

**R. M. of Clayton No. 333**

**FINANCIAL STATEMENTS**

**Year Ended December 31, 2021**

## **R. M. of Clayton No. 333**

Hyas, Saskatchewan  
December 31, 2021

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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.

  
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**Reeve**

  
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**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, 2021 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, 2021, 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  
June 29, 2022

**R. M. of Clayton No. 333**

Hyas, Saskatchewan

Statement 1

Statement of Financial Position as at December 31, 2021

	2021	2020 (Note 11)
<b>Assets</b>		
<b>Financial Assets</b>		
Cash and temporary investments - note 2	1,868,619	1,379,431
Taxes receivable - municipal - note 3	112,713	143,490
Other accounts receivable - note 4	125,712	137,857
Land for resale - note 5	3,045	3,045
Long-term investments - note 6	640,403	629,988
<b>Total Financial Assets</b>	<u>2,750,492</u>	<u>2,293,811</u>
<b>Liabilities</b>		
Accounts payable	169,152	26,411
Deferred revenue	212,197	249,425
Accrued landfill costs - note 7	23,842	23,842
Other liabilities	180	260
Long-term debt - note 8	215,047	339,179
<b>Total Liabilities</b>	<u>620,418</u>	<u>639,117</u>
<b>Net Financial Assets</b>	<u>2,130,074</u>	<u>1,654,694</u>
<b>Non-Financial Assets</b>		
Tangible capital assets - schedules 6 and 7	4,018,870	3,812,016
Prepayments and deferred charges	9,603	22,612
Stock and supplies	218,171	261,486
<b>Total Non-Financial Assets</b>	<u>4,246,644</u>	<u>4,096,114</u>
<b>Accumulated Surplus - schedule 8</b>	<u>\$ 6,376,718</u>	<u>\$ 5,750,808</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 Clayton No. 333**  
Statement of Operations  
For the year ended December 31, 2021

Statement 2

	<b>2021 Budget</b> [Note 1(s)]	<b>2021 Actual</b>	<b>2020 Actual</b> (Note 11)
<b>Revenues</b>			
Taxes and other unconditional revenue - schedule 1	2,327,430	2,323,122	2,199,013
Fees and charges - schedules 4 and 5	77,000	73,039	84,538
Conditional grants - schedules 4 and 5	13,110	17,116	22,957
Tangible capital asset sales - gain (loss) - schedules 4 and 5		70,567	14,768
Investment income and commissions - schedules 4 and 5	21,810	24,374	21,821
<b>Total Revenue</b>	<u>2,439,350</u>	<u>2,508,218</u>	<u>2,343,097</u>
<b>Expenses - schedule 3</b>			
General government services	569,320	346,143	342,494
Protective services	39,990	40,760	38,893
Transportation services	1,763,390	1,552,607	1,633,739
Environmental and public health services	84,330	78,684	75,434
Planning and development services	3,520	3,520	3,520
Recreation and cultural services	7,970	7,963	7,962
<b>Total Expenses</b>	<u>2,468,520</u>	<u>2,029,677</u>	<u>2,102,042</u>
<b>Surplus (Deficit) of Revenues over Expenses Before Other Capital Contributions</b>	( 29,170)	478,541	241,055
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>145,070</u>	<u>147,369</u>	<u>168,712</u>
<b>Surplus of Revenue over Expenses</b>	115,900	625,910	409,767
<b>Accumulated Surplus, Beginning of Year</b>	<u>5,750,808</u>	<u>5,750,808</u>	<u>5,341,041</u>
<b>Accumulated Surplus, End of Year</b>	<u>\$ 5,866,708</u>	<u>\$ 6,376,718</u>	<u>\$ 5,750,808</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, 2021

Statement 3

	<b>2021 Budget [Note 1(s)]</b>	<b>2021 Actual</b>	<b>2020 Actual (Note 11)</b>
<b>Surplus</b>	<u>115,900</u>	<u>625,910</u>	<u>409,767</u>
(Acquisition) of tangible capital assets		( 508,810)	( 477,124)
Amortization of tangible capital assets		231,824	267,496
Proceeds on disposal of tangible capital assets		140,700	127,200
Loss (gain) on the disposal of tangible capital assets		<u>( 70,567)</u>	<u>( 14,768)</u>
<b>Surplus (Deficit) of Capital Expenses over Expenditures</b>	<u>0</u>	<u>( 206,853)</u>	<u>( 97,196)</u>
(Acquisition) of supplies inventories		( 299,602)	( 57,141)
(Acquisition) of prepaid expense			( 5,711)
Consumption of supplies inventory		342,916	286,031
Use of prepaid expense		<u>13,009</u>	<u>8,828</u>
<b>Surplus of Expenses of Other Non-Financial over Expenditures</b>	<u>0</u>	<u>56,323</u>	<u>232,007</u>
<b>Increase in Net Financial Assets</b>	115,900	475,380	544,578
Net Financial Assets, beginning of year	<u>1,654,694</u>	<u>1,654,694</u>	<u>1,110,116</u>
<b>Net Financial Assets, End of Year</b>	<u>\$ 1,770,594</u>	<u>\$ 2,130,074</u>	<u>\$ 1,654,694</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, 2021

Statement 4

	2021	2020 (Note 11)
<b>Cash Provided by (used for) the Following Activities</b>		
<b>Operating:</b>		
<b>Surplus</b>	625,910	409,767
Amortization	231,824	267,496
Loss (gain) on disposal of tangible capital assets	( 70,567)	( 14,768)
	<u>787,167</u>	<u>662,495</u>
<b>Change in Assets/Liabilities</b>		
Taxes receivable - municipal	30,778	( 10,542)
Other receivables	12,145	( 26,860)
Accounts payable	142,740	2,879
Deferred revenue	( 37,228)	78,907
Other liabilities	( 80)	
Stock and supplies for use	43,315	228,890
Prepayments and deferred charges	13,009	3,117
<b>Cash Provided by Operating Transactions</b>	<u>991,846</u>	<u>938,886</u>
<b>Capital:</b>		
Acquisition of capital assets	( 508,810)	( 477,124)
Proceeds from the disposal of capital assets	140,700	127,200
<b>Cash Applied to Capital Transactions</b>	<u>( 368,110)</u>	<u>( 349,924)</u>
<b>Investing:</b>		
Additions to long-term investments	( 10,415)	( 8,778)
<b>Financing:</b>		
Long-term debt issued		250,000
Long-term debt repaid	( 124,133)	( 235,272)
<b>Cash Provided by (Applied to) Financing Transactions</b>	<u>( 124,133)</u>	<u>14,728</u>
<b>Change in Cash and Temporary Investments During the Year</b>	489,188	594,912
Cash and temporary investments, beginning of year	<u>1,379,431</u>	<u>784,519</u>
<b>Cash and Temporary Investments, End of Year</b>	<u>\$ 1,868,619</u>	<u>\$ 1,379,431</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 Clayton No. 333**  
Notes to Financial Statements  
For the year ended December 31, 2021

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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>Assets</b>	<b>Useful Life</b>
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, 2021

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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) 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.

**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 June 23, 2021.

**R. M. of Clayton No. 333**  
Notes to Financial Statements  
For the year ended December 31, 2021

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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 Clayton No. 333**  
Notes to Financial Statements  
For the year ended December 31, 2021

	2021	2020
<b>2. Cash and Temporary Investments</b>		
Cash	\$ 1,868,619	\$ 1,379,431
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	65,575	100,998
Municipal - arrears	62,603	53,992
	<u>128,178</u>	<u>154,990</u>
Less: Allowance for uncollectibles	15,465	11,500
Total municipal taxes receivable	<u>112,713</u>	<u>143,490</u>
School - current	12,093	12,677
School - arrears	10,615	9,880
Total school taxes receivable	<u>22,708</u>	<u>22,557</u>
Total taxes and grants in lieu receivable	135,421	166,047
Less: Taxes receivable to be collected on behalf of other organizations	<u>22,708</u>	<u>22,557</u>
<b>Municipal and Grants In Lieu Taxes Receivable</b>	<u>\$ 112,713</u>	<u>\$ 143,490</u>
<b>4. Other Accounts Receivable</b>		
Federal government	47,568	63,401
Provincial government	65,140	65,140
Trade	11,426	4,897
Other	<u>1,578</u>	<u>4,419</u>
<b>Net Other Accounts Receivable</b>	<u>\$ 125,712</u>	<u>\$ 137,857</u>
<b>5. Land for Resale</b>		
Tax title property	4,113	4,113
Less: Allowance for market value adjustment	<u>1,068</u>	<u>1,068</u>
<b>Total Land for Resale</b>	<u>\$ 3,045</u>	<u>\$ 3,045</u>

**R. M. of Clayton No. 333**  
Notes to Financial Statements  
For the year ended December 31, 2021

	2021	2020
<b>6. Long-Term Investments</b>		
Sask. Assoc. of Rural Municipalities - Self-Insurance Fund	87,020	81,779
Portfolio investments	521,383	516,209
Other	<u>32,000</u>	<u>32,000</u>
	<u>\$ 640,403</u>	<u>\$ 629,988</u>

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

Portfolio investments represent term deposits with Affinity Credit Union bearing interest at 0.35% maturing between January 2022 and April 2022 (2020 - 0.85%-1.1% maturing between January 2021 and April 2021).

	2021	2020
<b>7. Accrued Landfill Costs</b>		
Accrued landfill costs	<u>\$ 23,842</u>	<u>\$ 23,842</u>

In 2021, the municipality has accrued an overall liability for environmental matters in the amount of \$23,842 (2020 - \$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 (2020 - \$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, 2021 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% (2020 - 6%).

**8. Long-Term Debt**

The debt limit of the municipality for 2022 is \$1,896,873. 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	2021 Total	2020 Total
2021	0	0	0	87,180
2022	84,545	2,635	87,180	87,180
2023	<u>43,327</u>	<u>374</u>	<u>43,701</u>	<u>43,703</u>
	<u>\$ 127,872</u>	<u>\$ 3,009</u>	<u>\$ 130,881</u>	<u>\$ 218,063</u>



**R. M. of Clayton No. 333**  
Notes to Financial Statements  
For the year ended December 31, 2021

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

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

Future principal repayments are estimated as follows:

	Principal	Interest	2021 Total	2020 Total
2021				46,384
2022	43,737	2,647	46,384	46,384
2023	43,438	869	44,307	44,321
	<u>\$ 87,175</u>	<u>\$ 3,516</u>	<u>\$ 90,691</u>	<u>\$ 137,089</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:

	2021	2020
General members	9.00 %	9.00 %
Designated members	12.50 %	12.50 %

Contributions to the plan during the year were as follows:

Benefit expense	\$ 34,592	\$ 33,426
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As per the most recently audited financial statements dated December 31, 2020, the plan surplus is \$838,900,000.

**R. M. of Clayton No. 333**  
Notes to Financial Statements  
For the year ended December 31, 2021

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**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.

**11. Comparative Figures**

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

**12. 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. 333**

Schedule of Taxes and Other Unconditional Revenue  
For the year ended December 31, 2021

Schedule 1

	<b>2021 Budget</b> [Note 1(s)]	<b>2021 Actual</b>	<b>2020 Actual</b> (Note 11)
<b>Taxes</b>			
General municipal tax levy	1,832,340	1,832,136	1,666,161
Abatements and adjustments	( 1,960)	( 1,364)	( 1,957)
Discount on current year taxes	( 25,000)	( 31,312)	( 24,922)
Net municipal taxes	<u>1,805,380</u>	<u>1,799,460</u>	<u>1,639,282</u>
Penalties on tax arrears	<u>21,340</u>	<u>24,869</u>	<u>21,344</u>
<b>Total Taxes</b>	<u>1,826,720</u>	<u>1,824,329</u>	<u>1,660,626</u>
<b>Unconditional Grants</b>			
Equalization (revenue sharing)	484,960	484,959	487,855
Organized hamlet	3,240	3,234	3,253
Safe Restart Grant			<u>35,315</u>
<b>Total Unconditional Grants</b>	<u>488,200</u>	<u>488,193</u>	<u>526,423</u>
<b>Grants In Lieu of Taxes</b>			
Provincial			
Transgas	410	408	408
SaskTel		546	1,361
Sask Wildlife		7,248	8,049
Local/Other			
Treaty land entitlement	<u>12,100</u>	<u>2,398</u>	<u>2,146</u>
<b>Total Grants In Lieu of Taxes</b>	<u>12,510</u>	<u>10,600</u>	<u>11,964</u>
<b>Total Taxes and Other Unconditional Revenue</b>	<u>\$ 2,327,430</u>	<u>\$ 2,323,122</u>	<u>\$ 2,199,013</u>

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

**R. M. of Clayton No. 333**Schedule of Operating and Capital Revenue by Function  
For the year ended December 31, 2021

Schedule 2-1

	<b>2021 Budget [Note 1(s)]</b>	<b>2021 Actual</b>	<b>2020 Actual (Note 11)</b>
<b>General Government Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges			
Custom work	2,200	319	879
Sale of supplies	7,600	3,035	7,307
Rentals	2,000	2,000	2,000
Licenses and permits	1,700	2,450	3,800
Other			454
Total Fees and Charges	<u>13,500</u>	<u>7,804</u>	<u>14,440</u>
Tangible capital asset sales - gain (loss)		( 903)	
Investment income and commissions	<u>21,810</u>	<u>24,374</u>	<u>21,821</u>
Total Other Segmented Revenue	<u>35,310</u>	<u>31,275</u>	<u>36,261</u>
<b>Total General Government Services</b>	<u>\$ 35,310</u>	<u>\$ 31,275</u>	<u>\$ 36,261</u>
<b>Transportation Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges			
Custom work	2,500	1,495	2,050
Sale of supplies	51,000	40,083	54,645
Road maintenance and restoration agreements	<u>10,000</u>	<u>23,657</u>	<u>13,403</u>
Total Fees and Charges	<u>63,500</u>	<u>65,235</u>	<u>70,098</u>
Tangible capital asset sales - gain (loss)		71,470	14,768
Total Other Segmented Revenue	<u>63,500</u>	<u>136,705</u>	<u>84,866</u>
Traffic Safety Grant			8,200
Total Conditional Grants	<u>0</u>	<u>0</u>	<u>8,200</u>
<b>Total Operating</b>	<u>63,500</u>	<u>136,705</u>	<u>93,066</u>
<b>Capital</b>			
Conditional Grants			
Canada Community Building Fund	34,930	2,016	8,698
Municipal Economic Enhancement Program		35,213	49,874
Heavy haul	65,140	65,140	65,140
Designated road	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>
<b>Total Capital</b>	<u>145,070</u>	<u>147,369</u>	<u>168,712</u>
<b>Total Transportation Services</b>	<u>\$ 208,570</u>	<u>\$ 284,074</u>	<u>\$ 261,778</u>

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part of these financial statements.*

**R. M. of Clayton No. 333**Schedule of Operating and Capital Revenue by Function  
For the year ended December 31, 2021

Schedule 2-2

	<b>2021 Budget [Note 1(s)]</b>	<b>2021 Actual</b>	<b>2020 Actual (Note 11)</b>
<b>Environmental and Public Health Services</b>			
Conditional Grants			
Pest control	13,110	13,116	14,757
Well decommissioning		4,000	
Total Conditional Grants	<u>13,110</u>	<u>17,116</u>	<u>14,757</u>
<b>Total Environmental and Public Health Services</b>	<u>\$ 13,110</u>	<u>\$ 17,116</u>	<u>\$ 14,757</u>
<b>Total Operating and Capital Revenue by Function</b>	<u>\$ 256,990</u>	<u>\$ 332,465</u>	<u>\$ 312,796</u>
<b>Summary</b>			
Total Other Segmented Revenue	98,810	167,980	121,127
Total Conditional Grants	13,110	17,116	22,957
Total Capital Grants and Contributions	<u>145,070</u>	<u>147,369</u>	<u>168,712</u>
<b>Total Operating and Capital Revenue by Function</b>	<u>\$ 256,990</u>	<u>\$ 332,465</u>	<u>\$ 312,796</u>

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part of these financial statements.*

**R. M. of Clayton No. 333**  
Total Expenses by Function  
For the year ended December 31, 2021

Schedule 3-1

	<b>2021 Budget [Note 1(s)]</b>	<b>2021 Actual</b>	<b>2020 Actual (Note 11)</b>
<b>General Government Services</b>			
Council remuneration and travel	56,500	47,581	42,339
Wages and benefits	133,260	133,448	147,376
Professional/Contractual services	170,200	125,650	91,094
Utilities	5,300	3,249	3,963
Maintenance, materials and supplies	45,960	30,044	43,232
Amortization	2,450	1,998	2,447
Interest	155,650	208	5,195
Allowance for uncollectibles		3,965	6,848
<b>Total General Government Services</b>	<b>\$ 569,320</b>	<b>\$ 346,143</b>	<b>\$ 342,494</b>
<b>Protective Services</b>			
Police protection			
Professional/Contractual services	28,510	29,279	28,514
Fire protection			
Contractual services	740	740	2,550
Grants and contributions - operating	7,500	7,500	4,588
Amortization	3,240	3,241	3,241
<b>Total Protective Services</b>	<b>\$ 39,990</b>	<b>\$ 40,760</b>	<b>\$ 38,893</b>
<b>Transportation Services</b>			
Wages and benefits	423,260	390,615	395,155
Professional/Contractual services	316,480	220,101	207,158
Utilities	15,420	14,663	15,019
Maintenance, materials and supplies	117,400	50,917	62,113
Gravel	390,000	466,788	520,151
Machinery costs/fuel/blades	227,120	173,394	162,772
Amortization	262,710	226,585	261,808
Interest	11,000	9,544	9,563
<b>Total Transportation Services</b>	<b>\$ 1,763,390</b>	<b>\$ 1,552,607</b>	<b>\$ 1,633,739</b>
<b>Environmental and Public Health Services</b>			
Professional/Contractual services	36,320	30,679	31,573
Grants and contributions - operating	46,770	46,768	42,624
Grants and contributions - public health	1,240	1,237	1,237
<b>Total Environmental and Public Health Services</b>	<b>\$ 84,330</b>	<b>\$ 78,684</b>	<b>\$ 75,434</b>
<b>Planning and Development Services</b>			
Grants and contributions - operating	3,520	3,520	3,520
<b>Recreation and Cultural Services</b>			
Libraries	7,970	7,963	7,962
<b>Total Expenses by Function</b>	<b>\$ 2,468,520</b>	<b>\$ 2,029,677</b>	<b>\$ 2,102,042</b>

*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, 2021

Schedule 4

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
<b>Revenues - schedule 2</b>								
Fees and charges	7,804		65,235					73,039
Tangible capital asset sales - gain (loss)	( 903)		71,470					70,567
Investment income and commissions	24,374							24,374
Grants - conditional				17,116				17,116
Grants - capital			147,369					147,369
Total Revenues	<u>31,275</u>	<u>0</u>	<u>284,074</u>	<u>17,116</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>332,465</u>
<b>Expenses - schedule 3</b>								
Wages and benefits	133,448		390,615					524,063
Professional/contractual services	173,231	30,019	220,101	30,679				454,030
Utilities	3,249		14,663					17,912
Maintenance materials and supplies	30,044		517,705					547,749
Machinery costs/fuel/blades			173,394					173,394
Grants and contributions		7,500		48,005	3,520			59,025
Amortization	1,998	3,241	226,585					231,824
Libraries						7,963		7,963
Interest	208		9,544					9,752
Allowance for uncollectibles	3,965							3,965
Total Expenses	<u>346,143</u>	<u>40,760</u>	<u>1,552,607</u>	<u>78,684</u>	<u>3,520</u>	<u>7,963</u>	<u>0</u>	<u>2,029,677</u>
<b>Surplus (Deficit) by Function</b>	<u>\$ ( 314,868)</u>	<u>\$ ( 40,760)</u>	<u>\$ ( 1,268,533)</u>	<u>\$ ( 61,568)</u>	<u>\$ ( 3,520)</u>	<u>\$ ( 7,963)</u>	<u>\$ 0</u>	<u>( 1,697,212)</u>
Taxation and other unconditional revenue - schedule 1								<u>2,323,122</u>
<b>Net Surplus</b>								<u>\$ 625,910</u>

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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 5

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
<b>Revenues - schedule 2</b>								
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>
<b>Expenses - schedule 3</b>								
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>
<b>Surplus (Deficit) by Function</b>	<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>
<b>Net Surplus</b>								<u>\$ 409,767</u>

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part of these financial statements.*



**R. M. of Clayton No. 333**  
Schedule of Tangible Capital Assets by Object  
For the year ended December 31, 2021

Schedule 6

	2021							2020	
	General Assets					Infrastruct. Assets	General/ Infrastruct. Assets under Constr.	Total	Total
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
Asset Cost									
Opening Asset Cost	115,483	0	917,423	61,952	1,597,922	7,482,123	104,722	10,279,625	10,083,582
Additions during the year	7,300				450,903		50,607	508,810	477,124
Disposals and write-down during the year					( 422,468)			( 422,468)	( 281,081)
Closing Asset Costs	<u>122,783</u>	<u>0</u>	<u>917,423</u>	<u>61,952</u>	<u>1,626,357</u>	<u>7,482,123</u>	<u>155,329</u>	<u>10,365,967</u>	<u>10,279,625</u>
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	0	0	148,314	11,918	884,330	5,423,047	0	6,467,609	6,368,762
Add: Amortization taken			20,787	11,919	83,683	115,435		231,824	267,496
Less: Accumulated amortization on disposals					352,336			352,336	168,649
Closing Accumulated Amortization Costs	<u>0</u>	<u>0</u>	<u>169,101</u>	<u>23,837</u>	<u>615,677</u>	<u>5,538,482</u>	<u>0</u>	<u>6,347,097</u>	<u>6,467,609</u>
Net Book Value	<u>\$ 122,783</u>	<u>\$ 0</u>	<u>\$ 748,322</u>	<u>\$ 38,115</u>	<u>\$ 1,010,680</u>	<u>\$ 1,943,641</u>	<u>\$ 155,329</u>	<u>\$ 4,018,870</u>	<u>\$ 3,812,016</u>

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part of these financial statements.*

**R. M. of Clayton No. 333**  
Schedule of Tangible Capital Assets by Function  
For the year ended December 31, 2021

Schedule 7

	<b>2021</b>							<b>2020</b>
	<b>General Government</b>	<b>Protective Services</b>	<b>Transport. Services</b>	<b>Environ. &amp; Public Health</b>	<b>Planning &amp; Develop.</b>	<b>Rec. &amp; Culture</b>	<b>Water &amp; Sewer</b>	<b>Total</b>
Asset Cost								
Opening Asset Cost	43,391	73,817	10,146,850	0	0	0	15,567	10,279,625
Additions during the year	12,944		495,866					508,810
Disposals and write-down during the year	( 6,003)		( 416,465)					( 422,468)
Closing Asset Costs	<u>50,332</u>	<u>73,817</u>	<u>10,226,251</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,567</u>	<u>10,365,967</u>
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	38,434	40,151	6,378,900	0	0	0	10,124	6,467,609
Add: Amortization taken	1,998	3,241	226,585					231,824
Less: Accumulated amortization on disposals	5,100		347,236					352,336
Closing Accumulated Amortization Costs	<u>35,332</u>	<u>43,392</u>	<u>6,258,249</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,124</u>	<u>6,347,097</u>
Net Book Value	<u>\$ 15,000</u>	<u>\$ 30,425</u>	<u>\$ 3,968,002</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,443</u>	<u>\$ 4,018,870</u>

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part of these financial statements.*

**R. M. of Clayton No. 333**  
Schedule of Accumulated Surplus  
For the year ended December 31, 2021

Schedule 8

	2020	Changes	2021
<b>Unappropriated Surplus</b>	<u>1,699,195</u>	<u>39,890</u>	<u>1,739,085</u>
<b>Appropriated Surplus</b>			
Other			
Public reserve	983		983
Future expenditures	<u>571,898</u>	<u>255,000</u>	<u>826,898</u>
	<u>572,881</u>	<u>255,000</u>	<u>827,881</u>
<b>Total Appropriated</b>	<u>572,881</u>	<u>255,000</u>	<u>827,881</u>
<b>Organized Hamlets</b>			
Hamlet of Swan Plain	<u>5,895</u>	<u>34</u>	<u>5,929</u>
<b>Net Investment in Tangible Capital Assets</b>			
Tangible capital assets - schedule 6	3,812,016	206,854	4,018,870
Less: Related debt	<u>339,179</u>	<u>( 124,132)</u>	<u>215,047</u>
<b>Net Investment in Tangible Capital Assets</b>	<u>3,472,837</u>	<u>330,986</u>	<u>3,803,823</u>
<b>Total Accumulated Surplus</b>	<u>\$ 5,750,808</u>	<u>\$ 625,910</u>	<u>\$ 6,376,718</u>

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**R. M. of Clayton No. 333**  
Schedule of Mill Rates and Assessments  
For the year ended December 31, 2021

Schedule 9

	<b>Property Class</b>					<b>Total</b>
	<b>Agriculture</b>	<b>Residential</b>	<b>Residential Condominium</b>	<b>Seasonal Residential</b>	<b>Commercial &amp; Industrial</b>	<b>Potash Mine(s)</b>
Taxable Assessment	158,184,362	9,464,244			2,808,060	170,456,666
Regional Park Assessment						
Total Assessment						170,456,666
Mill Rate Factor(s)	1.0000	1.0000			1.0000	
Total Base/Minimum Tax (generated for each property class)						
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	1,700,482	101,468			30,186	1,832,136
<b>Mill Rates:</b>	<b>Mills</b>					
Average Municipal*		10.7484				
Average School*		1.6209				
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).

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**R. M. of Clayton No. 333**  
Schedule of Council Remuneration  
For the year ended December 31, 2021

Schedule 10

<b>Name</b>	<b>Remuneration</b>	<b>Reimbursed Costs</b>	<b>Total</b>
Hal Griffith	2,693	1,471	4,164
Duane Hicks	2,550	1,445	3,995
Darin Jacquemart	3,360	1,235	4,595
Dean Serdachny	3,477	1,368	4,845
Ronald Perepeluk	2,655	807	3,462
Dwight Rubletz	2,168	1,493	3,661
Lorne Ball	2,730	985	3,715
	<u>\$ 19,633</u>	<u>\$ 8,804</u>	<u>\$ 28,437</u>

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