

Rural Municipality of Usborne No. 310

Consolidated Financial Statements

December 31, 2021

Rural Municipality of Usborne No. 310

Contents

For the year ended December 31, 2021

	Page
Management's Responsibility	
Independent Auditor's Report	
Financial Statements	
Statement 1 - Consolidated Statement of Financial Position	1
Statement 2 - Consolidated Statement of Operations	2
Statement 3 - Consolidated Statement of Change in Net Financial Assets.	3
Statement 4 - Consolidated Statement of Cash Flow	4
Notes to the Consolidated Financial Statements	5
Schedules	
Schedule 1 - Schedule of Taxes and Other Unconditional Revenue	11
Schedule 2 - Consolidated Schedule of Operating and Capital Revenue by Function	12
Schedule 3 - Consolidated Schedule of Expenses by Function	14
Schedule 4 - Consolidated Schedule of Current Year Segment Disclosure by Function	16
Schedule 5 - Consolidated Schedule of Prior Year Segment Disclosure by Function	17
Schedule 6 - Consolidated Schedule of Tangible Capital Assets by Object.	18
Schedule 7 - Consolidated Schedule of Tangible Capital Assets by Function.	19
Schedule 8 - Consolidated Schedule of Accumulated Surplus	20
Schedule 9 - Schedule of Mill Rates and Assessments	21
Schedule 10 - Schedule of Council Remuneration	22

Management's Responsibility

To the Ratepayers of the Rural Municipality of Osborne No. 310:

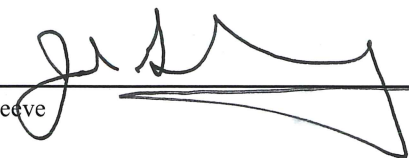
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate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

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


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

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

June 8, 2022



Reeve



Administrator

To the Reeve and Councillors of the Rural Municipality of Osborne No. 310:

Opinion

We have audited the consolidated financial statements of the Rural Municipality of Osborne No. 310 (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations, changes in net financial assets, cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2021, and the results of its consolidated operations, changes in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

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

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

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

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

Humboldt, Saskatchewan

June 8, 2022

MNP LLP

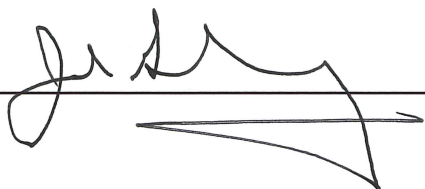
Chartered Professional Accountants

Rural Municipality of Usborne No. 310
Consolidated Statement of Financial Position
As at December 31, 2021

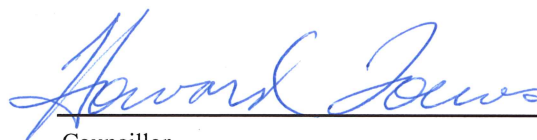
Statement 1

	2021	2020
	<i>(restated - Note 13)</i>	
ASSETS		
Financial Assets		
Cash and Temporary Investments (Note 2)	2,578,140	2,276,951
Taxes Receivable - Municipal (Note 3)	57,873	39,408
Other Accounts Receivable (Note 4)	249,949	188,111
Receivable from Saskatchewan Municipal Hail Insurance Association	1,598	1,112
Land for Resale (Note 5)	13,189	18,182
Long-Term Investments (Note 6)	3,209,713	3,140,633
Total Financial Assets	6,110,462	5,664,397
LIABILITIES		
Accounts Payable	70,755	112,462
Payable to Ministry of Finance - Education Property Taxes	881	3,173
Deferred Revenue (Note 7)	31,908	26,682
Total Liabilities	103,544	142,317
NET FINANCIAL ASSETS	6,006,918	5,522,080
Non-Financial Assets		
Tangible Capital Assets (Schedule 6, 7)	9,096,544	9,045,087
Prepayments and Deferred Charges	16,887	16,054
Stock and Supplies	248,313	358,473
Total Non-Financial Assets	9,361,744	9,419,614
Accumulated Surplus (Schedule 8)	15,368,662	14,941,694

Reeve



Councillor



Rural Municipality of Usborne No. 310
Consolidated Statement of Operations
For the year ended December 31, 2021

Statement 2

	2021 Budget	2021	2020
			(restated - Note 13)
Revenues			
Taxes and Other Unconditional Revenue (Schedule 1)	1,879,170	1,847,114	1,789,027
Fees and Charges (Schedule 4, 5)	229,700	600,871	292,889
Conditional Grants (Schedule 4, 5)	5,500	10,151	2,816
Tangible Capital Asset Sales - Gain (Loss) (Schedule 4, 5)	-	(14,369)	(106,707)
Land Sales - Gain (Loss) (Schedule 4, 5)	-	-	-
Investment Income and Commissions (Schedule 4, 5)	10,800	80,982	95,412
Other Revenues (Schedule 4, 5)	23,360	44,874	71,670
Total Revenues	2,148,530	2,569,623	2,145,107
Expenses			
General Government Services (Schedule 3)	353,920	320,323	345,296
Protective Services (Schedule 3)	63,700	55,592	54,875
Transportation Services (Schedule 3)	1,493,550	1,573,557	1,718,185
Environmental and Public Health Services (Schedule 3)	98,000	70,142	71,063
Planning and Development Services (Schedule 3)	40,000	28,385	28,074
Recreation and Cultural Services (Schedule 3)	78,000	64,654	64,606
Utility Services (Schedule 3)	179,400	119,200	102,777
Total Expenses	2,306,570	2,231,853	2,384,876
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(158,040)	337,770	(239,769)
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	68,900	89,198	131,057
Surplus (Deficit) of Revenues over Expenses	(89,140)	426,968	(108,712)
Accumulated Surplus, Beginning of Year, as previously stated	14,891,944	14,891,944	15,050,406
Correction of an Error (Note 13)	49,750	49,750	-
Accumulated Surplus, Beginning of Year, as restated	14,941,694	14,941,694	15,050,406
Accumulated Surplus, End of Year	14,852,554	15,368,662	14,941,694

Rural Municipality of Usborne No. 310
Consolidated Statement of Change in Net Financial Assets
For the year ended December 31, 2021

Statement 3

	2021 Budget	2021	2020
			<i>(restated - Note 13)</i>
Surplus (Deficit)	(89,140)	426,968	(108,712)
Acquisition of tangible capital assets	(318,000)	(461,335)	(622,650)
Amortization of tangible capital assets	-	375,809	394,527
Proceeds on disposal of tangible capital assets	-	19,700	106,000
Loss on disposal of tangible capital assets	-	14,369	106,707
Deficit of capital expenses over expenditures	(318,000)	(51,457)	(15,416)
Consumption of supplies inventories	-	110,160	-
(Acquisition) of supplies inventories	-	-	(104,285)
Consumption of prepaid expense	-	-	-
(Acquisition) of prepaid expense	-	(833)	(822)
Surplus (deficit) of expenses of other non-financial over expenditures	-	109,327	(105,107)
Increase (Decrease) in Net Financial Assets	(407,140)	484,838	(229,235)
Net Financial Assets - Beginning of Year	5,522,080	5,522,080	5,751,315
Net Financial Assets - End of Year	5,114,940	6,006,918	5,522,080

Rural Municipality of Usborne No. 310
Consolidated Statement of Cash Flow
For the year ended December 31, 2021

Statement 4

	2021	2020
	<i>(restated - Note 13)</i>	
Cash provided by the following activities		
Operating:		
Surplus (Deficit)	426,968	(108,712)
Amortization	375,809	394,527
Loss on disposal of tangible capital assets	14,369	106,707
	<u>817,146</u>	<u>392,522</u>
Change in assets/liabilities		
Taxes receivable - Municipal	(18,465)	13,127
Other receivables	(61,838)	(28,354)
Land for resale	4,993	(6,232)
Accounts and accrued liabilities payable	(41,707)	42,517
Deferred Revenue	5,226	21,232
Due to/from Ministry of Finance - Education Property Taxes	(2,292)	4,197
Due to/from Saskatchewan Municipal Hail Insurance Association	(486)	(478)
Stock and supplies for use	110,160	(104,285)
Prepayments and deferred charges	(833)	(822)
Net cash from operations	811,904	333,424
Capital:		
Acquisition of capital assets	(461,335)	(622,650)
Proceeds from the disposal of capital assets	19,700	106,000
Net cash used for capital	(441,635)	(516,650)
Investing:		
Long-term investments	(69,080)	(49,847)
Net cash used for investing	(69,080)	(49,847)
Financing:		
Long-term debt repaid	-	-
Net cash used for financing	-	-
Increase (decrease) in cash resources	301,189	(233,073)
Cash and Temporary Investments - Beginning of Year	2,276,951	2,510,024
Cash and Temporary Investments - End of Year	2,578,140	2,276,951

1. Significant accounting policies

The consolidated financial statements of the Municipality have been prepared by management in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the Municipality are as follows:

- a) **Basis of Accounting:** The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting requires revenue 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 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 Council for the administration of their financial affairs and resources. Entities included in these consolidated financial statements are as follows:

Entity

Guernsey & District Recreation Board

Lockwood Cemetery

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 and municipal hail 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 result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occur, providing:
 - a) the transfer is authorized;
 - b) eligibility criteria have been met; and
 - c) a reasonable estimate of the amount can be made.

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

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

- e) **Deferred Revenue:** Fees and charges: Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.
- f) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- g) **Net-Financial Assets:** Net-Financial Assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.
- h) **Non-Financial Assets:** Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.
- i) **Appropriated Reserves:** Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 8.
- j) **Property Tax Revenue:** Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by council following the guidance of the Government of Saskatchewan. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.

Rural Municipality of Usborne No. 310
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

1. Significant accounting policies - continued

- k) **Investments:** Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment. The long term investment in the Saskatchewan Rural Municipalities - Self insurance fund is accounted for on the equity basis.
- l) **Inventories:** Inventories of materials and supplies expected to be used by the Municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.
- m) **Tangible Capital Assets:** All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The Municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
General Assets	
Land	Indefinite
Land Improvements	15 to 25 Yrs
Buildings	40 Yrs
Vehicles & Equipment	
Vehicles	10 to 25 Yrs
Machinery and Equipment	5 to 20 Yrs
Infrastructure Assets	
Infrastructure Assets	20 to 75 Yrs
Water & Sewer	40 to 75 Yrs
Road Network Assets	20 to 60 Yrs

Government Contributions: Government contributions for the acquisition of capital assets are reported as capital revenue and do not reduce the cost of the related asset.

- n) **Employee Benefit Plans:** Contributions to the Municipality's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the Municipality's obligations are limited to their contributions.
- o) **Landfill Post Closure Liability:** The Municipality has not provided post closure costs as they are not readily determinable.
- p) **Measurement Uncertainty:** The preparation of consolidated financial statements in conformity with 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 consolidated financial statements, and the reported amounts of revenue and expenditures during the period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

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

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

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

1. Significant accounting policies - continued

- q) **Basis of Segmentation/Segment Report:** The Municipality follows the Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the purpose of specific borrowings.

The segments (functions) are as follows:

General Government: The general government segment provides for the administration of the Municipality.

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

Transportation Services: The transportation services segment is responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

Environmental and Public Health: The environmental segment provides waste disposal and other environmental services. The public health segment provides for expenses related to public health services in the Municipality.

Planning and Development: The planning and development segment provides for neighbourhood development and sustainability.

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

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

- r) **New Standards and Amendments to Standards:
Effective for Fiscal Years Beginning On or After April 1, 2022:**

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

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

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

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

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

Effective for Fiscal Years Beginning On or After April 1, 2023:

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

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

Rural Municipality of Usborne No. 310
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

	2021	2020
2. Cash and temporary investments		
Cash	2,083,683	1,796,205
Temporary Investments	494,457	480,746
Total Cash and Temporary Investments	2,578,140	2,276,951
Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less.		
3. Taxes and grants in lieu receivable		
Municipal - Current	50,334	34,549
- Arrears	22,562	25,233
	72,896	59,782
- Less Allowance for Uncollectible	(15,023)	(20,374)
Total municipal taxes receivable	57,873	39,408
School - Current	13,291	9,894
- Arrears	3,269	5,120
Total school taxes receivable	16,560	15,014
Hail - Current	2,195	1,778
- Arrears	1,325	-
Total other taxes receivable	3,520	1,778
Total taxes and grants in lieu receivable	77,953	56,200
Deduct taxes receivable to be collected on behalf of other organizations	(20,080)	(16,792)
Municipal and Grants in Lieu Taxes Receivable	57,873	39,408
4. Other accounts receivable		
Federal government	111,914	113,060
Provincial government	29,240	67,054
Utility	10,089	11,746
Trade	71,103	4,842
Accrued interest	27,925	29,415
Total Other Accounts Receivable	250,271	226,117
Less Allowance for Uncollectible	(322)	(38,006)
Net Other Accounts Receivable	249,949	188,111

Rural Municipality of Usborne No. 310
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

	2021	2020
5. Land for resale		
Tax title property	49,149	49,483
Allowance for market value adjustment	(25,674)	(20,665)
Deduct portion due to Other Tax Authority (School)	(12,736)	(13,086)
Deduct portion due to Other Tax Authority (Hail)	-	-
Net Tax Title Property	10,739	15,732
Other Land for resale	34,309	34,309
Allowance for market value adjustment	(31,859)	(31,859)
Net Other Land for Resale	2,450	2,450
Other Land	3,776	3,776
Allowance for market value adjustment	(1,585)	(1,585)
Deduct portion due to Other Tax Authority (School)	(2,191)	(2,191)
Net Other Land	-	-
Total Land for Resale	13,189	18,182

6. Long-term investments

Sask Assoc of Rural Municipalities - Self Insurance Fund	99,018	92,975
RBC fixed income portfolio investments	3,080,872	3,027,952
Affinity Credit Union term deposits - Lockwood Cemetery	24,061	14,012
Conexus Credit Union term deposit - Guernsey & District Recreation Board	5,762	5,694
Total Long-term Investments	3,209,713	3,140,633

7. Deferred Revenue

Municipal Economic Enhancement Program	-	21,032
Canada Community-Building Fund	25,533	-
Deposits	6,375	5,650
Total Deferred Revenue	31,908	26,682

8. Long-term debt

As at December 31, 2021, the Municipality did not have any long-term debt outstanding. The debt limit of the Municipality is \$2,024,675. 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)).

9. Contingent liabilities

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

The Municipality, together with a number of other rural and urban municipalities, is a member of the Regional Authority of Carlton Trail - Waste Management District Ltd. ("REACT"). REACT is governed by the Department of Saskatchewan Environment and Resource Management ("SERM") and is responsible for waste collection, landfill operations and future site restoration costs. Expenditures that relate to on-going environmental and reclamation programs are charged against revenues as incurred. Future site restoration costs are recognized based on assumptions, engineering studies and estimates to the costs of future removal and site restoration. Changes to the underlying assumptions or legislative change in the future could have a material impact on the financial statements. As these costs are not readily determinable, the Municipality has not provided for future site restoration costs.

Rural Municipality of Osborne No. 310
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

10. Commitments

The Municipality resolved to distribute a recreation levy equally to Drake, Lanigan, and Watrous Recreation Facilities on an annual basis commencing in 2015. The levy is based on 1/2 mill applied to the taxable assessment. The Municipality contributed a total levy of \$29,343 (\$9,781 per recreation facility for Drake, Watrous and Lanigan) in 2021 (2020 - \$30,844 total levy).

In December 2021, the Municipality entered into an agreement to purchase a John Deere Motor Grader for a total cost of \$341,129 including taxes, net of trade allowance, with anticipated delivery in March 2022.

11. Pension Plan

The Municipality is an employer member of the Municipal Employee Pension Plan ("MEPP"), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The Municipality pension expense in 2021 was \$45,964 (2020 - \$49,069). The benefits accrued to the Municipality's employees from MEPP are calculated using the following: Pensionable Years of Service, Highest Average Salary, and the plan accrual rate.

12. Budget

On June 10, 2021, the Council approved its operating budget on planned expenses relating to the current year funding and other current year sources of revenue.

13. Correction of an Error

During the year, it was identified that stock and supplies in the prior year were understated in the amount of \$49,750. In order to correct this error, the 2020 consolidated financial statements have been restated to increase stock and supplies by \$49,750, decrease maintenance, materials, and supplies expense (transportation services) by \$49,750, decrease deficit of revenues over expenses by \$49,750, and increase 2021 opening accumulated surplus by \$49,750.

14. Comparative Figures

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

15. Significant Event

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

Rural Municipality of Usborne No. 310
Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2021

Schedule 1

	2021 Budget	2021	2020
TAXES			
General municipal tax levy	984,200	981,114	880,341
Abatements and adjustments	(2,500)	(1,330)	(2,566)
Discount on current year taxes	(42,400)	(50,056)	(43,175)
Net Municipal Taxes	939,300	929,728	834,600
Potash tax share	727,000	698,740	727,069
Penalties on tax arrears	-	5,438	5,070
Special tax levy	4,800	4,800	4,800
Total Taxes	1,671,100	1,638,706	1,571,539
UNCONDITIONAL GRANTS			
Equalization (Revenue Sharing)	190,480	190,488	168,210
Safe Restart	-	-	31,557
Organized Hamlet	14,270	14,272	14,391
Total Unconditional Grants	204,750	204,760	214,158
GRANTS IN LIEU OF TAXES			
Federal	-	-	-
Provincial			
Transgas	1,760	1,767	1,767
Sasktel	1,560	1,881	1,563
Total Grants in Lieu of Taxes	3,320	3,648	3,330
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	1,879,170	1,847,114	1,789,027

Rural Municipality of Usborne No. 310
Consolidated Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2021

Schedule 2 - 1

	2021 Budget	2021	2020
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Sales of supplies	4,550	6,560	6,462
- Hamlet administration fee	8,800	8,800	8,800
- Permits	-	-	-
- Other (tax enforcement, trailer license fees)	12,300	15,284	18,085
Total Fees and Charges	25,650	30,644	33,347
- Land sales - gain	-	-	-
- Investment income and commissions	10,800	80,982	95,412
- Rental income	16,400	32,449	65,055
Total Other Segmented Revenue	52,850	144,075	193,814
Total Operating	52,850	144,075	193,814
Total General Government Services	52,850	144,075	193,814

TRANSPORTATION SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	25,000	26,905	64,350
- Road maintenance and restoration agreements	-	183,109	-
- Other (gravel extraction fees)	140,000	307,368	142,906
Total Fees and Charges	165,000	517,382	207,256
- Tangible capital asset sales - gain (loss)	-	(14,369)	(106,707)
Total Other Segmented Revenue	165,000	503,013	100,549
Total Operating	165,000	503,013	100,549
Capital			
Conditional Grants			
- Canada Community-Building Fund	40,000	38,926	46,817
- Primary Weight Corridor	28,900	29,240	29,240
- Municipal Economic Enhancement Program	-	21,032	55,000
Total Capital	68,900	89,198	131,057
Total Transportation Services	233,900	592,211	231,606

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and disposal fees	600	758	687
- Sales of supplies	450	274	447
Total Fees and Charges	1,050	1,032	1,134
Total Other Segmented Revenue	1,050	1,032	1,134
Conditional Grants			
- Provincial Invasive Plant Control Program	1,100	2,460	1,296
- Provincial Rat Eradication Program	3,200	6,396	225
Total Conditional Grants	4,300	8,856	1,521
Total Operating	5,350	9,888	2,655
Total Environmental and Public Health Services	5,350	9,888	2,655

Rural Municipality of Usborne No. 310
Consolidated Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2021

Schedule 2 - 2

	2021 Budget	2021	2020
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Subsidiary entities	-	118	220
Total Fees and Charges	-	118	220
- Donations	6,960	12,425	6,615
Total Other Segmented Revenue	6,960	12,543	6,835
Conditional Grants			
- Saskatchewan Lotteries community grant	1,200	1,295	1,295
Total Conditional Grants	1,200	1,295	1,295
Total Operating	8,160	13,838	8,130
Total Recreation and Cultural Services	8,160	13,838	8,130

UTILITY SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	30,000	41,202	40,307
- Sewer	8,000	10,493	10,625
Total Fees and Charges	38,000	51,695	50,932
Total Other Segmented Revenue	38,000	51,695	50,932
Total Operating	38,000	51,695	50,932
Total Utility Services	38,000	51,695	50,932

TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	338,260	811,707	487,137
--	----------------	----------------	----------------

SUMMARY

Total Other Segmented Revenue	263,860	712,358	353,264
Total Conditional Grants	5,500	10,151	2,816
Total Capital Grants and Contributions	68,900	89,198	131,057
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	338,260	811,707	487,137

Rural Municipality of Usborne No. 310
Consolidated Schedule of Expenses by Function
For the year ended December 31, 2021

Schedule 3 - 1

	2021 Budget	2021	2020
	(restated - Note 13)		
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	32,750	35,119	31,882
Wages and benefits	162,700	169,841	156,065
Professional/Contractual services	124,970	88,464	90,938
Utilities	4,500	4,038	4,264
Maintenance, materials and supplies	28,000	22,665	21,769
Grants and contributions - operating	1,000	1,315	815
Allowance (recovery) for uncollectibles	-	(2,137)	38,545
Amortization	-	1,018	1,018
Total General Government Services	353,920	320,323	345,296

PROTECTIVE SERVICES

Police protection

Professional/Contractual services	27,500	26,163	25,479
Grants and contributions - operating	200	200	200

Fire protection

Professional/Contractual services	36,000	29,229	29,196
-----------------------------------	--------	--------	--------

Total Protective Services	63,700	55,592	54,875
----------------------------------	---------------	---------------	---------------

TRANSPORTATION SERVICES

Council remuneration	31,200	27,425	27,000
Wages and benefits	556,400	441,827	494,889
Professional/Contractual services	334,950	331,183	287,246
Utilities	22,150	20,098	19,550
Maintenance, materials, and supplies	548,850	314,780	287,167
Gravel	-	86,693	229,206
Amortization	-	351,551	373,127

Total Transportation Services	1,493,550	1,573,557	1,718,185
--------------------------------------	------------------	------------------	------------------

Rural Municipality of Usborne No. 310
Consolidated Schedule of Expenses by Function
For the year ended December 31, 2021

Schedule 3 - 2

	2021 Budget	2021	2020
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Professional/Contractual services	78,000	56,448	56,266
Grants and contributions - operating - Public Health	20,000	13,694	14,797
Total Environmental and Public Health Services	98,000	70,142	71,063
PLANNING AND DEVELOPMENT SERVICES			
Professional/Contractual services	-	-	-
Other (watershed and slough project)	40,000	28,385	28,074
Total Planning and Development Services	40,000	28,385	28,074
RECREATION AND CULTURAL SERVICES			
Wages and benefits	3,500	4,474	2,690
Professional/Contractual services	17,050	4,945	14,063
Utilities	10,400	10,929	8,524
Maintenance, materials and supplies	3,950	8,400	2,330
Grants and contributions - operating	43,100	34,893	35,194
Subsidiary entities	-	763	1,555
Amortization	-	250	250
Total Recreation and Cultural Services	78,000	64,654	64,606
UTILITY SERVICES			
Wages and benefits	34,450	34,063	30,374
Professional/Contractual services	103,200	35,916	30,594
Utilities	18,400	13,579	14,375
Maintenance, materials and supplies	23,350	12,652	7,302
Amortization	-	22,990	20,132
Total Utility Services	179,400	119,200	102,777
TOTAL EXPENSES BY FUNCTION	2,306,570	2,231,853	2,384,876

Rural Municipality of Usborne No. 310
Consolidated Schedule of Segment Disclosure by Function
For the year ended December 31, 2021

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	30,644	-	517,382	1,032	-	118	51,695	600,871
Tangible Capital Asset Sales - Gain (Loss)	-	-	(14,369)	-	-	-	-	(14,369)
Land Sales - Gain (Loss)	-	-	-	-	-	-	-	-
Investment Income and Commissions	80,982	-	-	-	-	-	-	80,982
Other Revenues	32,449	-	-	-	-	12,425	-	44,874
Grants - Conditional	-	-	-	8,856	-	1,295	-	10,151
- Capital	-	-	89,198	-	-	-	-	89,198
Total revenues	144,075	-	592,211	9,888	-	13,838	51,695	811,707
Expenses (Schedule 3)								
Wages & Benefits	204,960	-	469,252	-	-	4,474	34,063	712,749
Professional/Contractual Services	88,464	55,392	331,183	56,448	-	4,945	35,916	572,348
Utilities	4,038	-	20,098	-	-	10,929	13,579	48,644
Maintenance Materials and Supplies	22,665	-	401,473	-	-	8,400	12,652	445,190
Grants and Contributions	1,315	200	-	13,694	-	34,893	-	50,102
Interest	-	-	-	-	-	-	-	-
Amortization	1,018	-	351,551	-	-	250	22,990	375,809
Allowance (Recovery) for Uncollectibles	(2,137)	-	-	-	-	-	-	(2,137)
Other	-	-	-	-	28,385	763	-	29,148
Total expenses	320,323	55,592	1,573,557	70,142	28,385	64,654	119,200	2,231,853
Deficit by Function	(176,248)	(55,592)	(981,346)	(60,254)	(28,385)	(50,816)	(67,505)	(1,420,146)
Taxation and other unconditional revenue (Schedule 1)								1,847,114
Net Surplus								426,968

Rural Municipality of Usborne No. 310
Consolidated Schedule of Segment Disclosure by Function
For the year ended December 31, 2020

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
								(restated - Note 13)
Revenues (Schedule 2)								
Fees and Charges	33,347	-	207,256	1,134	-	220	50,932	292,889
Tangible Capital Asset Sales - Gain (Loss)	-	-	(106,707)	-	-	-	-	(106,707)
Land Sales - Gain (Loss)	-	-	-	-	-	-	-	-
Investment Income and Commissions	95,412	-	-	-	-	-	-	95,412
Other Revenues	65,055	-	-	-	-	6,615	-	71,670
Grants - Conditional	-	-	-	1,521	-	1,295	-	2,816
- Capital	-	-	131,057	-	-	-	-	131,057
Total revenues	193,814	-	231,606	2,655	-	8,130	50,932	487,137
Expenses (Schedule 3)								
Wages & Benefits	187,947	-	521,889	-	-	2,690	30,374	742,900
Professional/Contractual Services	90,938	54,675	287,246	56,266	-	14,063	30,594	533,782
Utilities	4,264	-	19,550	-	-	8,524	14,375	46,713
Maintenance Materials and Supplies	21,769	-	516,373	-	-	2,330	7,302	547,774
Grants and Contributions	815	200	-	14,797	-	35,194	-	51,006
Amortization	1,018	-	373,127	-	-	250	20,132	394,527
Interest	-	-	-	-	-	-	-	-
Allowance for Uncollectibles	38,545	-	-	-	-	-	-	38,545
Other	-	-	-	-	28,074	1,555	-	29,629
Total expenses	345,296	54,875	1,718,185	71,063	28,074	64,606	102,777	2,384,876
Deficit by Function	(151,482)	(54,875)	(1,486,579)	(68,408)	(28,074)	(56,476)	(51,845)	(1,897,739)
Taxation and other unconditional revenue (Schedule 1)								1,789,027
Net Deficit								(108,712)

Rural Municipality of Osborne No. 310
Consolidated Schedule of Tangible Capital Assets by Object
For the year ended December 31, 2021

Schedule 6

		2021					2020		
		General Assets					General/ Infrastructure Assets Under Construction	Total	Total
		Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets		
Assets	Asset cost								
	Opening Asset costs	21,107	-	1,034,162	230,738	2,646,133	10,391,913	-	14,324,053
	Additions during the year	-	-	-	-	359,173	102,162	-	461,335
	Disposals and write-downs during the year	-	-	-	-	(45,426)	(27,208)	-	(72,634)
	Transfers (from) assets under construction	-	-	-	-	-	-	-	-
	Closing Asset Costs	21,107	-	1,034,162	230,738	2,959,880	10,466,867	-	14,712,754
Amortization	Accumulated Amortization Cost								
	Opening Accumulated Amortization Costs	-	-	188,387	115,532	747,217	4,227,830	-	5,278,966
	Add: Amortization taken	-	-	25,704	23,071	148,607	178,427	-	375,809
	Less: Accumulated amortization on disposals	-	-	-	-	(17,982)	(20,583)	-	(38,565)
	Closing Accumulated Amortization Costs	-	-	214,091	138,603	877,842	4,385,674	-	5,616,210
	Net Book Value	21,107	-	820,071	92,135	2,082,038	6,081,193	-	9,096,544
1. Total contributed/donated assets received in 2021		\$	-						
2. List of assets recognized at nominal value in 2021 are:									
- Infrastructure Assets		\$	-						
- Buildings		\$	-						
3. Amount of interest capitalized in 2021		\$	-						

Rural Municipality of Osborne No. 310
Consolidated Schedule of Tangible Capital Assets by Function
For the year ended December 31, 2021

Schedule 7

		2021							2020
		General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total
Assets	Asset cost								
	Opening Asset costs	5,148	-	13,396,432	-	-	10,407	912,066	14,324,053
	Additions during the year	-	-	461,335	-	-	-	-	461,335
	Disposals and write-downs during the year	-	-	(72,634)	-	-	-	-	(72,634)
Closing Asset Costs		5,148	-	13,785,133	-	-	10,407	912,066	14,712,754
Amortization	Accumulated Amortization Cost								
	Opening Accumulated Amortization Costs	4,072	-	5,001,268	-	-	4,500	269,126	5,278,966
	Add: Amortization taken	1,018	-	351,551	-	-	250	22,990	375,809
	Less: Accumulated amortization on disposals	-	-	(38,565)	-	-	-	-	(38,565)
Closing Accumulated Amortization Costs		5,090	-	5,314,254	-	-	4,750	292,116	5,616,210
Net Book Value		58	-	8,470,879	-	-	5,657	619,950	9,096,544
									9,045,087

Rural Municipality of Usborne No. 310
Consolidated Schedule of Accumulated Surplus
For the year ended December 31, 2021

Schedule 8

	2020	Changes	2021
	<i>(restated - Note 13)</i>		
UNAPPROPRIATED SURPLUS	5,657,059	344,248	6,001,307
APPROPRIATED RESERVES			
Machinery and Equipment	66,250	-	66,250
Heavy Haul Resurfacing Reserve	51,847	-	51,847
Lockwood Reserve	63,688	22,554	86,242
Guernsey & District Recreation Board	8,277	47	8,324
Lockwood Cemetery	24,964	11,761	36,725
Total Appropriated	215,026	34,362	249,388
ORGANIZED HAMLETS			
Hamlet of Guernsey	24,522	(3,099)	21,423
Total Hamlets	24,522	(3,099)	21,423
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	9,045,087	51,457	9,096,544
Net Investment in Tangible Capital Assets	9,045,087	51,457	9,096,544
Total Accumulated Surplus	14,941,694	426,968	15,368,662

Rural Municipality of Usborne No. 310
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	107,609,475	8,211,740	-	-	18,724,480	327,552,685	462,098,380
Regional Park Assessment							-
Total Assessment							462,098,380
Mill Rate Factor(s)	0.78	0.98	-	-	1.45		
Total Base/Minimum Tax (generated for each property class)	-	29,478	-	-	3,677		33,155
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	671,483	91,143	-	-	218,488		981,114

MILL RATES:

MILLS

Average Municipal*	7.2921
Average School*	7.6090
Potash Mill Rate	7.1864
Uniform Municipal Mill Rate	8.0000
Hamlet of Guernsey Municipal Mill Rate	12.0000

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

Rural Municipality of Usborne No. 310
Schedule of Council Remuneration
For the year ended December 31, 2021

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Jack Gibney	7,698	918	8,616
Fred Toman	7,250	870	8,120
Howard Toews	6,989	1,126	8,115
Lance Gunther	6,989	1,039	8,028
Don Shantz	6,753	1,390	8,143
Ryan Morningstar	6,398	1,270	7,668
Darren Carlson	5,689	1,140	6,829
Total	47,766	7,753	55,519