

RURAL MUNICIPALITY OF FERTILE BELT #183

FINANCIAL STATEMENTS

For the year ended December 31, 2021

RURAL MUNICIPALITY OF FERTILE BELT #183
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STATEMENT OF RESPONSIBILITY

To the Ratepayers of the Rural Municipality of Fertile Belt #183:

The Rural 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 are required.

In discharging its responsibilities for the integrity and fairness 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 fulfills these responsibilities by reviewing the financial information prepared by administration and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the Municipality's external auditors.

Sensus Chartered Professional Accountants Ltd., 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 administration to discuss their audit findings.


Reeve
Administrator

INDEPENDENT AUDITOR'S REPORT

To the Reeve and Council of:
Rural Municipality of Fertile Belt #183
Stockholm, Saskatchewan

Opinion

We have audited the financial statements of the Rural Municipality of Fertile Belt #183, which comprise the statement of financial position as at December 31, 2021 and the statement of operations, statement of changes in net financial assets, and statement of cash flows 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 Rural Municipality of Fertile Belt #183 as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Rural Municipality of Fertile Belt #183 in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we 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 Rural Municipality of Fertile Belt #183'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 Rural Municipality of Fertile Belt #183 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Rural Municipality of Fertile Belt #183's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian auditing standards, we exercise our 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 Rural Municipality of Fertile Belt #183'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 Rural Municipality of Fertile Belt #183's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Rural Municipality of Fertile Belt #183 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.

Yorkton, Saskatchewan
 June 14, 2022



 Chartered Professional Accountants Ltd.

RURAL MUNICIPALITY OF FERTILE BELT #183
STATEMENT OF FINANCIAL POSITION
As at December 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	\$ 2,381,961	\$ 1,949,771
Taxes receivable - municipal (Note 3)	171,863	149,838
Amounts receivable (Note 4)	173,040	155,658
Portfolio investments (Note 5)	85,765	80,803
Patronage equity	34,869	34,785
TOTAL FINANCIAL ASSETS	2,847,498	2,370,855
LIABILITIES		
Accounts payable and accrued liabilities	135,196	294,740
Obligations under capital lease (Note 7)	338,886	
TOTAL LIABILITIES	474,082	294,740
NET FINANCIAL ASSETS	2,373,416	2,076,115
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedules 6 and 7)	4,182,226	3,927,029
Inventories	508,246	500,095
Prepaid expenses	23,147	28,941
TOTAL NON-FINANCIAL ASSETS	4,713,619	4,456,065
ACCUMULATED SURPLUS (Schedule 8)	\$ 7,087,035	\$ 6,532,180
COMMITMENTS AND CONTINGENCIES (Note 8)		

RURAL MUNICIPALITY OF FERTILE BELT #183
STATEMENT OF OPERATIONS
For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
REVENUE			
Taxes and other unconditional revenue (Schedule 1)	\$ 3,018,992	\$ 2,878,603	\$ 2,764,081
Fees and charges (Schedules 4 and 5)	56,000	74,644	62,540
Conditional grants (Schedules 4 and 5)	44,200	19,771	219,296
Tangible capital asset sales - (loss) (Schedules 4 and 5)		(58,196)	(3,322)
Investment income and commissions (Schedules 4 and 5)	26,000	50,341	35,340
Other revenues (Schedules 4 and 5)	50,000	95,076	96,898
	<u>3,195,192</u>	<u>3,060,239</u>	<u>3,174,833</u>
EXPENSES			
General government services (Schedule 3)	498,282	357,428	360,973
Protective services (Schedule 3)	87,300	84,300	79,871
Transportation services (Schedule 3)	2,265,250	2,122,042	2,173,552
Environmental and public health services (Schedule 3)	91,450	68,046	94,173
Planning and development services (Schedule 3)	30,000		500
Recreation and cultural services (Schedule 3)	12,500	14,054	12,235
Utility services (Schedule 3)	1,000	15,419	15,586
	<u>2,985,782</u>	<u>2,661,289</u>	<u>2,736,890</u>
SURPLUS BEFORE OTHER CAPITAL CONTRIBUTIONS	<u>209,410</u>	<u>398,950</u>	<u>437,943</u>
Provincial/Federal capital grants and contributions (Schedules 4 and 5)	46,590	155,905	129,859
ANNUAL SURPLUS	<u>256,000</u>	<u>554,855</u>	<u>567,802</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>6,532,180</u>	<u>6,532,180</u>	<u>5,964,378</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 6,788,180</u>	<u>\$ 7,087,035</u>	<u>\$ 6,532,180</u>

RURAL MUNICIPALITY OF FERTILE BELT #183
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
ANNUAL SURPLUS (DEFICIT)	\$ 256,000	\$ 554,855	\$ 567,802
Acquisition of tangible capital assets	(269,155)	(754,199)	(222,912)
Amortization of tangible capital assets	344,610	303,006	321,204
Loss on sale of tangible capital assets		58,196	3,322
Proceeds on sale of tangible capital assets		137,800	11,000
Increase in inventories		(8,151)	(104,187)
Decrease (increase) in prepaid expenses		5,794	(7,036)
	<u>75,455</u>	<u>(257,554)</u>	<u>1,391</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ 331,455</u>	<u>297,301</u>	<u>569,193</u>
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>2,076,115</u>	<u>1,506,922</u>
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 2,373,416</u>	<u>\$ 2,076,115</u>

RURAL MUNICIPALITY OF FERTILE BELT #183
STATEMENT OF CASH FLOWS
For the year ended December 31, 2021

	2021	2020
OPERATING TRANSACTIONS		
Annual surplus	\$ 554,855	\$ 567,802
Changes in non-cash items:		
Taxes receivable - municipal	(22,025)	22,396
Amounts receivable	(17,382)	85,718
Inventories	(8,151)	(104,187)
Prepaid expenses	5,794	(7,036)
Accounts payable and accrued liabilities	(159,544)	197,590
Patronage equity	(84)	(1,645)
Loss on sale of tangible capital assets	58,196	3,322
Amortization	303,006	321,204
Cash (used for) provided by operating transactions	<u>714,665</u>	<u>1,085,164</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	137,800	11,000
Acquisition of tangible capital assets	(754,199)	(222,912)
Cash (used for) provided by capital transactions	<u>(616,399)</u>	<u>(211,912)</u>
INVESTING TRANSACTIONS		
Purchase of portfolio investments	(4,962)	(3,574)
Cash (used for) provided by investing transactions	<u>(4,962)</u>	<u>(3,574)</u>
FINANCING TRANSACTIONS		
Obligation under capital lease	338,886	
Cash (used for) provided by financing transactions	<u>338,886</u>	
CHANGE IN CASH AND TEMPORARY INVESTMENTS	432,190	869,678
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	1,949,771	1,080,093
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 2,381,961</u>	<u>\$ 1,949,771</u>

RURAL MUNICIPALITY OF FERTILE BELT #183
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Municipality are 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:

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; 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.

Reporting Entity

The financial statements consolidate the assets, liabilities, and flow of resources of the Municipality. The entity is comprised of all of the organizations that are owned or controlled by the Municipality and are, therefore, accountable to Council for the administration of their financial affairs and resources. The assets, liabilities and operations of the Recreation Boards are not included in these financial statements except for any assistance to the Recreation Boards, as council's position is it does not control the Recreation Boards.

Collection of Funds for Other Authorities

Collection of funds by the Municipality for the school board, municipal hail, and conservation and development authorities are collected and remitted in accordance with relevant legislation. The amounts collected are disclosed in Note 3.

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 the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occur, providing:

- a) the transfer is authorized
- b) eligibility criteria have been met by the recipient; and
- c) a reasonable estimate of the amount can be made.

Unearned government transfer amounts received but not earned will be recorded as deferred revenue. Earned government transfer amounts not received will be recorded as an amount receivable.

Deferred Revenue

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.

RURAL MUNICIPALITY OF FERTILE BELT #183
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Local Improvement Charges

Local improvement projects financed by frontage taxes recognize any pre-payment charges as revenue in the period assessed.

Net Financial Assets

Net financial assets at the end of the 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.

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.

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.

Property Tax Revenue

Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by council following the guidance of the Government of Saskatchewan. Tax Revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.

Portfolio Investments

Portfolio investments are valued at the lower of cost and market value, less any provisions for other than temporary impairment. The long-term investments in the Saskatchewan Rural Municipalities - Self Insurance Fund are accounted for on the equity basis.

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.

RURAL MUNICIPALITY OF FERTILE BELT #183
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The costs of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The Municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
General assets	
Land	Indefinite
Buildings	10 - 50 years
Vehicles and equipment	
Vehicles	5 to 10 years
Machinery and equipment	5 to 10 years
Infrastructure Assets	
Infrastructure Assets	30 to 75 years
Road network and bridges	30 to 60 years
Water and sewer	45 to 75 years

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.

Works of Art and Other Unrecognized Assets

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.

Capitalization of Interest

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

RURAL MUNICIPALITY OF FERTILE BELT #183
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Landfill Liability

The Rural Municipality of Fertile Belt #183 does not maintain a waste disposal site and utilizes the waste disposal sites of the Village of Stockholm and the Town of Esterhazy.

Trust Funds

Funds held in trust for others, under a trust agreement or statute, are not included in the financial statements as they are not controlled by the Municipality.

Employee Benefit Plans

Contributions to the Municipality's defined benefit plans are expensed when contributions are made. Under the defined benefit multi-employer plans, the Municipality's obligations are limited to their contributions.

Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) The Municipality:
 - i. is directly responsible; or
 - ii. accepts responsibility;
- d) it is expected that future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

RURAL MUNICIPALITY OF FERTILE BELT #183
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Uncertainty

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Basis of Segmentation/Segment Report

The Municipality has adopted the new 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 attributable 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 administration of the Municipality.

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

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

Environmental and public health: Environmental segment provides waste disposal and other environmental services and 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 provision of recreation and leisure services.

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

Budget Information

Budget information is presented on a basis consistent with that used for actual results. The Budget was approved by Council on July 13, 2021.

RURAL MUNICIPALITY OF FERTILE BELT #183
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Standards and Amendments to Standards

Effective for Fiscal Years Beginning On or After April 1, 2022:

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

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

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

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

PS 3280 Asset Retirement Obligations, a new standard establishing guidance on the accounting and reporting of legal obligations associated with the retirement of tangible capital assets controlled by a government or a 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 the 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.

RURAL MUNICIPALITY OF FERTILE BELT #183
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

2. CASH AND TEMPORARY INVESTMENTS

Cash and temporary investments are comprised of the following:

	2021	2020
Cash	\$ 2,226,961	\$ 1,794,771
Temporary investments	155,000	155,000
	<u>\$ 2,381,961</u>	<u>\$ 1,949,771</u>

Cash and temporary investments include balances with banks and term deposits. Temporary investments represent investments in term deposits held at North Valley Credit Union Ltd. and earn interest at 0.25% - 1.50% (2020 - 0.60% - 1.50%) and have maturity dates ranging from February 2022 - March 2024.

3. TAXES AND GRANTS IN LIEU RECEIVABLE

	2021	2020
Municipal		
- Current	\$ 54,263	\$ 55,921
- Arrears	117,600	93,917
Total municipal taxes receivable	<u>171,863</u>	149,838
School		
- Current	22,699	33,715
- Arrears	60,520	49,842
Total school taxes receivable	<u>83,219</u>	83,557
Municipal hail insurance	<u>3,969</u>	2,956
Total taxes and grants in lieu receivable	<u>259,051</u>	236,351
Deduct taxes receivable to be collected on behalf of other organizations	<u>(87,188)</u>	(86,513)
Municipal and grants in lieu taxes receivable	<u>\$ 171,863</u>	<u>\$ 149,838</u>

RURAL MUNICIPALITY OF FERTILE BELT #183
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

4. AMOUNTS RECEIVABLE

Amounts receivable are valued at their net realized value.

	2021	2020
Federal Government	\$ 88,941	\$ 64,159
Provincial Government	64,817	60,740
Organizations and individuals	17,950	11,890
Accrued interest	1,332	1,369
Utility		17,500
	<u>\$ 173,040</u>	<u>\$ 155,658</u>

5. PORTFOLIO INVESTMENTS

Saskatchewan Association of Rural Municipalities - Self Insurance Fund	\$ 85,765	\$ 80,803
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The portfolio investments in the Saskatchewan Rural - Self Insurance Fund are accounted for on the equity basis.

6. LONG-TERM DEBT

The debt limit of the Municipality is \$1,400,250. The debt limit for a Municipality is the total amount of the Municipality's own source revenues for the preceding year (Municipalities Act Section 161).

7. OBLIGATIONS UNDER CAPITAL LEASE

The Municipality is leasing a 2021 772G John Deere Grader from Brandt Tractor Ltd. with annual lease payments of \$120,614. Payments are due at the beginning of each lease period with the lease expiring July 2024.

Future minimum lease payments under the capital leases together with the balance of the obligation due under the capital leases are as follows:

2022	\$ 120,614
2023	120,614
2024	120,614
	<u>361,842</u>
Total future minimum lease payments	\$ 361,842
Less amount representing future interest at 3.35%	22,956
	<u>338,886</u>

RURAL MUNICIPALITY OF FERTILE BELT #183
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

8. CONTINGENT LIABILITIES

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

9. PENSION PLAN

The Municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The Municipality's pension expense in 2021 was \$66,680 (2020 - \$66,729). The benefits accrued to the Municipality's employees from MEPP are calculated using the following: Pensionable Years of Service, Highest Average Salary, and the plan accrual rate. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook Section PS 3250.

10. GOVERNMENT ASSISTANCE

In response to the pandemic in the prior year, the Provincial and Federal governments provided funds to municipalities in order to stimulate economic recovery and enhance infection protection and control measures in their operations. Through the Municipal Economic Enhancement Program (MEEP), the Municipality received funds of \$Nil (2020 - \$112,252). In the prior year, these funds were approved to be spent on the purchase of a new tractor. As of December 31, 2020, the Municipality spent \$124,550 on the purchase of a tractor. In addition, during 2020 the Safe Restart Program provided \$46,590 of unconditional funds to the Municipality.

11. OTHER MATTERS

The COVID-19 pandemic impacted Canada and caused significant disruptions to the Canadian economy. As of the audit report date, the organization has not suffered any significant disruptions as they were able to operate within the restrictions. We are therefore unable to estimate the effect of the pandemic on the organization's operations. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of this disruption. As a result, the related financial impact and duration cannot be reasonably estimated at this time.

During the year, the boundaries of the Rural Municipality of Fertile Belt #183, and the Resort Village of Bird's Point were altered due to withdrawing sections of land parcels from the Rural Municipality of Fertile Belt #183, and adding them to the boundary of the Resort Village of Bird's Point. The Rural Municipality of Fertile Belt #183 and the Resort Village of Bird's Point agreed the cost associated with the lost taxes to the Rural Municipality of Fertile Belt #183 caused by the land boundary change was \$42,000. As a result, the Resort Village of Bird's Point has agreed to pay \$42,000 to the Rural Municipality of Fertile Belt #183, interest free, over six years. As of the audit report date, \$7,000 of the total amount has been received.

RURAL MUNICIPALITY OF FERTILE BELT #183
SCHEDULE 1 - SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES
For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
TAXES			
General municipal tax levy	\$ 1,396,813	\$ 1,397,106	\$ 1,329,690
Abatements and adjustments		(10,107)	(4,858)
Discount on current year taxes	70,000	(66,768)	(62,868)
Net Municipal Taxes	1,466,813	1,320,231	1,261,964
Potash tax share	1,220,660	1,220,661	1,112,593
Penalties on tax arrears	10,000	15,914	14,766
Tax enforcement	500	295	406
Total Taxes	2,697,973	2,557,101	2,389,729
UNCONDITIONAL GRANTS			
Equalization (Revenue Sharing)	318,586	318,586	324,830
Equalization (Revenue Sharing) - Organized Hamlet	1,888	1,888	1,894
Safe Restart Program			46,590
Total Unconditional Grants	320,474	320,474	373,314
GRANTS IN LIEU OF TAXES			
Provincial			
Transgas	545	544	544
Local/Other			
Treaty Land Entitlement		484	494
Total Grants in Lieu of Taxes	545	1,028	1,038
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 3,018,992	\$ 2,878,603	\$ 2,764,081

RURAL MUNICIPALITY OF FERTILE BELT #183
SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION
For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Sales of supplies	\$ 1,000	\$ 1,101	\$ 1,371
- Tax certificates and photocopies/faxes	500	1,132	486
Total Fees and Charges	1,500	2,233	1,857
- Investment income and commissions	26,000	50,341	35,340
- Administration services	40,000	44,238	40,000
- SARM - short-term disability			5,911
Total Other Segmented Revenue	67,500	96,812	83,108
Total Operating	67,500	96,812	83,108
Total General Government Services	67,500	96,812	83,108

RURAL MUNICIPALITY OF FERTILE BELT #183
SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION
For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 50,000	\$ 16,000	\$ 360
- Road maintenance and restoration agreements		45,220	57,220
Total Fees and Charges	50,000	61,220	57,580
- Tangible capital asset sales - gain (loss)		(58,196)	(3,322)
- SARM - short-term disability	10,000	33,358	11,972
- PST refund			39,015
- Other - (Canada National Railway, SGI)		17,480	
Total Other Segmented Revenue	60,000	53,862	105,245
Conditional Grants			
- Federation of Canadian Municipalities - MAMP		16,200	
- Municipal Economic Enhancement Program			112,252
- CN Rail Safety Improvement Program			75,000
Total Conditional Grants		16,200	187,252
Total Operating	60,000	70,062	292,497
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	46,590	95,165	69,119
- RIRG (CTP)		60,740	60,740
Total Capital	46,590	155,905	129,859
Total Transportation Services	106,590	225,967	422,356

RURAL MUNICIPALITY OF FERTILE BELT #183
SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION
For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Scavenging fees	\$ 4,000	\$ 1,947	\$ 137
- Sale of pest control products		2,456	1,118
Total Fees and Charges	4,000	4,403	1,255
Total Other Segmented Revenue	4,000	4,403	1,255
Conditional Grants			
- Provincial Rat Eradication Program	4,200	3,571	4,144
- Saskatchewan Agriculture	40,000		27,900
Total Conditional Grants	44,200	3,571	32,044
Total Operating	48,200	7,974	33,299
Total Environmental and Public Health Services	48,200	7,974	33,299
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges		1,400	1,000
- Licenses and permits	500	98	677
Total Fees and Charges	500	1,498	1,677
Total Other Segmented Revenue	500	1,498	1,677
Total Operating	500	1,498	1,677
Total Planning and Development Services	500	1,498	1,677

RURAL MUNICIPALITY OF FERTILE BELT #183
SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION
For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- History book sales	\$	\$ 310	\$ 171
		310	171
Total Fees and Charges		310	171
Total Other Segmented Revenue		310	171
Total Operating		310	171
Total Recreation and Cultural Services		310	171
Operating			
Other Segmented Revenue			
Fees and Charges			
- Sewer		4,980	
		4,980	
Total Fees and Charges		4,980	
Total Other Segmented Revenue		4,980	
Total Operating		4,980	
Total Utility Services		4,980	
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 222,790	\$ 337,541	\$ 540,611
SUMMARY			
Total Other Segmented Revenue	\$ 132,000	\$ 161,865	\$ 191,456
Total Conditional Grants	44,200	19,771	219,296
Total Capital Grants and Contributions	46,590	155,905	129,859
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 222,790	\$ 337,541	\$ 540,611

RURAL MUNICIPALITY OF FERTILE BELT #183
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 55,250	\$ 46,776	\$ 53,446
Wages and benefits	196,452	191,996	186,240
Professional/Contractual services	115,000	87,478	78,376
Utilities	6,320	5,070	5,551
Maintenance, materials and supplies	125,000	22,307	27,013
Amortization	160	152	152
Interest	100		
Allowance for uncollectibles			7,548
Other		3,649	2,647
Total General Government Services	498,282	357,428	360,973
PROTECTIVE SERVICES			
Police protection			
Wages and benefits	83,000	38,626	37,617
Other			200
Fire protection			
Professional/Contractual services	600	976	584
Grants and contributions			
- Capital		41,132	37,905
Amortization	3,700	3,566	3,565
Total Protective Services	87,300	84,300	79,871
TRANSPORTATION SERVICES			
Wages and benefits	778,200	769,469	738,650
Professional/Contractual services	68,000	98,985	76,775
Utilities	14,550	12,289	13,218
Maintenance, materials, and supplies	680,000	652,655	648,711
Gravel	400,000	299,301	394,130
Amortization	324,500	283,869	302,068
Interest		5,474	
Total Transportation Services	2,265,250	2,122,042	2,173,552

RURAL MUNICIPALITY OF FERTILE BELT #183
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Professional/Contractual services	\$ 32,300	\$ 35,396	\$ 58,191
Utilities	17,900	20,690	17,486
Maintenance, materials, and supplies	20,000	6,960	13,496
Grants and contributions			
- Operating			
• Public Health	5,000	5,000	5,000
Amortization	16,250		
Total Environmental and Public Health Services	91,450	68,046	94,173
PLANNING AND DEVELOPMENT SERVICES			
Professional/Contractual services	30,000		500
Total Planning and Development Services	30,000		500
RECREATION AND CULTURAL SERVICES			
Grants and contributions			
- Operating	12,500	14,054	12,235
Total Recreation and Cultural Services	12,500	14,054	12,235
UTILITY SERVICES			
Amortization		15,419	15,419
Other	1,000		167
Total Utility Services	1,000	15,419	15,586
TOTAL EXPENSES BY FUNCTION	\$ 2,985,782	\$ 2,661,289	\$ 2,736,890

RURAL MUNICIPALITY OF FERTILE BELT #183
SCHEDULE 4 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
For the year ended December 31, 2021

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 2,233	\$	\$ 61,220	\$ 4,403	\$ 1,498	\$ 310	\$ 4,980	\$ 74,644
Tangible Capital Asset Sale - Gain (Loss)			(58,196)					(58,196)
Land Sales - Gain (Loss)								50,341
Investment Income & Commissions	50,341							50,341
Other Revenues	44,238		50,838					95,076
Grants - Conditional			16,200	3,571				19,771
- Capital			155,905					155,905
Total revenues	96,812		225,967	7,974	1,498	310	4,980	337,541
Expenses (Schedule 3)								
Wages & Benefits	238,772	38,626	769,469					1,046,867
Professional/Contractual Services	87,478	976	98,985	35,396				222,835
Utilities	5,070		12,289	20,690				38,049
Maintenance, Materials, Supplies	22,307		951,956	6,960				981,223
Grants and Contributions		41,132		5,000		14,054		60,186
Amortization	152	3,566	283,869				15,419	303,006
Interest			5,474					5,474
Allowance for Uncollectibles								
Other	3,649							3,649
Total expenses	357,428	84,300	2,122,042	68,046		14,054	15,419	2,661,289
Surplus (Deficit) by Function	(260,616)	(84,300)	(1,896,075)	(60,072)	1,498	(13,744)	(10,439)	(2,323,748)
Taxation and other unconditional revenue (Schedule 1)								2,878,603
Net Surplus								\$ 554,855

RURAL MUNICIPALITY OF FERTILE BELT #183
SCHEDULE 5 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
For the year ended December 31, 2020

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 1,857	\$	\$ 57,580	\$ 1,255	\$ 1,677	\$ 171	\$	\$ 62,540
Tangible Capital Asset Sale - Gain (Loss)			(3,322)					(3,322)
Land Sales - Gain (Loss)								
Investment Income & Commissions	35,340							35,340
Other Revenues	45,911		50,987					96,898
Grants - Conditional			187,252	32,044				219,296
- Capital			129,859					129,859
Total revenues	83,108		422,356	33,299	1,677	171		540,611
Expenses (Schedule 3)								
Wages & Benefits	239,686	37,617	738,650					1,015,953
Professional/Contractual Services	78,376	584	76,775	58,191	500			214,426
Utilities	5,551		13,218	17,486				36,255
Maintenance, Materials, Supplies	27,013		1,042,841	13,496				1,083,350
Grants and Contributions		37,905		5,000		12,235		55,140
Amortization	152	3,565	302,068				15,419	321,204
Interest								
Allowance for Uncollectibles	7,548							7,548
Other	2,647	200					167	3,014
Total expenses	360,973	79,871	2,173,552	94,173	500	12,235	15,586	2,736,890
Surplus (Deficit) by Function	(277,865)	(79,871)	(1,751,196)	(60,874)	1,177	(12,064)	(15,586)	(2,196,279)
Taxation and other unconditional revenue (Schedule 1)								2,764,081
Net Deficit								\$ 567,802

RURAL MUNICIPALITY OF FERTILE BELT #183
SCHEDULE 6 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT
For the year ended December 31, 2021

	General Assets					Infrastructure Assets	General/ Infrastructure	Totals	
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Assets Under Construction	2021	2020
Cost									
Opening costs	\$ 129,067		484,993	366,100	2,109,534	8,738,985	31,477	\$ 11,860,156	\$11,708,854
Additions during the year	7,000				747,199			754,199	222,912
Disposals and write downs					(391,992)			(391,992)	(71,610)
Transfers from assets under construction						31,477	(31,477)		
Closing costs	<u>136,067</u>		<u>484,993</u>	<u>366,100</u>	<u>2,464,741</u>	<u>8,770,462</u>		<u>12,222,363</u>	<u>11,860,156</u>
Accumulated Amortization									
Opening accumulated amortization			140,335	251,077	952,022	6,589,693		7,933,127	7,669,211
Amortization			11,668	23,635	132,270	135,433		303,006	321,204
Disposals and write downs					(195,996)			(195,996)	(57,288)
Closing accumulated amortization			<u>152,003</u>	<u>274,712</u>	<u>888,296</u>	<u>6,725,126</u>		<u>8,040,137</u>	<u>7,933,127</u>
Net Book Value	<u>\$ 136,067</u>		<u>332,990</u>	<u>91,388</u>	<u>1,576,445</u>	<u>2,045,336</u>		<u>\$ 4,182,226</u>	<u>\$ 3,927,029</u>

RURAL MUNICIPALITY OF FERTILE BELT #183
SCHEDULE 7 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION
For the year ended December 31, 2021

Cost	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Totals	
								2021	2020
Opening costs	\$ 5,214	92,854	11,410,568	11,667			339,853	\$ 11,860,156	\$ 11,708,854
Additions during the year			754,199					754,199	222,912
Disposals and write downs			(391,992)					(391,992)	(71,610)
Closing costs	<u>5,214</u>	<u>92,854</u>	<u>11,772,775</u>	<u>11,667</u>			<u>339,853</u>	<u>12,222,363</u>	<u>11,860,156</u>
Accumulated Amortization									
Opening accumulated amortization	4,224	65,780	7,710,673				152,450	7,933,127	7,669,211
Amortization	152	3,566	283,869				15,419	303,006	321,204
Disposals and write downs			(195,996)					(195,996)	(57,288)
Closing accumulated amortization	<u>4,376</u>	<u>69,346</u>	<u>7,798,546</u>				<u>167,869</u>	<u>8,040,137</u>	<u>7,933,127</u>
Net Book Value	<u>\$ 838</u>	<u>23,508</u>	<u>3,974,229</u>	<u>11,667</u>			<u>171,984</u>	<u>\$ 4,182,226</u>	<u>\$ 3,927,029</u>

RURAL MUNICIPALITY OF FERTILE BELT #183
SCHEDULE 8 - SCHEDULE OF ACCUMULATED SURPLUS
For the year ended December 31, 2021

	2020	Changes	2021
UNAPPROPRIATED SURPLUS	\$ 2,550,588	299,752	\$ 2,850,340
APPROPRIATED RESERVES			
Capital trust	40,000		40,000
Public reserve	10,700	1,400	12,100
Total appropriated	50,700	1,400	52,100
ORGANIZED HAMLETS			
Organized Hamlet of Pelican Shores	3,863	(1,494)	2,369
Total Hamlets	3,863	(1,494)	2,369
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	3,927,029	255,197	4,182,226
Net Investment in Tangible capital assets	3,927,029	255,197	4,182,226
Total Accumulated Surplus	\$ 6,532,180	554,855	\$ 7,087,035

RURAL MUNICIPALITY OF FERTILE BELT #183
SCHEDULE 9 - SCHEDULE OF MILL RATES AND ASSESSMENTS
For the year ended December 31, 2021

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable assessment	148,683,590	37,311,097			13,376,790		199,371,477
Regional Park Assessment							
Total Assessment							199,371,477
Mill Rate Factor(s)	1.00	1.00			1.00		
Total Base/Minimum Tax		3,140					3,140
Total Municipal Tax Levy	1,040,785	262,683			93,638		1,397,106

MILL RATES:	MILLS
Average Municipal	7.0076
Average School	2.3018
Potash Mill Rate	
Uniform Municipal Mill Rate	7.0000

RURAL MUNICIPALITY OF FERTILE BELT #183
SCHEDULE 10 - SCHEDULE OF COUNCIL REMUNERATION
For the year ended December 31, 2021

	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Reeve - Arlynn Kurtz	\$ 10,425	\$	\$ 10,425
Councilor - Neil Bomboir	5,906		5,906
Councilor - Patrick Landine	5,663		5,663
Councilor - Joseph Tomolak	5,531		5,531
Councilor - Blake Duchek	4,800		4,800
Councilor - Eric Bergstorm	4,481		4,481
Councilor - Brett Johanson	3,056		3,056
	<hr/>		
	\$ 39,862	\$	<hr/> \$ 39,862 <hr/>