

R. M. of Keys No. 303

FINANCIAL STATEMENTS

Year Ended December 31, 2021

R. M. of Keys No. 303

Canora, Saskatchewan

December 31, 2021

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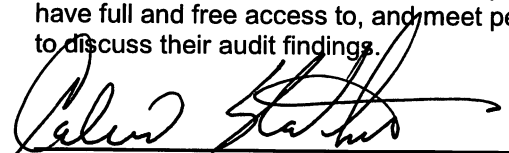
Management's Responsibility

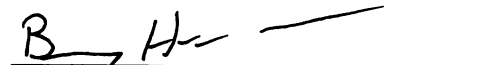
The municipality's management is responsible for the preparation and presentation of the accompanying financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles and methods, 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 Keys No. 303

Opinion

We have audited the financial statements of R. M. of Keys No. 303, (the municipality), which comprise the Statement of Financial Position as at December 31, 2021 and the Statements of Operations, Changes 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
April 7, 2022

R. M. of Keys No. 303

Canora, Saskatchewan

Statement 1

Statement of Financial Position as at December 31, 2021

	2021	2020 (Note 13)
Assets		
Financial Assets		
Cash and temporary investments - note 2	1,255,419	1,710,022
Taxes receivable - municipal - note 3	116,647	126,066
Other accounts receivable - note 4	284,107	72,576
Long-term investments - note 6	61,506	57,081
Total Financial Assets	<u>1,717,679</u>	<u>1,965,745</u>
Liabilities		
Accounts payable	568	1,366
Deferred revenue - note 8	3,113	146,108
Total Liabilities	<u>3,681</u>	<u>147,474</u>
Net Financial Assets	<u>1,713,998</u>	<u>1,818,271</u>
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	3,982,474	3,213,041
Prepayments and deferred charges	328	10,859
Stock and supplies	105,119	48,676
Total Non-Financial Assets	<u>4,087,921</u>	<u>3,272,576</u>
Accumulated Surplus - schedule 8	<u>\$ 5,801,919</u>	<u>\$ 5,090,847</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 Keys No. 303
Statement of Operations
For the year ended December 31, 2021

Statement 2

	2021 Budget [Note 1(r)]	2021 Actual	2020 Actual (Note 13)
Revenues			
Taxes and other unconditional revenue			
- schedule 1	1,569,302	1,574,456	1,506,556
Fees and charges - schedules 4 and 5	696,066	48,325	77,940
Conditional grants - schedules 4 and 5	76,054	75,788	27,724
Tangible capital asset sales - gain			
- schedules 4 and 5	115,000	(28,671)	
Investment income and commissions			
- schedules 4 and 5	11,800	15,414	17,521
Total Revenue	<u>2,468,222</u>	<u>1,685,312</u>	<u>1,629,741</u>
Expenses - schedule 3			
General government services	278,295	265,415	277,918
Protective services	48,750	48,614	39,890
Transportation services	1,725,100	1,011,035	968,474
Environmental and public health services	70,080	60,156	51,226
Planning and development services	24,000	31,356	18,597
Recreation and cultural services	7,750	12,982	5,815
Utilities services	21,955	20,179	19,969
Total Expenses	<u>2,175,930</u>	<u>1,449,737</u>	<u>1,381,889</u>
Surplus of Revenues over Expenses before Other Capital Contributions	292,292	235,575	247,852
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>381,940</u>	<u>475,490</u>	<u>31,940</u>
Surplus of Revenue over Expenses	674,232	711,065	279,792
Accumulated Surplus, Beginning of Year	<u>5,090,847</u>	<u>5,090,847</u>	<u>4,811,055</u>
Accumulated Surplus, End of Year	<u>\$ 5,765,079</u>	<u>\$ 5,801,912</u>	<u>\$ 5,090,847</u>

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

R. M. of Keys No. 303
Statement of Change in Net Financial Assets
For the year ended December 31, 2021

Statement 3

	2021 Budget [Note 1(r)]	2021 Actual	2020 Actual (Note 13)
Surplus	<u>674,232</u>	<u>711,065</u>	<u>279,792</u>
(Acquisition) of tangible capital assets		(1,147,206)	(76,922)
Amortization of tangible capital assets		199,102	238,438
Proceeds on disposal of tangible capital assets	115,000	150,000	
Loss on the disposal of tangible capital assets		<u>28,671</u>	
Surplus (Deficit) of Capital Expenses over Expenditures	<u>115,000</u>	<u>(769,433)</u>	<u>161,516</u>
(Acquisition) of supplies inventories		(56,443)	(41,738)
(Acquisition) of prepaid expense			(2,775)
Use of prepaid expense		<u>10,538</u>	
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>(45,905)</u>	<u>(44,513)</u>
Increase (Decrease) in Net Financial Assets	789,232	(104,273)	396,795
Net Financial Assets, beginning of year	<u>1,818,271</u>	<u>1,818,271</u>	<u>1,421,476</u>
Net Financial Assets, End of Year	<u>\$ 2,607,503</u>	<u>\$ 1,713,998</u>	<u>\$ 1,818,271</u>

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

R. M. of Keys No. 303
Statement of Cash Flow
For the year ended December 31, 2021

Statement 4

	2021	2020 (Note 13)
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus	711,065	279,792
Amortization	199,102	238,438
Loss on disposal of tangible capital assets	28,671	
	938,838	518,230
Change in Assets/Liabilities		
Taxes receivable - municipal	9,419	18,318
Other receivables	(211,531)	14,841
Land for resale		6,890
Accounts payable	(792)	(13,971)
Deferred revenue	(142,994)	107,581
Stock and supplies for use	(56,443)	(41,741)
Prepayments and deferred charges	10,531	(2,772)
Cash Provided by Operating Transactions	547,028	607,376
Capital:		
Acquisition of capital assets	(1,147,206)	(76,922)
Proceeds from the disposal of capital assets	150,000	
Cash Applied to Capital Transactions	(997,206)	(76,922)
Investing:		
Additions to long-term investments	(4,425)	(3,529)
Financing:		
Long-term debt repaid	0	(79,448)
Change in Cash and Temporary Investments During the Year	(454,603)	447,477
Cash and temporary investments, beginning of year	1,710,022	1,262,545
Cash and Temporary Investments, End of Year	\$ 1,255,419	\$ 1,710,022

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

R. M. of Keys No. 303
Notes to Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies

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

(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 Keys No. 303
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 improvements	15 years
Buildings	40 years
Vehicles	10 years
Mobile equipment	10-15 years

Infrastructure Assets

Paving, sidewalks and roadways	15-40 years
Linear assets	15-40 years

(k) Government contributions

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

(l) Capitalization of interest

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

R. M. of Keys No. 303
Notes to Financial Statements
For the year ended December 31, 2021

1. **Significant Accounting Policies** - continued

(m) 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.

(n) Employee benefit plans

Contributions to the municipality's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.

(o) 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.

(p) 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.

R. M. of Keys No. 303
Notes to Financial Statements
For the year ended December 31, 2021

1. **Significant Accounting Policies** - continued

(q) 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.

(r) Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on June 10, 2021.

(s) 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.

R. M. of Keys No. 303
Notes to Financial Statements
For the year ended December 31, 2021

1. **Significant Accounting Policies** - continued

(s) New standards and amendments to standards - continued

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.

	2021	2020
2. Cash and Temporary Investments		
Cash	514,840	809,830
Temporary investments	<u>740,579</u>	<u>900,192</u>
Total Cash and Temporary Investments	<u>\$ 1,255,419</u>	<u>\$ 1,710,022</u>

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

R. M. of Keys No. 303
Notes to Financial Statements
For the year ended December 31, 2021

	2021	2020
3. Taxes and Grants In Lieu Receivable		
Municipal - current	86,639	54,217
Municipal - arrears	28,172	70,591
	<u>114,811</u>	<u>124,808</u>
Less: Allowance for uncollectibles	0	0
Total municipal taxes receivable	<u>114,811</u>	<u>124,808</u>
School - current	44,577	21,960
School - arrears	8,061	18,071
Total school taxes receivable	<u>52,638</u>	<u>40,031</u>
Other	3,791	3,213
Total taxes and grants in lieu receivable	171,240	168,052
Less: Taxes receivable to be collected on behalf of other organizations	<u>54,593</u>	<u>41,986</u>
Municipal and Grants In Lieu Taxes Receivable	<u>\$ 116,647</u>	<u>\$ 126,066</u>
4. Other Accounts Receivable		
Federal/provincial government	162,320	
Provincial government	39,140	31,940
Trade	10,471	18,406
Other	83,687	33,741
Total other accounts receivable	<u>295,618</u>	<u>84,087</u>
Less: Allowance for uncollectibles	<u>11,511</u>	<u>11,511</u>
Net Other Accounts Receivable	<u>\$ 284,107</u>	<u>\$ 72,576</u>
5. Land for Resale		
Tax title property	3,302	3,302
Less: Allowance for market value adjustment	<u>3,302</u>	<u>3,302</u>
Total Land for Resale	<u>\$ 0</u>	<u>\$ 0</u>
6. Long-Term Investments		
Sask. Assoc. of Rural Municipalities - Self-Insurance Fund	<u>\$ 61,506</u>	<u>\$ 57,081</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 \$250,000 (2020 - \$250,000) and bearing interest at 2.95%.

R. M. of Keys No. 303
Notes to Financial Statements
For the year ended December 31, 2021

8. Deferred Revenue

	Balance, Beginning of Year	Plus Amount Received	Less Amount Recognized	Balance, End of Year
Municipal Economic Enhancement	56,054		56,054	
Canada Community Building Fund	73,042	47,521	120,563	
Targeted Sector Support	15,567		12,454	3,113
	<u>\$ 144,663</u>	<u>\$ 47,521</u>	<u>\$ 189,071</u>	<u>\$ 3,113</u>

9. Long-Term Debt

The debt limit of the municipality for 2022 is \$1,240,755. 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).

10. 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.

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	\$ 20,639	\$ 16,644
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As per the most recently audited financial statements dated December 31, 2020, the plan surplus is \$838,900,000.

11. 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.

R. M. of Keys No. 303
Notes to Financial Statements
For the year ended December 31, 2021

12. Subsequent Events

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.

13. Comparative Figures

The comparative financial statements have been restated to correct for the understated deferred revenue.

Balance of accumulated surplus, beginning of year, as previously stated	4,849,582
Adjustment to beginning balance	<u>(38,527)</u>
Balance of accumulated surplus, beginning of year, as restated	<u>\$ 4,811,055</u>

The comparative statement of financial position as at December 31, 2020 has been restated as follows:

Line Item	As Restated	As Previously Stated	Difference
Deferred revenue	\$ 146,108	\$ 107,581	\$ 38,527

R. M. of Keys No. 303Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2021

Schedule 1

	2021 Budget [Note 1(r)]	2021 Actual	2020 Actual (Note 13)
Taxes			
General municipal tax levy	1,178,596	1,177,366	1,082,973
Abatements and adjustments		(350)	(402)
Net municipal taxes	<u>1,178,596</u>	<u>1,177,016</u>	<u>1,082,571</u>
Penalties on tax arrears	12,000	10,956	18,755
Special tax levy	<u>31,000</u>	<u>38,194</u>	<u>31,003</u>
Total Taxes	<u>1,221,596</u>	<u>1,226,166</u>	<u>1,132,329</u>
Unconditional Grants			
Equalization (revenue sharing)	326,338	326,338	329,481
Organized hamlet	13,599	13,599	13,712
Safe Restart			<u>23,265</u>
Total Unconditional Grants	<u>339,937</u>	<u>339,937</u>	<u>366,458</u>
Grants In Lieu of Taxes			
Provincial			
SaskTel	2,013	1,780	2,013
Transgas	142	388	142
Local/Other			
Treaty land entitlement	<u>5,614</u>	<u>6,185</u>	<u>5,614</u>
Total Grants In Lieu of Taxes	<u>7,769</u>	<u>8,353</u>	<u>7,769</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 1,569,302</u>	<u>\$ 1,574,456</u>	<u>\$ 1,506,556</u>

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

R. M. of Keys No. 303Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2021

Schedule 2-1

	2021 Budget [Note 1(r)]	2021 Actual	2020 Actual (Note 13)
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	500	851	569
Sale of supplies	1,500	1,503	1,225
Expense recoveries			20,407
Total Fees and Charges	<u>2,000</u>	<u>2,354</u>	<u>22,201</u>
Tangible capital asset sales - gain	115,000		
Investment income and commissions	11,800	15,414	17,521
Total Other Segmented Revenue	<u>128,800</u>	<u>17,768</u>	<u>39,722</u>
Conditional Grants			
Targeted Sector Support	12,000	12,454	
Total Conditional Grants	<u>12,000</u>	<u>12,454</u>	<u>0</u>
Total General Government Services	<u>\$ 140,800</u>	<u>\$ 30,222</u>	<u>\$ 39,722</u>
Protective Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Policing and fire fees			4,902
Total Other Segmented Revenue	<u>0</u>	<u>0</u>	<u>4,902</u>
Total Protective Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,902</u>

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

R. M. of Keys No. 303Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2021

Schedule 2-2

	2021 Budget [Note 1(r)]	2021 Actual	2020 Actual (Note 13)
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	19,000	19,769	17,641
Sale of supplies		291	387
Other	<u>650,136</u>	<u>136</u>	<u>136</u>
Total Fees and Charges	<u>669,136</u>	<u>20,196</u>	<u>18,164</u>
Tangible capital asset sales - gain		(28,671)	
Total Other Segmented Revenue	<u>669,136</u>	<u>(8,475)</u>	<u>18,164</u>
Conditional Grants			
Saskatchewan Government Insurance		718	6,458
Municipal Economic Enhancement	<u>56,054</u>	<u>56,054</u>	
Total Conditional Grants	<u>56,054</u>	<u>56,772</u>	<u>6,458</u>
Total Operating	<u>725,190</u>	<u>48,297</u>	<u>24,622</u>
Capital			
Conditional Grants			
Gas Tax		120,563	
Heavy haul	31,940	31,940	31,940
Investing in Canada Infrastructure	<u>350,000</u>	<u>322,987</u>	
Total Capital	<u>381,940</u>	<u>475,490</u>	<u>31,940</u>
Total Transportation Services	<u>\$ 1,107,130</u>	<u>\$ 523,787</u>	<u>\$ 56,562</u>
Environmental and Public Health Services			
Operating			
Conditional Grants			
Farm and Ranch Water Infr.			3,600
Pest control	<u>8,000</u>	<u>6,562</u>	<u>2,311</u>
Total Conditional Grants	<u>8,000</u>	<u>6,562</u>	<u>5,911</u>
Total Environmental and Public Health Services	<u>\$ 8,000</u>	<u>\$ 6,562</u>	<u>\$ 5,911</u>

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

R. M. of Keys No. 303

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

Schedule 2-3

	2021 Budget [Note 1(r)]	2021 Actual	2020 Actual (Note 13)
Planning and Development Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Licenses and permits			11,121
Other			150
Total Other Segmented Revenue	<u>0</u>	<u>0</u>	<u>11,271</u>
Total Planning and Development Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,271</u>
Recreation and Cultural Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Rentals	2,330	2,230	2,230
Recreation fees	4,150	5,320	3,945
Total Fees and Charges	<u>6,480</u>	<u>7,550</u>	<u>6,175</u>
Total Other Segmented Revenue	<u>6,480</u>	<u>7,550</u>	<u>6,175</u>
Conditional Grants			
Donations			15,355
Total Conditional Grants	<u>0</u>	<u>0</u>	<u>15,355</u>
Total Recreation and Cultural Services	<u>\$ 6,480</u>	<u>\$ 7,550</u>	<u>\$ 21,530</u>
Utility Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Water	18,450	18,225	15,227
Total Other Segmented Revenue	<u>18,450</u>	<u>18,225</u>	<u>15,227</u>
Total Utility Services	<u>\$ 18,450</u>	<u>\$ 18,225</u>	<u>\$ 15,227</u>
Total Operating and Capital Revenue by Function	<u>\$ 1,280,860</u>	<u>\$ 586,346</u>	<u>\$ 155,125</u>
Summary			
Total Other Segmented Revenue	822,866	35,068	95,461
Total Conditional Grants	76,054	75,788	27,724
Total Capital Grants and Contributions	<u>381,940</u>	<u>475,490</u>	<u>31,940</u>
Total Operating and Capital Revenue by Function	<u>\$ 1,280,860</u>	<u>\$ 586,346</u>	<u>\$ 155,125</u>

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

R. M. of Keys No. 303
 Total Expenses by Function
 For the year ended December 31, 2021

Schedule 3-1

	2021 Budget [Note 1(r)]	2021 Actual	2020 Actual (Note 13)
General Government Services			
Council remuneration and travel	59,200	59,705	46,342
Wages and benefits	94,195	86,761	94,620
Professional/contractual services	51,050	49,494	62,826
Utilities	7,500	6,094	7,173
Maintenance, materials and supplies	13,000	18,435	20,028
Insurance	47,000	41,195	42,066
Interest	2,050	855	2,702
Other	4,300	2,876	2,161
	<u> </u>	<u> </u>	<u> </u>
Total General Government Services	\$ 278,295	\$ 265,415	\$ 277,918
Protective Services			
Police protection			
Professional/contractual services	19,200	19,288	18,784
Fire protection			
Professional/contractual services	29,550	17,172	10,777
Grants and contributions - capital		12,154	10,329
	<u> </u>	<u> </u>	<u> </u>
Total Protective Services	\$ 48,750	\$ 48,614	\$ 39,890
Transportation Services			
Wages and benefits	278,500	278,352	246,970
Professional/contractual services	17,500	22,378	17,546
Utilities	22,350	20,295	20,072
Maintenance, material and supplies	1,026,750	124,358	116,976
Gravel	220,000	200,815	204,353
Machinery costs/fuel/blades	115,000	144,536	96,081
Culverts/drainage	40,000	23,866	22,858
Amortization		193,566	238,438
Other materials and supplies	5,000	2,869	5,180
	<u> </u>	<u> </u>	<u> </u>
Total Transportation Services	\$ 1,725,100	\$ 1,011,035	\$ 968,474
Environmental and Public Health Services			
Professional/contractual services	\$ 70,080	\$ 60,156	\$ 51,226
	<u> </u>	<u> </u>	<u> </u>
Planning and Development Services			
Contractual services	\$ 24,000	\$ 31,356	\$ 18,597
	<u> </u>	<u> </u>	<u> </u>

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

R. M. of Keys No. 303
 Total Expenses by Function
 For the year ended December 31, 2021

Schedule 3-2

	2021 Budget [Note 1(r)]	2021 Actual	2020 Actual (Note 13)
Recreation and Cultural Services			
Maintenance, materials and supplies	2,500	2,200	569
Amortization		5,536	
Libraries	<u>5,250</u>	<u>5,246</u>	<u>5,246</u>
Total Recreation and Cultural Services	<u>\$ 7,750</u>	<u>\$ 12,982</u>	<u>\$ 5,815</u>
Utility Services			
Professional/contractual services	1,000	2,577	171
Utilities	2,000	2,518	1,932
Maintenance, materials and supplies	<u>18,955</u>	<u>15,084</u>	<u>17,866</u>
Total Utility Services	<u>\$ 21,955</u>	<u>\$ 20,179</u>	<u>\$ 19,969</u>
Total Expenses by Function	<u>\$ 2,175,930</u>	<u>\$ 1,449,737</u>	<u>\$ 1,381,889</u>

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

R. M. of Keys No. 303

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	2,354		20,196			7,550	18,225	48,325
Tangible capital asset sales - gain (loss)			(28,671)					(28,671)
Investment income and commissions	15,414							15,414
Grants - conditional	12,454		56,772	6,562				75,788
Grants - capital			475,490					475,490
Total Revenues	<u>30,222</u>	<u>0</u>	<u>523,787</u>	<u>6,562</u>	<u>0</u>	<u>7,550</u>	<u>18,225</u>	<u>586,346</u>
Expenses - schedule 3								
Wages and benefits	86,761		278,352					365,113
Professional/contractual services	109,199	36,460	22,378	60,156	31,356		2,577	262,126
Utilities	6,094		20,295				2,518	28,907
Maintenance materials and supplies	18,435		325,173			2,200	15,084	360,892
Machinery costs/fuel/blades			144,536					144,536
Culverts/drainage			23,866					23,866
Grants and contributions		12,154						12,154
Amortization			193,566			5,536		199,102
Insurance	41,195							41,195
Libraries						5,246		5,246
Interest	855							855
Other	2,876		2,869					5,745
Total Expenses	<u>265,415</u>	<u>48,614</u>	<u>1,011,035</u>	<u>60,156</u>	<u>31,356</u>	<u>12,982</u>	<u>20,179</u>	<u>1,449,737</u>
Surplus (Deficit) by Function	<u>\$(235,193)</u>	<u>\$(48,614)</u>	<u>\$(487,248)</u>	<u>\$(53,594)</u>	<u>\$(31,356)</u>	<u>\$(5,432)</u>	<u>\$(1,954)</u>	<u>(863,391)</u>
Taxation and other unconditional revenue - schedule 1								<u>1,574,456</u>
Net Surplus								<u>\$ 711,065</u>

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part of these financial statements.*

R. M. of Keys No. 303

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	22,201	4,902	18,164		11,271	6,175	15,227	77,940
Investment income and commissions	17,521							17,521
Grants - conditional			6,458	5,911		15,355		27,724
Grants - capital			31,940					31,940
Total Revenues	<u>39,722</u>	<u>4,902</u>	<u>56,562</u>	<u>5,911</u>	<u>11,271</u>	<u>21,530</u>	<u>15,227</u>	<u>155,125</u>
Expenses - schedule 3								
Wages and benefits	94,620		246,970					341,590
Professional/contractual services	109,168	29,561	17,546	51,226	18,597		171	226,269
Utilities	7,173		20,072				1,932	29,177
Maintenance materials and supplies	20,028		321,329			569	17,866	359,792
Machinery costs/fuel/blades			96,081					96,081
Culverts/drainage			22,858					22,858
Grants and contributions		10,329						10,329
Amortization			238,438					238,438
Insurance	42,066							42,066
Libraries						5,246		5,246
Interest	2,702							2,702
Other	2,161		5,180					7,341
Total Expenses	<u>277,918</u>	<u>39,890</u>	<u>968,474</u>	<u>51,226</u>	<u>18,597</u>	<u>5,815</u>	<u>19,969</u>	<u>1,381,889</u>
Surplus (Deficit) by Function	<u>\$ (238,196)</u>	<u>\$ (34,988)</u>	<u>\$ (911,912)</u>	<u>\$ (45,315)</u>	<u>\$ (7,326)</u>	<u>\$ 15,715</u>	<u>\$ (4,742)</u>	<u>(1,226,764)</u>
Taxation and other unconditional revenue - schedule 1								<u>1,506,556</u>
Net Surplus								<u>\$ 279,792</u>

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part of these financial statements.*

R. M. of Keys No. 303
 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	5,737	163,412	200,408	0	1,319,439	5,164,723	0	6,853,719	6,776,797
Additions during the year					466,458	680,748		1,147,206	76,922
Disposals and write-down during the year					(416,342)	(64,651)		(480,993)	
Closing Asset Costs	<u>5,737</u>	<u>163,412</u>	<u>200,408</u>	<u>0</u>	<u>1,369,555</u>	<u>5,780,820</u>	<u>0</u>	<u>7,519,932</u>	<u>6,853,719</u>
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	0	43,218	135,128	0	657,256	2,805,076	0	3,640,678	3,402,240
Add: Amortization taken		8,237	3,531		65,530	121,804		199,102	238,438
Less: Accumulated amortization on disposals					237,671	64,651		302,322	
Closing Accumulated Amortization Costs	<u>0</u>	<u>51,455</u>	<u>138,659</u>	<u>0</u>	<u>485,115</u>	<u>2,862,229</u>	<u>0</u>	<u>3,537,458</u>	<u>3,640,678</u>
Net Book Value	<u>\$ 5,737</u>	<u>\$ 111,957</u>	<u>\$ 61,749</u>	<u>\$ 0</u>	<u>\$ 884,440</u>	<u>\$ 2,918,591</u>	<u>\$ 0</u>	<u>\$ 3,982,474</u>	<u>\$ 3,213,041</u>

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

R. M. of Keys No. 303
 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	Total
Asset Cost									
Opening Asset Cost	48,671	0	6,749,693	0	0	55,355	0	6,853,719	6,776,797
Additions during the year			1,147,206					1,147,206	76,922
Disposals and write-down during the year			(480,993)					(480,993)	
Closing Asset Costs	<u>48,671</u>	<u>0</u>	<u>7,415,906</u>	<u>0</u>	<u>0</u>	<u>55,355</u>	<u>0</u>	<u>7,519,932</u>	<u>6,853,719</u>
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	48,671	0	3,592,007	0	0	0	0	3,640,678	3,402,240
Add: Amortization taken			193,566			5,536		199,102	238,438
Less: Accumulated amortization on disposals			302,322					302,322	
Closing Accumulated Amortization Costs	<u>48,671</u>	<u>0</u>	<u>3,483,251</u>	<u>0</u>	<u>0</u>	<u>5,536</u>	<u>0</u>	<u>3,537,458</u>	<u>3,640,678</u>
Net Book Value	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,932,655</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 49,819</u>	<u>\$ 0</u>	<u>\$ 3,982,474</u>	<u>\$ 3,213,041</u>

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 part of these financial statements.*

R. M. of Keys No. 303
Schedule of Accumulated Surplus
For the year ended December 31, 2021

Schedule 8

	2020	Changes	2021
Unappropriated Surplus	<u>956,674</u>	<u>48,791</u>	<u>1,005,465</u>
Appropriated Surplus			
Machinery and equipment			
Machinery and equipment reserve	487,290	(202,659)	284,631
Bridge reserve	<u>302,100</u>	<u>(72,777)</u>	<u>229,323</u>
	<u>789,390</u>	<u>(275,436)</u>	<u>513,954</u>
Other			
Crystal Lake - water reserve	(1,716)	3,902	2,186
Gravel pit recovery	10,000	10,078	20,078
Roadwork		54,965	54,965
Building		<u>50,000</u>	<u>50,000</u>
	<u>8,284</u>	<u>118,945</u>	<u>127,229</u>
Total Appropriated	<u>797,674</u>	<u>(156,491)</u>	<u>641,183</u>
Organized Hamlets			
Hamlet of Crystal Lake	<u>123,458</u>	<u>49,339</u>	<u>172,797</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	<u>3,213,041</u>	<u>769,433</u>	<u>3,982,474</u>
Net Investment in Tangible Capital Assets	<u>3,213,041</u>	<u>769,433</u>	<u>3,982,474</u>
Total Accumulated Surplus	<u>\$ 5,090,847</u>	<u>\$ 711,072</u>	<u>\$ 5,801,919</u>

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

R. M. of Keys No. 303

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	112,884,420	52,261,227			4,382,855	169,528,502
Regional Park Assessment						
Total Assessment						169,528,502
Mill Rate Factor(s)	1.0000	1.0000			1.0000	
Total Base/Minimum Tax (generated for each property class)	1,750	84,700			350	86,800
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	904,765	237,619			34,982	1,177,366
Mill Rates:		Mills				
Average Municipal*		6.9449				
Average School*		2.4500				
Potash Mill Rate						
Uniform Municipal Mill Rate		8.0000				
Hamlet of Crystal Lake Mill Rate		2.0000				

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

R. M. of Keys No. 303
 Schedule of Council Remuneration
 For the year ended December 31, 2021

Schedule 10

Name	Remuneration	Mileage	Reimbursed Costs	Total
Mark Hofer	8,070	867		8,937
Ken Kalmakoff	5,870	192		6,062
Clinton Kraynick	5,130	513		5,643
Lois Stenke	1,020			1,020
Wallace Butterfield	7,350	607		7,957
Lorne Gazdewich	12,195	753		12,948
Cal Statchuk	10,515	690		11,205
Brad Hallick	9,345	544		9,889
Don Olson	1,673	230		1,903
Howard Fox	4,163	16		4,179
Brad Tokoruk	3,720			3,720
	<u>\$ 69,051</u>	<u>\$ 4,412</u>	<u>\$ 0</u>	<u>\$ 73,463</u>

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 part of these financial statements.*