific land claims		961	961
<b>Total Grants In Lieu of Taxes</b>	<b>111,950</b>	<b>114,204</b>	<b>113,455</b>
<b>Total Taxes and Other Unconditional Revenue</b>	<b>\$ 1,339,014</b>	<b>\$ 1,374,397</b>	<b>\$ 1,276,109</b>

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

**R. M. of Grayson No. 184**Schedule of Operating and Capital Revenue by Function  
For the year ended December 31, 2020

Schedule 2-1

	<b>2020 Budget</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
<b>General Government Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges			
Custom work		304	
Sale of supplies	2,000	4,914	2,103
Other	100	998	100
Total Fees and Charges	2,100	6,216	2,203
Investment income and commissions	29,300	30,151	38,700
Total Other Segmented Revenue	31,400	36,367	40,903
<b>Total General Government Services</b>	<b>\$ 31,400</b>	<b>\$ 36,367</b>	<b>\$ 40,903</b>
<b>Transportation Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges			
Custom work	500	1,990	870
Sale of supplies	3,500	4,442	4,188
Other			25,000
Road maintenance and restoration agreements	1,500	1,758	1,300
Total Fees and Charges	5,500	8,190	31,358
Tangible capital asset sales - gain		0	2,000
Total Other Segmented Revenue	5,500	8,190	33,358
Conditional Grants			
Clearing The Path	27,400	27,740	27,400
Federation of Canadian Municipalities		11,760	
Total Conditional Grants	27,400	39,500	27,400
<b>Total Operating</b>	<b>32,900</b>	<b>47,690</b>	<b>60,758</b>
<b>Capital</b>			
Conditional Grants			
Municipal Economic Enhancement Program		73,589	
Rural Integrated Roads for Growth Initiative		155,498	
Gas tax	29,000	45,312	60,466
<b>Total Capital</b>	<b>29,000</b>	<b>274,399</b>	<b>60,466</b>
<b>Total Transportation Services</b>	<b>\$ 61,900</b>	<b>\$ 322,089</b>	<b>\$ 121,224</b>

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

**R. M. of Grayson No. 184**Schedule of Operating and Capital Revenue by Function  
For the year ended December 31, 2020

Schedule 2-2

	<b>2020 Budget</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
<b>Environmental and Public Health Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges			
Sale of supplies	5,000	6,527	7,011
Rentals	6,000	7,198	6,000
Other		15,724	
Total Fees and Charges	<u>11,000</u>	<u>29,449</u>	<u>13,011</u>
Total Other Segmented Revenue	<u>11,000</u>	<u>29,449</u>	<u>13,011</u>
Conditional Grants			
Pest control			345
Total Conditional Grants	<u>0</u>	<u>0</u>	<u>345</u>
<b>Total Environmental and Public Health Services</b>	<u>\$ 11,000</u>	<u>\$ 29,449</u>	<u>\$ 13,356</u>
<b>Planning and Development Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges			
Maintenance and development charges	13,800	25,046	20,860
Total Other Segmented Revenue	<u>13,800</u>	<u>25,046</u>	<u>20,860</u>
<b>Total Planning and Development Services</b>	<u>\$ 13,800</u>	<u>\$ 25,046</u>	<u>\$ 20,860</u>
<b>Total Operating and Capital Revenue by Function</b>	<u>\$ 118,100</u>	<u>\$ 412,951</u>	<u>\$ 196,343</u>
<b>Summary</b>			
Total Other Segmented Revenue	61,700	99,052	108,132
Total Conditional Grants	27,400	39,500	27,745
Total Capital Grants and Contributions	<u>29,000</u>	<u>274,399</u>	<u>60,466</u>
<b>Total Operating and Capital Revenue by Function</b>	<u>\$ 118,100</u>	<u>\$ 412,951</u>	<u>\$ 196,343</u>

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

**R. M. of Grayson No. 184**  
Total Expenses by Function  
For the year ended December 31, 2020

Schedule 3-1

	<b>2020 Budget</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
<b>General Government Services</b>			
Council remuneration and travel	44,700	37,374	38,982
Wages and benefits	131,000	120,570	167,788
Professional/Contractual services	33,744	34,645	28,372
Utilities	3,550	4,013	3,321
Maintenance, materials and supplies	27,800	14,787	17,176
Grants and contributions - operating		2,446	200
Amortization		938	938
Interest		3	51
Other	938	885	3,829
<b>Total General Government Services</b>	<b>\$ 241,732</b>	<b>\$ 215,661</b>	<b>\$ 260,657</b>
<b>Protective Services</b>			
Police protection			
Professional/Contractual services	25,300	24,660	23,803
Grants and contributions - operating	1,800	1,600	1,800
Fire protection			
Wages and benefits	1,200	1,200	1,200
Professional/Contractual services	28,960	28,960	28,960
<b>Total Protective Services</b>	<b>\$ 57,260</b>	<b>\$ 56,420</b>	<b>\$ 55,763</b>
<b>Transportation Services</b>			
Wages and benefits	301,500	244,586	293,692
Professional/Contractual services	102,300	93,581	90,131
Utilities	25,500	19,894	21,341
Maintenance, materials, and supplies	193,500	155,403	183,020
Gravel	80,000	26,759	76,636
Amortization		268,041	276,819
Interest	11,500	11,451	14,595
Other	285,000		
<b>Total Transportation Services</b>	<b>\$ 999,300</b>	<b>\$ 819,715</b>	<b>\$ 956,234</b>
<b>Environmental and Public Health Services</b>			
Professional/Contractual Services	101,300	64,478	60,132
Maintenance, materials and supplies	7,500	10,187	7,351
Amortization	1,055	1,055	1,055
<b>Total Environmental and Public Health Services</b>	<b>\$ 109,855</b>	<b>\$ 75,720</b>	<b>\$ 68,538</b>
<b>Planning and Development Services</b>			
Professional/Contractual Services	30,812	35,521	30,919
<b>Recreation and Cultural Services</b>			
Professional/Contractual Services	7,500		
Libraries	6,886	6,886	6,758
<b>Total Recreation and Cultural Services</b>	<b>\$ 14,386</b>	<b>\$ 6,886</b>	<b>\$ 6,758</b>
<b>Total Expenses by Function</b>	<b>\$ 1,453,345</b>	<b>\$ 1,209,923</b>	<b>\$ 1,378,869</b>

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

**R. M. of Grayson No. 184**  
Schedule of Segment Disclosure by Function  
For the year ended December 31, 2020

Schedule 4

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
<b>Revenues</b> - schedule 2								
Fees and charges	6,216		8,190	29,449	25,046			68,901
Investment income and commissions	30,151							30,151
Grants - conditional			39,500					39,500
Grants - capital			274,399					274,399
Total Revenues	<u>36,367</u>	<u>0</u>	<u>322,089</u>	<u>29,449</u>	<u>25,046</u>	<u>0</u>	<u>0</u>	<u>412,951</u>
<b>Expenses</b> - schedule 3								
Wages and benefits	120,570	1,200	244,586					366,356
Professional/contractual services	72,019	53,620	93,581	64,478	35,521			319,219
Utilities	4,013		19,894					23,907
Maintenance materials and supplies	14,787		26,759	10,187				51,733
Machinery costs/fuel/blades			155,403					155,403
Grants and contributions	2,446	1,600						4,046
Amortization	938		268,041	1,055				270,034
Libraries						6,886		6,886
Interest	3		11,451					11,454
Other	885							885
Total Expenses	<u>215,661</u>	<u>56,420</u>	<u>819,715</u>	<u>75,720</u>	<u>35,521</u>	<u>6,886</u>	<u>0</u>	<u>1,209,923</u>
<b>Surplus (Deficit) by Function</b>	<u>\$ ( 179,294)</u>	<u>\$ ( 56,420)</u>	<u>\$ ( 497,626)</u>	<u>\$ ( 46,271)</u>	<u>\$ ( 10,475)</u>	<u>\$ ( 6,886)</u>	<u>\$ 0</u>	<u>( 796,972)</u>
Taxation and other unconditional revenue - schedule 1								<u>1,374,397</u>
<b>Net Surplus</b>								<u>\$ 577,425</u>

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**R. M. of Grayson No. 184**  
Schedule of Segment Disclosure by Function  
For the year ended December 31, 2019

Schedule 5

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
<b>Revenues</b> - schedule 2								
Fees and charges	2,203		31,358	13,011	20,860			67,432
Tangible capital asset sales - gain			2,000					2,000
Investment income and commissions	38,700							38,700
Grants - conditional			27,400	345				27,745
Grants - capital			60,466					60,466
Total Revenues	<u>40,903</u>	<u>0</u>	<u>121,224</u>	<u>13,356</u>	<u>20,860</u>	<u>0</u>	<u>0</u>	<u>196,343</u>
<b>Expenses</b> - schedule 3								
Wages and benefits	167,788	1,200	293,692					462,680
Professional/contractual services	67,354	52,763	90,131	60,132	30,919			301,299
Utilities	3,321		21,341					24,662
Maintenance materials and supplies	17,176		76,636	7,351				101,163
Machinery costs/fuel/blades			183,020					183,020
Grants and contributions	200	1,800						2,000
Amortization	938		276,819	1,055				278,812
Libraries						6,758		6,758
Interest	51		14,595					14,646
Other	3,829							3,829
Total Expenses	<u>260,657</u>	<u>55,763</u>	<u>956,234</u>	<u>68,538</u>	<u>30,919</u>	<u>6,758</u>	<u>0</u>	<u>1,378,869</u>
<b>Surplus (Deficit) by Function</b>	<u>\$ ( 219,754)</u>	<u>\$ ( 55,763)</u>	<u>\$ ( 835,010)</u>	<u>\$ ( 55,182)</u>	<u>\$ ( 10,059)</u>	<u>\$ ( 6,758)</u>	<u>\$ 0</u>	<u>( 1,182,526)</u>
Taxation and other unconditional revenue - schedule 1								<u>1,276,109</u>
<b>Net Surplus</b>								<u>\$ 93,583</u>

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**R. M. of Grayson No. 184**  
Schedule of Tangible Capital Assets by Object  
For the year ended December 31, 2020

Schedule 6

	<b>2020</b>							<b>2019</b>
	<b>General Assets</b>					<b>Infrastruct. Assets</b>	<b>General/Infrastruct. Assets under Constr.</b>	
	<b>Land</b>	<b>Land Improve.</b>	<b>Buildings</b>	<b>Vehicles</b>	<b>Machinery &amp; Equipment</b>	<b>Linear Assets</b>		<b>Total</b>
Asset Cost								
Opening Asset Cost	167,362	23,128	469,730	394,825	1,437,042	4,931,972		7,424,059
Additions during the year						18,009	310,999	329,008
Disposals and write-down during the year								( 7,500)
Closing Asset Costs	<u>167,362</u>	<u>23,128</u>	<u>469,730</u>	<u>394,825</u>	<u>1,437,042</u>	<u>4,949,981</u>	<u>310,999</u>	<u>7,753,067</u>
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs		10,306	73,702	278,173	609,124	2,281,924		3,253,229
Add: Amortization taken		1,055	9,395	40,376	111,992	107,216		270,034
Less: Accumulated amortization on disposals								4,500
Closing Accumulated Amortization Costs	<u>0</u>	<u>11,361</u>	<u>83,097</u>	<u>318,549</u>	<u>721,116</u>	<u>2,389,140</u>	<u>0</u>	<u>3,523,263</u>
Net Book Value	<u>\$ 167,362</u>	<u>\$ 11,767</u>	<u>\$ 386,633</u>	<u>\$ 76,276</u>	<u>\$ 715,926</u>	<u>\$ 2,560,841</u>	<u>\$ 310,999</u>	<u>\$ 4,229,804</u>
								<u>\$ 4,170,830</u>

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

**R. M. of Grayson No. 184**  
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	13,141		7,389,003	21,714	201			7,424,059	7,395,748
Additions during the year			329,008					329,008	35,811
Disposals and write-down during the year									( 7,500)
Closing Asset Costs	13,141	0	7,718,011	21,714	201	0	0	7,753,067	7,424,059
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	9,388		3,233,535	10,307				3,253,230	2,978,918
Add: Amortization taken	938		268,041	1,055				270,034	278,812
Less: Accumulated amortization on disposals									4,500
Closing Accumulated Amortization Costs	10,326	0	3,501,576	11,362	0	0	0	3,523,264	3,253,230
Net Book Value	\$ 2,815	\$ 0	\$ 4,216,435	\$ 10,352	\$ 201	\$ 0	\$ 0	\$ 4,229,803	\$ 4,170,829

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

**R. M. of Grayson No. 184**  
Schedule of Accumulated Surplus  
For the year ended December 31, 2020

Schedule 8

	2019	Changes	2020
<b>Unappropriated Surplus</b>	<u>1,717,419</u>	<u>517,201</u>	<u>2,234,620</u>
<b>Appropriated Surplus</b>			
Other			
Municipal Reserve - Subdivision requirement	<u>4,260</u>	<u>0</u>	<u>4,260</u>
<b>Organized Hamlets</b>			
Organized Hamlet of Sunset Beach	2,773	2,922	5,695
Organized Hamlet of Moose Bay Resort	15,545	( 1,135)	14,410
Organized Hamlet of Greenspot	25,659	( 1,731)	23,928
Organized Hamlet of Exner's Twin Bay	<u>43,516</u>	<u>1,194</u>	<u>44,710</u>
<b>Total Hamlets</b>	<u>87,493</u>	<u>1,250</u>	<u>88,743</u>
<b>Net Investments in Tangible Capital Assets</b>			
Tangible capital assets - schedule 6	<u>4,170,830</u>	<u>58,974</u>	<u>4,229,804</u>
<b>Net Investment in Tangible Capital Assets</b>	<u>4,170,830</u>	<u>58,974</u>	<u>4,229,804</u>
<b>Total Accumulated Surplus</b>	<u>\$ 5,980,002</u>	<u>\$ 577,425</u>	<u>\$ 6,557,427</u>

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**R. M. of Grayson No. 184**  
Schedule of Mill Rates and Assessments  
For the year ended December 31, 2020

Schedule 9

	Property Class					Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)
Taxable Assessment	80,364,170	54,482,970			10,800,200	145,647,340
Regional Park Assessment						
Total Assessment						145,647,340
Mill Rate Factor(s)	1	1			1.75	
Total Base/Minimum Tax (generated for each property class)	2,880	164,740			6,280	173,900
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	525,142	285,033			123,668	933,843
<b>Mill Rates:</b>	<b>Mills</b>					
Average Municipal*	6.4117					
Average School*	2.7952					
Potash Mill Rate						
Uniform Municipal Mill Rate	6.5000					

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

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**R. M. of Grayson No. 184**  
Schedule of Council Remuneration  
For the year ended December 31, 2020

Schedule 10

<b>Name</b>	<b>Remuneration</b>	<b>Reimbursed Costs</b>	<b>Total</b>
Harvey Mucha	8,578	1,371	9,949
Dustin Grant	4,663	682	5,345
Mike Lang	4,094	536	4,630
Roger Ell	3,063	352	3,415
Kevin Lang	3,563	498	4,061
Trent Duczek	3,188	124	3,312
Dave Graff	4,938	983	5,921
	<u>\$ 32,087</u>	<u>\$ 4,546</u>	<u>\$ 36,633</u>

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