

R. M. of Orkney No. 244

FINANCIAL STATEMENTS

Year Ended December 31, 2021

R. M. of Orkney No. 244

Yorkton, 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 Orkney No. 244

Opinion

We have audited the financial statements of R. M. of Orkney No. 244, (the municipality), which comprise the Statement of Financial Position as at December 31, 2021 and the Statements of Operations, Change in Net Financial Assets and Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, 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.

Yorkton, SK
April 14, 2022

Baker Tilly SK LLP

Baker Tilly SK LLP

R. M. of Orkney No. 244

Yorkton, Saskatchewan

Statement 1

Statement of Financial Position as at December 31, 2021

	2021	2020
Assets		
Financial Assets		
Cash and temporary investments - note 2	7,974,298	8,686,906
Taxes receivable - municipal - note 3	148,173	146,904
Other accounts receivable - note 4	626,825	148,085
Land for resale - note 5	3,200	3,200
Long-term investments - note 6	253	11,652
Total Financial Assets	<u>8,752,749</u>	<u>8,996,747</u>
Liabilities		
Accounts payable	858,382	388,148
Accrued liabilities	166,398	1,011,240
Deferred revenue - note 8	78,692	269,491
Accrued landfill costs - note 9	35,000	25,000
Other liabilities	4	15
Total Liabilities	<u>1,138,476</u>	<u>1,693,894</u>
Net Financial Assets	<u>7,614,273</u>	<u>7,302,853</u>
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	6,307,943	5,009,132
Prepayments and deferred charges	510	295
Stock and supplies	635,570	619,384
Total Non-Financial Assets	<u>6,944,023</u>	<u>5,628,811</u>
Accumulated Surplus - schedule 8	<u>\$ 14,558,296</u>	<u>\$ 12,931,664</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 Orkney No. 244
Statement of Operations
For the year ended December 31, 2021

Statement 2

	2021 Budget [Note 1(r)]	2021 Actual	2020 Actual
Revenues			
Taxes and other unconditional revenue			
- schedule 1	3,386,420	3,378,909	3,444,117
Fees and charges - schedules 4 and 5	114,560	345,644	102,193
Conditional grants - schedules 4 and 5	14,790	21,559	47,191
Tangible capital asset sales - gain			
- schedules 4 and 5		(23,655)	(10,655)
Land sales - gain (loss) - schedules 4 and 5			(2,246)
Investment income and commissions			
- schedules 4 and 5	69,250	39,150	60,668
Total Revenue	<u>3,585,020</u>	<u>3,761,607</u>	<u>3,641,268</u>
Expenses - schedule 3			
General government services	1,091,730	434,995	690,217
Protective services	431,530	426,642	423,477
Transportation services	5,148,720	1,751,207	1,472,346
Environmental and public health services	118,260	88,608	118,239
Planning and development services	77,520	184,508	77,522
Recreation and cultural services	25,220	25,219	25,219
Utilities services	29,970	24,807	29,962
Total Expenses	<u>6,922,950</u>	<u>2,935,986</u>	<u>2,836,982</u>
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(3,337,930)	825,621	804,286
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>110,620</u>	<u>801,011</u>	<u>584,579</u>
Surplus (Deficit) of Revenue over Expenses	(3,227,310)	1,626,632	1,388,865
Accumulated Surplus, Beginning of Year	<u>12,931,664</u>	<u>12,931,664</u>	<u>11,542,799</u>
Accumulated Surplus, End of Year	<u>\$ 9,704,354</u>	<u>\$ 14,558,296</u>	<u>\$ 12,931,664</u>

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

R. M. of Orkney No. 244
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
Surplus	<u>(3,227,310)</u>	<u>1,626,632</u>	<u>1,388,865</u>
(Acquisition) of tangible capital assets		(1,662,463)	(1,105,394)
Amortization of tangible capital assets		276,397	307,415
Proceeds on disposal of tangible capital assets		63,600	
Loss on the disposal of tangible capital assets	<u> </u>	<u>23,655</u>	<u>10,655</u>
Surplus (Deficit) of Capital Expenses over Expenditures	<u>0</u>	<u>(1,298,811)</u>	<u>(787,324)</u>
(Acquisition) of supplies inventories		(277,909)	(246,780)
(Acquisition) of prepaid expense		(510)	(295)
Consumption of supplies inventory		261,723	153,594
Use of prepaid expense	<u> </u>	<u>295</u>	<u>310</u>
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>(16,401)</u>	<u>(93,171)</u>
Increase (Decrease) in Net Financial Assets	(3,227,310)	311,420	508,370
Net Financial Assets, beginning of year	<u>7,302,853</u>	<u>7,302,853</u>	<u>6,794,483</u>
Net Financial Assets, End of Year	<u>\$ 4,075,543</u>	<u>\$ 7,614,273</u>	<u>\$ 7,302,853</u>

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

R. M. of Orkney No. 244
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	1,626,632	1,388,865
Amortization	276,397	307,415
Loss on disposal of tangible capital assets	23,655	10,655
Loss on investments	<u>8,000</u>	<u>8,000</u>
	1,926,684	1,714,935
Change in Assets/Liabilities		
Taxes receivable - municipal	(1,268)	18,203
Other receivables	(478,739)	258,875
Land for resale		(669)
Accounts payable	470,232	146,017
Deferred revenue	(190,799)	(144,151)
Other liabilities	(834,853)	1,027,301
Stock and supplies for use	(16,186)	(93,186)
Prepayments and deferred charges	<u>(215)</u>	<u>15</u>
Cash Provided by Operating Transactions	<u>874,856</u>	<u>2,927,340</u>
Capital:		
Acquisition of capital assets	(1,662,463)	(1,105,394)
Proceeds from the disposal of capital assets	<u>63,600</u>	<u></u>
Cash Applied to Capital Transactions	<u>(1,598,863)</u>	<u>(1,105,394)</u>
Investing:		
Proceeds on disposal of long-term investments	11,399	
Additions to long-term investments		(1,889)
Cash Provided by (Applied to) Investing Transactions	<u>11,399</u>	<u>(1,889)</u>
Financing:		
Long-term debt repaid	<u>0</u>	<u>(11,651)</u>
Change in Cash and Temporary Investments During the Year	(712,608)	1,808,406
Cash and temporary investments, beginning of year	<u>8,686,906</u>	<u>6,878,500</u>
Cash and Temporary Investments, End of Year	<u>\$ 7,974,298</u>	<u>\$ 8,686,906</u>

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

1. Significant Accounting Policies

The financial statements of the municipality are prepared by management in accordance with the local government accounting standards recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Saskatchewan. Significant aspects of the accounting policies 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.

R. M. of Orkney No. 244
Notes to Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(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.

(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 maturity dates longer than one year from the date of the Statement of Financial Position have been classified as other long-term investments concurrent with the nature of the investment. The long-term investments in the Saskatchewan Association of Rural Municipalities Self-Insurance Fund are accounted for on the equity basis.

(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 inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The tangible capital assets that are recognized at a nominal value are disclosed in schedule 6. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The municipality's tangible capital asset useful lives are estimated as follows:

Assets	Useful Life
General Assets	
Land	indefinite
Land improvements	15 years
Buildings	40 years
Vehicles	10 years
Mobile equipment	10-20 years
Linear assets	40 years
Infrastructure Assets	
Paving, sidewalks and roadways	15 years

1. Significant Accounting Policies - continued

(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.

(m) Leases

All leases are recorded on the financial statement as either a capital or operating lease. Any lease that transfers the majority of benefits and risk associated with the leased asset is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. Assets under capital leases are amortized on a straight-line basis over their estimated useful lives (lease term). Any other lease not meeting the before-mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

(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.

1. Significant Accounting Policies - continued

(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.

(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 May 28, 2021.

R. M. of Orkney No. 244
Notes to Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(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.

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

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

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

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

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

R. M. of Orkney No. 244
Notes to Financial Statements
For the year ended December 31, 2021

	2021	2020
2. Cash and Temporary Investments		
Cash	7,417,782	8,272,598
Temporary investments	<u>556,516</u>	<u>414,308</u>
Total Cash and Temporary Investments	<u>\$ 7,974,298</u>	<u>\$ 8,686,906</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	120,648	125,279
Municipal - arrears	<u>68,054</u>	<u>52,874</u>
	188,702	178,153
Less: Allowance for uncollectibles	<u>40,529</u>	<u>31,249</u>
Total municipal taxes receivable	<u>148,173</u>	<u>146,904</u>
School - current	59,816	64,020
School - arrears	<u>23,927</u>	<u>21,054</u>
Total school taxes receivable	<u>83,743</u>	<u>85,074</u>
Other	<u>9,146</u>	<u>11,399</u>
Total taxes and grants in lieu receivable	241,062	243,377
Less: Taxes receivable to be collected on behalf of other organizations	<u>92,889</u>	<u>96,473</u>
Municipal and Grants In Lieu Taxes Receivable	<u>\$ 148,173</u>	<u>\$ 146,904</u>

4. Other Accounts Receivable		
Federal government	281,744	
Provincial government	15,068	6,869
Trade	270,970	122,472
Other	<u>59,043</u>	<u>18,744</u>
Net Other Accounts Receivable	<u>\$ 626,825</u>	<u>\$ 148,085</u>

5. Land for Resale		
Tax title property	40,936	40,936
Less: Allowance for market value adjustment	<u>37,736</u>	<u>37,736</u>
Total Land for Resale	<u>\$ 3,200</u>	<u>\$ 3,200</u>

6. Long-Term Investments		
Other	<u>\$ 253</u>	<u>\$ 11,652</u>

R. M. of Orkney No. 244
Notes to Financial Statements
For the year ended December 31, 2021

7. Bank Indebtedness

Credit arrangements:

At 2021, the municipality had lines of credit totaling 300,000, none of which were drawn. The following has been collateralized in connection with this line-of-credit:
- general security agreement.

	2021	2020
8. Deferred Revenue		
Municipal Economic Enhancement Program	0	269,491
Canada Community-Building Fund	<u>78,692</u>	<u> </u>
	<u>\$ 78,692</u>	<u>\$ 269,491</u>

9. Accrued Landfill Costs

Accrued landfill costs	<u>\$ 35,000</u>	<u>\$ 25,000</u>
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In 2021, the municipality has accrued an overall liability for environmental matters in the amount of \$35,000 (2020 - \$25,000) 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 \$35,000 (2020 - \$25,000) 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 6% (2020 - 6%).

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 future 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.

The unfunded liability for the landfill will be paid for through future revenues.

R. M. of Orkney No. 244
Notes to Financial Statements
For the year ended December 31, 2021

10. Long-Term Debt

The debt limit of the municipality for 2022 is \$3,310,340. 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 contributory defined benefit pension plan for all of its employees. For defined benefit plans considered to be multi-employer plans, contributions are expensed when they are due and payable. The municipality currently participates in the Municipal Employees Pension Plan.

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

Accordingly, the multi-employer plans are accounted for on the defined contribution basis. No portion of the asset (deficit) surplus of the plan is recognized in these 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	\$ 44,621	\$ 51,327
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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 Rural Municipalities Self-Insurance Plan for its proportionate share of claims and future claims in excess of the Plan's reserve fund.

13. Commitments

The municipality has committed to donating \$3,000 per year for the next four years to the Town of Springside Fire Department to assist in the financing of the purchase of a rapid response vehicle. The second annual payment was made in 2021.

Subsequent to year end, the municipality signed an agreement for the purchase of a 2022 JD 772GP motor grader for a total of \$300,059, including the trade in of one of the municipality's current graders.

R. M. of Orkney No. 244Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2021

Schedule 1

	2021 Budget [Note 1(r)]	2021 Actual	2020 Actual
Taxes			
General municipal tax levy	3,032,190	3,020,371	2,686,863
Abatements and adjustments	(10,000)	(5,701)	(26,252)
Discount on current year taxes	(82,670)	(89,124)	(82,802)
Net municipal taxes	<u>2,939,520</u>	<u>2,925,546</u>	<u>2,577,809</u>
Trailer license fees	31,230	46,800	31,225
Penalties on tax arrears	19,500	16,491	18,145
Special tax levy	<u>13,700</u>	<u>13,704</u>	<u>318,077</u>
Total Taxes	<u>3,003,950</u>	<u>3,002,541</u>	<u>2,945,256</u>
Unconditional Grants			
Equalization (revenue sharing)	337,290	337,296	341,833
Safe Restart program			<u>111,851</u>
Total Unconditional Grants	<u>337,290</u>	<u>337,296</u>	<u>453,684</u>
Grants In Lieu of Taxes			
Federal	5,620	4,368	5,620
Provincial			
Weigh scales	730	832	729
SaskTel	2,570	4,731	2,569
White Spruce	34,570	29,141	34,570
Local/Other			
Other	<u>1,690</u>		<u>1,689</u>
Total Grants In Lieu of Taxes	<u>45,180</u>	<u>39,072</u>	<u>45,177</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 3,386,420</u>	<u>\$ 3,378,909</u>	<u>\$ 3,444,117</u>

R. M. of Orkney No. 244Schedule 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
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of supplies	5,670	15,161	5,673
Rentals	3,400	4,000	2,803
Other	50		50
Total Fees and Charges	<u>9,120</u>	<u>19,161</u>	<u>8,526</u>
Tangible capital asset sales - gain (loss)			(10,655)
Land sales - gain (loss)			(2,246)
Investment income and commissions	69,250	39,150	60,668
Total Other Segmented Revenue	<u>78,370</u>	<u>58,311</u>	<u>56,293</u>
Total General Government Services	<u>\$ 78,370</u>	<u>\$ 58,311</u>	<u>\$ 56,293</u>
Protective Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Policing and fire fees	10,000		11,538
Total Other Segmented Revenue	<u>10,000</u>	<u>0</u>	<u>11,538</u>
Total Protective Services	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ 11,538</u>
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	10,150	18,917	11,545
Licenses and permits		40	
Road maintenance and restoration agreements	2,820	141,753	2,816
Other	100		
Total Fees and Charges	<u>13,070</u>	<u>160,710</u>	<u>14,361</u>
Tangible capital asset sales - gain (loss)		(23,655)	
Total Other Segmented Revenue	<u>13,070</u>	<u>137,055</u>	<u>14,361</u>
Total Operating	<u>13,070</u>	<u>137,055</u>	<u>14,361</u>
Capital			
Conditional Grants			
Canada Community Building Fund	110,620	431,520	579,579
Municipal Economic Enhancement Program		269,491	
Other		100,000	5,000
Total Capital	<u>110,620</u>	<u>801,011</u>	<u>584,579</u>
Total Transportation Services	<u>\$ 123,690</u>	<u>\$ 938,066</u>	<u>\$ 598,940</u>

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

R. M. of Orkney No. 244Schedule 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
Environmental and Public Health Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of supplies	100	34	217
Total Other Segmented Revenue	<u>100</u>	<u>34</u>	<u>217</u>
Conditional Grants			
Sask. Water Corporation	1,730	780	1,730
Pest control	4,060	6,379	4,061
Ministry of Agriculture - well decommissioning	9,000	14,400	41,400
Total Conditional Grants	<u>14,790</u>	<u>21,559</u>	<u>47,191</u>
Total Environmental and Public Health Services	<u>\$ 14,890</u>	<u>\$ 21,593</u>	<u>\$ 47,408</u>
Planning and Development Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Public reserve	6,500	5,515	1,613
Licenses and permits	75,770	160,234	72,049
Other		(10)	(6,111)
Total Fees and Charges	<u>82,270</u>	<u>165,739</u>	<u>67,551</u>
Total Other Segmented Revenue	<u>82,270</u>	<u>165,739</u>	<u>67,551</u>
Total Planning and Development Services	<u>\$ 82,270</u>	<u>\$ 165,739</u>	<u>\$ 67,551</u>
Total Operating and Capital Revenue by Function	<u>\$ 309,220</u>	<u>\$ 1,183,709</u>	<u>\$ 781,730</u>
Summary			
Total Other Segmented Revenue	183,810	361,139	149,960
Total Conditional Grants	14,790	21,559	47,191
Total Capital Grants and Contributions	<u>110,620</u>	<u>801,011</u>	<u>584,579</u>
Total Operating and Capital Revenue by Function	<u>\$ 309,220</u>	<u>\$ 1,183,709</u>	<u>\$ 781,730</u>

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

R. M. of Orkney No. 244
Total Expenses by Function
For the year ended December 31, 2021

Schedule 3-1

	2021 Budget [Note 1(r)]	2021 Actual	2020 Actual
General Government Services			
Council remuneration and travel	74,730	61,551	77,047
Wages and benefits	395,980	174,976	459,174
Professional/Contractual services	535,920	129,517	87,786
Utilities	11,570	9,270	6,226
Maintenance, materials and supplies	40,140	25,849	44,860
Grants and contributions - operating	16,220	13,500	8,220
Amortization		418	419
Interest	650	615	567
Allowance for uncollectibles	5,920	9,280	5,918
Other	10,600	10,019	
	<u>1,091,730</u>	<u>434,995</u>	<u>690,217</u>
Total General Government Services	\$ 1,091,730	\$ 434,995	\$ 690,217
Protective Services			
Police protection			
Professional/Contractual services	90,310	92,733	90,309
Fire protection			
Professional/Contractual services	27,510	19,428	27,510
Grants and contributions - operating	313,710	313,708	305,658
Grants and contributions - capital		773	
	<u>431,530</u>	<u>426,642</u>	<u>423,477</u>
Total Protective Services	\$ 431,530	\$ 426,642	\$ 423,477
Transportation Services			
Wages and benefits	594,290	544,119	477,969
Professional/Contractual services	3,265,920	444,438	260,570
Utilities	16,500	15,312	17,357
Maintenance, materials, and supplies	938,170	142,094	142,572
Gravel	333,730	329,265	266,771
Amortization		275,979	306,996
Interest	110		111
	<u>5,148,720</u>	<u>1,751,207</u>	<u>1,472,346</u>
Total Transportation Services	\$ 5,148,720	\$ 1,751,207	\$ 1,472,346

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

R. M. of Orkney No. 244
Total Expenses by Function
For the year ended December 31, 2021

Schedule 3-2

	2021 Budget [Note 1(r)]	2021 Actual	2020 Actual
Environmental and Public Health Services			
Professional/Contractual services	114,640	84,986	114,617
Grants and contributions - operating	<u>3,620</u>	<u>3,622</u>	<u>3,622</u>
Total Environmental and Public Health Services	<u>\$ 118,260</u>	<u>\$ 88,608</u>	<u>\$ 118,239</u>
Planning and Development Services			
Professional/Contractual services	<u>\$ 77,520</u>	<u>\$ 184,508</u>	<u>\$ 77,522</u>
Recreation and Cultural Services			
Libraries	<u>\$ 25,220</u>	<u>\$ 25,219</u>	<u>\$ 25,219</u>
Utility Services			
Professional/Contractual services	27,570	22,525	27,564
Utilities	1,760	1,797	1,758
Maintenance, materials and supplies	<u>640</u>	<u>485</u>	<u>640</u>
Total Utility Services	<u>\$ 29,970</u>	<u>\$ 24,807</u>	<u>\$ 29,962</u>
Total Expenses by Function	<u>\$ 6,922,950</u>	<u>\$ 2,935,986</u>	<u>\$ 2,836,982</u>

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

R. M. of Orkney No. 244
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	19,161		160,710	34	165,739			345,644
Tangible capital asset sales - gain (loss)			(23,655)					(23,655)
Investment income and commissions	39,150							39,150
Grants - conditional				21,559				21,559
Grants - capital			801,011					801,011
Total Revenues	58,311	0	938,066	21,593	165,739	0	0	1,183,709
Expenses - schedule 3								
Wages and benefits	174,976		544,119					719,095
Professional/contractual services	191,068	112,161	444,438	84,986	184,508		22,525	1,039,686
Utilities	9,270		15,312				1,797	26,379
Maintenance materials and supplies	25,849		471,359				485	497,693
Grants and contributions	13,500	314,481		3,622				331,603
Amortization	418		275,979					276,397
Libraries						25,219		25,219
Interest	615							615
Allowance for uncollectibles	9,280							9,280
Other	10,019							10,019
Total Expenses	434,995	426,642	1,751,207	88,608	184,508	25,219	24,807	2,935,986
Surplus (Deficit) by Function	\$(376,684)	\$(426,642)	\$(813,141)	\$(67,015)	\$(18,769)	\$(25,219)	\$(24,807)	(1,752,277)
Taxation and other unconditional revenue - schedule 1								3,378,909
Net Surplus								\$ 1,626,632

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

R. M. of Orkney No. 244
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	8,526	11,538	14,361	217	67,551			102,193
Tangible capital asset sales - gain (loss)	(10,655)							(10,655)
Land sales - gain (loss)	(2,246)							(2,246)
Investment income and commissions	60,668							60,668
Grants - conditional				47,191				47,191
Grants - capital			584,579					584,579
Total Revenues	56,293	11,538	598,940	47,408	67,551	0	0	781,730
Expenses - schedule 3								
Wages and benefits	459,174		477,969					937,143
Professional/contractual services	164,833	117,819	260,570	114,617	77,522		27,564	762,925
Utilities	6,226		17,357				1,758	25,341
Maintenance materials and supplies	44,860		409,343				640	454,843
Grants and contributions	8,220	305,658		3,622				317,500
Amortization	419		306,996					307,415
Libraries						25,219		25,219
Interest	567		111					678
Allowance for uncollectibles	5,918							5,918
Total Expenses	690,217	423,477	1,472,346	118,239	77,522	25,219	29,962	2,836,982
Surplus (Deficit) by Function	\$ (633,924)	\$ (411,939)	\$ (873,406)	\$ (70,831)	\$ (9,971)	\$ (25,219)	\$ (29,962)	(2,055,252)
Taxation and other unconditional revenue - schedule 1								3,444,117
Net Surplus								\$ 1,388,865

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

R. M. of Orkney No. 244
Schedule of Tangible Capital Assets by Object
For the year ended December 31, 2021

Schedule 6

	2021							2020	
	General Assets					Infrastruct. Assets Linear Assets	General/ Infrastruct. Assets under Constr.	Total	Total
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment				
Asset Cost									
Opening Asset Cost	111,457	6,280	250,109	0	1,778,810	6,407,764	1,095,187	9,649,607	8,554,868
Additions during the year					542,867	145,459	974,137	1,662,463	1,105,394
Disposals and write-down during the year					(290,850)	(111,783)		(402,633)	(10,655)
Transfer (from) assets under construction						1,043,976	(1,043,976)		
Closing Asset Costs	<u>111,457</u>	<u>6,280</u>	<u>250,109</u>	<u>0</u>	<u>2,030,827</u>	<u>7,485,416</u>	<u>1,025,348</u>	<u>10,909,437</u>	<u>9,649,607</u>
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	0	5,862	119,948	0	816,413	3,698,252	0	4,640,475	4,333,060
Add: Amortization taken		418	5,864		143,690	126,425		276,397	307,415
Less: Accumulated amortization on disposals					203,595	111,783		315,378	
Closing Accumulated Amortization Costs	<u>0</u>	<u>6,280</u>	<u>125,812</u>	<u>0</u>	<u>756,508</u>	<u>3,712,894</u>	<u>0</u>	<u>4,601,494</u>	<u>4,640,475</u>
Net Book Value	<u>\$ 111,457</u>	<u>\$ 0</u>	<u>\$ 124,297</u>	<u>\$ 0</u>	<u>\$ 1,274,319</u>	<u>\$ 3,772,522</u>	<u>\$ 1,025,348</u>	<u>\$ 6,307,943</u>	<u>\$ 5,009,132</u>

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

R. M. of Orkney No. 244
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	68,696	0	9,580,911	0	0	0	0	9,649,607
Additions during the year	22,394		1,640,069					1,662,463
Disposals and write-down during the year			(402,633)					(402,633)
Closing Asset Costs	91,090	0	10,818,347	0	0	0	0	10,909,437
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	21,365	0	4,619,110	0	0	0	0	4,640,475
Add: Amortization taken	418		275,979					276,397
Less: Accumulated amortization on disposals			315,378					315,378
Closing Accumulated Amortization Costs	21,783	0	4,579,711	0	0	0	0	4,601,494
Net Book Value	\$ 69,307	\$ 0	\$ 6,238,636	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,307,943
								\$ 5,009,132

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part of these financial statements.*

R. M. of Orkney No. 244
Schedule of Accumulated Surplus
For the year ended December 31, 2021

Schedule 8

	2020	Changes	2021
Unappropriated Surplus	<u>5,674,703</u>	<u>(282,866)</u>	<u>5,391,837</u>
Appropriated Surplus			
Other			
Cash-in-lieu of dedicated reserve	245,226		245,226
Future capital expenditures	480,713	608,305	1,089,018
Buildings and equipment	710,945	1,191	712,136
Roads, bridges, culverts	810,945	1,191	812,136
	<u>2,247,829</u>	<u>610,687</u>	<u>2,858,516</u>
Total Appropriated	<u>2,247,829</u>	<u>610,687</u>	<u>2,858,516</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	<u>5,009,132</u>	<u>1,298,811</u>	<u>6,307,943</u>
Net Investment in Tangible Capital Assets	<u>5,009,132</u>	<u>1,298,811</u>	<u>6,307,943</u>
Total Accumulated Surplus	<u>\$ 12,931,664</u>	<u>\$ 1,626,632</u>	<u>\$ 14,558,296</u>

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

R. M. of Orkney No. 244
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	119,848,795	122,849,495			117,097,700	<u>359,795,990</u>
Total Assessment						359,795,990
Mill Rate Factor(s)	0.8300	0.9000			1.3100	
Total Base/Minimum Tax (generated for each property class)		176,250			3,500	179,750
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	795,796	995,393			1,229,182	3,020,371
Mill Rates:	Mills					
Average Municipal*	8.3947					
Average School*	4.1816					
Potash Mill Rate						
Uniform Municipal Mill Rate	8.0000					

*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).

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part of these financial statements.*

R. M. of Orkney No. 244
Schedule of Council Remuneration
For the year ended December 31, 2021

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Randy Trost	20,351	9,686	30,037
Matt Charney	15,795	6,653	22,448
Trevor Protz	15,164	6,305	21,469
Ronald Mehling	15,979	6,325	22,304
Shirley Cole	16,428	6,525	22,953
Vern Effa	15,979	6,569	22,548
Robert Kriger	14,864	6,507	21,371
	<u>\$ 114,560</u>	<u>\$ 48,570</u>	<u>\$ 163,130</u>

Transactions with these related parties are in the normal course of operations and are settled on normal trade terms.