

R. M. of Invermay No. 305

FINANCIAL STATEMENTS

Year Ended December 31, 2021

R. M. of Invermay No. 305

Invermay, Saskatchewan
December 31, 2021

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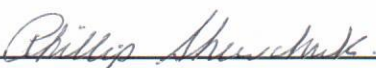
Management's Responsibility

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

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

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

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


Reeve


Administrator

Independent Auditors' Report

To the Council
R. M. of Invermay No. 305

Opinion

We have audited the financial statements of R. M. of Invermay No. 305, (the municipality), which comprise the Statement of Financial Position as at December 31, 2021 and the Statements of Operations, Statement of Change in Net Financial Assets and Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

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

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

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

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



Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly SK LLP

Baker Tilly SK LLP

Yorkton, SK
March 17, 2022

R. M. of Invermay No. 305

Invermay, Saskatchewan

Statement 1

Statement of Financial Position as at December 31, 2021

	2021	2020
Assets		
Financial Assets		
Cash and temporary investments - note 2	1,740,752	1,780,571
Taxes receivable - municipal - note 3	17,468	25,672
Other accounts receivable - note 4	49,234	45,583
Long-term investments	39,935	38,255
Total Financial Assets	<u>1,847,389</u>	<u>1,890,081</u>
Liabilities		
Accounts payable		22
Deferred revenue - note 8		10,750
RM share of accrued landfill costs - note 9	114,286	114,286
Total Liabilities	<u>114,286</u>	<u>125,058</u>
Net Financial Assets	<u>1,733,103</u>	<u>1,765,023</u>
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	2,705,506	2,815,617
Prepayments and deferred charges	283	283
Stock and supplies - note 5	304,503	154,670
Total Non-Financial Assets	<u>3,010,292</u>	<u>2,970,570</u>
Accumulated Surplus - schedule 8	<u>\$ 4,743,395</u>	<u>\$ 4,735,593</u>

Approved on behalf of the council:

Reeve

Councillor

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

R. M. of Invermay No. 305
Statement of Operations
For the year ended December 31, 2021

Statement 2

	2021 Budget (Note 1(t))	2021 Actual	2020 Actual
Revenues			
Taxes and other unconditional revenue - schedule 1	1,107,411	1,103,853	1,105,390
Fees and charges - schedules 4 and 5	42,218	41,277	40,759
Conditional grants - schedules 4 and 5	19,340	28,770	54,552
Tangible capital asset sales - gain - schedules 4 and 5		8,459	
Investment income and commissions - schedules 4 and 5	9,510	6,433	9,502
Total Revenue	<u>1,178,479</u>	<u>1,188,792</u>	<u>1,210,203</u>
Expenses - schedule 3			
General government services	159,682	158,808	157,377
Protective services	21,280	21,277	21,284
Transportation services	597,308	979,890	865,761
Environmental and public health services	121,875	42,813	115,815
Planning and development services	10,070	12,067	10,067
Recreation and cultural services	6,350	5,738	5,928
Total Expenses	<u>916,565</u>	<u>1,220,593</u>	<u>1,176,232</u>
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	261,914	(31,801)	33,971
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>28,760</u>	<u>39,601</u>	<u>28,763</u>
Surplus of Revenue over Expenses	290,674	7,800	62,734
Accumulated Surplus, Beginning of Year	<u>4,735,593</u>	<u>4,735,593</u>	<u>4,672,859</u>
Accumulated Surplus, End of Year	<u>\$ 5,026,267</u>	<u>\$ 4,743,393</u>	<u>\$ 4,735,593</u>

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

R. M. of Invermay No. 305
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
Surplus	<u>290,674</u>	<u>7,800</u>	<u>62,734</u>
(Acquisition) of tangible capital assets	(50,380)	(133,631)	(28,145)
Amortization of tangible capital assets		228,796	226,246
Proceeds on disposal of tangible capital assets		23,405	
Loss (gain) on the disposal of tangible capital assets	<u> </u>	<u>(8,459)</u>	<u> </u>
Surplus (Deficit) of Capital Expenses over Expenditures	<u>(50,380)</u>	<u>110,111</u>	<u>198,101</u>
(Acquisition) of supplies inventories		(149,831)	
Consumption of supplies inventory	<u> </u>	<u> </u>	<u>100,581</u>
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>(149,831)</u>	<u>100,581</u>
Increase (Decrease) in Net Financial Assets	240,294	(31,920)	361,416
Net Financial Assets, beginning of year	<u>1,765,023</u>	<u>1,765,023</u>	<u>1,403,607</u>
Net Financial Assets, End of Year	<u>\$ 2,005,317</u>	<u>\$ 1,733,103</u>	<u>\$ 1,765,023</u>

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

R. M. of Invermay No. 305
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	7,800	62,734
Amortization	228,796	226,246
Loss (gain) on disposal of tangible capital assets	(8,459)	
	<u>228,137</u>	<u>288,980</u>
Change in Assets/Liabilities		
Taxes receivable - municipal	8,203	9,507
Other receivables	(3,652)	12,125
Accounts payable	(18)	(190,176)
Deferred revenue	(10,750)	10,750
Other liabilities		76,190
Stock and supplies for use	(149,833)	100,584
Cash Provided by Operating Transactions	<u>72,087</u>	<u>307,960</u>
Capital:		
Acquisition of capital assets	(133,631)	(28,145)
Proceeds from the disposal of capital assets	23,405	
Cash Applied to Capital Transactions	<u>(110,226)</u>	<u>(28,145)</u>
Investing:		
Additions to long-term investments	(1,680)	(1,342)
Change in Cash and Temporary Investments During the Year	(39,819)	278,473
Cash and temporary investments, beginning of year	<u>1,780,571</u>	<u>1,502,098</u>
Cash and Temporary Investments, End of Year	<u>\$ 1,740,752</u>	<u>\$ 1,780,571</u>

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

1. Significant Accounting Policies

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

(a) Basis of accounting

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

(b) Collection of funds for other authorities

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

(c) Government transfers

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

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

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

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

(d) Deferred revenue - fees and charges

Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.

(e) Net financial assets

Net financial assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.

(f) Non-financial assets

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

R. M. of Invermay No. 305
Notes to Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(g) Appropriated reserves

Reserves are established at the discretion of council to designate surplus for future operating and capital transactions. Amounts so designated are described on schedule 8.

(h) Investments

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment. The long-term investments in the Saskatchewan Association of Urban Municipalities Self-Insurance Fund are accounted for on the equity basis.

(i) Inventories

Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.

(j) Tangible capital assets

All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant 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 in schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

General Assets

Land	Indefinite
Land improvements	15 years
Buildings	40 years
Vehicles	10 years
Machinery and equipment	5-20 years

Infrastructure Assets

Linear assets	15-40 years
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(k) Government contributions

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

(l) Works of art and other unrecognized assets

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

1. Significant Accounting Policies - continued

(m) Capitalization of interest

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

(n) Leases

All leases are recorded on the financial statement as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risk associated with the leased asset is classified as capital leases 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 their estimated useful lives (lease term). Any other lease not meeting the before-mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

(o) Landfill liability

The municipality maintains a waste disposal site. The annual provision is reported as an expense and the accumulated provision is reported on the statement of financial position. Recommended disclosure is provided in note 9.

(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. M. of Invermay No. 305
Notes to Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(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.

(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 May 12, 2021.

R. M. of Invermay No. 305
Notes to Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(u) Liability for contaminated sites

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

- (i) An environmental standard exists;
- (ii) Contamination exceeds the environmental standard;
- (iii) The municipality:
 - a) Is directly responsible; or
 - b) Accepts responsibility;
- (iv) It is expected that future economic benefits will be given up; and
- (v) A reasonable estimate of the amount can be made.

(v) 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.

R. M. of Invermay No. 305
Notes to Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(v) New standards and amendments to standards - continued

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.

	2021	2020
2. Cash and Temporary Investments		
Cash	1,740,747	1,780,566
Temporary investments	<u>5</u>	<u>5</u>
Total Cash and Temporary Investments	<u>\$ 1,740,752</u>	<u>\$ 1,780,571</u>

Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less.

	2021	2020
3. Taxes and Grants In Lieu Receivable		
Municipal - current	17,017	25,481
Municipal - arrears	<u>452</u>	<u>191</u>
	17,469	25,672
Less: Allowance for uncollectibles	<u>0</u>	<u>0</u>
Total municipal taxes receivable	<u>17,469</u>	<u>25,672</u>
School - current	3,824	5,012
School - arrears	<u>101</u>	<u>44</u>
Total school taxes receivable	<u>3,925</u>	<u>5,056</u>
Other	<u>1,270</u>	<u>1,339</u>
Total taxes and grants in lieu receivable	22,664	32,067
Less: Taxes receivable to be collected on behalf of other organizations	<u>5,196</u>	<u>6,395</u>
Municipal and Grants In Lieu Taxes Receivable	<u>\$ 17,468</u>	<u>\$ 25,672</u>

R. M. of Invermay No. 305
Notes to Financial Statements
For the year ended December 31, 2021

	2021	2020
4. Other Accounts Receivable		
Federal government	35,953	16,504
Provincial government	3,180	19,705
Trade	<u>10,101</u>	<u>9,374</u>
Net Other Accounts Receivable	<u>\$ 49,234</u>	<u>\$ 45,583</u>
5. Stock and Supplies		
Stock and supplies are comprised of the following:		
Gravel	276,818	129,857
Stock and Supplies	<u>27,685</u>	<u>24,813</u>
	<u>\$ 304,503</u>	<u>\$ 154,670</u>
6. Long-Term Investments		
Sask. Rural Municipalities Assoc. - Self-Insurance Fund	32,436	30,755
Co-operative Equity	<u>7,500</u>	<u>7,500</u>
	<u>\$ 39,936</u>	<u>\$ 38,255</u>

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

7. Bank Indebtedness

Bank indebtedness includes an operating loan amounting to \$200,000 (2020 - \$200,000) and bearing interest at prime plus 3.75%. Assets pledged as collateral are taxes receivable.

8. Deferred Revenue

	Balance, Beginning of Year	Plus Amount Received	Less Amount Recognized	Balance, End of Year
Municipal Economic Enhancement	<u>\$ 10,750</u>	<u>\$ 0</u>	<u>\$ 10,750</u>	<u>\$ 0</u>

R. M. of Invermay No. 305
Notes to Financial Statements
For the year ended December 31, 2021

	2021	2020
9. Accrued Landfill Costs		
RM share of accrued landfill costs	\$ 114,286	\$ 114,286

In 2021, the municipality has accrued an overall liability for environmental matters in the amount of \$114,286 (2020 - \$114,286) which represents management's best estimate of this liability. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Included in environmental liabilities is \$114,286 (2020 - \$114,286) of the estimated total landfill closure and post-closure care expenses. The estimated liability for these expenses is recognized as the landfill site's capacity is used and the reported liability represents the portion of the estimated total expenses recognized as at December 31, 2021 based on the cumulative capacity used at that date, compared to the total estimated landfill capacity. Estimated total expenditures represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at the municipality's average long-term borrowing rate of 5% (2020 - 5%).

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

10. Long-Term Debt

- (a) The debt limit of the municipality for 2022 is \$821,821. 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).

11. Employee Benefit Plans

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

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

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

R. M. of Invermay No. 305
Notes to Financial Statements
For the year ended December 31, 2021

11. Employee Benefit Plans - continued

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	\$ 25,050	\$ 25,619
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As per the most recently audited financial statements dated December 31, 2020, the plan surplus is \$838,900,000.

12. Contingent Liabilities

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

The municipality is also contingently liable for the following:

The municipality is a member of the Parkland Regional Waste Management Authority ("PRWMA"). PRWMA is governed by the Department of Saskatchewan Environment and Resource Management (SERM) and is responsible for the waste collection, landfill operations and future site restoration costs of its landfills. The municipality participates in PRWMA in the form of a levy based on the operations of PRWMA and is, therefore, contingently liable, in the form of increased levies, for underlying liabilities and expenses related to landfill closure costs of PRWMA.

13. Budget

The figures shown under the "Budget" column in the statement of operations and attached schedules have not been audited and are provided for information purposes only.

14. Impact of COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the municipality's environment and in the global markets, possible disruption in supply chains and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the municipality's operations. The extent of this outbreak and related containment measures on the municipality's operations cannot be reliably estimated at this time.

R. M. of Invermay No. 305Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2021

Schedule 1

	2021 Budget (Note 1(t))	2021 Actual	2020 Actual
Taxes			
General municipal tax levy	809,013	809,013	785,890
Abatements and adjustments		(1,036)	(569)
Discount on current year taxes	(31,490)	(33,866)	(31,486)
Net municipal taxes	<u>777,523</u>	<u>774,111</u>	<u>753,835</u>
Penalties on tax arrears	<u>1,020</u>	<u>866</u>	<u>1,019</u>
Total Taxes	<u>778,543</u>	<u>774,977</u>	<u>754,854</u>
Unconditional Grants			
Equalization (revenue sharing)	321,588	321,588	323,930
Safe Restart			19,388
Total Unconditional Grants	<u>321,588</u>	<u>321,588</u>	<u>343,318</u>
Grants In Lieu of Taxes			
Federal	7,280		194
Provincial			
SERM		4,560	4,476
SaskTel		<u>2,728</u>	<u>2,548</u>
Total Grants In Lieu of Taxes	<u>7,280</u>	<u>7,288</u>	<u>7,218</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 1,107,411</u>	<u>\$ 1,103,853</u>	<u>\$ 1,105,390</u>

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

R. M. of Invermay No. 305Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2021

Schedule 2-1

	2021 Budget (Note 1(t))	2021 Actual	2020 Actual
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	900	1,050	901
Other	1,918	1,336	1,333
Total Fees and Charges	2,818	2,386	2,234
Investment income and commissions	9,510	6,433	9,502
Total Other Segmented Revenue	12,328	8,819	11,736
Total General Government Services	\$ 12,328	\$ 8,819	\$ 11,736
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	2,220	1,811	2,215
Licenses and permits	600	500	600
Road maintenance and restoration agreement	36,580	36,580	35,710
Total Fees and Charges	39,400	38,891	38,525
Tangible capital asset sales - gain (loss)		8,459	
Total Other Segmented Revenue	39,400	47,350	38,525
Conditional Grants			
Primary Weight Corridor	14,840	14,840	14,840
Municipal Economic Enhancement		10,750	35,962
Total Conditional Grants	14,840	25,590	50,802
Total Operating	54,240	72,940	89,327
Capital			
Conditional Grants			
Gas tax	28,760	39,601	28,763
Total Capital	28,760	39,601	28,763
Total Transportation Services	\$ 83,000	\$ 112,541	\$ 118,090

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

R. M. of Invermay No. 305Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2021

Schedule 2-2

	2021 Budget (Note 1(t))	2021 Actual	2020 Actual
Environmental and Public Health Services			
Conditional Grants			
Provincial Rat Eradication Program	3,000	3,000	3,000
Beaver Control Program	1,500	180	750
Total Conditional Grants	<u>4,500</u>	<u>3,180</u>	<u>3,750</u>
Total Environmental and Public Health Services	<u>\$ 4,500</u>	<u>\$ 3,180</u>	<u>\$ 3,750</u>
Total Operating and Capital Revenue by Function	<u>\$ 99,828</u>	<u>\$ 124,540</u>	<u>\$ 133,576</u>
Summary			
Total Other Segmented Revenue	51,728	56,169	50,261
Total Conditional Grants	19,340	28,770	54,552
Total Capital Grants and Contributions	<u>28,760</u>	<u>39,601</u>	<u>28,763</u>
Total Operating and Capital Revenue by Function	<u>\$ 99,828</u>	<u>\$ 124,540</u>	<u>\$ 133,576</u>

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

R. M. of Invermay No. 305
 Total Expenses by Function
 For the year ended December 31, 2021

Schedule 3-1

	2021 Budget (Note 1(t))	2021 Actual	2020 Actual
General Government Services			
Council remuneration and travel	23,305	22,087	21,229
Wages and benefits	76,252	76,636	74,202
Professional/Contractual services	31,255	29,543	30,951
Utilities	5,790	5,745	5,767
Maintenance, materials and supplies	10,300	12,120	12,682
Insurance	12,750	12,677	12,521
Interest	30		25
	<u>30</u>	<u></u>	<u>25</u>
Total General Government Services	\$ 159,682	\$ 158,808	\$ 157,377
Protective Services			
Police protection			
Professional/Contractual services	15,850	16,274	15,854
Fire protection			
Professional/Contractual services	4,430	4,000	4,427
Amortization	1,000	1,003	1,003
	<u>1,000</u>	<u>1,003</u>	<u>1,003</u>
Total Protective Services	\$ 21,280	\$ 21,277	\$ 21,284
Transportation Services			
Council remuneration and travel	3,668	5,740	4,196
Wages and benefits	272,550	263,078	218,630
Professional/Contractual services	34,530	41,691	59,788
Utilities	5,250	4,891	5,242
Maintenance, materials and supplies	131,310	136,303	90,755
Gravel	150,000	300,394	261,907
Amortization		227,793	225,243
	<u></u>	<u>227,793</u>	<u>225,243</u>
Total Transportation Services	\$ 597,308	\$ 979,890	\$ 865,761
Environmental and Public Health Services			
Professional/Contractual services	45,675	42,813	39,625
Other	76,200		76,190
	<u>76,200</u>	<u></u>	<u>76,190</u>
Total Environmental and Public Health Services	\$ 121,875	\$ 42,813	\$ 115,815
Planning and Development Services			
Grants and contributions - operating	10,070	12,067	10,067
	<u>10,070</u>	<u>12,067</u>	<u>10,067</u>
Recreation and Cultural Services			
Libraries	5,350	5,488	5,528
Grants and contributions - operating	1,000	250	400
	<u>1,000</u>	<u>250</u>	<u>400</u>
Total Recreation and Cultural Services	\$ 6,350	\$ 5,738	\$ 5,928
Total Expenses by Function	\$ 916,565	\$ 1,220,593	\$ 1,176,232

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

R. M. of Invermay No. 305
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	2,386		38,891					41,277
Tangible capital asset sales - gain			8,459					8,459
Investment income and commissions	6,433							6,433
Grants - conditional			25,590	3,180				28,770
Grants - capital			39,601					39,601
Total Revenues	8,819	0	112,541	3,180	0	0	0	124,540
Expenses - schedule 3								
Wages and benefits	76,636		263,078					339,714
Professional/contractual services	51,630	20,274	47,431	42,813				162,148
Utilities	5,745		4,891					10,636
Maintenance materials and supplies	12,120		436,697					448,817
Grants and contributions					12,067	250		12,317
Amortization		1,003	227,793					228,796
Insurance	12,677							12,677
Libraries						5,488		5,488
Total Expenses	158,808	21,277	979,890	42,813	12,067	5,738	0	1,220,593
Surplus (Deficit) by Function	\$ (149,989)	\$ (21,277)	\$ (867,349)	\$ (39,633)	\$ (12,067)	\$ (5,738)	\$ 0	(1,096,053)
Taxation and other unconditional revenue - schedule 1								1,103,853
Net Surplus								\$ 7,800

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

R. M. of Invermay No. 305
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	2,234		38,525					40,759
Investment income and commissions	9,502							9,502
Grants - conditional			50,802	3,750				54,552
Grants - capital			28,763					28,763
Total Revenues	11,736	0	118,090	3,750	0	0	0	133,576
Expenses - schedule 3								
Wages and benefits	74,202		218,630					292,832
Professional/contractual services	52,180	20,281	63,984	39,625				176,070
Utilities	5,767		5,242					11,009
Maintenance materials and supplies	12,682		352,662					365,344
Grants and contributions					10,067	400		10,467
Amortization		1,003	225,243					226,246
Insurance	12,521							12,521
Libraries						5,528		5,528
Interest	25							25
Other				76,190				76,190
Total Expenses	157,377	21,284	865,761	115,815	10,067	5,928	0	1,176,232
Surplus (Deficit) by Function	\$ (145,641)	\$ (21,284)	\$ (747,671)	\$ (112,065)	\$ (10,067)	\$ (5,928)	\$ 0	(1,042,656)
Taxation and other unconditional revenue - schedule 1								1,105,390
Net Surplus								\$ 62,734

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

R. M. of Invermay No. 305
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
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets		Total
Asset Cost								
Opening Asset Cost	36,466	0	2	0	1,540,260	4,573,149	0	6,149,877
Additions during the year					73,755	59,876		133,631
Disposals and write-down during the year					(45,238)			(45,238)
Closing Asset Costs	<u>36,466</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>1,568,777</u>	<u>4,633,025</u>	<u>0</u>	<u>6,238,270</u>
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	0	0	0	0	453,811	2,880,449	0	3,334,260
Add: Amortization taken					102,116	126,680		228,796
Less: Accumulated amortization on disposals					30,292			30,292
Closing Accumulated Amortization Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>525,635</u>	<u>3,007,129</u>	<u>0</u>	<u>3,532,764</u>
Net Book Value	<u>\$ 36,466</u>	<u>\$ 0</u>	<u>\$ 2</u>	<u>\$ 0</u>	<u>\$ 1,043,142</u>	<u>\$ 1,625,896</u>	<u>\$ 0</u>	<u>\$ 2,705,506</u>

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

R. M. of Invermay No. 305
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	13,502	25,000	6,111,375	0	0	0	0	6,149,877
Additions during the year			133,631					133,631
Disposals and write-down during the year			(45,238)					(45,238)
Closing Asset Costs	<u>13,502</u>	<u>25,000</u>	<u>6,199,768</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,238,270</u>
Accumulated Amortization Cost								
Opening Accumulated								
Amortization costs	0	8,025	3,326,235	0	0	0	0	3,334,260
Add: Amortization taken		1,003	227,793					228,796
Less: Accumulated amortization on disposals			30,292					30,292
Closing Accumulated Amortization Costs	<u>0</u>	<u>9,028</u>	<u>3,523,736</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,532,764</u>
Net Book Value	<u>\$ 13,502</u>	<u>\$ 15,972</u>	<u>\$ 2,676,032</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,705,506</u>

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

R. M. of Invermay No. 305
Schedule of Accumulated Surplus
For the year ended December 31, 2021

Schedule 8

	2020	Changes	2021
Unappropriated Surplus	<u>1,919,976</u>	<u>117,913</u>	<u>2,037,889</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	<u>2,815,617</u>	<u>(110,111)</u>	<u>2,705,506</u>
Net Investment in Tangible Capital Assets	<u>2,815,617</u>	<u>(110,111)</u>	<u>2,705,506</u>
Total Accumulated Surplus	<u>\$ 4,735,593</u>	<u>\$ 7,802</u>	<u>\$ 4,743,395</u>

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

R. M. of Invermay No. 305
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		Potash Mine(s)
Taxable Assessment	11,691,090	2,048,244			3,187,160		16,926,494
Regional Park Assessment							
Total Assessment							16,926,494
Mill Rate Factor(s)	0.8600	1.8000			2.5500		
Total Base/Minimum Tax (generated for each property class)							
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	720,407	27,651			60,955		809,013
Mill Rates:	Mills						
Average Municipal*	6.9190						
Average School*	1.5600						
Potash Mill Rate							
Uniform Municipal Mill Rate	7.5000						

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

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

R. M. of Invermay No. 305
Schedule of Council Remuneration
For the year ended December 31, 2021

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Roger Genoway	3,938	171	4,109
William Jack	3,547	183	3,730
Ken Kowalchuk	3,734	251	3,985
Dale Minhinick	3,469	137	3,606
Phillip Shewchuk	4,058	137	4,195
Regan Graham	3,969	35	4,004
Sergey Shewchuk	<u>3,089</u>	<u>138</u>	<u>3,227</u>
	<u>\$ 25,804</u>	<u>\$ 1,052</u>	<u>\$ 26,856</u>