

R. M. of Sliding Hills No. 273
CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2021

R. M. of Sliding Hills No. 273

Mikado, 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 Sliding Hills No. 273

Opinion

We have audited the consolidated financial statements of R. M. of Sliding Hills No. 273, (the municipality), which comprise the consolidated Statement of Financial Position as at December 31, 2021 and the consolidated Statements of Operations, Change in Net Financial Assets and Cash Flow 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 results of its operations and its consolidated 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 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.

Other Matter

The consolidated financial statements of R. M. of Sliding Hills No. 273 for the year ended December 31, 2020 were restated to correct the deferred revenue balance. We draw attention to Note 11 of the financial statements which addresses this matter. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance 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.

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



Auditors' 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 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 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 auditors' 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 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 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.

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
November 22, 2022

R. M. of Sliding Hills No. 273

Mikado, Saskatchewan

Statement 1

Consolidated Statement of Financial Position as at December 31, 2021

	2021	2020 (Note 11)
Assets		
Financial Assets		
Cash and temporary investments - note 2	476,281	496,156
Taxes receivable - municipal - note 3	528,699	532,333
Other accounts receivable - note 4	166,188	179,035
Land for resale - note 5	1,332	1,332
Long-term investments - note 6	150,446	145,284
Total Financial Assets	<u>1,322,946</u>	<u>1,354,140</u>
Liabilities		
Accounts payable	13,823	35,515
Utility deposits	4,746	4,746
Deferred revenue - note 7	263,592	212,209
Other liabilities	40	2,713
Total Liabilities	<u>282,201</u>	<u>255,183</u>
Net Financial Assets	<u>1,040,745</u>	<u>1,098,957</u>
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	3,642,573	3,632,169
Stock and supplies	380,538	339,061
Other	19,722	19,722
Total Non-Financial Assets	<u>4,042,833</u>	<u>3,990,952</u>
Accumulated Surplus - schedule 8	<u>\$ 5,083,578</u>	<u>\$ 5,089,909</u>

Approved on behalf of the council:

Reeve

Councillor

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

R. M. of Sliding Hills No. 273
Consolidated Statement of Operations
For the year ended December 31, 2021

Statement 2

	2021 Budget (Note 1(s))	2021 Actual	2020 Actual (Note 11)
Revenues			
Taxes and other unconditional revenue			
- schedule 1	1,676,044	1,604,771	1,593,885
Fees and charges - schedules 4 and 5	81,100	96,078	82,146
Conditional grants - schedules 4 and 5	9,774	24,752	27,861
Tangible capital asset sales - gain			
- schedules 4 and 5		(30,930)	
Investment income and commissions			
- schedules 4 and 5	5,000	9,981	11,531
Total Revenue	<u>1,771,918</u>	<u>1,704,652</u>	<u>1,715,423</u>
Expenses - schedule 3			
General government services	443,600	411,831	427,621
Protective services	89,000	52,037	87,600
Transportation services	1,243,900	1,162,830	1,147,406
Environmental and public health services	51,000	47,257	50,515
Planning and development services	675		
Recreation and cultural services	9,700	13,005	14,192
Utilities services	95,100	77,553	98,948
Total Expenses	<u>1,932,975</u>	<u>1,764,513</u>	<u>1,826,282</u>
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(161,057)	(59,861)	(110,859)
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>66,539</u>	<u>53,530</u>	<u>114,040</u>
Surplus (Deficit) of Revenue over Expenses	(94,518)	(6,331)	3,181
Accumulated Surplus, Beginning of Year	<u>5,089,909</u>	<u>5,089,909</u>	<u>5,086,728</u>
Accumulated Surplus, End of Year	<u>\$ 4,995,391</u>	<u>\$ 5,083,578</u>	<u>\$ 5,089,909</u>

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

R. M. of Sliding Hills No. 273Consolidated 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 (Note 11)
Surplus (Deficit)	<u>(94,518)</u>	<u>(6,331)</u>	<u>3,181</u>
(Acquisition) of tangible capital assets	(447,709)	(400,420)	(249,654)
Amortization of tangible capital assets		221,286	222,078
Proceeds on disposal of tangible capital assets		137,800	
Loss on the disposal of tangible capital assets	<u> </u>	<u>30,930</u>	<u> </u>
Surplus (Deficit) of Capital Expenses over Expenditures	<u>(447,709)</u>	<u>(10,404)</u>	<u>(27,576)</u>
(Acquisition) of supplies inventories		(202,488)	(219,176)
Consumption of supplies inventory	<u> </u>	<u>161,011</u>	<u>181,737</u>
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>(41,477)</u>	<u>(37,439)</u>
Increase (Decrease) in Net Financial Assets	<u>(542,227)</u>	<u>(58,212)</u>	<u>(61,834)</u>
Net Financial Assets, beginning of year	<u>1,098,957</u>	<u>1,098,957</u>	<u>1,160,791</u>
Net Financial Assets, End of Year	<u>\$ 556,730</u>	<u>\$ 1,040,745</u>	<u>\$ 1,098,957</u>

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

R. M. of Sliding Hills No. 273
Consolidated Statement of Cash Flow
For the year ended December 31, 2021

Statement 4

	2021	2020 (Note 11)
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus (Deficit)	(6,331)	3,181
Amortization	221,286	222,078
Loss on disposal of tangible capital assets	30,930	
	<u>245,885</u>	<u>225,259</u>
Change in Assets/Liabilities		
Taxes receivable - municipal	3,635	58,564
Other receivables	12,847	(48,294)
Land for resale		(316)
Accounts payable	(21,694)	9,973
Utility deposits		168
Deferred revenue	51,384	37,259
Other liabilities	(2,673)	
Stock and supplies for use	(41,477)	(37,438)
Cash Provided by Operating Transactions	<u>247,907</u>	<u>245,175</u>
Capital:		
Acquisition of capital assets	(400,420)	(249,654)
Proceeds from the disposal of capital assets	137,800	
Cash Applied to Capital Transactions	<u>(262,620)</u>	<u>(249,654)</u>
Investing:		
Additions to long-term investments	(5,162)	(3,593)
Change in Cash and Temporary Investments During the Year	(19,875)	(8,072)
Cash and temporary investments, beginning of year	<u>496,156</u>	<u>504,228</u>
Cash and Temporary Investments, End of Year	<u>\$ 476,281</u>	<u>\$ 496,156</u>

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

R. M. of Sliding Hills No. 273
Notes to Consolidated Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies

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

(a) Basis of accounting

The 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 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	Basis of Recording
Village of Veregin Recreation Board	Full consolidation

All inter-organizational transactions and balances have been eliminated.

(c) 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.

(d) 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.

R. M. of Sliding Hills No. 273
Notes to Consolidated Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(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) 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.

(g) 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.

(h) 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.

(i) Investments

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

(j) 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.

R. M. of Sliding Hills No. 273
Notes to Consolidated Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(k) Tangible capital assets

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

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

(l) 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.

(m) Capitalization of interest

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

(n) Leases

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

R. M. of Sliding Hills No. 273
Notes to Consolidated Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(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.

Utility revenue is recognized in the period in which the service has been provided.

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 collectibility 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 Sliding Hills No. 273
Notes to Consolidated 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 June 23, 2022.

(t) New standards and amendments to standards

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

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

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

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

R. M. of Sliding Hills No. 273
Notes to Consolidated Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(t) New standards and amendments to standards

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

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

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

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

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

	2021	2020
2. Cash and Temporary Investments		
Cash	453,963	473,859
Temporary investments	<u>22,318</u>	<u>22,297</u>
Total Cash and Temporary Investments	<u>\$ 476,281</u>	<u>\$ 496,156</u>

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

R. M. of Sliding Hills No. 273
Notes to Consolidated Financial Statements
For the year ended December 31, 2021

	2021	2020
3. Taxes and Grants In Lieu Receivable		
Municipal - current	96,662	89,516
Municipal - arrears	<u>1,353,064</u>	<u>1,272,817</u>
	1,449,726	1,362,333
Less: Allowance for uncollectibles	<u>921,027</u>	<u>830,000</u>
Total municipal taxes receivable	<u>528,699</u>	<u>532,333</u>
School - current	26,186	21,347
School - arrears	<u>859,112</u>	<u>823,039</u>
Total school taxes receivable	<u>885,298</u>	<u>844,386</u>
Other	<u>35,868</u>	<u>38,173</u>
Total taxes and grants in lieu receivable	1,449,865	1,414,892
Less: Taxes receivable to be collected on behalf of other organizations	<u>921,166</u>	<u>882,559</u>
Municipal and Grants In Lieu Taxes Receivable	<u>\$ 528,699</u>	<u>\$ 532,333</u>
4. Other Accounts Receivable		
Provincial government	168,899	168,293
Trade	20,653	20,321
Other	<u>84,307</u>	<u>105,827</u>
Total other accounts receivable	273,859	294,441
Less: Allowance for uncollectibles	<u>107,671</u>	<u>115,406</u>
Net Other Accounts Receivable	<u>\$ 166,188</u>	<u>\$ 179,035</u>
5. Land for Resale		
Tax title property	145,212	117,593
Less: Allowance for market value adjustment	<u>143,880</u>	<u>116,261</u>
Total Land for Resale	<u>\$ 1,332</u>	<u>\$ 1,332</u>
6. Long-Term Investments		
Sask. Assoc. of Rural Municipalities - Self-Insurance Fund	150,398	145,236
Other	<u>48</u>	<u>48</u>
	<u>\$ 150,446</u>	<u>\$ 145,284</u>

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

R. M. of Sliding Hills No. 273
Notes to Consolidated Financial Statements
For the year ended December 31, 2021

	2021	2020
7. Deferred Revenue		
Prepaid fees	3,085	3,000
Unspent Canada Community Building Fund grant	<u>260,507</u>	<u>209,209</u>
	<u>\$ 263,592</u>	<u>\$ 212,209</u>

8. Long-Term Debt

- (a) The debt limit of the municipality for 2022 is \$1,190,600. 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).

9. Employee Benefit Plans

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

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

Accordingly, the multi-employer plans are accounted for on the defined contribution basis. No portion of the asset (deficit) surplus of the plan is recognized in these consolidated financial statements. The benefit expense reflected in the consolidated 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	\$ 34,000	\$ 35,571
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As per the most recently audited consolidated financial statements dated December 31, 2020, the plan surplus is \$838,900,000.

10. 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.

R. M. of Sliding Hills No. 273
Notes to Consolidated Financial Statements
For the year ended December 31, 2021

11. Comparative Figures

Certain balances for comparative purposes have been reclassified to conform with the current year's presentation.

The comparative financial statements have been restated to correct the deferred revenue and reserve balances as at December 31, 2020. As a result, the comparative statement of operations for the year ending December 31, 2020 has been restated as follows:

Line Item	As Restated	As Previously Stated	Difference
Revenues			
Provincial/Federal Capital grants and Contributions	114,040	151,299	(37,259)
			(37,259)
Expenses			
Adjustment to excess (deficiency) of revenue over expenses			(37,259)
Balance of accumulated surplus, beginning of year, as originally stated			5,299,118
Adjustment to opening accumulated surplus			(171,950)
Balance of accumulated surplus, beginning of year, as restated			5,127,168
Balance of accumulated surplus, end of year, as restated			<u>\$ 5,089,909</u>

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

Line Item	As Restated	As Previously Stated	Difference
Deferred revenue	\$ 212,209	\$ 3,000	\$ 209,209
Accumulated surplus	5,089,909	5,299,118	(209,209)

12. Trusts Administered by the Municipality

Upon the dissolution of the Village of Veregin on January 1, 2007, the R.M. of Sliding Hills No. 273 became responsible for the operation of the Veregin Cemetery. A summary of the trust fund activity by the municipality during the year is as follows:

	2021	2020
Balance (deficit), beginning of year	(23,222)	(18,282)
Sale of plots	150	200
Capital/operating expenditures	<u>5,205</u>	<u>(5,140)</u>
Balance, end of year	<u>\$(17,867)</u>	<u>\$(23,222)</u>

R. M. of Sliding Hills No. 273Consolidated 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 (Note 11)
Taxes			
General municipal tax levy	1,253,722	1,253,722	1,150,592
Abatements and adjustments	(45,400)	(112,737)	(44,142)
Discount on current year taxes	(47,500)	(56,444)	(50,211)
Net municipal taxes	<u>1,160,822</u>	<u>1,084,541</u>	<u>1,056,239</u>
Penalties on tax arrears	<u>153,000</u>	<u>157,699</u>	<u>148,514</u>
Total Taxes	<u>1,313,822</u>	<u>1,242,240</u>	<u>1,204,753</u>
Unconditional Grants			
Equalization (revenue sharing)	360,004	360,004	361,872
Safe Restart	<u> </u>	<u> </u>	<u>25,114</u>
Total Unconditional Grants	<u>360,004</u>	<u>360,004</u>	<u>386,986</u>
Grants In Lieu of Taxes			
Federal	68	59	63
Provincial			
SaskTel	2,001	2,313	1,934
SERM	<u>149</u>	<u>155</u>	<u>149</u>
Total Grants In Lieu of Taxes	<u>2,218</u>	<u>2,527</u>	<u>2,146</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 1,676,044</u>	<u>\$ 1,604,771</u>	<u>\$ 1,593,885</u>

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

R. M. of Sliding Hills No. 273

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-1
For the year ended December 31, 2021

	2021 Budget (Note 1(s))	2021 Actual	2020 Actual (Note 11)
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of supplies	1,500	1,279	1,563
Licenses and permits		250	50
Total Fees and Charges	<u>1,500</u>	<u>1,529</u>	<u>1,613</u>
Investment income and commissions	<u>5,000</u>	<u>9,981</u>	<u>11,531</u>
Total Other Segmented Revenue	<u>6,500</u>	<u>11,510</u>	<u>13,144</u>
Conditional Grants			
Donations	1,800	500	
Internship		4,583	15,417
Total Conditional Grants	<u>1,800</u>	<u>5,083</u>	<u>15,417</u>
Total General Government Services	<u>\$ 8,300</u>	<u>\$ 16,593</u>	<u>\$ 28,561</u>
Protective Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Policing and fire fees	<u>5,000</u>	<u>22,178</u>	<u>3,478</u>
Total Other Segmented Revenue	<u>5,000</u>	<u>22,178</u>	<u>3,478</u>
Total Protective Services	<u>\$ 5,000</u>	<u>\$ 22,178</u>	<u>\$ 3,478</u>
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	4,000	1,861	9,119
Other	<u>1,200</u>	<u>3,655</u>	<u>1,275</u>
Total Fees and Charges	<u>5,200</u>	<u>5,516</u>	<u>10,394</u>
Tangible capital asset sales - gain (loss)		(30,930)	
Total Other Segmented Revenue	<u>5,200</u>	<u>(25,414)</u>	<u>10,394</u>
Total Operating	<u>5,200</u>	<u>(25,414)</u>	<u>10,394</u>
Capital			
Conditional Grants			
Municipal Economic Enhancement Program			60,510
Canada Community Building Fund grant	13,009		
Heavy haul	<u>53,530</u>	<u>53,530</u>	<u>53,530</u>
Total Capital	<u>66,539</u>	<u>53,530</u>	<u>114,040</u>
Total Transportation Services	<u>\$ 71,739</u>	<u>\$ 28,116</u>	<u>\$ 124,434</u>

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

R. M. of Sliding Hills No. 273

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-2
For the year ended December 31, 2021

	2021 Budget (Note 1(s))	2021 Actual	2020 Actual (Note 11)
Environmental and Public Health Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of supplies		388	260
Other	6,600	5,875	7,175
Total Fees and Charges	6,600	6,263	7,435
Total Other Segmented Revenue	6,600	6,263	7,435
Conditional Grants			
Pest control	4,000	2,852	3,362
Sask. Water Corporation		4,964	
SARM Beaver Control	1,500	180	4,609
SK Ag - well decommissioning		9,000	1,800
Total Conditional Grants	5,500	16,996	9,771
Total Environmental and Public Health Services	\$ 12,100	\$ 23,259	\$ 17,206
Recreation and Cultural Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of supplies		1,521	1,749
Total Other Segmented Revenue	0	1,521	1,749
Conditional Grants			
Saskatchewan Lotteries	2,474	2,673	2,673
Total Conditional Grants	2,474	2,673	2,673
Total Recreation and Cultural Services	\$ 2,474	\$ 4,194	\$ 4,422
Utility Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Water	47,300	46,566	45,311
Waste disposal pickup fees	6,000	5,866	5,699
Other utilities	9,500	6,639	6,467
Total Fees and Charges	62,800	59,071	57,477
Total Other Segmented Revenue	62,800	59,071	57,477
Total Utility Services	\$ 62,800	\$ 59,071	\$ 57,477
Total Operating and Capital Revenue by Function	\$ 162,413	\$ 153,411	\$ 235,578
Summary			
Total Other Segmented Revenue	86,100	75,129	93,677
Total Conditional Grants	9,774	24,752	27,861
Total Capital Grants and Contributions	66,539	53,530	114,040
Total Operating and Capital Revenue by Function	\$ 162,413	\$ 153,411	\$ 235,578

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

R. M. of Sliding Hills No. 273

Total Expenses by Function
For the year ended December 31, 2021

Schedule 3-1

	2021 Budget (Note 1(s))	2021 Actual	2020 Actual (Note 11)
General Government Services			
Council remuneration and travel	79,000	61,335	69,483
Wages and benefits	160,000	144,092	156,007
Professional/Contractual services	47,500	43,687	42,490
Utilities	4,000	3,592	3,862
Maintenance, materials and supplies	46,500	35,410	42,713
Grants and contributions - operating	1,000	200	200
Amortization		2,514	2,514
Insurance	10,000	8,038	8,483
Interest	100		36
Allowance for uncollectibles	95,000	112,963	101,833
Other	500		
Total General Government Services	\$ 443,600	\$ 411,831	\$ 427,621
Protective Services			
Police protection			
Professional/Contractual services	21,000	21,022	20,277
Fire protection			
Grants and contributions - operating	31,000	29,202	28,523
Grants and contributions - capital	37,000		36,987
Amortization		1,813	1,813
Total Protective Services	\$ 89,000	\$ 52,037	\$ 87,600
Transportation Services			
Wages and benefits	407,500	363,176	344,863
Professional/Contractual services	428,500	165,948	218,645
Utilities	19,700	19,814	23,410
Gravel	193,000	176,306	161,293
Machinery costs/fuel/blades	156,500	169,127	152,085
Culverts/drainage	34,000	52,430	31,641
Amortization		211,814	212,606
Other materials and supplies	4,700	4,215	2,863
Total Transportation Services	\$ 1,243,900	\$ 1,162,830	\$ 1,147,406

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

R. M. of Sliding Hills No. 273Total Expenses by Function
For the year ended December 31, 2021

Schedule 3-2

	2021 Budget (Note 1(s))	2021 Actual	2020 Actual (Note 11)
Environmental and Public Health Services			
Professional/Contractual services	42,000	44,483	41,910
Maintenance, materials and supplies	4,500	2,171	4,382
Grants and contributions - operating	2,000		1,500
Amortization		603	603
Other	<u>2,500</u>	<u></u>	<u>2,120</u>
Total Environmental and Public Health Services	<u>\$ 51,000</u>	<u>\$ 47,257</u>	<u>\$ 50,515</u>
Planning and Development Services			
Grants and contributions - operating	<u>\$ 675</u>	<u>\$ 0</u>	<u>\$ 0</u>
Recreation and Cultural Services			
RM of Sliding Hills Recreation Board	2,700	2,699	1,053
Grants and contributions - operating	1,000		
Insurance		4,644	7,477
Libraries	<u>6,000</u>	<u>5,662</u>	<u>5,662</u>
Total Recreation and Cultural Services	<u>\$ 9,700</u>	<u>\$ 13,005</u>	<u>\$ 14,192</u>
Utility Services			
Wages and benefits	15,900	16,527	15,843
Professional/Contractual services	66,000	47,391	65,783
Utilities	6,700	6,614	6,701
Maintenance, materials and supplies	6,500	2,479	6,079
Amortization	<u></u>	<u>4,542</u>	<u>4,542</u>
Total Utility Services	<u>\$ 95,100</u>	<u>\$ 77,553</u>	<u>\$ 98,948</u>
Total Expenses by Function	<u>\$ 1,932,975</u>	<u>\$ 1,764,513</u>	<u>\$ 1,826,282</u>

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

R. M. of Sliding Hills No. 273
Consolidated 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	1,529	22,178	5,516	6,263		1,521	59,071	96,078
Tangible capital asset sales - gain (loss)			(30,930)					(30,930)
Investment income and commissions	9,981							9,981
Grants - conditional	5,083			16,996		2,673		24,752
Grants - capital			53,530					53,530
Total Revenues	16,593	22,178	28,116	23,259	0	4,194	59,071	153,411
Expenses - schedule 3								
Wages and benefits	144,092		363,176				16,527	523,795
Professional/contractual services	105,022	21,022	165,948	44,483			47,391	383,866
Utilities	3,592		19,814				6,614	30,020
Maintenance materials and supplies	35,410		176,306	2,171		2,699	2,479	219,065
Machinery costs/fuel/blades			169,127					169,127
Culverts/drainage			52,430					52,430
Grants and contributions	200	29,202						29,402
Amortization	2,514	1,813	211,814	603			4,542	221,286
Insurance	8,038					4,644		12,682
Libraries						5,662		5,662
Allowance for uncollectibles	112,963							112,963
Other			4,215					4,215
Total Expenses	411,831	52,037	1,162,830	47,257	0	13,005	77,553	1,764,513
Surplus (Deficit) by Function	\$(395,238)	\$(29,859)	\$(1,134,714)	\$(23,998)	\$ 0	\$(8,811)	\$(18,482)	(1,611,102)
Taxation and other unconditional revenue - schedule 1								1,604,771
Net Surplus (Deficit)								\$(6,331)

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

R. M. of Sliding Hills No. 273
Consolidated 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	1,613	3,478	10,394	7,435		1,749	57,477	82,146
Investment income and commissions	11,531							11,531
Grants - conditional	15,417			9,771		2,673		27,861
Grants - capital			114,040					114,040
Total Revenues	28,561	3,478	124,434	17,206	0	4,422	57,477	235,578
Expenses - schedule 3								
Wages and benefits	156,007		344,863				15,843	516,713
Professional/contractual services	111,973	20,277	218,645	41,910			65,783	458,588
Utilities	3,862		23,410				6,701	33,973
Maintenance materials and supplies	42,713		161,293	4,382		1,053	6,079	215,520
Machinery costs/fuel/blades			152,085					152,085
Culverts/drainage			31,641					31,641
Grants and contributions	200	65,510		1,500				67,210
Amortization	2,514	1,813	212,606	603			4,542	222,078
Insurance	8,483					7,477		15,960
Libraries						5,662		5,662
Interest	36							36
Allowance for uncollectibles	101,833							101,833
Other			2,863	2,120				4,983
Total Expenses	427,621	87,600	1,147,406	50,515	0	14,192	98,948	1,826,282
Surplus (Deficit) by Function	<u>\$ (399,060)</u>	<u>\$ (84,122)</u>	<u>\$ (1,022,972)</u>	<u>\$ (33,309)</u>	<u>\$ 0</u>	<u>\$ (9,770)</u>	<u>\$ (41,471)</u>	<u>(1,590,704)</u>
Taxation and other unconditional revenue - schedule 1								1,593,885
Net Surplus								<u>\$ 3,181</u>

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R. M. of Sliding Hills No. 273
Consolidated Schedule of Tangible Capital Assets by Object
For the year ended December 31, 2021

Schedule 6

	2021							2020	
	General Assets					Infrastruct. Assets	General/ Infrastruct. Assets under Constr.	Total	Total
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
Asset Cost									
Opening Asset Cost	244,966	27,199	295,258	0	1,571,095	6,618,256	0	8,756,774	8,529,257
Additions during the year					400,420			400,420	249,654
Disposals and write-down during the year					(281,217)			(281,217)	(22,137)
Closing Asset Costs	244,966	27,199	295,258	0	1,690,298	6,618,256	0	8,875,977	8,756,774
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	0	9,066	182,295	0	560,496	4,372,748	0	5,124,605	4,924,664
Add: Amortization taken		1,813	6,766		71,170	141,537		221,286	222,078
Less: Accumulated amortization on disposals					112,487			112,487	22,137
Closing Accumulated Amortization Costs	0	10,879	189,061	0	519,179	4,514,285	0	5,233,404	5,124,605
Net Book Value	\$ 244,966	\$ 16,320	\$ 106,197	\$ 0	\$ 1,171,119	\$ 2,103,971	\$ 0	\$ 3,642,573	\$ 3,632,169

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

R. M. of Sliding Hills No. 273
Consolidated Schedule of Tangible Capital Assets by Function
For the year ended December 31, 2021

Schedule 7

	2021							2020	
	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Water & Sewer	Total	Total
Asset Cost									
Opening Asset Cost	100,558	90,614	8,286,862	9,048	0	53,516	216,176	8,756,774	8,529,257
Additions during the year			400,420					400,420	249,654
Disposals and write-down during the year			(281,217)					(281,217)	(22,137)
Closing Asset Costs	100,558	90,614	8,406,065	9,048	0	53,516	216,176	8,875,977	8,756,774
Accumulated Amortization Cost									
Opening Accumulated Amortization costs	77,933	70,598	4,809,265	3,015	0	24,600	139,194	5,124,605	4,924,664
Add: Amortization taken	2,514	1,813	211,814	603			4,542	221,286	222,078
Less: Accumulated amortization on disposals			112,487					112,487	22,137
Closing Accumulated Amortization Costs	80,447	72,411	4,908,592	3,618	0	24,600	143,736	5,233,404	5,124,605
Net Book Value	\$ 20,111	\$ 18,203	\$ 3,497,473	\$ 5,430	\$ 0	\$ 28,916	\$ 72,440	\$ 3,642,573	\$ 3,632,169

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R. M. of Sliding Hills No. 273
Consolidated Schedule of Accumulated Surplus
For the year ended December 31, 2021

Schedule 8

	2020	Changes	2021
Unappropriated Surplus	<u>936,940</u>	<u>(806)</u>	<u>936,134</u>
Appropriated Surplus			
Machinery and equipment			
Machinery and equipment	<u>377,510</u>	<u>(28,000)</u>	<u>349,510</u>
Public reserve	<u>0</u>	<u>1,000</u>	<u>1,000</u>
Capital trust reserve	<u>80,000</u>	<u>0</u>	<u>80,000</u>
Other			
MEDC	16,355		16,355
Bridges and culverts	119,120		119,120
Computer upgrade	<u>4,000</u>		<u>4,000</u>
	<u>139,475</u>	<u>0</u>	<u>139,475</u>
Total Appropriated	<u>596,985</u>	<u>(27,000)</u>	<u>569,985</u>
Hamlet debt recoverable	<u>(76,185)</u>	<u>11,071</u>	<u>(65,114)</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	<u>3,632,169</u>	<u>10,404</u>	<u>3,642,573</u>
Net Investment in Tangible Capital Assets	<u>3,632,169</u>	<u>10,404</u>	<u>3,642,573</u>
Total Accumulated Surplus	<u>\$ 5,089,909</u>	<u>\$ (6,331)</u>	<u>\$ 5,083,578</u>

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part of these consolidated financial statements.*

R. M. of Sliding Hills No. 273
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	180,237,715	11,651,520			3,257,625	195,146,860
Regional Park Assessment						
Total Assessment						195,146,860
Mill Rate Factor(s)	0.6500	1.0000			1.5000	
Total Base/Minimum Tax (generated for each property class)						
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	1,026,001	156,193			71,528	1,253,722
Mill Rates:	Mills					
Average Municipal*	6.4245					
Average School*	1.6369					
Potash Mill Rate						
Uniform Municipal Mill Rate	8.7500					
Old Village Veregin Mill Rate	8.7500					

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

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R. M. of Sliding Hills No. 273
Schedule of Council Remuneration
For the year ended December 31, 2021

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Harvey Malanowich	14,450	2,849	17,299
Ron Rozema	14,575	334	14,909
Tyson Beyko	13,700	605	14,305
Rodney Semeschuk	13,575	745	14,320
Tim Verigin	14,200	271	14,471
Janet Ostafie	14,950	1,100	16,050
LeeAnn Weinbender	<u>15,200</u>	<u>229</u>	<u>15,429</u>
	<u>\$ 100,650</u>	<u>\$ 6,133</u>	<u>\$ 106,783</u>