
RURAL MUNICIPALITY OF GRASS LAKE NO. 381

FINANCIAL STATEMENTS

DECEMBER 31, 2021



Vantage
CHARTERED PROFESSIONAL ACCOUNTANTS

Management's Responsibility

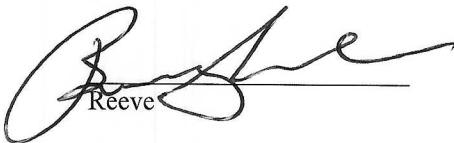

To the Ratepayers of Rural Municipality of Grass Lake No. 381

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 judgements 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.

Vantage, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.


Reeve
Administrator

May 3, 2022

INDEPENDENT AUDITORS' REPORT

The Council
Rural Municipality of Grass Lake No. 381
Reward, Saskatchewan

Qualified Opinion

We have audited the accompanying financial statements of the Rural Municipality of Grass Lake No. 381, which comprise the statement of financial position as at December 31, 2021, 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, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Rural Municipality of Grass Lake No. 381 as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The municipality has interests in the Unity Rural Fire Association and the Luseland & District Fire Protection Board which are government partnerships. The municipality has not recorded in its financial statements these interests using the proportionate consolidation method, which constitutes a departure from Canadian Public Sector Accounting Standards. The effect on the financial statements of the failure to consolidate has not been determined.

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 Rural Municipality of Grass Lake No. 381 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 Rural Municipality of Grass Lake No. 381'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.

Those charged with governance are 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 judgement 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.

The logo for Vantage Chartered Professional Accountants, featuring the word "Vantage" in a stylized, cursive script.

Chartered Professional Accountants

North Battleford, Saskatchewan
May 3, 2022

Rural Municipality of Grass Lake No. 381
Statement of Financial Position
As at December 31, 2021

Statement 1

	2021	2020
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	1,152,015	1,051,146
Taxes Receivable - Municipal (Note 3)	269,509	111,792
Other Accounts Receivable (Note 4)	72,094	47,354
Land for Resale (Note 5)	4,688	4,688
Long-Term Investments (Note 6)	61,939	58,317
Debt Charges Recoverable		
Other (<i>Specify</i>)		
Total Financial Assets	1,560,245	1,273,297
LIABILITIES		
Bank Indebtedness (Note 7)	386,667	580,000
Accounts Payable	1,073,707	60,713
Accrued Liabilities Payable		
Deposits		
Deferred Revenue		
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Long-Term Debt		
Lease Obligations		
Total Liabilities	1,460,374	640,713
NET FINANCIAL ASSETS (DEBT)	99,871	632,584
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	9,825,882	9,539,640
Prepayments and Deferred Charges	69,261	2,617
Stock and Supplies	935,377	534,739
Other		
Total Non-Financial Assets	10,830,520	10,076,996
ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)	10,930,391	10,709,580

Rural Municipality of Grass Lake No. 381
Statement of Operations
For the year ended December 31, 2021

Statement 2

	2021 Budget	2021	2020
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	2,617,440	2,639,762	2,486,100
Fees and Charges (Schedule 4, 5)	40,570	26,214	38,456
Conditional Grants (Schedule 4, 5)			
Tangible Capital Asset Sales - Gain (Loss) (Schedule 4, 5)		(365,577)	(1,100)
Land Sales - Loss (Schedule 4, 5)			
Investment Income and Commissions (Schedule 4, 5)	3,680	7,532	3,577
Restructurings (Schedule 4,5)			
Other Revenues (Schedule 4, 5)		10,284	
Total Revenues	2,661,690	2,318,215	2,527,033
EXPENSES			
General Government Services (Schedule 3)	458,040	398,539	426,914
Protective Services (Schedule 3)	36,130	44,919	35,085
Transportation Services (Schedule 3)	2,045,900	1,550,222	1,672,792
Environmental and Public Health Services (Schedule 3)	66,040	91,855	47,876
Planning and Development Services (Schedule 3)	11,700	11,717	11,717
Recreation and Cultural Services (Schedule 3)	33,040	18,644	32,077
Utility Services (Schedule 3)	27,650	30,126	26,352
Restructurings (Schedule 3)			
Total Expenses	2,678,500	2,146,022	2,252,813
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(16,810)	172,193	274,220
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	95,440	48,618	92,660
Surplus (Deficit) of Revenues over Expenses	78,630	220,811	366,880
Accumulated Surplus (Deficit), Beginning of Year	10,709,580	10,709,580	10,342,700
Accumulated Surplus (Deficit), End of Year	10,788,210	10,930,391	10,709,580

Rural Municipality of Grass Lake No. 381
Statement of Change in Net Financial Assets
For the year ended December 31, 2021

Statement 3

	2021 Budget	2021	2020
Surplus (Deficit)	78,630	220,811	366,880
(Acquisition) of tangible capital assets		(1,412,851)	(623,319)
Amortization of tangible capital assets		459,033	435,112
Proceeds on disposal of tangible capital assets		301,999	
Loss (gain) on disposal of tangible capital assets		365,577	1,100
Transfer of assets/liabilities in restructuring transactions			
Surplus (Deficit) of capital expenses over expenditures		(286,242)	(187,107)
(Acquisition) of supplies inventories		(400,638)	(461,964)
(Acquisition) of prepaid expense		(66,644)	(911)
Consumption of supplies inventory			
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures		(467,282)	(462,875)
Increase/Decrease in Net Financial Assets	78,630	(532,713)	(283,102)
Net Financial Assets (Debt) - Beginning of Year	632,584	632,584	915,686
Net Financial Assets (Debt) - End of Year	711,214	99,871	632,584

Rural Municipality of Grass Lake No. 381
Statement of Cash Flow
For the year ended December 31, 2021

Statement 4

	2021	2020
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	220,811	366,880
Amortization	459,033	435,112
Loss (gain) on disposal of tangible capital assets	365,577	1,100
	1,045,421	803,092
Change in assets/liabilities		
Taxes Receivable - Municipal	(157,717)	1,090
Other Receivables	(24,740)	45,609
Land for Resale		
Other Financial Assets		
Accounts and Accrued Liabilities Payable	1,012,994	50,057
Deposits		
Deferred Revenue		
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Stock and Supplies	(400,638)	(461,964)
Prepayments and Deferred Charges	(66,644)	(911)
Other (<i>Specify</i>)		
Cash provided by operating transactions	1,408,676	436,973
Capital:		
Acquisition of tangible capital assets	(1,412,851)	(623,319)
Proceeds on disposal of tangible capital assets	301,999	
Other capital		
Cash applied to capital transactions	(1,110,852)	(623,319)
Investing:		
Long-term investments	(3,622)	(2,592)
Other investments		
Cash provided by (applied to) investing transactions	(3,622)	(2,592)
Financing:		
Debt charges recovered		
Long-term debt issued		
Long-term debt repaid		
Other financing	(193,333)	580,000
Cash provided by (applied to) financing transactions	(193,333)	580,000
Change in Cash and Temporary Investments during the year	100,869	391,062
Cash and Temporary Investments - Beginning of Year	1,051,146	660,084
Cash and Temporary Investments - End of Year	1,152,015	1,051,146

Rural Municipality of Grass Lake No. 381
Notes to the Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies

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

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.

- a) **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 the Council for the administration of their financial affairs and resources.
- b) **Collection of Funds for Other Authorities:** Collection of funds by the municipality for school boards, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.
- 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 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 transfers are authorized
 - b) any eligibility criteria have been met; and
 - c) reasonable estimates of the amounts 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) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- f) **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.
- g) **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.
- h) **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.
- i) **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.
- j) **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.

Rural Municipality of Grass Lake No. 381

Notes to the Financial Statements

For the year ended December 31, 2021

1. Significant Accounting Policies - continued

- k) **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.
- l) **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 deflation 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 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. Tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
General Assets	
Land	Indefinite
Land Improvements	15 Yrs
Buildings	40 Yrs
Vehicles and Equipment	
Vehicles	10 Yrs
Machinery and Equipment	5 to 20 Yrs
Infrastructure Assets	
Infrastructure Assets	
Water and Sewer	40 Yrs
Road Network Assets	15 to 40 Yrs

Government Contributions: Government contributions for the acquisition of capital assets are reported as capital revenue and do not reduce the cost of the related asset.

Capitalization of Interest: The municipality does capitalize interest incurred while a tangible capital asset is under construction.

Leases: All leases are recorded on the financial statements as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risk associated with the leased asset is classified as a capital lease and recorded as tangible capital assets. 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 the lease term. Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

- m) **Landfill Liability:** The municipality does not maintain a waste disposal site.
- n) **Employee Benefit Plans:** Contributions to the municipality's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.
- o) **Measurement Uncertainty:** The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

The measurement of materials and supplies is 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.

Rural Municipality of Grass Lake No. 381

Notes to the Financial Statements

For the year ended December 31, 2021

1. Significant Accounting Policies - continued

- p) **Basis of Segmentation/Segment Report:** The municipality follows the Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the purpose of specific borrowings.

The segments (functions) are as follows:

General Government: 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.

- q) **Budget Information:** Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on May 4, 2021.

New Standards and Amendments to Standards:

- r) **Effective for Fiscal Years Beginning On or After April 1, 2022:**

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

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

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

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

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

Effective for Fiscal Years Beginning On or After April 1, 2023:

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

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

Rural Municipality of Grass Lake No. 381
Notes to the Financial Statements
For the year ended December 31, 2021

2. Cash and Temporary Investments

	2021	2020
Cash	1,152,015	1,051,146
Temporary Investments		
Restricted Cash		
Total Cash and Temporary Investments	1,152,015	1,051,146

Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less. [Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.]

3. Taxes Receivable - Municipal

	2021	2020
Municipal - Current	266,497	155,959
- Arrears	234,016	93,943
	500,513	249,902
- Less Allowance for Uncollectible	(231,004)	(138,110)
Total municipal taxes receivable	269,509	111,792
School - Current	56,382	28,648
- Arrears	44,863	25,383
Total school taxes receivable	101,245	54,031
Other	42,828	42,246
Total taxes and grants in lieu receivable	413,582	208,069
Deduct taxes receivable to be collected on behalf of other organizations	(144,073)	(96,277)
Total Taxes Receivable - Municipal	269,509	111,792

4. Other Accounts Receivable

	2021	2020
Federal Government	69,635	46,874
Provincial Government		
Local Government		
Utility		
Trade		
Other (Service fees and SMHI overpayment)	3,509	1,530
Total Other Accounts Receivable	73,144	48,404
Less: Allowance for Uncollectible	(1,050)	(1,050)
Net Other Accounts Receivable	72,094	47,354

Rural Municipality of Grass Lake No. 381
Notes to the Financial Statements
For the year ended December 31, 2021

5. Land for Resale

	2021	2020
Tax Title Property	12,124	12,124
Allowance for market value adjustment	(7,436)	(7,436)
Net Tax Title Property	4,688	4,688
Other Land		
Allowance for market value adjustment		
Net Other Land		
Total Land for Resale	4,688	4,688

6. Long-Term Investments

	2021	2020
Sask Association of Rural Municipalities - Self Insurance Fund	61,939	58,317
Other (<i>Specify</i>)		
Total Long-Term Investments	61,939	58,317

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

7. Bank Indebtedness

Credit Arrangements

At December 31, 2021, the Municipality had a line of credit totaling \$580,000, of which \$386,667 was drawn (2020 - \$580,000). Interest on the line of credit is prime + 0%. The following has been collateralized in connection with this line of credit:

- Specific security agreement

At December 31, 2021, the Municipality had a line of credit totaling \$750,000, none of which was drawn. The following has been collateralized in connection with this line of credit:

- General security agreement

8. Long-Term Debt

The debt limit of the municipality is \$2,063,817. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the Municipalities Act section 161(1)).

9. 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.

10. Pension Plan

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality's pension expense in 2021 was \$25,770. 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.

11. Comparative Figures

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

12. Subsequent Events

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern." This coronavirus continues to spread throughout the world and has adversely impacted global commercial activity and has contributed to significant declines and volatility in financial markets. The extent of COVID-19's effect on the municipality's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict. The rapid development and fluidity of this situation make it impossible to ascertain the ultimate adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the municipality, its performance, and its financial results.

Rural Municipality of Grass Lake No. 381
Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2021

Schedule 1

	2021 Budget	2021	2020
TAXES			
General municipal tax levy	2,283,070	2,283,071	2,140,492
Abatements and adjustments			(166)
Discount on current year taxes	(125,570)	(114,824)	(118,542)
Net Municipal Taxes	2,157,500	2,168,247	2,021,784
Potash tax share			
Trailer license fees			
Penalties on tax arrears	8,680	20,427	8,424
Special tax levy			
Other (<i>Specify</i>)			
Total Taxes	2,166,180	2,188,674	2,030,208
UNCONDITIONAL GRANTS			
Revenue Sharing	209,000	208,827	207,431
Safe Restart (Organized Hamlet)			23,802
Total Unconditional Grants	209,000	208,827	231,233
GRANTS IN LIEU OF TAXES			
Federal			
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas	242,260	242,261	224,659
Central Services			
SaskTel			
Other (<i>Specify</i>)			
Local/Other			
Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement			
Other (<i>Specify</i>)			
Other Government Transfers			
S.P.C. Surcharge			
Sask Energy Surcharge			
Other (<i>Specify</i>)			
Total Grants in Lieu of Taxes	242,260	242,261	224,659
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	2,617,440	2,639,762	2,486,100

Rural Municipality of Grass Lake No. 381
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2021

Schedule 2 - 1

	2021 Budget	2021	2020
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	670	725	650
- Sales of supplies	1,260	1,455	1,149
- Other (Permits)	600	700	500
Total Fees and Charges	2,530	2,880	2,299
- Tangible capital asset sales - gain (loss)			
- Land sales - gain (loss)			
- Investment income and commissions	3,680	7,532	3,577
- Other (Disability benefits)		10,284	
Total Other Segmented Revenue	6,210	20,696	5,876
Conditional Grants			
- Student Employment			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating	6,210	20,696	5,876
Capital			
Conditional Grants			
- Federal Gas Tax	95,440	48,618	35,312
- Provincial Disaster Assistance			
- Other (MEEP)			57,348
Total Capital	95,440	48,618	92,660
Restructuring Revenue (<i>Specify, if any</i>)			
Total General Government Services	101,650	69,314	98,536

PROTECTIVE SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (<i>Specify</i>)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Local government			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating			
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Local government			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Protective Services			

Rural Municipality of Grass Lake No. 381
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2021

Schedule 2 - 2

	2021 Budget	2021	2020
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work			
- Sales of supplies	20,000	10,842	18,618
- Road Maintenance and Restoration Agreements	6,500		6,248
- Frontage			
- Other (<i>Specify</i>)			
Total Fees and Charges	26,500	10,842	24,866
- Tangible capital asset sales - gain (loss)		(365,577)	(1,100)
- Other (<i>Specify</i>)			
Total Other Segmented Revenue	26,500	(354,735)	23,766
Conditional Grants			
- MREP (CTP)			
- Student Employment			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating	26,500	(354,735)	23,766
Capital			
Conditional Grants			
- Federal Gas Tax			
- MREP (Heavy Haul, CTP, Municipal Bridges)			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Transportation Services	26,500	(354,735)	23,766

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees			
- Other (<i>Specify</i>)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- TAPD			
- Local government			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating			
Capital			
Conditional Grants			
- Federal Gas Tax			
- TAPD			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Environmental and Public Health Services			

Rural Municipality of Grass Lake No. 381
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2021

Schedule 2 - 3

	2021 Budget	2021	2020
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges			
- Other (<i>Specify</i>)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating			
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Planning and Development Services			

RECREATION AND CULTURAL SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (<i>Specify</i>)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Local government			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating			
Capital			
Conditional Grants			
- Federal Gas Tax			
- Local government			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Recreation and Cultural Services			

Rural Municipality of Grass Lake No. 381
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2021

Schedule 2 - 4

	2021 Budget	2021	2020
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	11,540	12,492	11,291
- Sewer			
- Other (<i>Specify</i>)			
Total Fees and Charges	11,540	12,492	11,291
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue	11,540	12,492	11,291
Conditional Grants			
- Student Employment			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating	11,540	12,492	11,291
Capital			
Conditional Grants			
- Federal Gas Tax			
- New Building Canada Fund (SCF, NRP)			
- Clean Water and Wastewater Fund			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Utility Services	11,540	12,492	11,291
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	139,690	(272,929)	133,593

SUMMARY

Total Other Segmented Revenue	44,250	(321,547)	40,933
Total Conditional Grants			
Total Capital Grants and Contributions	95,440	48,618	92,660
Restructuring Revenue			
TOTAL REVENUE BY FUNCTION	139,690	(272,929)	133,593

Rural Municipality of Grass Lake No. 381

Total Expenses by Function

For the year ended December 31, 2021

Schedule 3 - 1

	2021 Budget	2021	2020
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	35,350	28,099	34,654
Wages and benefits	193,470	193,379	189,314
Professional/Contractual services	70,100	56,991	47,361
Utilities	4,680	4,648	4,545
Maintenance, materials and supplies	14,690	9,270	14,268
Grants and contributions - operating			
- capital			
Amortization	1,690	1,643	1,643
Interest	1,660	416	1,609
Allowance for uncollectible	132,230	98,437	128,380
Other (Miscellaneous)	4,170	5,656	5,140
General Government Services	458,040	398,539	426,914
Restructuring (Specify, if any)			
Total General Government Services	458,040	398,539	426,914

PROTECTIVE SERVICES

Police protection

Wages and benefits			
Professional/Contractual services	19,790	19,734	19,218
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating			
- capital			
Other (Specify)			

Fire protection

Wages and benefits			
Professional/Contractual services	540	524	15,343
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating	15,800	24,661	
- capital			
Amortization			
Interest			
Other (Miscellaneous)			524

Protective Services	36,130	44,919	35,085
Restructuring (Specify, if any)			
Total Protective Services	36,130	44,919	35,085

TRANSPORTATION SERVICES

Wages and benefits	449,400	368,424	377,910
Professional/Contractual services	51,550	86,894	
Utilities	8,110	10,508	7,880
Maintenance, materials and supplies	496,140	208,173	133,008
Gravel	400,000	404,282	659,511
Grants and contributions - operating	203,330	10,000	10,000
- capital			
Amortization	427,370	451,287	427,366
Interest	10,000	10,654	9,590
Other (Miscellaneous)			47,527

Transportation Services	2,045,900	1,550,222	1,672,792
Restructuring (Specify, if any)			
Total Transportation Services	2,045,900	1,550,222	1,672,792

Rural Municipality of Grass Lake No. 381

Total Expenses by Function

For the year ended December 31, 2021

Schedule 3 - 2

	2021 Budget	2021	2020
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits			
Professional/Contractual services			
Utilities			
Maintenance, materials and supplies	56,290	82,968	38,412
Grants and contributions - operating			
○ Waste disposal			
○ Public Health	9,750	8,887	9,464
- capital			
○ Waste disposal			
○ Public Health			
Amortization			
Interest			
Other (<i>Specify</i>)			
Environmental and Public Health Services	66,040	91,855	47,876
Restructuring (Specify, if any)			
Total Environmental and Public Health Services	66,040	91,855	47,876

PLANNING AND DEVELOPMENT SERVICES

Wages and benefits			
Professional/Contractual services	11,700	11,717	11,717
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Other (<i>Specify</i>)			
Planning and Development Services	11,700	11,717	11,717
Restructuring (Specify, if any)			
Total Planning and Development Services	11,700	11,717	11,717

RECREATION AND CULTURAL SERVICES

Wages and benefits			
Professional/Contractual services	4,640	4,603	4,503
Utilities	4,450	3,551	4,320
Maintenance, materials and supplies		90	
Grants and contributions - operating	23,950	10,400	23,254
- capital			
Amortization			
Interest			
Allowance for uncollectible			
Other (<i>Specify</i>)			
Recreation and Cultural Services	33,040	18,644	32,077
Restructuring (Specify, if any)			
Total Recreation and Cultural Services	33,040	18,644	32,077

For the year ended December 31, 2021

	2021 Budget	2021	2020
UTILITY SERVICES			
Wages and benefits	6,450	9,040	6,264
Professional/Contractual services			
Utilities	3,980	3,525	3,857
Maintenance, materials and supplies	9,850	11,458	9,078
Grants and contributions - operating - capital			
Amortization	6,290	6,103	6,103
Interest			
Allowance for uncollectible	1,080		1,050
Other (<i>Specify</i>)			
Utility Services	27,650	30,126	26,352
Restructuring (Specify, if any)			
Total Utility Services	27,650	30,126	26,352
TOTAL EXPENSES BY FUNCTION	2,678,500	2,146,022	2,252,813

Rural Municipality of Grass Lake No. 381
Schedule of Segment Disclosure by Function
For the year ended December 31, 2021

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	2,880		10,842				12,492	26,214
Tangible Capital Asset Sales - Loss			(365,577)					(365,577)
Land Sales - Loss								
Investment Income and Commissions	7,532							7,532
Other Revenues	10,284							10,284
Grants - Conditional								
- Capital	48,618							48,618
Restructurings								
Total Revenues	69,314		(354,735)				12,492	(272,929)
Expenses (Schedule 3)								
Wages and Benefits	221,478		368,424				9,040	598,942
Professional/Contractual Services	56,991	20,258	86,894		11,717	4,603		180,463
Utilities	4,648		10,508			3,551	3,525	22,232
Maintenance Materials and Supplies	9,270		612,455	82,968		90	11,458	716,241
Grants and Contributions		24,661	10,000	8,887		10,400		53,948
Amortization	1,643		451,287				6,103	459,033
Interest	416		10,654					11,070
Allowance for Uncollectible	98,437							98,437
Restructurings								
Other	5,656							5,656
Total Expenses	398,539	44,919	1,550,222	91,855	11,717	18,644	30,126	2,146,022
Surplus (Deficit) by Function	(329,225)	(44,919)	(1,904,957)	(91,855)	(11,717)	(18,644)	(17,634)	(2,418,951)

Taxes and other unconditional revenue (Schedule 1)

2,639,762

Net Surplus (Deficit)

220,811

Rural Municipality of Grass Lake No. 381
Schedule of Segment Disclosure by Function
For the year ended December 31, 2020

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	2,299		24,866				11,291	38,456
Tangible Capital Asset Sales - Loss			(1,100)					(1,100)
Land Sales - Loss								
Investment Income and Commissions	3,577							3,577
Other Revenues								
Grants - Conditional								
- Capital	92,660							92,660
Restructurings								
Total Revenues	98,536		23,766				11,291	133,593
Expenses (Schedule 3)								
Wages and Benefits	223,968		377,910				6,264	608,142
Professional/Contractual Services	47,361	34,561			11,717	4,503		98,142
Utilities	4,545		7,880			4,320	3,857	20,602
Maintenance Materials and Supplies	14,268		792,519	38,412			9,078	854,277
Grants and Contributions			10,000	9,464		23,254		42,718
Amortization	1,643		427,366				6,103	435,112
Interest	1,609		9,590					11,199
Allowance for Uncollectible	128,380						1,050	129,430
Restructurings								
Other	5,140	524	47,527					53,191
Total Expenses	426,914	35,085	1,672,792	47,876	11,717	32,077	26,352	2,252,813
Surplus (Deficit) by Function	(328,378)	(35,085)	(1,649,026)	(47,876)	(11,717)	(32,077)	(15,061)	(2,119,220)
Taxes and other unconditional revenue (Schedule 1)								2,486,100
Net Surplus (Deficit)								366,880

Rural Municipality of Grass Lake No. 381
Schedule of Tangible Capital Assets by Object
For the year ended December 31, 2021

Schedule 6

		2021						2020	
		General Assets					Infrastructure Assets	General/ Infrastructure	
		Land	Land Improvements	Buildings	Vehicles	Machinery and Equipment	Linear assets	Assets Under Construction	Total
Assets	Asset costs								
	Opening Asset Costs	18,854		301,460	44,598	2,247,096	14,028,613		16,640,621
	Additions during the year					923,710	489,141		1,412,851
	Disposals and write-downs during the year					(1,129,748)			(1,129,748)
	Transfers (from) assets under construction								
	Transfer of capital assets related to restructuring (Schedule 11)								
	Closing Asset Costs	18,854		301,460	44,598	2,041,058	14,517,754		16,923,724
Amortization	Accumulated Amortization Costs								
	Opening Accumulated Amortization Costs			199,560	8,920	595,940	6,296,561		7,100,981
	Add: Amortization taken			3,736	4,460	143,680	307,157		459,033
	Less: Accumulated amortization on disposals					(462,172)			(462,172)
	Transfer of capital assets related to restructuring (Schedule 11)								
	Closing Accumulated Amortization Costs			203,296	13,380	277,448	6,603,718		7,097,842
	Net Book Value	18,854		98,164	31,218	1,763,610	7,914,036		9,825,882
									9,539,640

1. Total contributed/donated assets received in 2021

Nil

are:

- Infrastructure Assets

Nil

- Vehicles

Nil

- Machinery and Equipment

Nil

3. Amount of interest capitalized in Schedule 6

Nil

Rural Municipality of Grass Lake No. 381
Schedule of Tangible Capital Assets by Function
For the year ended December 31, 2021

Schedule 7

		2021						2020		
		General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Water and Sewer	Total	Total
Assets	Asset costs									
	Opening Asset Costs	102,262		16,197,757			77,000	263,602	16,640,621	16,018,402
	Additions during the year			1,412,851					1,412,851	623,319
	Disposals and write-downs during the year			(1,129,748)					(1,129,748)	(1,100)
	Transfer of capital assets related to restructuring (Schedule 11)									
	Closing Asset Costs	102,262		16,480,860			77,000	263,602	16,923,724	16,640,621
Amortization	Accumulated Amortization Costs									
	Opening Accumulated Amortization Costs	98,391		6,867,739			76,999	57,852	7,100,981	6,665,869
	Add: Amortization taken	1,643		451,287				6,103	459,033	435,112
	Less: Accumulated amortization on disposals			(462,172)					(462,172)	
	Transfer of capital assets related to restructuring (Schedule 11)									
	Closing Accumulated Amortization Costs	100,034		6,856,854			76,999	63,955	7,097,842	7,100,981
Net Book Value		2,228		9,624,006			1	199,647	9,825,882	9,539,640

Rural Municipality of Grass Lake No. 381
Schedule of Accumulated Surplus
For the year ended December 31, 2021

Schedule 8

	2020	Changes	2021
UNAPPROPRIATED SURPLUS	9,026	(143,041)	(134,015)

APPROPRIATED RESERVES

Machinery and Equipment	859,914	77,110	937,024
Public Reserve		500	500
Capital Trust			
Utility	301,000		301,000
Other (Specify)			
Total Appropriated	1,160,914	77,610	1,238,524

ORGANIZED HAMLETS (add lines if required)

Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Total Organized Hamlets			

INVESTMENT IN TANGIBLE CAPITAL ASSETS

Tangible capital assets (Schedule 6, 7)	9,539,640	286,242	9,825,882
Less: Related debt			
Net Investment in Tangible Capital Assets	9,539,640	286,242	9,825,882

Total Accumulated Surplus	10,709,580	220,811	10,930,391
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Rural Municipality of Grass Lake No. 381
Schedule of Mill Rates and Assessments
For the year ended December 31, 2021

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial and Industrial	Potash Mine(s)	
Taxable Assessment	144,613,475	4,249,680			34,269,535		183,132,690
Regional Park Assessment							
Total Assessment							183,132,690
Mill Rate Factor(s)	0.5500	1.0000			4.9500		
Total Base/Minimum Tax (generated for each property class)							
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	715,837	40,527			1,526,707		2,283,071

MILL RATES:	MILLS
Average Municipal*	12.4668
Average School*	3.0076
Potash Mill Rate	
Uniform Municipal Mill Rate	9.0000

* Average Mill Rates (multiply the total tax levy for each taxing authority by 1000 and divide by the total assessment for the taxing authority).

Rural Municipality of Grass Lake No. 381
Schedule of Council Remuneration
For the year ended December 31, 2021

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Bentley Sperle	10,500	3,568	14,068
Councillor	Lorne Fell	9,750	4,458	14,208
Councillor	Derrick Boser	7,000	3,477	10,477
Councillor	Brian Kuhn	8,000	3,582	11,582
Councillor	Ken Boerrichter	6,250	3,137	9,387
Councillor	Luke Stang	6,250	2,457	8,707
Councillor	Kevin Vetter	7,500	3,027	10,527
Total		55,250	23,706	78,956