

R. M. of Hudson Bay No. 394
CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2021

R. M. of Hudson Bay No. 394

Hudson Bay, Saskatchewan

December 31, 2021

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Management's Responsibility

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

In discharging its responsibilities for the integrity and fair presentation of the consolidated 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 consolidated financial statements.

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

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



Reeve



Administrator

Independent Auditors' Report

To the Council
R. M. of Hudson Bay No. 394

Opinion

We have audited the consolidated financial statements of R. M. of Hudson Bay No. 394, (the municipality), which comprise the consolidated Statement of Financial Position as at December 31, 2021 and the consolidated Statements of Operations, Change in Net Financial Assets and Cash Flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the municipality as at December 31, 2021, and results of its operations and its consolidated cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Baker Tilly SK LLP

Baker Tilly SK LLP

Yorkton, SK
April 7, 2022

R. M. of Hudson Bay No. 394

Hudson Bay, Saskatchewan

Statement 1

Consolidated Statement of Financial Position as at December 31, 2021

	2021	2020
Assets		
Financial Assets		
Cash and temporary investments - note 2	948,978	1,124,829
Taxes receivable - municipal - note 3	78,698	90,101
Other accounts receivable - note 4	29,138	20,105
Land for resale - note 5	63,265	30,775
Investments - note 6	470,408	457,159
Total Financial Assets	<u>1,590,487</u>	<u>1,722,969</u>
Liabilities		
Accounts payable	53,076	54,314
Deferred revenue	7,665	7,665
Total Liabilities	<u>60,741</u>	<u>61,979</u>
Net Financial Assets	<u>1,529,746</u>	<u>1,660,990</u>
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	2,010,826	1,350,375
Prepayments and deferred charges	300	300
Stock and supplies	424,084	554,701
Total Non-Financial Assets	<u>2,435,210</u>	<u>1,905,376</u>
Accumulated Surplus - schedule 8	<u>\$ 3,964,956</u>	<u>\$ 3,566,366</u>

Approved on behalf of the council:

Reeve

Councillor

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

R. M. of Hudson Bay No. 394
Consolidated Statement of Operations
For the year ended December 31, 2021

Statement 2

	2021 Budget [Note 1(t)]	2021 Actual	2020 Actual (Note 11)
Revenues			
Taxes and other unconditional revenue			
- schedule 1	1,812,948	1,835,322	1,826,061
Fees and charges - schedules 4 and 5	152,445	215,305	218,613
Conditional grants - schedules 4 and 5	18,965	25,319	15,997
Tangible capital asset sales - gain			
- schedules 4 and 5		52,260	(3,693)
Investment income and commissions			
- schedules 4 and 5	20,500	15,752	24,793
Other revenues - schedules 4 and 5		11,447	1,081
Total Revenue	<u>2,004,858</u>	<u>2,155,405</u>	<u>2,082,852</u>
Expenses - schedule 3			
General government services	393,676	392,865	369,870
Protective services	121,915	136,793	115,907
Transportation services	1,419,079	930,281	1,015,141
Environmental and public health services	148,500	113,729	134,991
Planning and development services	32,398	39,576	34,511
Recreation and cultural services	202,100	246,435	206,965
Utilities services	29,974	30,196	28,090
Total Expenses	<u>2,347,642</u>	<u>1,889,875</u>	<u>1,905,475</u>
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(342,784)	265,530	177,377
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>134,970</u>	<u>133,060</u>	<u>374,489</u>
Surplus (Deficit) of Revenue over Expenses	(207,814)	398,590	551,866
Accumulated Surplus, Beginning of Year	<u>3,566,366</u>	<u>3,566,366</u>	<u>3,014,500</u>
Accumulated Surplus, End of Year	<u>\$ 3,358,552</u>	<u>\$ 3,964,956</u>	<u>\$ 3,566,366</u>

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

R. M. of Hudson Bay No. 394Consolidated Statement of Change in Net Financial Assets
For the year ended December 31, 2021

Statement 3

	2021 Budget [Note 1(t)]	2021 Actual	2020 Actual (Note 11)
Surplus	<u>(207,814)</u>	<u>398,590</u>	<u>551,866</u>
(Acquisition) of tangible capital assets		(757,030)	(329,297)
Amortization of tangible capital assets	97,178	96,575	97,178
Proceeds on disposal of tangible capital assets		52,264	
Loss (gain) on the disposal of tangible capital assets	<u> </u>	<u>(52,260)</u>	<u>3,693</u>
Surplus (Deficit) of Capital Expenses over Expenditures	<u>97,178</u>	<u>(660,451)</u>	<u>(228,426)</u>
(Acquisition) of supplies inventories		(157,510)	(264,959)
Consumption of supplies inventory	<u> </u>	<u>288,127</u>	<u>227,737</u>
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>130,617</u>	<u>(37,222)</u>
Increase (Decrease) in Net Financial Assets	<u>(110,636)</u>	<u>(131,244)</u>	<u>286,218</u>
Net Financial Assets, beginning of year	<u>1,660,990</u>	<u>1,660,990</u>	<u>1,374,772</u>
Net Financial Assets, End of Year	<u>\$ 1,550,354</u>	<u>\$ 1,529,746</u>	<u>\$ 1,660,990</u>

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

R. M. of Hudson Bay No. 394
Consolidated Statement of Cash Flow
For the year ended December 31, 2021

Statement 4

	2021	2020 (Note 11)
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus	398,590	551,866
Amortization	96,575	97,178
Loss (gain) on disposal of tangible capital assets	(52,260)	3,693
	<u>442,905</u>	<u>652,737</u>
Change in Assets/Liabilities		
Taxes receivable - municipal	11,404	6,786
Other receivables	(9,033)	43,510
Land for resale	(32,491)	(4,891)
Accounts payable	(1,239)	(3,072)
Deferred revenue		(121,036)
Stock and supplies for use	130,617	(37,222)
Cash Provided by Operating Transactions	<u>542,163</u>	<u>536,812</u>
Capital:		
Acquisition of capital assets	(757,030)	(329,297)
Proceeds from the disposal of capital assets	52,264	
Cash Applied to Capital Transactions	<u>(704,766)</u>	<u>(329,297)</u>
Investing:		
Proceeds on disposal of long-term investments		491,365
Additions to long-term investments	(13,248)	(7,792)
Cash Provided by (Applied to) Investing Transactions	<u>(13,248)</u>	<u>483,573</u>
Change in Cash and Temporary Investments During the Year	(175,851)	691,088
Cash and temporary Investments, beginning of year	<u>1,124,829</u>	<u>433,741</u>
Cash and Temporary Investments, End of Year	<u>\$ 948,978</u>	<u>\$ 1,124,829</u>

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

R. M. of Hudson Bay No. 394
Notes to Consolidated Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies

The consolidated 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 adopted by the municipality are as follows:

(a) Basis of accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting requires revenues to be recognized as they become available and measurable, and expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

(b) Reporting entity

The consolidated 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.

Entities included in these consolidated financial statements are as follows:

Entity	Basis of Recording
R.M. #394 Recreation Board	Full consolidation

All inter-organizational transactions and balances have been eliminated.

(c) 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.

(d) Government transfers

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

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

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

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

R. M. of Hudson Bay No. 394
Notes to Consolidated Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(e) 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.

(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) Investments

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with maturity dates longer than one year from the date of the Statement of Financial Position 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.

(j) 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 on gravel inventory is determined by the average cost method. Cost on culverts and other inventory are determined by the specific identification method. Net realizable value is the estimated selling price in the ordinary course of business.

R. M. of Hudson Bay No. 394
Notes to Consolidated Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(k) Tangible capital assets

All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The tangible capital assets that are recognized at a nominal value are disclosed in schedule 6. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The municipality's tangible capital asset useful lives are estimated as follows:

Assets	Useful Life
General Assets	
Land	indefinite
Land improvements	15 years
Buildings	40 years
Vehicles	10 years
Mobile equipment	6 years
Linear assets	40 years
Infrastructure Assets	
Paving, sidewalks and roadways	40 years

(l) 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.

(m) Works of art

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

(n) Capitalization of interest

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

(o) Leases

All leases are recorded on the consolidated 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.

R. M. of Hudson Bay No. 394
Notes to Consolidated Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(p) 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.

(q) Revenue

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

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

(r) Measurement uncertainty

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

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

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

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

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

1. Significant Accounting Policies - continued

(s) 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.

(t) Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on April 19, 2021.

R. M. of Hudson Bay No. 394
Notes to Consolidated Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(u) New standards and amendments to standards

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

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

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

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

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

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

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

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

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

R. M. of Hudson Bay No. 394
Notes to Consolidated Financial Statements
For the year ended December 31, 2021

	2021	2020
2. Cash and Temporary Investments		
Cash	\$ 948,978	\$ 1,124,829
Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of one year or less.		
3. Taxes and Grants In Lieu Receivable		
Municipal - current	52,501	57,904
Municipal - arrears	41,155	47,155
	<u>93,656</u>	<u>105,059</u>
Less: Allowance for uncollectibles	14,958	14,958
Total municipal taxes receivable	<u>78,698</u>	<u>90,101</u>
School - current	28,925	27,539
School - arrears	14,601	15,620
Total school taxes receivable	<u>43,526</u>	<u>43,159</u>
Other	<u>1,667</u>	<u>2,366</u>
Total taxes and grants in lieu receivable	123,891	135,626
Less: Taxes receivable to be collected on behalf of other organizations	<u>45,193</u>	<u>45,525</u>
Municipal and Grants In Lieu Taxes Receivable	<u>\$ 78,698</u>	<u>\$ 90,101</u>
4. Other Accounts Receivable		
Provincial government	11,685	6,532
Trade	8,227	7,921
Other	<u>9,226</u>	<u>5,652</u>
Net Other Accounts Receivable	<u>\$ 29,138</u>	<u>\$ 20,105</u>
5. Land for Resale		
Tax title property	<u>\$ 63,265</u>	<u>\$ 30,775</u>
6. Investments		
Guaranteed Investment Certificates	319,889	317,035
Sask. Assoc. of Rural Municipalities - Self-Insurance Fund	132,367	122,731
Equity in co-operatives	<u>18,152</u>	<u>17,393</u>
	<u>\$ 470,408</u>	<u>\$ 457,159</u>

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

R. M. of Hudson Bay No. 394
Notes to Consolidated Financial Statements
For the year ended December 31, 2021

7. Bank Indebtedness

Credit arrangements:

At 2021, the municipality had lines of credit totaling \$300,000, none of which were 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 for 2022 is \$1,294,138. 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).

9. Employee Benefit Plans

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

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

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

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

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

Contributions to the plan during the year were as follows:

Benefit expense	\$ 33,962	\$ 32,397
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As per the most recently audited consolidated financial statements dated December 31, 2020, the plan surplus is \$838,900,000.

10. Contingent Liabilities

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

11. Comparative Figures

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

R. M. of Hudson Bay No. 394Consolidated Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2021

Schedule 1

	2021 Budget [Note 1(t)]	2021 Actual	2020 Actual (Note 11)
Taxes			
General municipal tax levy	1,155,695	1,155,698	1,093,495
Abatements and adjustments	(8,000)	(6,544)	(8,050)
Discount on current year taxes	(90,000)	(97,520)	(88,629)
Net municipal taxes	<u>1,057,695</u>	<u>1,051,634</u>	<u>996,816</u>
Penalties on tax arrears	6,000	5,976	6,441
Special tax levy	<u>9,900</u>	<u>10,200</u>	<u>10,200</u>
Total Taxes	<u>1,073,595</u>	<u>1,067,810</u>	<u>1,013,457</u>
Unconditional Grants			
Equalization (revenue sharing)	316,283	316,463	319,132
Organized hamlet	10,376	10,376	10,437
Safe Restart Saskatchewan			<u>65,142</u>
Total Unconditional Grants	<u>326,659</u>	<u>326,839</u>	<u>394,711</u>
Grants in Lieu of Taxes			
Provincial			
Transgas	544	544	544
SPMC - municipal share	1,000	1,066	1,023
SaskTel	750	766	1,000
Sask Ag & Food	400	416	900
Local/Other			
Town of Hudson Bay	<u>410,000</u>	<u>437,881</u>	<u>414,426</u>
Total Grants in Lieu of Taxes	<u>412,694</u>	<u>440,673</u>	<u>417,893</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 1,812,948</u>	<u>\$ 1,835,322</u>	<u>\$ 1,826,061</u>

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

R. M. of Hudson Bay No. 394

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-1
For the year ended December 31, 2021

	2021 Budget [Note 1(t)]	2021 Actual	2020 Actual (Note 11)
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of supplies	1,500	2,278	1,374
Other	1,850	4,620	2,253
Total Fees and Charges	3,350	6,898	3,627
Tangible capital asset sales - gain (loss)			(3,693)
Expense recoveries		10,405	
Patronage dividends	1,000	1,042	1,081
Investment income and commissions	20,500	15,752	24,793
Total Other Segmented Revenue	24,850	34,097	25,808
Total General Government Services	\$ 24,850	\$ 34,097	\$ 25,808
Protective Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Policing and fire fees	10,000	23,863	10,052
Total Other Segmented Revenue	10,000	23,863	10,052
Total Protective Services	\$ 10,000	\$ 23,863	\$ 10,052
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	4,000	2,098	4,269
Heavy haul	25,170	25,170	25,170
Sale of supplies	23,000	19,903	34,786
Road maintenance and restoration agreements	80,000	118,142	124,547
Rentals		2,715	
Licenses and permits	325	325	325
Total Fees and Charges	132,495	168,353	189,097
Tangible capital asset sales - gain (loss)		52,260	
Total Other Segmented Revenue	132,495	220,613	189,097
Total Operating	132,495	220,613	189,097
Capital			
Conditional Grants			
Canada community-building fund	134,970	133,060	217,538
Municipal Economic Enhancement Program			156,951
Total Capital	134,970	133,060	374,489
Total Transportation Services	\$ 267,465	\$ 353,673	\$ 563,586

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

R. M. of Hudson Bay No. 394

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-2
For the year ended December 31, 2021

	2021 Budget [Note 1(t)]	2021 Actual	2020 Actual (Note 11)
Environmental and Public Health Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Vet fees	5,000	6,576	7,457
Total Other Segmented Revenue	<u>5,000</u>	<u>6,576</u>	<u>7,457</u>
Conditional Grants			
Partners in protection		500	
Pest control	4,500	4,954	4,805
Sask. Water Corporation	5,000	10,400	1,727
Total Conditional Grants	<u>9,500</u>	<u>15,854</u>	<u>6,532</u>
Total Environmental and Public Health Services	<u>\$ 14,500</u>	<u>\$ 22,430</u>	<u>\$ 13,989</u>
Planning and Development Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Licenses and permits	600	1,950	575
Total Other Segmented Revenue	<u>600</u>	<u>1,950</u>	<u>575</u>
Total Planning and Development Services	<u>\$ 600</u>	<u>\$ 1,950</u>	<u>\$ 575</u>
Recreation and Cultural Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Rentals		7,665	7,805
Total Other Segmented Revenue	<u>0</u>	<u>7,665</u>	<u>7,805</u>
Conditional Grants			
Saskatchewan Lotteries	7,665	7,665	7,665
Celebrate Canada	1,800	1,800	1,800
Total Conditional Grants	<u>9,465</u>	<u>9,465</u>	<u>9,465</u>
Total Recreation and Cultural Services	<u>\$ 9,465</u>	<u>\$ 17,130</u>	<u>\$ 17,270</u>
Total Operating and Capital Revenue by Function	<u>\$ 326,880</u>	<u>\$ 453,143</u>	<u>\$ 631,280</u>
Summary			
Total Other Segmented Revenue	172,945	294,764	240,794
Total Conditional Grants	18,965	25,319	15,997
Total Capital Grants and Contributions	<u>134,970</u>	<u>133,060</u>	<u>374,489</u>
Total Operating and Capital Revenue by Function	<u>\$ 326,880</u>	<u>\$ 453,143</u>	<u>\$ 631,280</u>

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

R. M. of Hudson Bay No. 394
Total Expenses by Function
For the year ended December 31, 2021

Schedule 3-1

	2021 Budget [Note 1(t)]	2021 Actual	2020 Actual (Note 11)
General Government Services			
Council remuneration and travel	17,500	18,014	19,321
Wages and benefits	250,000	252,070	230,097
Professional/Contractual services	63,154	65,118	66,071
Utilities	8,000	8,251	7,679
Maintenance, materials and supplies	35,050	25,994	28,955
Grants and contributions - operating	500	400	400
Amortization	4,772	5,482	4,772
Insurance	14,000	15,552	11,896
Interest	200	1,662	163
Other	500	322	516
	<u> </u>	<u> </u>	<u> </u>
Total General Government Services	\$ 393,676	\$ 392,865	\$ 369,870
	<u> </u>	<u> </u>	<u> </u>
Protective Services			
Police protection			
Professional/Contractual services	54,000	54,008	52,596
Fire protection			
Professional/Contractual services	16,365	25,959	14,455
Maintenance, materials and supplies		3,602	
Grants and contributions - operating	45,000	46,674	42,306
Amortization	6,550	6,550	6,550
	<u> </u>	<u> </u>	<u> </u>
Total Protective Services	\$ 121,915	\$ 136,793	\$ 115,907
	<u> </u>	<u> </u>	<u> </u>
Transportation Services			
Wages and benefits	416,500	396,590	402,634
Utilities	13,095	11,762	12,690
Maintenance, materials and supplies	21,500	23,354	33,446
Gravel	225,000	243,811	354,872
Machinery costs/fuel/blades	114,500	146,103	100,472
Culverts/drainage	550,000	31,182	32,543
Amortization	78,484	77,479	78,484
	<u> </u>	<u> </u>	<u> </u>
Total Transportation Services	\$ 1,419,079	\$ 930,281	\$ 1,015,141
	<u> </u>	<u> </u>	<u> </u>

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

R. M. of Hudson Bay No. 394

Total Expenses by Function
For the year ended December 31, 2021

Schedule 3-2

	2021 Budget [Note 1(t)]	2021 Actual	2020 Actual (Note 11)
Environmental and Public Health Services			
Professional/Contractual services	85,500	57,775	60,849
Maintenance, materials and supplies	3,000	2,748	2,007
Grants and contributions - operating	<u>60,000</u>	<u>53,206</u>	<u>72,135</u>
Total Environmental and Public Health Services	\$ 148,500	\$ 113,729	\$ 134,991
Planning and Development Services			
Professional/Contractual services	4,000	5,395	4,401
Grants and contributions - operating	25,000	30,783	26,712
Amortization	<u>3,398</u>	<u>3,398</u>	<u>3,398</u>
Total Planning and Development Services	\$ 32,398	\$ 39,576	\$ 34,511
Recreation and Cultural Services			
Maintenance, materials and supplies	2,500	8,900	10,218
Grants and contributions - operating	176,600	214,263	174,032
Libraries	<u>23,000</u>	<u>23,272</u>	<u>22,715</u>
Total Recreation and Cultural Services	\$ 202,100	\$ 246,435	\$ 206,965
Utility Services			
Wages and benefits	6,000	6,000	6,000
Professional/Contractual services	2,500	3,117	2,211
Utilities	10,200	8,797	9,368
Maintenance, materials and supplies	7,300	8,616	6,537
Amortization	<u>3,974</u>	<u>3,666</u>	<u>3,974</u>
Total Utility Services	\$ 29,974	\$ 30,196	\$ 28,090
Total Expenses by Function	\$ 2,347,642	\$ 1,889,875	\$ 1,905,475

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

R. M. of Hudson Bay No. 394
Consolidated Schedule of Segment Disclosure by Function
For the year ended December 31, 2021

Schedule 4

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	6,898	23,863	168,353	6,576	1,950	7,665		215,305
Tangible capital asset sales - gain			52,260					52,260
Investment income and commissions	15,752							15,752
Other revenues	11,447							11,447
Grants - conditional				15,854		9,465		25,319
Grants - capital			133,060					133,060
Total Revenues	34,097	23,863	353,673	22,430	1,950	17,130	0	453,143
Expenses - schedule 3								
Wages and benefits	252,070		396,590				6,000	654,660
Professional/contractual services	83,132	79,967		57,775	5,395		3,117	229,386
Utilities	8,251		11,762				8,797	28,810
Maintenance materials and supplies	25,994	3,602	267,165	2,748		8,900	8,616	317,025
Machinery costs/fuel/blades			146,103					146,103
Culverts/drainage			31,182					31,182
Grants and contributions	400	46,674		53,206	30,783	214,263		345,326
Amortization	5,482	6,550	77,479		3,398		3,666	96,575
Insurance	15,552							15,552
Libraries						23,272		23,272
Interest	1,662							1,662
Other	322							322
Total Expenses	392,865	136,793	930,281	113,729	39,576	246,435	30,196	1,889,875
Surplus (Deficit) by Function	\$(358,768)	\$(112,930)	\$(576,608)	\$(91,299)	\$(37,626)	\$(229,305)	\$(30,196)	(1,436,732)
Taxation and other unconditional revenue - schedule 1								1,835,322
Net Surplus								\$ 398,590

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

R. M. of Hudson Bay No. 394
Consolidated Schedule of Segment Disclosure by Function
For the year ended December 31, 2020

Schedule 5

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	3,627	10,052	189,097	7,457	575	7,805		218,613
Tangible capital asset sales - gain (loss)	(3,693)							(3,693)
Investment income and commissions	24,793							24,793
Other revenues	1,081							1,081
Grants - conditional				6,532		9,465		15,997
Grants - capital			374,489					374,489
Total Revenues	25,808	10,052	563,586	13,989	575	17,270	0	631,280
Expenses - schedule 3								
Wages and benefits	230,097		402,634				6,000	638,731
Professional/contractual services	85,392	67,051		60,849	4,401		2,211	219,904
Utilities	7,679		12,690				9,368	29,737
Maintenance materials and supplies	28,955		388,318	2,007		10,218	6,537	436,035
Machinery costs/fuel/blades			100,472					100,472
Culverts/drainage			32,543					32,543
Grants and contributions	400	42,306		72,135	26,712	174,032		315,585
Amortization	4,772	6,550	78,484		3,398		3,974	97,178
Insurance	11,896							11,896
Libraries						22,715		22,715
Interest	163							163
Other	516							516
Total Expenses	369,870	115,907	1,015,141	134,991	34,511	206,965	28,090	1,905,475
Surplus (Deficit) by Function	\$(344,062)	\$(105,855)	\$(451,555)	\$(121,002)	\$(33,936)	\$(189,695)	\$(28,090)	(1,274,195)
Taxation and other unconditional revenue - schedule 1								1,826,061
Net Surplus								\$ 551,866

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

R. M. of Hudson Bay No. 394
Consolidated Schedule of Tangible Capital Assets by Object
For the year ended December 31, 2021

Schedule 6

	2021							2020	
	General Assets					Infrastruct. Assets	General/ Infrastruct. Assets under Constr.	Total	Total
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
Asset Cost									
Opening Asset Cost	29,300	19,878	537,375	0	1,143,728	3,214,203	290,673	5,235,157	4,925,166
Additions during the year					141,327	615,703		757,030	329,297
Disposals and write-down during the year					(15,370)	(48,595)		(63,965)	(19,306)
Transfer (from) assets under construction						290,673	290,673		
Closing Asset Costs	29,300	19,878	537,375	0	1,269,685	4,071,984	0	5,928,222	5,235,157
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	0	19,875	333,363	0	1,029,637	2,501,907	0	3,884,782	3,803,217
Add: Amortization taken			13,434		10,037	73,104		96,575	97,178
Less: Accumulated amortization on disposals					15,369	48,592		63,961	15,613
Closing Accumulated Amortization Costs	0	19,875	346,797	0	1,024,305	2,526,419	0	3,917,396	3,884,782
Net Book Value	\$ 29,300	\$ 3	\$ 190,578	\$ 0	\$ 245,380	\$ 1,545,565	\$ 0	\$ 2,010,826	\$ 1,350,375

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

R. M. of Hudson Bay No. 394
Consolidated Schedule of Tangible Capital Assets by Function
For the year ended December 31, 2021

Schedule 7

	2021							2020
	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Water & Sewer	Total
Asset Cost								
Opening Asset Cost	248,653	168,754	4,500,711	0	135,902	26,878	154,259	5,235,157
Additions during the year			757,030					757,030
Disposals and write-down during the year			(63,965)					(63,965)
Closing Asset Costs	248,653	168,754	5,193,776	0	135,902	26,878	154,259	5,928,222
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	142,551	72,050	3,457,927	0	93,654	26,874	91,726	3,884,782
Add: Amortization taken	5,482	6,550	77,479		3,398		3,666	96,575
Less: Accumulated amortization on disposals			63,961					63,961
Closing Accumulated Amortization Costs	148,033	78,600	3,471,445	0	97,052	26,874	95,392	3,917,396
Net Book Value	\$ 100,620	\$ 90,154	\$ 1,722,331	\$ 0	\$ 38,850	\$ 4	\$ 58,867	\$ 2,010,826

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

R. M. of Hudson Bay No. 394
Consolidated Schedule of Accumulated Surplus
For the year ended December 31, 2021

Schedule 8

	2020	Changes	2021
Unappropriated Surplus	<u>2,072,139</u>	<u>(219,009)</u>	<u>1,853,130</u>
Organized Hamlets			
Hamlet of Elbow Lake	55,424	(22,780)	32,644
Hamlet of Erwood	(8,200)	(27,974)	(36,174)
Hamlet of Little Swan	<u>96,628</u>	<u>7,902</u>	<u>104,530</u>
Total Hamlets	<u>143,852</u>	<u>(42,852)</u>	<u>101,000</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	<u>1,350,375</u>	<u>660,451</u>	<u>2,010,826</u>
Net Investment in Tangible Capital Assets	<u>1,350,375</u>	<u>660,451</u>	<u>2,010,826</u>
Total Accumulated Surplus	<u>\$ 3,566,366</u>	<u>\$ 398,590</u>	<u>\$ 3,964,956</u>

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

R. M. of Hudson Bay No. 394
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 & Industrial	
Taxable Assessment	106,502,445	44,081,645	495,120	19,239,620	9,559,780	179,878,610
Less: Subject to minimum tax		6,193,760				
Net	106,502,445	37,887,885	495,120	19,239,620	9,559,780	
Regional Park Assessment						
Total Assessment						179,878,610
Mill Rate Factor(s)	1.0000	1.0000	1.0000	1.0000	2.8000	
Total Base/Minimum Tax (generated for each property class)		86,700				86,700
Total Municipal Tax Levy (include base tax and/or minimum tax and special levies)	596,414	298,872	2,773	107,742	149,897	1,155,698
Mill Rates:	Mills					
Average Municipal*	6.4249					
Average School*	2.7463					
Potash Mill Rate						
Uniform Municipal Mill Rate	5.6000					

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

R. M. of Hudson Bay No. 394
Schedule of Council Remuneration
For the year ended December 31, 2021

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Neal Hardy	4,350	4,099	8,449
Allan Hue	3,300	3,267	6,567
Neil Allchin	3,300	5,060	8,360
Rodney Fullerton	1,350	3,119	4,469
Dwaine Bracken	5,100	3,290	8,390
John Hall	2,175	3,226	5,401
Kendall Kowalyk	4,650	4,519	9,169
	<u>\$ 24,225</u>	<u>\$ 26,580</u>	<u>\$ 50,805</u>