

R. M. of Preeceville No. 334

FINANCIAL STATEMENTS

Year Ended December 31, 2021

R. M. of Preeceville No. 334

Preeceville, Saskatchewan

December 31, 2021

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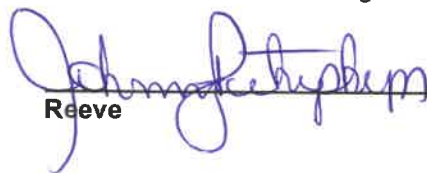
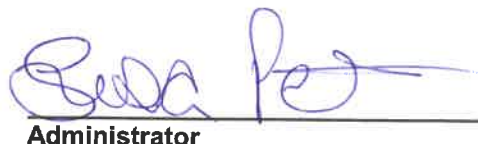
Management's Responsibility

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 Preeceville No. 334

Opinion

We have audited the financial statements of R. M. of Preeceville No. 334, (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.

Baker Tilly SK LLP

Baker Tilly SK LLP

Yorkton, SK
April 11, 2022

R. M. of Preeceville No. 334

Preeceville, Saskatchewan

Statement 1

Statement of Financial Position as at December 31, 2021

	2021	2020
Assets		
Financial Assets		
Cash and temporary investments - note 2	881,763	1,030,517
Taxes receivable - municipal - note 3	143,058	128,360
Other accounts receivable - note 4	114,519	93,085
Land for resale - note 5		2,208
Long-term investments - note 7	496,715	482,482
Total Financial Assets	<u>1,636,055</u>	<u>1,736,652</u>
Liabilities		
Accounts payable - note 9	306,604	40,345
Deferred revenue - note 8	476,552	364,572
Total Liabilities	<u>783,156</u>	<u>404,917</u>
Net Financial Assets	<u>852,899</u>	<u>1,331,735</u>
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	4,259,064	3,828,875
Prepayments and deferred charges	919	238
Stock and supplies - note 6	110,490	183,159
Total Non-Financial Assets	<u>4,370,473</u>	<u>4,012,272</u>
Accumulated Surplus - schedule 8	<u>\$ 5,223,372</u>	<u>\$ 5,344,007</u>

Contractual Rights and Contractual Obligations - note 13

Approved on behalf of the council:

Reeve

Councillor

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

R. M. of Preeceville No. 334
Statement of Operations
For the year ended December 31, 2021

Statement 2

	2021 Budget [Note 1(s)]	2021 Actual	2020 Actual
Revenues			
Taxes and other unconditional revenue			
- schedule 1	1,776,092	1,758,800	1,587,053
Fees and charges - schedules 4 and 5	108,800	112,838	86,757
Conditional grants - schedules 4 and 5	11,106	18,293	11,120
Investment income and commissions			
- schedules 4 and 5	8,300	15,269	11,113
Total Revenue	<u>1,904,298</u>	<u>1,905,200</u>	<u>1,696,043</u>
Expenses - schedule 3			
General government services	276,637	283,632	257,994
Protective services	52,200	53,900	44,464
Transportation services	1,507,918	1,542,603	1,570,998
Environmental and public health services	110,195	114,281	100,801
Planning and development services	20,820	20,243	20,071
Recreation and cultural services	22,500	25,448	25,086
Utilities services	8,650	11,818	16,209
Total Expenses	<u>1,998,920</u>	<u>2,051,925</u>	<u>2,035,623</u>
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(94,622)	(146,725)	(339,580)
Provincial/Federal Capital Grants and Contributions			
- schedules 4 and 5	<u>82,884</u>	<u>26,090</u>	<u>26,090</u>
Surplus (Deficit) of Revenue over Expenses	(11,738)	(120,635)	(313,490)
Accumulated Surplus, Beginning of Year	<u>5,344,007</u>	<u>5,344,007</u>	<u>5,657,497</u>
Accumulated Surplus, End of Year	<u>\$ 5,332,269</u>	<u>\$ 5,223,372</u>	<u>\$ 5,344,007</u>

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

R. M. of Preeceville No. 334
Statement of Change in Net Financial Assets
For the year ended December 31, 2021

Statement 3

	2021 Budget [Note 1(s)]	2021 Actual	2020 Actual
Surplus (Deficit)	<u>(11,738)</u>	<u>(120,635)</u>	<u>(313,490)</u>
(Acquisition) of tangible capital assets	(225,000)	(629,220)	(5,300)
Amortization of tangible capital assets	<u>199,031</u>	<u>199,031</u>	<u>207,669</u>
Surplus (Deficit) of Capital Expenses over Expenditures	<u>(225,000)</u>	<u>(430,189)</u>	<u>202,369</u>
(Acquisition) of supplies inventories			(19,910)
(Acquisition) of prepaid expense		(681)	
Consumption of supplies inventory		72,669	
Use of prepaid expense	<u> </u>	<u> </u>	<u>605</u>
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>71,988</u>	<u>(19,305)</u>
Increase (Decrease) in Net Financial Assets	(236,738)	(478,836)	(130,426)
Net Financial Assets, beginning of year	<u>1,331,735</u>	<u>1,331,735</u>	<u>1,462,161</u>
Net Financial Assets, End of Year	<u>\$ 1,094,997</u>	<u>\$ 852,899</u>	<u>\$ 1,331,735</u>

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

R. M. of Preeceville No. 334
Statement of Cash Flow
For the year ended December 31, 2021

Statement 4

	2021	2020
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus (Deficit)	(120,635)	(313,490)
Amortization	199,031	207,669
	<u>78,396</u>	<u>(105,821)</u>
Change in Assets/Liabilities		
Taxes receivable - municipal	(14,698)	15,432
Other receivables	(21,434)	(2,058)
Land for resale	2,208	(2,208)
Accounts payable	266,258	7,136
Deferred revenue	111,980	213,418
Stock and supplies for use	72,669	(19,912)
Prepayments and deferred charges	(681)	605
Cash Provided by Operating Transactions	<u>494,698</u>	<u>106,592</u>
Capital:		
Acquisition of capital assets	<u>(629,220)</u>	<u>(5,300)</u>
Investing:		
Proceeds on disposal to long-term investments	309,306	100,000
Additions to long-term investments	<u>(323,538)</u>	<u>(316,259)</u>
Cash Provided by (Applied to) Investing Transactions	<u>(14,232)</u>	<u>(216,259)</u>
Change in Cash and Temporary Investments During the Year	(148,754)	(114,967)
Cash and temporary investments, beginning of year	<u>1,030,517</u>	<u>1,145,484</u>
Cash and Temporary Investments, End of Year	<u>\$ 881,763</u>	<u>\$ 1,030,517</u>

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

R. M. of Preeceville No. 334
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 Preeceville No. 334
Notes to Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(g) Appropriated reserves

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

(h) Investments

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

(i) Inventories

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

(j) Tangible capital assets

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

General Assets

Land	Indefinite
Land improvements	15 years
Buildings	40 years
Vehicles	10 years
Mobile equipment	5-17 years

Infrastructure Assets

Paving, sidewalks and roadways	15 years
Linear assets	25-40 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 Preeceville No. 334
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) Landfill liability

The municipality does not maintain a waste disposal site.

(o) 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.

(p) 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.

(q) 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 Preeceville No. 334
Notes to Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(r) 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.

(s) Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on April 12, 2021.

(t) Liability for contaminated sites

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

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

R. M. of Preeceville No. 334
Notes to Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(u) New standards and amendments to standards

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

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

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

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

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

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

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

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

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

R. M. of Preeceville No. 334
Notes to Financial Statements
For the year ended December 31, 2021

	2021	2020
2. Cash and Temporary Investments		
Cash	\$ 881,763	\$ 1,030,517
Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less.		
3. Taxes and Grants In Lieu Receivable	2021	2020
Municipal - current	111,708	108,494
Municipal - arrears	34,906	24,366
	146,614	132,860
Less: Allowance for uncollectibles	3,556	4,500
Total municipal taxes receivable	143,058	128,360
School - current	25,864	26,349
School - arrears	7,270	8,071
Total school taxes receivable	33,134	34,420
Other	6,496	10,259
Total taxes and grants in lieu receivable	182,688	173,039
Less: Taxes receivable to be collected on behalf of other organizations	39,630	44,679
Municipal and Grants In Lieu Taxes Receivable	\$ 143,058	\$ 128,360
4. Other Accounts Receivable		
Provincial government	35,655	32,104
Trade	10,794	16,158
Federal government	68,070	44,823
Net Other Accounts Receivable	\$ 114,519	\$ 93,085
5. Land for Resale		
Tax title property	\$ 0	\$ 2,208
6. Stock and Supplies		
Stock and supplies are comprised of the following:		
Gravel	58,417	138,858
Other stock and supplies	52,073	44,301
	\$ 110,490	\$ 183,159

R. M. of Preeceville No. 334
Notes to Financial Statements
For the year ended December 31, 2021

	2021	2020
7. Long-Term Investments		
Equity in Co-op.	17,669	17,498
SARM - Self-Insurance Fund	126,554	117,678
Portfolio investments	314,492	309,306
Veterinary clinic	<u>38,000</u>	<u>38,000</u>
	<u>\$ 496,715</u>	<u>\$ 482,482</u>

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

8. Deferred Revenue

	Balance, Beginning of Year	Plus Amount Received	Less Amount Recognized	Balance, End of Year
Canada Community Building Fund	232,486	111,980		344,466
Municipal Economic Enhancement	<u>132,086</u>			<u>132,086</u>
	<u>\$ 364,572</u>	<u>\$ 111,980</u>	<u>\$ 0</u>	<u>\$ 476,552</u>

	2021	2020
9. Accounts Payable		
Accounts payable are comprised of the following items:		
Accounts payable	299,822	34,643
Payroll deductions payable	<u>6,782</u>	<u>5,702</u>
	<u>\$ 306,604</u>	<u>\$ 40,345</u>

10. Long-Term Debt

(a) The debt limit of the municipality for 2022 is \$1,301,141. 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).

R. M. of Preeceville No. 334
Notes to Financial Statements
For the year ended December 31, 2021

11. Employee Benefit Plans

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

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

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

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	\$ 39,939	\$ 36,802
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As per the most recently audited financial statements dated December 31, 2020, the plan surplus is \$838,900,000.

12. Contingent Liabilities

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

The municipality is also contingently liable for the following:

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

R. M. of Preeceville No. 334
Notes to Financial Statements
For the year ended December 31, 2021

13. Contractual Rights and Contractual Obligations

Contractual rights are rights to economic resources arising from contracts or agreements that will result in an asset and revenue in the future. Significant contractual rights of the municipality are as follows:

The municipality has signed a contribution agreement through the Investing in Canada Infrastructure Program for the Hinchcliffe bridge replacement project which consists of the replacement of the existing 24-metre-long bridge with a new precast concrete and steel bridge. The municipality is eligible to receive a contribution under this program of up to 50% of eligible expenditures, up to \$500,000. The municipality has contracted Harbuilt Construction for this project.

14. 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.

15. Impact of COVID-19

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

16. Commitments

The municipality has the following operating leases:

2019 John Deere 870G grader with John Deere. The annual minimum payments under the operating lease are as follows: 2022 - \$19,783.

2019 Caterpillar 140M3 motor grader. The annual minimum payments under the operating lease are as follows: 2022 - \$31,422.

2021 Caterpillar 160-15 Motor Grader. The annual minimum payments under the operating lease are as follows: 2022 - \$57,573.60, 2023 - \$57,573.60, 2024 - \$19,191.

R. M. of Preeceville No. 334
Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2021

Schedule 1

	2021 Budget [Note 1(s)]	2021 Actual	2020 Actual
Taxes			
General municipal tax levy	1,232,322	1,227,638	976,214
Abatements and adjustments	(1,100)	(1,975)	(448)
Discount on current year taxes	(45,000)	(52,629)	(42,620)
Net municipal taxes	<u>1,186,222</u>	<u>1,173,034</u>	<u>933,146</u>
Penalties on tax arrears	<u>6,000</u>	<u>6,130</u>	<u>6,729</u>
Total Taxes	<u>1,192,222</u>	<u>1,179,164</u>	<u>939,875</u>
Unconditional Grants			
Equalization (revenue sharing)	571,374	565,127	571,495
Organized hamlet	4,468	4,449	4,468
Safe Restart	<u> </u>	<u> </u>	<u>54,822</u>
Total Unconditional Grants	<u>575,842</u>	<u>569,576</u>	<u>630,785</u>
Grants In Lieu of Taxes			
Federal	101	101	102
Provincial			
SaskTel		814	875
Sask Environment	<u>7,927</u>	<u>9,145</u>	<u>15,416</u>
Total Grants In Lieu of Taxes	<u>8,028</u>	<u>10,060</u>	<u>16,393</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 1,776,092</u>	<u>\$ 1,758,800</u>	<u>\$ 1,587,053</u>

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

R. M. of Preeceville No. 334Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2021

Schedule 2-1

	2021 Budget [Note 1(s)]	2021 Actual	2020 Actual
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of supplies	2,300	2,390	2,668
Other	2,200	2,650	4,399
Total Fees and Charges	4,500	5,040	7,067
Investment income and commissions	8,300	15,269	11,113
Total Other Segmented Revenue	12,800	20,309	18,180
Total General Government Services	\$ 12,800	\$ 20,309	\$ 18,180
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	28,000	18,971	26,307
Sale of supplies	21,150	15,005	23,869
Rentals	650	670	660
Licenses and permits	8,000	1,905	1,968
Road maintenance and restoration agreements	38,000	63,032	18,399
Total Fees and Charges	95,800	99,583	71,203
Total Other Segmented Revenue	95,800	99,583	71,203
Total Operating	95,800	99,583	71,203
Capital			
Conditional Grants			
Gas tax	56,794		
Heavy haul	26,090	26,090	26,090
Total Capital	82,884	26,090	26,090
Total Transportation Services	\$ 178,684	\$ 125,673	\$ 97,293

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

R. M. of Preeceville No. 334Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2021

Schedule 2-2

	2021 Budget [Note 1(s)]	2021 Actual	2020 Actual
Environmental and Public Health Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of supplies	1,300	1,601	1,168
Total Other Segmented Revenue	<u>1,300</u>	<u>1,601</u>	<u>1,168</u>
Conditional Grants			
Sask. Water Corporation	6,000	10,584	6,014
Pest control	5,106	7,709	5,106
Total Conditional Grants	<u>11,106</u>	<u>18,293</u>	<u>11,120</u>
Total Environmental and Public Health Services	<u>\$ 12,406</u>	<u>\$ 19,894</u>	<u>\$ 12,288</u>
Recreation and Cultural Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Administration fees - Lady Lake			
Regional Park	2,000	1,714	2,019
Total Other Segmented Revenue	<u>2,000</u>	<u>1,714</u>	<u>2,019</u>
Total Recreation and Cultural Services	<u>\$ 2,000</u>	<u>\$ 1,714</u>	<u>\$ 2,019</u>
Utility Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Water	5,200	4,900	5,300
Total Other Segmented Revenue	<u>5,200</u>	<u>4,900</u>	<u>5,300</u>
Total Utility Services	<u>\$ 5,200</u>	<u>\$ 4,900</u>	<u>\$ 5,300</u>
Total Operating and Capital Revenue by Function	<u>\$ 211,090</u>	<u>\$ 172,490</u>	<u>\$ 135,080</u>
Summary			
Total Other Segmented Revenue	117,100	128,107	97,870
Total Conditional Grants	11,106	18,293	11,120
Total Capital Grants and Contributions	<u>82,884</u>	<u>26,090</u>	<u>26,090</u>
Total Operating and Capital Revenue by Function	<u>\$ 211,090</u>	<u>\$ 172,490</u>	<u>\$ 135,080</u>

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

R. M. of Preeceville No. 334
 Total Expenses by Function
 For the year ended December 31, 2021

Schedule 3-1

	2021 Budget [Note 1(s)]	2021 Actual	2020 Actual
General Government Services			
Council remuneration and travel	45,500	42,320	41,191
Wages and benefits	146,536	158,476	137,499
Professional/contractual services	57,046	54,159	53,123
Utilities	7,400	6,800	6,663
Maintenance, materials and supplies	7,050	8,710	13,499
Grants and contributions - operating	25	525	25
Amortization		796	796
Insurance	13,080	11,846	5,198
	<u>276,637</u>	<u>283,632</u>	<u>257,994</u>
Total General Government Services	\$ 276,637	\$ 283,632	\$ 257,994
Protective Services			
Police protection			
Professional/contractual services	45,000	45,451	44,264
Grants and contributions - operating	200	300	200
Fire protection			
Professional/Contractual services		1,149	
Grants and contributions - operating	7,000	7,000	
	<u>7,000</u>	<u>7,000</u>	<u></u>
Total Protective Services	\$ 52,200	\$ 53,900	\$ 44,464
Transportation Services			
Wages and benefits	492,509	455,045	404,682
Professional/contractual services	563,209	219,625	301,452
Utilities	11,700	12,035	10,994
Gravel	278,500	429,871	464,473
Maintenance, materials, and supplies	162,000	229,923	184,655
Amortization		196,104	204,742
	<u>1,507,918</u>	<u>1,542,603</u>	<u>1,570,998</u>
Total Transportation Services	\$ 1,507,918	\$ 1,542,603	\$ 1,570,998

R. M. of Preeceville No. 334
Total Expenses by Function
For the year ended December 31, 2021

Schedule 3-2

	2021 Budget [Note 1(s)]	2021 Actual	2020 Actual
Environmental and Public Health Services			
Professional/contractual services	99,401	107,409	93,807
Maintenance, materials and supplies	1,000		
Grants and contributions - waste disposal	2,650	2,378	
Grants and contributions - public health	4,144	4,144	4,144
Grants and contributions - capital	3,000	350	2,850
	<u> </u>	<u> </u>	<u> </u>
Total Environmental and Public Health Services	\$ 110,195	\$ 114,281	\$ 100,801
	<u> </u>	<u> </u>	<u> </u>
Planning and Development Services			
Professional/contractual services	20,520	19,943	19,871
Grants and contributions - operating	300	300	200
	<u> </u>	<u> </u>	<u> </u>
Total Planning and Development Services	\$ 20,820	\$ 20,243	\$ 20,071
	<u> </u>	<u> </u>	<u> </u>
Recreation and Cultural Services			
Maintenance, materials and supplies		223	333
Grants and contributions - operating	10,000	9,211	8,536
Grants and contributions - capital		1,000	
Libraries	12,500	15,014	16,217
	<u> </u>	<u> </u>	<u> </u>
Total Recreation and Cultural Services	\$ 22,500	\$ 25,448	\$ 25,086
	<u> </u>	<u> </u>	<u> </u>
Utility Services			
Professional/contractual services	3,400	5,334	8,846
Utilities	4,750	3,934	4,420
Maintenance, materials and supplies	500	419	812
Amortization		2,131	2,131
	<u> </u>	<u> </u>	<u> </u>
Total Utility Services	\$ 8,650	\$ 11,818	\$ 16,209
	<u> </u>	<u> </u>	<u> </u>
Total Expenses by Function	\$ 1,998,920	\$ 2,051,925	\$ 2,035,623
	<u> </u>	<u> </u>	<u> </u>

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

R. M. of Preeceville No. 334
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	5,040		99,583	1,601		1,714	4,900	112,838
Investment income and commissions	15,269							15,269
Grants - conditional				18,293				18,293
Grants - capital			26,090					26,090
Total Revenues	<u>20,309</u>	<u>0</u>	<u>125,673</u>	<u>19,894</u>	<u>0</u>	<u>1,714</u>	<u>4,900</u>	<u>172,490</u>
Expenses - schedule 3								
Wages and benefits	158,476		455,045					613,521
Professional/contractual services	96,479	46,600	219,625	107,409	19,943		5,334	495,390
Utilities	6,800		12,035				3,934	22,769
Maintenance materials and supplies	8,710		429,871			223	419	439,223
Machinery costs/fuel/blades			229,923					229,923
Grants and contributions	525	7,300		6,872	300	10,211		25,208
Amortization	796		196,104				2,131	199,031
Insurance	11,846							11,846
Libraries						15,014		15,014
Total Expenses	<u>283,632</u>	<u>53,900</u>	<u>1,542,603</u>	<u>114,281</u>	<u>20,243</u>	<u>25,448</u>	<u>11,818</u>	<u>2,051,925</u>
Surplus (Deficit) by Function	<u>\$ (263,323)</u>	<u>\$ (53,900)</u>	<u>\$ (1,416,930)</u>	<u>\$ (94,387)</u>	<u>\$ (20,243)</u>	<u>\$ (23,734)</u>	<u>\$ (6,918)</u>	<u>(1,879,435)</u>
Taxation and other unconditional revenue - schedule 1								<u>1,758,800</u>
Net Surplus (Deficit)								<u><u>\$ (120,635)</u></u>

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part of these financial statements.*

R. M. of Preeceville No. 334
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	7,067		71,203	1,168		2,019	5,300	86,757
Investment income and commissions	11,113							11,113
Grants - conditional				11,120				11,120
Grants - capital			26,090					26,090
Total Revenues	<u>18,180</u>	<u>0</u>	<u>97,293</u>	<u>12,288</u>	<u>0</u>	<u>2,019</u>	<u>5,300</u>	<u>135,080</u>
Expenses - schedule 3								
Wages and benefits	137,499		404,682					542,181
Professional/contractual services	94,314	44,264	301,452	93,807	19,871		8,846	562,554
Utilities	6,663		10,994				4,420	22,077
Maintenance materials and supplies	13,499		464,473			333	812	479,117
Machinery costs/fuel/blades			184,655					184,655
Grants and contributions	25	200		6,994	200	8,536		15,955
Amortization	796		204,742				2,131	207,669
Insurance	5,198							5,198
Libraries						16,217		16,217
Total Expenses	<u>257,994</u>	<u>44,464</u>	<u>1,570,998</u>	<u>100,801</u>	<u>20,071</u>	<u>25,086</u>	<u>16,209</u>	<u>2,035,623</u>
Surplus (Deficit) by Function	<u>\$ (239,814)</u>	<u>\$ (44,464)</u>	<u>\$ (1,473,705)</u>	<u>\$ (88,513)</u>	<u>\$ (20,071)</u>	<u>\$ (23,067)</u>	<u>\$ (10,909)</u>	<u>(1,900,543)</u>
Taxation and other unconditional revenue - schedule 1								<u>1,587,053</u>
Net Surplus (Deficit)								<u><u>\$ (313,490)</u></u>

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part of these financial statements.*

R. M. of Preeceville No. 334
Schedule of Tangible Capital Assets by Object
For the year ended December 31, 2021

Schedule 6

	2021							2020
	General Assets					Infrastruct. Assets	General/ Infrastruct. Assets under Constr.	Total
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets		Total
Asset Cost								
Opening Asset Cost	95,791	0	126,679	28,875	568,148	8,301,095	0	9,120,588
Additions during the year					184,368		444,852	5,300
Closing Asset Costs	<u>95,791</u>	<u>0</u>	<u>126,679</u>	<u>28,875</u>	<u>752,516</u>	<u>8,301,095</u>	<u>444,852</u>	<u>9,749,808</u>
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	0	0	102,344	25,264	273,041	4,891,064	0	5,291,713
Add: Amortization taken			1,119	3,609	32,052	162,251		199,031
Closing Accumulated Amortization Costs	<u>0</u>	<u>0</u>	<u>103,463</u>	<u>28,873</u>	<u>305,093</u>	<u>5,053,315</u>	<u>0</u>	<u>5,490,744</u>
Net Book Value	<u>\$ 95,791</u>	<u>\$ 0</u>	<u>\$ 23,216</u>	<u>\$ 2</u>	<u>\$ 447,423</u>	<u>\$ 3,247,780</u>	<u>\$ 444,852</u>	<u>\$ 3,828,875</u>

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

R. M. of Preeceville No. 334
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	56,853	0	8,936,015	0	0	0	127,720	9,120,588
Additions during the year			629,220					5,300
Closing Asset Costs	56,853	0	9,565,235	0	0	0	127,720	9,749,808
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	36,007	0	5,158,151	0	0	0	97,555	5,291,713
Add: Amortization taken	796		196,104				2,131	199,031
Closing Accumulated Amortization Costs	36,803	0	5,354,255	0	0	0	99,686	5,490,744
Net Book Value	\$ 20,050	\$ 0	\$ 4,210,980	\$ 0	\$ 0	\$ 0	\$ 28,034	\$ 4,259,064

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

R. M. of Preeceville No. 334
Schedule of Accumulated Surplus
For the year ended December 31, 2021

Schedule 8

	2020	Changes	2021
Unappropriated Surplus	<u>904,426</u>	<u>(440,936)</u>	<u>463,490</u>
Appropriated Surplus			
Other			
Future expenditures	281,389		281,389
Future capital expenditures	<u>250,000</u>	<u>(112,000)</u>	<u>138,000</u>
	<u>531,389</u>	<u>(112,000)</u>	<u>419,389</u>
Total Appropriated	<u>531,389</u>	<u>(112,000)</u>	<u>419,389</u>
Organized Hamlets			
Hamlet of Ketchen	41,501	1,594	43,095
Hamlet of Lady Lake	12,659	74	12,733
Hamlet of Usherville	<u>25,157</u>	<u>444</u>	<u>25,601</u>
Total Hamlets	<u>79,317</u>	<u>2,112</u>	<u>81,429</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	<u>3,828,875</u>	<u>430,189</u>	<u>4,259,064</u>
Total Accumulated Surplus	<u>\$ 5,344,007</u>	<u>\$(120,635)</u>	<u>\$ 5,223,372</u>

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

R. M. of Preeceville No. 334
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	134,854,560	21,649,867			7,063,670	163,568,097
Regional Park Assessment						634,160
Total Assessment						164,202,257
Mill Rate Factor(s)	1.0000	1.0000			1.0000	
Total Base/Minimum Tax (generated for each property class)		950			25	975
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	1,011,409	163,228			53,001	1,227,638
Mill Rates:	Mills					
Average Municipal*	7.5054					
Average School*	2.0100					
Potash Mill Rate						
Uniform Municipal Mill Rate	7.5000					

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

R. M. of Preeceville No. 334
Schedule of Council Remuneration
For the year ended December 31, 2021

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Johnny Petryshyn	9,550	980	10,530
Corwin Tonn	8,000	1,307	9,307
Dale Parkin	8,313	1,813	10,126
Linda Blender	7,688	2,054	9,742
Reg Strand	7,500	1,765	9,265
Reg Yaremchuk	6,750	1,879	8,629
Gabe Goodsman	4,920	2,737	7,657
	<u>52,721</u>	<u>12,535</u>	<u>65,256</u>
	\$ 52,721	\$ 12,535	\$ 65,256

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part of these financial statements.*