

Rural Municipality of Spalding No. 368

December 31, 2021

Ingram & Yeadon Accountants

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INDEPENDENT AUDITORS' REPORT

To the Reeve and Council of the Rural Municipality of Spalding No 368

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Rural Municipality of Spalding No 368, 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 flow for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Rural Municipality of Spalding No 368 as at December 31, 2021, and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We have 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 Financial Statements section of our report. We are independent of the Rural Municipality of Spalding No 368 in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Rural Municipality of Spalding No 368'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 Rural Municipality of Spalding No 368 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Rural Municipality of Spalding No 368's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than from 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 Rural Municipality of Spalding No 368'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 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 Rural Municipality of Spalding No 368'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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Rural Municipality of Spalding No 368 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Melfort, Saskatchewan

Date of Approval: April 6, 2022


Ingram and Yeadon Accountants

Management's Responsibility

To the Ratepayers of the Rural Municipality of Spalding

The municipality's management is responsible for the preparation and presentation of the accompanying consolidated 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 judgment and estimates by management is required.

In discharging its responsibilities for the integrity and fairness 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 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 the management and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the Municipality's external auditors.

Ingram & Yeadon Accountants, an independent firm registered with the Chartered Professional Accountants of Saskatchewan, 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 and separately with, both the Council and administration to discuss their audit findings.



Reeve



Administrator

Rural Municipality of Spalding No. 368
Consolidated Statement of Financial Position
As at December 31, 2021

Statement 1

	2021	2020
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	963,594	989,887
Taxes Receivable - Municipal (Note 3)	122,604	96,984
Other Accounts Receivable (Note 4)	98,193	91,653
Land for Resale (Note 5)	6,711	6,711
Long-Term Investments (Note 6)	113,372	105,445
Debt Charges Recoverable		
Other		
Total Financial Assets	1,304,474	1,290,680
LIABILITIES		
Bank Indebtedness		
Accounts Payable		3,240
Accrued Liabilities Payable		
Deposits		
Deferred Revenue <i>Prepaid taxes</i>	708	548
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Long-Term Debt (Note 9)		
Lease Obligations		
Total Liabilities	708	3,788
NET FINANCIAL ASSETS (DEBT)	1,303,766	1,286,892
Non-Financial Assets		
Tangible Capital Assets (Schedule 6, 7)	4,498,685	4,186,721
Prepayments and Deferred Charges	46,269	31
Stock and Supplies	197,737	234,191
Other		
Total Non-Financial Assets	4,742,691	4,420,943
Accumulated Surplus (Deficit) (Schedule 8)	6,046,457	5,707,835

Contractual obligations and commitments (Note 13)

Rural Municipality of Spalding No. 368
Consolidated Statement of Operations
As at December 31, 2021

Statement 2

	2021 Budget	2021	2020
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	1,899,387	1,892,743	1,832,784
Fees and Charges (Schedule 4, 5)	14,550	17,440	14,910
Conditional Grants (Schedule 4, 5)	57,584	61,818	51,159
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	-	19,850	23,360
Land Sales - Gain (Schedule 4, 5)	-	-	-
Investment Income and Commissions (Schedule 4, 5)	15,000	16,012	16,379
Restructurings (Schedule 4, 5)	-	-	-
Other Revenues (Schedule 4, 5)	-	-	-
Total Revenues	1,986,521	2,007,863	1,938,592
EXPENSES			
General Government Services (Schedule 3)	174,170	166,564	182,820
Protective Services (Schedule 3)	38,041	38,554	42,041
Transportation Services (Schedule 3)	1,699,914	1,486,798	1,583,487
Environmental and Public Health Services (Schedule 3)	30,000	23,592	29,039
Planning and Development Services (Schedule 3)	-	-	-
Recreation and Cultural Services (Schedule 3)	7,790	8,041	7,293
Utility Services (Schedule 3)	1,000	890	1,009
Restructurings (Schedule 3)	-	-	-
Total Expenses	1,950,915	1,724,439	1,845,689
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	35,606	283,424	92,903
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	26,727	55,198	105,200
Surplus (Deficit) of Revenues over Expenses	62,333	338,622	198,103
Accumulated Surplus (Deficit), Beginning of Year	5,707,835	5,707,835	5,509,732
Accumulated Surplus (Deficit), End of Year	5,770,168	6,046,457	5,707,835

Rural Municipality of Spalding No. 368
Consolidated Statement of Change in Net Financial Assets
As at December 31, 2021

Statement 3

	2021 Budget	2021	2020
Surplus (Deficit)	62,333	338,622	198,103
(Acquisition) of tangible capital assets	(330,049)	(724,634)	(436,581)
Amortization of tangible capital assets	348,000	368,920	347,113
Proceeds on disposal of tangible capital assets	60,000	63,600	23,360
Loss (gain) on the disposal of tangible capital assets		(19,850)	(23,360)
Surplus (Deficit) of capital expenses over expenditures	77,951	(311,964)	(89,468)
(Acquisition) of supplies inventories			(987)
(Acquisition) of prepaid expense		(46,238)	
Consumption of supplies inventory		36,454	
Use of prepaid expense			1,307
Surplus (Deficit) of expenses of other non-financial over expenditures	-	(9,784)	320
Increase/Decrease in Net Financial Assets	140,284	16,874	108,955
Net Financial Assets (Debt) - Beginning of Year	1,286,892	1,286,892	1,177,937
Net Financial Assets (Debt) - End of Year	1,427,176	1,303,766	1,286,892

The accompanying notes and schedules are an integral part of these statements.

Rural Municipality of Spalding No. 368
Consolidated Statement of Cash Flow
As at December 31, 2021

Statement 4

	2021	2020
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	338,622	198,103
Amortization	368,920	347,113
Loss (gain) on disposal of tangible capital assets	(19,850)	(23,360)
	687,692	521,856
Change in assets/liabilities		
Taxes Receivable - Municipal	(25,620)	96,524
Other Receivables	(6,540)	118,008
Land for Resale	-	-
Other Financial Assets	-	-
Accounts and accrued liabilities payable	(3,240)	(3,528)
Deposits	-	-
Deferred Revenue	160	145
Accrued Landfill Costs	-	-
Liability for Contaminated Sites	-	-
Other Liabilities	-	-
Stock and supplies for use	36,454	(987)
Prepayments and Deferred Charges	(46,238)	1,307
Other	-	-
Cash provided by operating transactions	642,668	733,325
Capital:		
Acquisition of capital assets	(724,634)	(436,581)
Proceeds from the disposal of capital assets	63,600	23,360
Other capital	-	-
Cash applied to capital transactions	(661,034)	(413,221)
Investing:		
Long-term investments	(7,927)	(6,253)
Other investments	-	-
Cash provided by (applied to) investing transactions	(7,927)	(6,253)
Financing:		
Debt charges recoverable	-	-
Long-term debt issued	-	-
Long-term debt repaid	-	-
Other financing	-	-
Cash provided by (applied to) financing transactions	-	-
Change in Cash and Temporary Investments during the year	(26,293)	313,851
Cash and Temporary Investments - Beginning of Year	989,887	676,036
Cash and Temporary Investments - End of Year	963,594	989,887

The accompanying notes and schedules are an integral part of these statements.

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 Accounting Standards Oversight Council. Significant aspects of the accounting policies are as follows:

Basis of Accounting: The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognized revenue as they become available and measurable; 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.

- a) **Reporting Entity:** The consolidated financial statements consolidates 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. All inter-organizational transactions and balances have been eliminated.
- b) **Collection of Funds for Other Authorities:** Collection of funds by the municipality for the school board, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.
- c) **Government Transfers:** Government transfers are recognized as either expenditures or revenues in the period that the events giving rise to the transfer occurred, as long as
 - a) the transfer is authorized
 - b) eligibility criteria have been met by the recipient; and
 - c) a reasonable estimate of the amount can be made.

Unearned 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.

- d) **Deferred Revenue - Fees and charges:** Certain user charges and fees are collected for which the related services have yet to be preformed. Revenue is recognized in the period when the related expenses are incurred or services performed.
- e) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- 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) **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.
- j) **Investments:** Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment. The long term investments in the Saskatchewan Rural Municipalities - Self insurance fund are accounted for on the equity basis.

1. Significant accounting policies - continued

- k) **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.
- l) **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	5 to 20 Yrs
Buildings	10 to 50 Yrs
Vehicles & Equipment	
Vehicles	5 to 10 Yrs
Machinery and Equipment	5 to 10 Yrs
Infrastructure Assets	
Infrastructure Assets	30 to 75 Yrs
Water & Sewer	40 Yrs
Road Network Assets	15 to 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.

Works of Art: Assets that have a historical or cultural significance, which include works of art, monuments and other cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with this property cannot be made.

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

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 a operating lease and rental payments are expensed as incurred.

- m) **Landfill Liability:** The Rural Municipality of Spalding No. 368 does not maintain a waste disposal site.
- n) **Employee Benefit Plans:** Contributions to the Rural Municipality of Spalding No. 368's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the Rural Municipality of Spalding No. 368's obligations are limited to their contributions.
- o) **Trust Funds:** Funds held in trust for others are neither included in the municipality's assets or equity. Note 11
- p) **Liability for Contaminated Sites:** Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:
- an environmental standard exists;
 - contamination exceeds the environmental standard;
 - The municipality:
 - is directly responsible; or
 - accepts responsibility.
 - it is expected that future economic benefits will be given up; and
 - a reasonable estimate of the amount can be made.

- q) **Measurement Uncertainty:** The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

The measurement of materials and supplies are based on estimates of volume and quality.

The 'Opening Asset costs' of tangible capital assets have been estimated where actual costs were not available.

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

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

- r) **Basis of Segmentation/Segment report:** The Municipality has adopted the new 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 16, 2021.

- t) **New Standards and Amendments to Standards:**

Effective 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 3401, PS 3030, Temporary Investments, will no longer apply. Effective in the period PS 3450, PS 2601 and PS 1201 are adopted.

PS 3450 Financial Instrument, 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 a tangible capital asset 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 PS3270 will be withdrawn.

Effective On or After April 1, 2023:

PS 3400 Revenue, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of 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 Spalding No. 368
Notes to the Consolidated Financial Statements
As at December 31, 2021

2. Cash and Temporary Investments

	2021	2020
Cash	963,594	989,887
Temporary Investments		
Restricted Cash		
Total Cash and Temporary Investments	963,594	989,887

Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less. [Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.]

3. Taxes Receivable - Municipal

	2021	2020
Municipal - Current	58,596	52,867
- Arrears	70,976	51,085
	129,572	103,952
- Less Allowance for Uncollectibles	(6,968)	(6,968)
Total municipal taxes receivable	122,604	96,984
School - Current	11,141	10,348
- Arrears	12,450	8,749
Total school taxes receivable	23,591	19,097
Other	25,934	18,949
Total taxes and grants in lieu receivable	172,129	135,030
Deduct taxes receivable to be collected on behalf of other organizations	(49,525)	(38,046)
Total Taxes Receivable - Municipal	122,604	96,984

4. Other Accounts Receivable

	2021	2020
Federal government	41,836	40,053
Provincial government	55,334	49,100
Local government		
Utility		
Trade		2,500
Other (Specify) <i>NSF Cheque not recovered</i>	1,023	
Total Other Accounts Receivable	98,193	91,653
Less Allowance for Uncollectibles		
Net Other Accounts Receivable	98,193	91,653

5. Land for Resale

	2021	2020
Tax Title Property	6,711	6,711
Allowance for market value adjustment		
Net Tax Title Property	6,711	6,711
Other Land		
Allowance for market value adjustment		
Net Other Land	-	-
Total Land for Resale	6,711	6,711

Rural Municipality of Spalding No. 368
Notes to the Consolidated Financial Statements
As at December 31, 2021

6. Long-term Investments

	2021	2020
Sask. Assoc of Rural Municipalities - Self Insurance Fund	105,599	97,672
Nursing Home Shares	7,773	7,773
Total Long-term Investments	113,372	105,445

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

7. Authorized Overdraft

The Municipality has available an operating line of credit in the amount of \$400,000 and bearing interest at prime, which was 2.45% at December 31, 2021.

8. 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.

9. Long-term Debt

- a) The debt limit of the municipality is \$1,521,563. 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)).

10. Pension Plan

The Rural Municipality of Spalding No. 368 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 employees of the Rural Municipality of Spalding No. 368 participate in MEPP and contributions are a percentage of salary. The employees contribute 9% (2020 -9%) to the plan. The Municipality matches all employees contributions. Pension expense for the year was \$48,599 (2020 - \$47,552). The benefits accrued to the Rural Municipality of Spalding No. 368 employees from MEPP are calculated using the following: Pensionable Years of Service, Highest Average Salary and the plan accrual rate.

Based on the latest information available MEPP had a surplus in net assets available for benefits of \$838,900,000 (2019 had a surplus of \$658,468,000); the municipalities portion of this is not readily determinable.

Rural Municipality of Spalding No. 368
Notes to the Consolidated Financial Statements
As at December 31, 2021

11. Trusts Administered by the Municipality

A summary of trust fund activity by the municipality during the year is as follows:

Bethany Cemetery

	Current Total	Prior Year Total
Balance - Beginning of Year	21,951	21,837
Revenue (Specify)		
Additional investment	-	-
Interest revenue	397	592
Expenditure: Payout of interest earned	(360)	(478)
Balance - End of Year	21,988	21,951

12. Inter Municipal Tanker

The RM of Spalding, RM of Lake Lenore and RM of Pleasantdale have entered into an agreement to share in the cost and oversee operations of the Inter Municipal Tanker. The Inter Municipal Tanker will provide fire fighting equipment to the ratepayers in these municipalities.

13. Commitments

The RM of Spalding has entered into an agreement with the Town of Watson to pay \$4,000 annually for fire protection services for 2020 to 2022.

The RM of Spalding has entered into an agreement with the Village of Quill Lake to pay \$8,477 annually for fire protection services for 2021 to 2023.

13. Prior Year Comparative Figures

Certain prior year figures were reclassified to conform with current year statement presentation.

Rural Municipality of Spalding No. 368
Schedule of Taxes and Other Unconditional Revenue
As at December 31, 2021

Schedule 1

	2021 Budget	2021	2020
TAXES			
General municipal tax levy	1,650,026	1,648,818	1,551,441
Abatements and adjustments			
Discount on current year taxes	(70,000)	(78,808)	(73,465)
Net Municipal Taxes	1,580,026	1,570,010	1,477,976
Potash tax share			
Trailer license fees			
Penalties on tax arrears	6,000	9,372	12,723
Special tax levy			
Other			
Total Taxes	1,586,026	1,579,382	1,490,699
UNCONDITIONAL GRANTS			
Revenue Sharing	313,225	313,225	314,926
Organized Hamlet			
Safe Restart			27,023
Other			
Total Unconditional Grants	313,225	313,225	341,949
GRANTS IN LIEU OF TAXES			
Federal			
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
Transgas	136	136	136
SPMC - Municipal Share			
Sasktel			
Other			
Local/Other			
Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement			
Other			
Other Government Transfers			
S.P.C. Surcharge			
Sask Energy Surcharge			
Other			
Total Grants in Lieu of Taxes	136	136	136
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	1,899,387	1,892,743	1,832,784

Rural Municipality of Spalding No. 368
Schedule of Operating and Capital Revenue by Function
As at December 31, 2021

Schedule 2 - 1

	2021 Budget	2021	2020
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work			
- Sales of supplies	800	920	810
- Other (Specify): <i>Rentals</i>	3,750	3,750	3,750
Total Fees and Charges	4,550	4,670	4,560
- Tangible capital asset sales - gain (loss)			
- Land sales - gain			
- Investment income and commissions	15,000	16,012	16,379
- Other (Specify) <i>Recovery of Expenses</i>			
Total Other Segmented Revenue	19,550	20,682	20,939
Conditional Grants			
- Student Employment			
- MEEP			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	19,550	20,682	20,939
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- Provincial Disaster Assistance			
- MEEP			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue (Specify, if any)			
Total General Government Services	19,550	20,682	20,939

PROTECTIVE SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (Specify)			
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment			
- Local government			
- MEEP			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- Provincial Disaster Assistance			
- Local government			
- MEEP			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue (Specify, if any)			
Total Protective Services	-	-	-

	2021 Budget	2021	2020
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work		825	
- Sales of supplies		1,945	350
- Road Maintenance and Restoration Agreements	10,000	10,000	10,000
- Frontage			
- Other (Specify)			
Total Fees and Charges	10,000	12,770	10,350
- Tangible capital asset sales - gain (loss)		19,850	23,360
- Other (Specify)			
Total Other Segmented Revenue	10,000	32,620	33,710
Conditional Grants			
- RIRG (CTP)	55,334	61,568	49,100
- Student Employment			
- MEEP			
- Other (Specify)			
Total Conditional Grants	55,334	61,568	49,100
Total Operating	65,334	94,188	82,810
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	26,727	55,198	40,091
- ICIP			
- RIRG (CTP, Bridge and Large Culvert, Road Const.)			
- Provincial Disaster Assistance			
- MEEP			65,109
- Other (Specify)			
Total Capital	26,727	55,198	105,200
Restructuring Revenue (Specify, if any)			
Total Transportation Services	92,061	149,386	188,010

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees			
- Other (Specify)			
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment			
- TAPD			
- Local Government	2,000		2,059
- MEEP			
- Other (Specify)			
Total Conditional Grants	2,000	-	2,059
Total Operating	2,000	-	2,059
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- TAPD			
- Provincial Disaster Assistance			
- MEEP			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue (Specify, if any)			
Total Environmental and Public Health Services	2,000	-	2,059

Rural Municipality of Spalding No. 368
Schedule of Operating and Capital Revenue by Function
As at December 31, 2021

Schedule 2 - 3

	2021 Budget	2021	2020
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges			
- Other (Specify)			
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment			
- MEEP			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- Provincial Disaster Assistance			
- MEEP			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue (Specify, if any)			
Total Planning and Development Services	-	-	-

RECREATION AND CULTURAL SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (Specify)			
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment			
- Local government	250	250	
- MEEP			
- Other (Specify)			
Total Conditional Grants	250	250	-
Total Operating	250	250	-
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- Local government			
- Provincial Disaster Assistance			
- MEEP			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue (Specify, if any)			
Total Recreation and Cultural Services	250	250	-

Rural Municipality of Spalding No. 368
Schedule of Operating and Capital Revenue by Function
As at December 31, 2021

Schedule 2 - 4

	2021 Budget	2021	2020
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water			
- Sewer			
- Other (Specify)			
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment			
- MEEP			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- New Building Canada Fund (SCF, NRP)			
- Clean Water and Wastewater Fund			
- Provincial Disaster Assistance			
- MEEP			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue (Specify, if any)			
Total Utility Services	-	-	-
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	113,861	170,318	211,008

SUMMARY

Total Other Segmented Revenue	29,550	53,302	54,649
Total Conditional Grants	57,584	61,818	51,159
Total Capital Grants and Contributions	26,727	55,198	105,200
Restructuring Revenue	-	-	-
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	113,861	170,318	211,008

	2021 Budget	2021	2020
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	42,550	43,227	41,145
Wages and benefits	77,956	77,413	72,524
Professional/Contractual services	32,180	25,756	48,805
Utilities	6,774	6,164	6,676
Maintenance, materials and supplies	14,650	13,944	13,610
Grants and contributions - operating	60	60	60
- capital			
Amortization			
Interest			
Allowance for uncollectibles			
Other (specify)			
General Government Services	174,170	166,564	182,820
Restructuring (Specify, if any)			
Total Government Services	174,170	166,564	182,820

PROTECTIVE SERVICES**Police protection**

Wages and benefits			
Professional/Contractual services	21,819	22,404	21,819
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating			
- capital			
Other (specify)			

Fire protections

Wages and benefits			
Professional/Contractual services	1,189	713	1,189
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating	15,033	15,437	19,033
- capital			
Amortization			
Interest			
Other (specify)			

Protective Services	38,041	38,554	42,041
Restructuring (Specify, if any)			
Total Protective Services	38,041	38,554	42,041

TRANSPORTATION SERVICES

Wages and benefits	450,000	452,721	442,412
Professional/Contractual Services	182,000	47,060	71,305
Utilities	8,564	8,694	8,799
Maintenance, materials, and supplies	536,350	446,711	532,265
Gravel	175,000	162,692	181,593
Grants and contributions - operating			
- capital			
Amortization	348,000	368,920	347,113
Interest			
Other (specify)			

Transportation Services	1,699,914	1,486,798	1,583,487
Restructuring (Specify, if any)			
Total Transportation Services	1,699,914	1,486,798	1,583,487

Rural Municipality of Spalding No. 368
Total Expenses by Function
As at December 31, 2021

Schedule 3 - 2

	2021 Budget	2021	2020
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits			
Professional/Contractual services	25,000	19,872	26,220
Utilities			
Maintenance, materials and supplies	5,000	3,720	2,819
Grants and contributions - operating			
o Waste disposal			
o Public Health			
- capital			
o Waste disposal			
o Public Health			
Amortization			
Interest			
Other (specify)			
Environmental and Public Health Services	30,000	23,592	29,039
Restructuring (Specify, if any)			
Total Environmental and Public Health Services	30,000	23,592	29,039

PLANNING AND DEVELOPMENT SERVICES

Wages and benefits			
Professional/Contractual Services			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Other (specify)			
Planning and Development Services	-	-	-
Restructuring (Specify, if any)			
Total Planning and Development Services	-	-	-

RECREATION AND CULTURAL SERVICES

Wages and benefits			
Professional/Contractual services	6,590	6,591	6,093
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating	1,200	1,450	1,200
- capital			
Amortization			
Interest			
Allowance for uncollectibles			
Other (specify)			
Recreation and Cultural Services	7,790	8,041	7,293
Restructuring (Specify, if any)			
Total Recreation and Cultural Services	7,790	8,041	7,293

Rural Municipality of Spalding No. 368**Total Expenses by Function****As at December 31, 2021**

Schedule 3 - 3

	2021 Budget	2021	2020
UTILITY SERVICES			
Wages and benefits			
Professional/Contractual services			
Utilities	1,000	890	1,009
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Allowance for uncollectibles			
Other (specify)			
Utility Services	1,000	890	1,009
Restructuring (Specify, if any)			
Total Utility Services	1,000	890	1,009
TOTAL EXPENSES BY FUNCTION			
	1,950,915	1,724,439	1,845,689

Rural Municipality of Spalding No. 368
Consolidated Schedule of Segment Disclosure by Function
As at 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	4,670	-	12,770	-	-	-	-	17,440
Tangible Capital Asset Sales - Gain	-	-	19,850	-	-	-	-	19,850
Land Sales - Gain	-	-	-	-	-	-	-	-
Investment Income and Commissions	16,012	-	-	-	-	-	-	16,012
Other Revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	61,568	-	-	250	-	61,818
- Capital	-	-	55,198	-	-	-	-	55,198
Restructurings								
Total revenues	20,682	-	149,386	-	-	250	-	170,318
Expenses (Schedule 3)								
Wages & Benefits	120,640	-	452,721	-	-	-	-	573,361
Professional/ Contractual Services	25,756	23,117	47,060	19,872	-	6,591	-	122,396
Utilities	6,164	-	8,694	-	-	-	890	15,748
Maintenance Materials and Supplies	13,944	-	609,403	3,720	-	-	-	627,067
Grants and Contributions	60	15,437	-	-	-	1,450	-	16,947
Amortization	-	-	368,920	-	-	-	-	368,920
Interest	-	-	-	-	-	-	-	-
Allowance for Uncollectibles	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Restructurings								
Total expenses	166,564	38,554	1,486,798	23,592	-	8,041	890	1,724,439
Surplus (Deficit) by Function	(145,882)	(38,554)	(1,337,412)	(23,592)	-	(7,791)	(890)	(1,554,121)

Taxation and other unconditional revenue (Schedule 1)

1,892,743

Net Surplus (Deficit)

338,622

Rural Municipality of Spalding No. 368
Consolidated Schedule of Segment Disclosure by Function
As at 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	4,560	-	10,350	-	-	-	-	14,910
Tangible Capital Asset Sales - Gain	-	-	23,360	-	-	-	-	23,360
Land Sales - Gain	-	-	-	-	-	-	-	-
Investment Income and Commissions	16,379	-	-	-	-	-	-	16,379
Other Revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	49,100	2,059	-	-	-	51,159
- Capital	-	-	105,200	-	-	-	-	105,200
Restructurings	-	-	-	-	-	-	-	-
Total revenues	20,939	-	188,010	2,059	-	-	-	211,008
Expenses (Schedule 3)								
Wages & Benefits	113,669	-	442,412	-	-	-	-	556,081
Professional/ Contractual Services	48,805	23,008	71,305	26,220	-	6,093	-	175,431
Utilities	6,676	-	8,799	-	-	-	1,009	16,484
Maintenance Materials and Supplies	13,610	-	713,858	2,819	-	-	-	730,287
Grants and Contributions	60	19,033	-	-	-	1,200	-	20,293
Amortization	-	-	347,113	-	-	-	-	347,113
Interest	-	-	-	-	-	-	-	-
Allowance for Uncollectibles	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
Total expenses	182,820	42,041	1,583,487	29,039	-	7,293	1,009	1,845,689
Surplus (Deficit) by Function	(161,881)	(42,041)	(1,395,477)	(26,980)	-	(7,293)	(1,009)	(1,634,681)

Taxation and other unconditional revenue (Schedule 1)

1,832,784

Net Surplus (Deficit)

198,103

Rural Municipality of Spalding No. 368
Consolidated Schedule of Tangible Capital Assets by Object
As at 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	128,537			81,635	3,278,654	5,237,279	104,062	8,830,167	8,393,586
	Additions during the year			38,240	26,500	308,649	337,260	13,985	724,634	436,581
	Disposals and write-downs during the year					(131,250)			(131,250)	-
	Transfers (from) assets under construction			104,062				(104,062)		-
	Transfer of Capital Assets related to restructuring									
Closing Asset Costs		128,537	-	142,302	108,135	3,456,053	5,574,539	13,985	9,423,551	8,830,167
Amortization	Accumulated Amortization Cost									
	Opening Accumulated Amortization Costs				44,889	1,598,727	2,999,830		4,643,446	4,296,333
	Add: Amortization taken			2,846	5,477	229,651	130,946		368,920	347,113
	Less: Accumulated amortization on disposals					(87,500)			(87,500)	-
	Transfer of Capital Assets related to restructuring									
	Closing Accumulated Amortization Costs	-	-	2,846	50,366	1,740,878	3,130,776	-	4,924,866	4,643,446
Net Book Value		128,537	-	139,456	57,769	1,715,175	2,443,763	13,985	4,498,685	4,186,721

1. Total contributed/donated assets received in 2021: \$ -

2. List of assets recognized at nominal value in 2021 are:

- Infrastructure Assets \$ -
- Vehicles \$ -
- Machinery and Equipment \$ -

3. Amount of interest capitalized in 2021: \$ -

Rural Municipality of Spalding No. 368
Consolidated Schedule of Tangible Capital Assets by Function
As at 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								
	Opening Asset costs			8,830,167					8,830,167
	Additions during the year			724,634					724,634
	Disposals and write-downs during the year			(131,250)					(131,250)
	Transfer of Capital Assets related to restructuring								-
Closing Asset Costs		-	-	9,423,551	-	-	-	-	9,423,551
Amortization	Accumulated Amortization Cost								
	Opening Accumulated Amortization Costs			4,643,446					4,643,446
	Add: Amortization taken			368,920					368,920
	Less: Accumulated amortization on disposals			(87,500)					(87,500)
	Transfer of Capital Assets related to restructuring								-
Closing Accumulated Amortization Costs		-	-	4,924,866	-	-	-	-	4,924,866
Net Book Value		-	-	4,498,685	-	-	-	-	4,498,685
									4,186,721

Rural Municipality of Spalding No. 368
Consolidated Schedule of Accumulated Surplus
As at December 31, 2021

Schedule 8

	2020	Changes	2021
UNAPPROPRIATED SURPLUS	902,565	(63,342)	839,223

APPROPRIATED RESERVES

Building Reserve	280,107	40,000	320,107
Dedicated Land	850		850
Economic Development	10,035		10,035
Health Care	150,000	50,000	200,000
InterMunicipal Tanker	15,000		15,000
Machinery and Equipment	55,315		55,315
Public Reserve - Hamlet of Daphne	219		219
REACT	80,000		80,000
Safe Restart	27,023		27,023
Total Appropriated	618,549	90,000	708,549

ORGANIZED HAMLETS

Hamlet of (Name)			
Hamlet of (Name)			
Hamlet of (Name)			
Total Hamlets	-	-	-

NET INVESTMENT IN TANGIBLE CAPITAL ASSETS

Tangible capital assets (Schedule 6)	4,186,721	311,964	4,498,685
Less: Related debt	-	-	-
Net Investment in Tangible Capital Assets	4,186,721	311,964	4,498,685

Other

Total Accumulated Surplus	5,707,835	338,622	6,046,457
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Rural Municipality of Spalding No. 368
Schedule of Mill Rates and Assessments
As at December 31, 2021

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	168,766,030	5,126,852			14,376,390		188,269,272
Regional Park Assessment							
Total Assessment							188,269,272
Mill Rate Factor(s)	0.6300	1.0000			1.0700		
Total Base/Minimum Tax (generated for each property class)							-
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	1,382,194	66,649			199,975		1,648,818

MILL RATES:	MILLS
Average Municipal*	8.7578
Average School*	1.8560
Potash Mill Rate	
Uniform Municipal Mill Rate	13.0000

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

Rural Municipality of Spalding No. 368
Schedule of Council Remuneration
As at December 31, 2021

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Eugene Eggerman	8,850	980	9,830
Councillor	Orrin Nichols	4,200	460	4,660
Councillor	James Gerspacher	5,700	520	6,220
Councillor	Murray Sunderland	5,250	760	6,010
Councillor	Adam Ingram	4,500	620	5,120
Councillor	Barry Wilson	6,000	447	6,447
Councillor	Ed Fielder	4,650	290	4,940
Total		39,150	4,077	43,227