

Rural Municipality of Sasman No. 336

Consolidated Financial Statements

December 31, 2021

Rural Municipality of Sasman No. 336

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For the year ended December 31, 2021

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Management's Responsibility

To the Ratepayers of the Rural Municipality of Sasman No. 336:

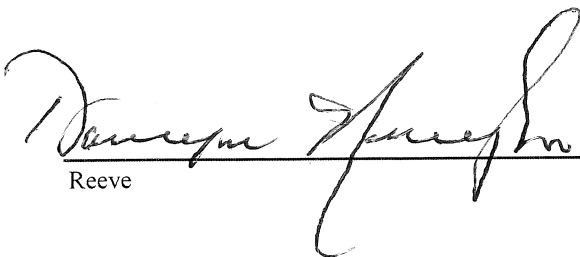
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

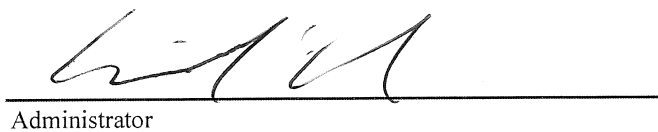
Council is composed entirely of individuals who are neither management nor employees of the Municipality. Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the annual consolidated financial statements. Council fulfils these responsibilities by reviewing the financial information and discussing relevant matters with management. Council is also responsible for the appointment of the Municipality's external auditors.

MNP LLP is appointed by Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with both management and Council to discuss their audit findings.

August 16, 2022



Reeve



Administrator

To the Reeve and Councillors of the Rural Municipality of Sasman No. 336:

Opinion

We have audited the consolidated financial statements of the Rural Municipality of Sasman No. 336 (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2021, and the results of its consolidated operations and its consolidated cash flows 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 15 of the consolidated financial statements, which describes the effects of the restructuring transactions related to the amalgamation with the Village of Margo effective January 1, 2021. Our opinion is not modified in respect of this matter.

Responsibilities of Management, Reeve and Council for the Consolidated Financial Statements

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

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

The Reeve and council are responsible for overseeing the Municipality's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

We communicate with the Reeve and council 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.

Humboldt, Saskatchewan

August 16, 2022

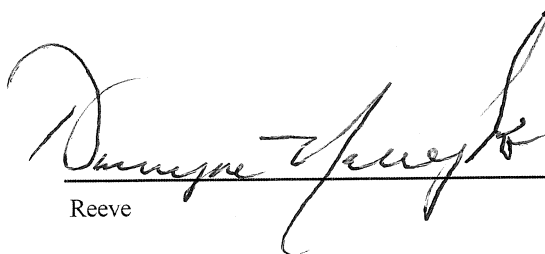
MNP LLP

Chartered Professional Accountants

Rural Municipality of Sasman No. 336
Consolidated Statement of Financial Position
As at December 31, 2021

Statement 1

	2021	2020
ASSETS		
Financial Assets		
Cash and Temporary Investments (Note 2)	3,831,908	3,419,365
Taxes Receivable - Municipal (Note 3)	239,710	200,138
Other Accounts Receivable (Note 4)	218,791	150,408
Land for Resale (Note 5)	100	100
Long-Term Investments (Note 6)	94,344	87,425
Total Financial Assets	4,384,853	3,857,436
LIABILITIES		
Accounts Payable	199,554	99,517
Other Liabilities	-	15,047
Deferred Revenue (Note 8)	-	109,952
Total Liabilities	199,554	224,516
NET FINANCIAL ASSETS	4,185,299	3,632,920
Non-Financial Assets		
Tangible Capital Assets (Schedule 6, 7)	7,455,785	7,091,141
Stock and Supplies	346,920	552,405
Total Non-Financial Assets	7,802,705	7,643,546
Accumulated Surplus (Schedule 8)	11,988,004	11,276,466


Reeve


Councillor

Rural Municipality of Sasman No. 336
Consolidated Statement of Operations
For the year ended December 31, 2021

Statement 2

	2021 Budget	2021	2020
Revenues			
Taxes and Other Unconditional Revenue (Schedule 1)	2,558,753	2,539,230	2,417,856
Fees and Charges (Schedule 4, 5)	214,381	158,205	88,734
Conditional Grants (Schedule 4, 5)	101,005	170,161	101,634
Tangible Capital Asset Sales - Gain (Loss) (Schedule 4, 5)	-	6,657	41,339
Land Sales - Gain (Loss) (Schedule 4, 5)	9,500	(23,429)	(28,705)
Investment Income and Commissions (Schedule 4, 5)	19,400	16,563	22,111
Restructurings (Schedule 4,5)	-	146,681	-
Other Revenues (Schedule 4, 5)	-	76,375	61,831
Total Revenues	2,903,039	3,090,443	2,704,800
Expenses			
General Government Services (Schedule 3)	332,056	446,278	246,701
Protective Services (Schedule 3)	90,850	88,979	80,931
Transportation Services (Schedule 3)	2,289,626	1,961,511	1,781,973
Environmental and Public Health Services (Schedule 3)	104,540	105,792	100,860
Planning and Development Services (Schedule 3)	12,004	11,958	11,971
Recreation and Cultural Services (Schedule 3)	25,966	56,951	23,848
Utility Services (Schedule 3)	100,729	85,603	61,041
Total Expenses	2,955,771	2,757,072	2,307,325
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(52,732)	333,371	397,475
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	322,125	378,167	67,702
Surplus of Revenues over Expenses	269,393	711,538	465,177
Accumulated Surplus, Beginning of Year	11,276,466	11,276,466	10,811,289
Accumulated Surplus, End of Year	11,545,859	11,988,004	11,276,466

The accompanying notes are an integral part of these financial statements

Rural Municipality of Sasman No. 336

Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2021

Statement 3

	2021 Budget	2021	2020
Surplus	269,393	711,538	465,177
(Acquisition) of tangible capital assets	(185,440)	(628,205)	(134,967)
Amortization of tangible capital assets	299,820	369,915	355,540
Proceeds on disposal of tangible capital assets	-	6,658	41,340
Loss (gain) on the disposal of tangible capital assets	-	(6,657)	(41,339)
Transfer of tangible capital assets in restructuring transactions	-	(106,355)	-
Surplus (Deficit) of capital expenses over expenditures	114,380	(364,644)	220,574
Consumption (Acquisition) of supplies inventories	-	205,485	305,026
Use (Acquisition) of prepaid expense	-	-	-
Surplus of expenses of other non-financial over expenditures	-	205,485	305,026
Increase in Net Financial Assets	383,773	552,379	990,777
Net Financial Assets - Beginning of Year	3,632,920	3,632,920	2,642,143
Net Financial Assets - End of Year	4,016,693	4,185,299	3,632,920

The accompanying notes are an integral part of these financial statements

Rural Municipality of Sasman No. 336
Consolidated 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	711,538	465,177
Amortization	369,915	355,540
Transfer of tangible capital assets in restructuring transactions	(106,355)	-
Loss (gain) on disposal of tangible capital assets	(6,657)	(41,339)
	968,441	779,378
Change in assets/liabilities		
Taxes Receivable - Municipal	(39,572)	(34,101)
Other Receivables	(68,383)	(12,995)
Land for Resale	-	-
Accounts Payable	100,037	(62,193)
Other Liabilities	(15,047)	15,047
Deferred Revenue	(109,952)	109,952
Stock and Supplies	205,485	305,026
Prepayments and Deferred Charges	-	-
Net cash from operations	1,041,009	1,100,114
Capital:		
Acquisition of capital assets	(628,205)	(134,967)
Proceeds from the disposal of capital assets	6,658	41,340
Net cash used for capital	(621,547)	(93,627)
Investing:		
Long-term investments	(6,919)	(6,647)
Net cash used for investing	(6,919)	(6,647)
Financing:		
Long-term debt issued	-	-
Long-term debt repaid	-	-
Net cash used for financing	-	-
Increase (Decrease) in cash resources	412,543	999,840
Cash and Temporary Investments - Beginning of Year	3,419,365	2,419,525
Cash and Temporary Investments - End of Year	3,831,908	3,419,365

The accompanying notes are an integral part of these financial statements

1. Significant Accounting Policies

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

- a) **Basis of Accounting:** The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting requires revenues to be recognized as they become available and measurable and expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.
- b) **Reporting Entity:** The consolidated financial statements consolidate the assets, liabilities and flow of resources of the Municipality. The entity is comprised of all of the organizations that are owned or controlled by the Municipality and that are, therefore, accountable to the Council for the administration of their financial affairs and resources. Entities included in these consolidated financial statements are as follows:

Entity

Sasman Park Fund

Margo Community Recreation Board

- c) **Collection of Funds for Other Authorities:** Collection of funds by the Municipality for school boards, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation. The amounts collected are disclosed on Note 3.
- d) **Government Transfers:** Government transfers are the transfer of assets from senior levels of government that are not result of an exchange transaction, are not expected to be repaid in the future, or 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:
 - a) the transfer is authorized;
 - b) any eligibility criteria have been met; and
 - c) a reasonable estimate of the amount can be made.

Government transfer amounts received but not earned will be recorded as deferred revenue.

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

- e) **Deferred Revenue:** Fees and charges: Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.
- f) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- g) **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.
- h) **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.
- i) **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.
- j) **Property Tax 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.
- k) **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 investment in the Saskatchewan Rural Municipalities - self insurance fund is accounted for on the equity basis.

Rural Municipality of Sasman No. 336
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

- l) **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.
- m) **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 on 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:

<u>Asset</u>	<u>Useful Life</u>
General Assets	
Land	Indefinite
Land Improvements	15 Yrs
Buildings	40 Yrs
Vehicles & Equipment	
Vehicles	10 Yrs
Machinery and Equipment	5 to 20 Yrs
Infrastructure Assets	
Infrastructure Assets	15 to 40 Yrs
Water & Sewer	40 Yrs
Road Network Assets	40 Yrs

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.

- 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) **Measurement Uncertainty:** The preparation of consolidated financial statements in conformity with public sector accounting standards require 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 consolidated 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, including gravel inventory, is based on volume and quality estimates by management.

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

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

1. Significant Accounting Policies - continued

- p) **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: The General Government segment provides for the administration of the Municipality.

Protective Services: Protective Services is comprised of expenses for Police and Fire protection.

Transportation Services: The Transportation Services segment is 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: The Planning and Development segment provides for neighbourhood development and sustainability.

Recreation and Culture: The Recreation and Culture segment provides for community services through the provision of recreation and leisure services.

Utility Services: The Utility Services segment provides for delivery of water, collecting and treating of wastewater and collection and disposal of solid waste.

- q) **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 re-measurement gains and losses separate from the statement of operations arising from the re-measurement 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 re-measurement gains and losses.

PS 3041 Portfolio Investments, replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of portfolio investments. Removes the distinction between temporary and 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 re-measurement 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 de-recognition 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.

Rural Municipality of Sasman No. 336
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

	2021	2020
2. Cash and Temporary Investments		
Cash	3,831,908	3,419,365
Temporary Investments	-	-
Total Cash and Temporary Investments	3,831,908	3,419,365

Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments.

Included in cash is restricted amounts of \$nil (2020 - \$237,141) received from the Canada Community-Building Fund held exclusively for the re-construction of two portions of roads within the Municipality. These restricted amounts are included in the Equipment and Infrastructure Reserve (Schedule 8).

3. Taxes and Grants in Lieu Receivable

Municipal - Current	163,312	126,941
- Arrears	114,109	78,309
	277,421	205,250
- Less Allowance for Uncollectibles	(37,711)	(5,112)
Total municipal taxes receivable	239,710	200,138

School - Current	36,168	33,735
- Arrears	19,092	16,739
Total school taxes receivable	55,260	50,474

Other - Current	39,801	10,763
- Arrears	329	-
Total other taxes receivable	40,130	10,763

Total taxes and grants in lieu receivable **335,100** 261,375

Deduct taxes receivable to be collected on behalf of other organizations **(95,390)** (61,237)

Municipal and Grants in Lieu Taxes Receivable **239,710** 200,138

4. Other Accounts Receivable

Federal government	93,936	26,241
Provincial government	85,669	94,700
Utility	3,949	1,595
Trade	35,317	27,872
Total Other Accounts Receivable	218,871	150,408

Less Allowance for Uncollectibles **(80)** -

Net Other Accounts Receivable **218,791** 150,408

Rural Municipality of Sasman No. 336
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

	2021	2020
5. Land for Resale		
Tax title property	157,697	144,675
Allowance for market value adjustment	(137,282)	(125,195)
Deduct portion due to other tax authority (school)	(20,415)	(19,480)
Net Tax Title Property	-	-
Other land	100	100
Allowance for market value adjustment	-	-
Net Other Land	100	100
Total Land for Resale	100	100

6. Long-Term Investments

Sask Assoc of Rural Municipalities - Self Insurance Fund	64,378	59,374
Co-operative Equity	29,966	28,051
Total Long-Term Investments	94,344	87,425

7. Long-Term Debt

The debt limit of the Municipality is \$2,051,229. 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(1)).

8. Deferred Revenue

Municipal Economic Enhancement Program	-	109,952
Total Deferred Revenue	-	109,952

9. 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.

The Municipality is a member of the Central Regional Landfill Waste Management Authority. The RM has a contingent liability with respect to its membership. The Central Regional Landfill Waste Management is responsible for waste collection, landfill operations and future site restoration costs. Expenditures that relate to on-going environmental and reclamation programs are charged against revenues as incurred. Future site restoration costs are recognized based on assumptions, engineering studies and estimates to the costs of future removal and site restoration. Changes to the underlying assumptions or legislative change in the future could have a material impact on the financial statements. As these costs are not readily determinable, the Municipality has not provided for future site restoration costs.

10. Commitments

In September 2020, the Municipality renewed their contract for municipal recycling services with Greenland Waste Disposal Ltd. for an additional 3 years. The Municipality also signed a new contract for municipal garbage services. Under the terms of the contract, the rental charges are \$70 per lift bi-weekly and totalled \$37,413 in 2021 (2020 - \$13,494).

Rural Municipality of Sasman No. 336
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

11. Budget

On July 20, 2021, the Council approved its operating budget on planned expenses relating to the current year funding and other current year sources of revenue.

12. Pension Plan

The Municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality pension expense in 2021 was \$47,225 (2020 - \$48,089). The benefits accrued to the municipality's employees from MEPP are calculated using the following: Pensionable Years of Service, Highest Average Salary, and the plan accrual rate.

13. Comparative Figures

Prior year comparative figures have been restated to conform to the current year's presentation.

14. Significant Event

Since March of 2020, the global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Municipality as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

15. Restructuring Transactions

On January 1, 2021, the Municipality received the transfer of assets and liabilities and the responsibility for the ongoing operation of the assets from the Village of Margo. The transfer was due to the Government of Saskatchewan Ministry's Order dated December 18, 2020.

The assets and liabilities have been recorded at the Village of Margo's carrying value at the time of the transfer, totalling \$146,681 (refer to Schedule 11). This amount has been recorded as revenue during the year.

Rural Municipality of Sasman No. 336
Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2021

Schedule 1

	2021 Budget	2021	2020
TAXES			
General municipal tax levy	2,172,466	2,170,927	2,012,115
Abatements and adjustments	(24,830)	(31,895)	(18,804)
Discount on current year taxes	(89,980)	(98,455)	(88,817)
Special levy - WTP	6,620	6,625	6,125
Special levy - fire	23,070	23,016	15,792
Net Municipal Taxes	2,087,346	2,070,218	1,926,411
Penalties on tax arrears	17,230	15,337	13,973
Total Taxes	2,104,576	2,085,555	1,940,384
UNCONDITIONAL GRANTS			
Equalization (Revenue Sharing)	401,458	401,458	408,204
Organized Hamlet	43,166	43,172	22,527
Safe Restart	-	-	45,635
Total Unconditional Grants	444,624	444,630	476,366
GRANTS IN LIEU OF TAXES			
Provincial			
Transgas	400	408	408
Other	757	709	698
Local/Other			
Housing Authority	530	3,499	-
Other	7,866	1,345	-
Other Government Transfers			
S.P.C. Surcharge	-	3,084	-
Total Grants in Lieu of Taxes	9,553	9,045	1,106
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	2,558,753	2,539,230	2,417,856

Rural Municipality of Sasman No. 336
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2021

Schedule 2 - 1

	2021 Budget	2021	2020
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	520	14,546	530
- Sales of supplies	93,650	8,419	1,716
- Rental	2,825	2,910	-
- Other (Tax enforcement, licenses)	8,885	13,934	8,982
Total Fees and Charges	105,880	39,809	11,228
- Land sales - gain (loss)	9,500	(23,429)	(28,705)
- Other (Donations)	-	18,316	-
- Investment income and commissions	19,400	16,563	22,111
Total Other Segmented Revenue	134,780	51,259	4,634
Total Operating	134,780	51,259	4,634
Restructuring Revenue (Village of Margo)	-	146,681	-
Total General Government Services	134,780	197,940	4,634

TRANSPORTATION SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	37,381	39,680	35,539
- Road maintenance and restoration agreements	4,830	9,490	5,062
- Permits	9,400	12,501	7,607
Total Fees and Charges	51,611	61,671	48,208
- Tangible capital asset sales - gain (loss)	-	6,657	41,339
- Other (Recovery of short term disability payments)	-	-	44,218
- Other (Insurance proceeds)	-	-	2,005
Total Other Segmented Revenue	51,611	68,328	135,770
Conditional Grants			
- Primary Weight Corridor	94,700	94,700	94,700
- Farm & Ranch Water Infrastructure Program	-	10,800	-
- Provincial Traffic Safety Fund Grant	-	6,426	-
- Municipal Asset Management Program	-	49,950	-
Total Conditional Grants	94,700	161,876	94,700
Total Operating	146,311	230,204	230,470
Capital			
Conditional Grants			
- Canada Community-Building Fund	47,277	93,215	67,702
- Rural Integrated Roads For Growth Grant	184,874	175,000	-
- Municipal Economic Enhancement Program	89,974	109,952	-
Total Conditional Grants	322,125	378,167	67,702
Total Capital	322,125	378,167	67,702
Total Transportation Services	468,436	608,371	298,172

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Conditional Grants			
- Water Security Agency	-	1,980	-
- Provincial Rat Eradication Program	4,485	4,485	5,534
- Beaver Control Program	1,820	1,820	1,400
Total Conditional Grants	6,305	8,285	6,934
Total Operating	6,305	8,285	6,934
Total Environmental and Public Health Services	6,305	8,285	6,934

Rural Municipality of Sasman No. 336
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2021

Schedule 2 - 2

	2021 Budget	2021	2020
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Fire fees	-	760	-
Total Fees and Charges	-	760	-
Total Other Segmented Revenue	-	760	-
Total Operating	-	760	-
Total Protective Services	-	760	-

RECREATION AND CULTURAL SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Centennial Celebration	10	96	12
Total Fees and Charges	10	96	12
- Subsidiary entities	-	30,189	14,833
- Donations	1,000	27,870	775
Total Other Segmented Revenue	1,010	58,155	15,620
Total Operating	1,010	58,155	15,620
Total Recreation and Cultural Services	1,010	58,155	15,620

UTILITY SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	42,410	41,664	24,811
- Sewer	13,470	14,205	4,475
Total Fees and Charges	55,880	55,869	29,286
Total Other Segmented Revenue	55,880	55,869	29,286
Total Operating	55,880	55,869	29,286
Total Utility Services	55,880	55,869	29,286

TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	666,411	929,380	354,646
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SUMMARY

Total Other Segmented Revenue	243,281	234,371	185,310
Total Conditional Grants	101,005	170,161	101,634
Total Capital Grants and Contributions	322,125	378,167	67,702
Restructuring Revenue	-	146,681	-
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	666,411	929,380	354,646

Rural Municipality of Sasman No. 336

Schedule of Expenses by Function

For the year ended December 31, 2021

Schedule 3 - 1

	2021 Budget	2021	2020
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	37,870	40,792	25,520
Wages and benefits	153,600	165,667	131,976
Professional/Contractual services	105,532	175,009	100,991
Utilities	12,830	10,733	8,201
Maintenance, materials and supplies	18,500	18,875	13,648
Amortization	2,240	2,968	2,244
Insurance	1,484	2,037	986
Allowance for (recovery of) uncollectibles	-	30,197	(36,865)
Total Government Services	332,056	446,278	246,701

PROTECTIVE SERVICES

Police protection

Professional/Contractual services	42,020	41,941	36,846
Grants and contributions - operating	200	176	576

Fire protection

Professional/Contractual services	46,770	45,460	43,509
Maintenance, materials and supplies	100	-	-
Utilities	1,760	1,402	-

Total Protective Services	90,850	88,979	80,931
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TRANSPORTATION SERVICES

Wages and benefits	553,560	514,637	544,828
Professional/Contractual services	506,616	32,258	28,778
Utilities	52,790	44,137	49,366
Maintenance, materials and supplies	467,980	503,935	408,212
Gravel	408,000	497,439	395,285
Amortization	296,480	365,855	352,204
Snow removal	4,200	3,250	3,300

Total Transportation Services	2,289,626	1,961,511	1,781,973
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ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Professional/Contractual services	99,940	98,846	91,188
Maintenance, materials and supplies	2,600	4,247	2,473
Grants and contributions - operating	2,000	2,699	7,199
Amortization	-	-	-

Total Environmental and Public Health Services	104,540	105,792	100,860
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Rural Municipality of Sasman No. 336

Schedule of Expenses by Function

For the year ended December 31, 2021

Schedule 3 - 2

	2021 Budget	2021	2020
PLANNING AND DEVELOPMENT SERVICES			
Professional/Contractual services	100	114	67
Memberships	11,904	11,844	11,904
Total Planning and Development Services	12,004	11,958	11,971
RECREATION AND CULTURAL SERVICES			
Professional/Contractual services	20,000	15,553	16,707
Utilities	3,300	2,351	-
Maintenance, materials and supplies	2,406	12,184	2,602
Amortization	260	255	255
Subsidiary expenses	-	26,608	4,284
Total Recreation and Cultural Services	25,966	56,951	23,848
UTILITY SERVICES			
Wages and benefits	36,400	25,367	-
Professional/Contractual services	37,239	32,453	42,033
Utilities	15,870	15,472	8,975
Maintenance, materials and supplies	10,380	9,853	9,196
Amortization	840	837	837
Allowance for uncollectibles	-	1,621	-
Total Utility Services	100,729	85,603	61,041
TOTAL EXPENSES BY FUNCTION	2,955,771	2,757,072	2,307,325

Rural Municipality of Sasman No. 336
Schedule of Segment Disclosure by Function
For the year ended December 31, 2021

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	39,809	760	61,671	-	-	96	55,869	158,205
Tangible Capital Asset Sales - Gain (Loss)	-	-	6,657	-	-	-	-	6,657
Land Sales - Gain (Loss)	(23,429)	-	-	-	-	-	-	(23,429)
Investment Income and Commissions	16,563	-	-	-	-	-	-	16,563
Other Revenues	18,316	-	-	-	-	58,059	-	76,375
Grants - Conditional	-	-	161,876	8,285	-	-	-	170,161
- Capital	-	-	378,167	-	-	-	-	378,167
Restructurings	146,681	-	-	-	-	-	-	146,681
Total revenues	197,940	760	608,371	8,285	-	58,155	55,869	929,380
Expenses (Schedule 3)								
Wages & Benefits	206,459	-	514,637	-	-	-	25,367	746,463
Professional/Contractual Services	175,009	87,401	32,258	98,846	114	15,553	32,453	441,634
Utilities	10,733	1,402	44,137	-	-	2,351	15,472	74,095
Maintenance, Materials and Supplies	18,875	-	1,001,374	4,247	-	12,184	9,853	1,046,533
Grants and Contributions	-	176	-	2,699	-	-	-	2,875
Amortization	2,968	-	365,855	-	-	255	837	369,915
Insurance	2,037	-	-	-	-	-	-	2,037
Interest	-	-	-	-	-	-	-	-
Allowance for (Recovery of) Uncollectibles	30,197	-	-	-	-	-	1,621	31,818
Other	-	-	3,250	-	11,844	26,608	-	41,702
Total expenses	446,278	88,979	1,961,511	105,792	11,958	56,951	85,603	2,757,072
Deficit by Function	(248,338)	(88,219)	(1,353,140)	(97,507)	(11,958)	1,204	(29,734)	(1,827,692)

Taxation and other unconditional revenue (Schedule 1) 2,539,230

Net Surplus **711,538**

Rural Municipality of Sasman No. 336
Schedule of Segment Disclosure by Function
For the year ended December 31, 2020

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	11,228	-	48,208	-	-	12	29,286	88,734
Tangible Capital Asset Sales - Gain (Loss)	-	-	41,339	-	-	-	-	41,339
Land Sales - Gain (Loss)	(28,705)	-	-	-	-	-	-	(28,705)
Investment Income and Commissions	22,111	-	-	-	-	-	-	22,111
Other Revenues	-	-	46,223	-	-	15,608	-	61,831
Grants - Conditional	-	-	94,700	6,934	-	-	-	101,634
- Capital	-	-	67,702	-	-	-	-	67,702
Total revenues	4,634	-	298,172	6,934	-	15,620	29,286	354,646
Expenses (Schedule 3)								
Wages & Benefits	157,496	-	544,828	-	-	-	-	702,324
Professional/Contractual Services	100,991	80,355	28,778	91,188	67	16,707	42,033	360,119
Utilities	8,201	-	49,366	-	-	-	8,975	66,542
Maintenance, Materials and Supplies	13,648	-	803,497	2,473	-	2,602	9,196	831,416
Grants and Contributions	-	576	-	7,199	-	-	-	7,775
Amortization	2,244	-	352,204	-	-	255	837	355,540
Insurance	986	-	-	-	-	-	-	986
Interest	-	-	-	-	-	-	-	-
Allowance for (Recovery of) Uncollectibles	(36,865)	-	-	-	-	-	-	(36,865)
Other	-	-	3,300	-	11,904	4,284	-	19,488
Total expenses	246,701	80,931	1,781,973	100,860	11,971	23,848	61,041	2,307,325
Deficit by Function	(242,067)	(80,931)	(1,483,801)	(93,926)	(11,971)	(8,228)	(31,755)	(1,952,679)

Taxation and other unconditional revenue (Schedule 1)

2,417,856

Net Surplus

465,177

Rural Municipality of Sasman No. 336
Schedule of Tangible Capital Assets by Object
For the year ended December 31, 2021

Schedule 6

2021							2020		
	General Assets					Infrastructure Assets	General/ Infrastructure Assets Under Construction	Total	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets			
Assets									
Asset cost									
Opening Asset costs	5,900	-	257,586	31,572	2,344,611	9,891,220	-	12,530,889	12,506,012
Additions during the year	-	-	-	-	157,692	470,513	-	628,205	134,967
Disposals and write-downs during the year	-	-	-	-	(20,000)	-	-	(20,000)	(110,090)
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-
Transfer of Capital Assets related to restructuring (Schedule 11)	1,835	661	60,606	-	39,717	3,536	-	106,355	-
Closing Asset Costs	7,735	661	318,192	31,572	2,522,020	10,365,269	-	13,245,449	12,530,889
Amortization									
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	-	-	155,739	30,184	1,060,091	4,193,734	-	5,439,748	5,194,297
Add: Amortization taken	-	88	10,243	2,880	109,476	247,228	-	369,915	355,540
Less: Accumulated amortization on disposals	-	-	-	-	(19,999)	-	-	(19,999)	(110,089)
Closing Accumulated Amortization Costs	-	88	165,982	33,064	1,149,568	4,440,962	-	5,789,664	5,439,748
Net Book Value	7,735	573	152,210	(1,492)	1,372,452	5,924,307	-	7,455,785	7,091,141

- Total contributed/donated assets received in 2021 \$ -
- List of assets recognized at nominal value in 2021 are:
 - Infrastructure Assets \$ -
 - Vehicles \$ -
 - Machinery and Equipment \$ -
- Amount of interest capitalized in 2021 \$ -

Rural Municipality of Sasman No. 336
Schedule of Tangible Capital Assets by Function
For the year ended December 31, 2021

Schedule 7

		2021							2020
		General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total
Assets	Asset cost								Total
	Opening Asset costs	54,284	-	12,237,617	20,000	-	10,615	208,373	12,530,889
	Additions during the year	3,180	-	625,025	-	-	-	-	628,205
	Disposals and write-downs during the year	-	-	-	(20,000)	-	-	-	(20,000)
	Transfer of Capital Assets related to restructuring (Schedule 11)	1,835	6,900	18,993	8,403		61,815	8,409	106,355
Closing Asset Costs		59,299	6,900	12,881,635	8,403	-	72,430	216,782	13,245,449
Amortization	Accumulated Amortization Cost								
	Opening Accumulated Amortization Costs	49,867	-	5,203,462	19,999	-	4,848	161,572	5,439,748
	Add: Amortization taken	2,968	-	365,855	-	-	255	837	369,915
	Less: Accumulated amortization on disposals	-	-		(19,999)	-	-	-	(19,999)
	Closing Accumulated Amortization Costs	52,835	-	5,569,317	-	-	5,103	162,409	5,789,664
Net Book Value		6,464	6,900	7,312,318	8,403	-	67,327	54,373	7,455,785
									7,091,141

Rural Municipality of Sasman No. 336
Schedule of Accumulated Surplus
For the year ended December 31, 2021

Schedule 8

	2020	Changes	2021
UNAPPROPRIATED SURPLUS	3,115,796	310,866	3,426,662

APPROPRIATED RESERVES

Equipment and Infrastructure Reserve	268,072	276	268,348
Public Reserve	1,892	-	1,892
Northshore Fishing Lake - Resort Road	10,000	10,000	20,000
Northshore Fishing Lake - Fish Shack	6,000	-	6,000
Northshore Fishing Lake - Lagoon Cell	10,000	(10,000)	-
Northshore Fishing Lake - Building & Equipment	70,000	40,000	110,000
Northshore Fishing Lake - Recreation	-	15,500	15,500
Margo Community Recreation Board	-	32,225	32,225
Sasman Park Fund	16,490	5,832	22,322
Total Appropriated	382,454	93,833	476,287

ORGANIZED HAMLETS

Hamlet of Kuroki	69,681	26,122	95,803
Hamlet of Kylemore	21,301	3,009	24,310
Hamlet of Northshore Fishing Lake	359,445	(85,761)	273,684
Hamlet of Ottman-Murray Beach	236,648	36,201	272,849
Hamlet of Margo	-	(37,376)	(37,376)
Total Hamlets	687,075	(57,805)	629,270

NET INVESTMENT IN TANGIBLE CAPITAL ASSETS

Tangible capital assets (Schedule 6)	7,091,141	364,644	7,455,785
Less: Related debt	-	-	-
Net Investment in Tangible Capital Assets	7,091,141	364,644	7,455,785

Total Accumulated Surplus	11,276,466	711,538	11,988,004
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Rural Municipality of Sasman No. 336
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	169,980,975	66,444,145	-	-	4,826,630		241,251,750
Regional Park Assessment							-
Total Assessment							241,251,750
Mill Rate Factor(s)	1.00	1.00	-	-	1.00		
Total Base/Minimum Tax (generated for each property class)	2,810	411,940	-	-	13,805		428,555
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	1,449,818	659,209	-	-	61,900		2,170,927

MILL RATES:

MILLS

Average Municipal*	8.9986
Average School*	2.3216
Potash Mill Rate	-
Uniform Municipal Mill Rate	8.5000

* Average Mill Rates (multiply the total tax levy for each taxing authority by 1000 and divide by the total assessment for the taxing authority).

Rural Municipality of Sasman No. 336
Schedule of Council Remuneration
For the year ended December 31, 2021

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Dwayne Nakrayko	12,600	2,419	15,019
Patrick Schultz	8,325	1,708	10,033
Nevin Morrow	8,150	1,747	9,897
Bryan Myers	7,800	1,475	9,275
Dale Redman	7,475	1,361	8,836
Barry Marquette	7,200	1,760	8,960
Stuart Byman	6,125	1,375	7,500
Total	57,675	11,845	69,520

Rural Municipality of Sasman No. 336
Schedule of Restructuring
As at December 31, 2021

Schedule 11

	2021
Carrying Amount of Assets and Liabilities Received at Restructuring Date:	
Cash and Temporary Investments	41,376
Taxes Receivable - Municipal	114,434
Other Accounts Receivable	24,674
Land for Resale	4,839
Long-Term Investments	5
Accounts Payable	(145,305)
Accrued Liabilities Payable	(1,500)
Tangible Capital Assets	106,355
Prepayments and Deferred Charges	1,163
Stock and Supplies	640
Total Net Carrying Amount Received	146,681