

RURAL MUNICIPALITY OF VICTORY NO. 226

Auditor's Report

Financial Statements

December 31, 2021

MANAGEMENT'S RESPONSIBILITY

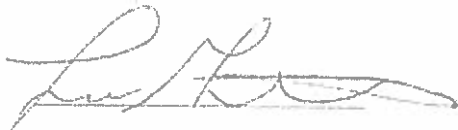
To the Ratepayers of
Rural Municipality of Victory No. 226 :

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

In discharging its responsibilities for the integrity and fair presentation of the consolidated financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are properly maintained to provide reliable information for the preparation of the consolidated 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 administration and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the Municipality's external auditors.

Jensen Stromberg Chartered Professional Accountants, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and administration to discuss their audit findings.



Reeve



Administrator

INDEPENDENT AUDITOR'S REPORT

To the Reeve and Council of Rural Municipality of Victory No. 226

Qualified Opinion

We have audited the consolidated financial statements of Rural Municipality of Victory No. 226, which comprise the consolidated statement of financial position as at **December 31, 2021** and the consolidated statements of financial activities, changes in net financial assets, and changes in financial position for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements, present fairly, in all material respects, the financial position of the Rural Municipality as at **December 31, 2021** and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

As outlined in Note 8 to the consolidated financial statements, the municipality maintains a solid waste landfill site for which it has recorded an estimate of its closure and post-closure liabilities, but in a manner that is not consistent with Canadian public sector accounting standards. This constitutes a departure from Canadian public sector accounting standards, which require the closure and post-closure liabilities to be recognized on a volumetric basis as the landfill is used, beginning when the site first accepts waste. This is the result of a cost-benefits decision take by management not to engage a third party to determine the liability. The impact of this departure from Canadian public sector accounting standards has not been determined and therefore, we were not able to determine whether any adjustments might be necessary to surplus (deficit) of revenues over expenditures and cash flows for the year ended December 31, 2021, landfill closure and post-closure liabilities as at December 31, 2021 and net financial assets as at December 31, 2021. Our audit opinion on the consolidated financial statements for the year ended December 31, 2020 was modified because of the effects of this departure from Canadian public sector accounting standards.

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 Financial Statements* section of our report. We are independent of the Rural Municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these 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 financial statements, management is responsible for assessing the Rural Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and the use of the going concern basis of accounting unless management either intends to liquidate the Rural Municipality or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Rural Municipality's financial reporting process.

Auditor's Responsibility 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 Rural 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 Rural 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 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 Rural Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Saskatoon, Saskatchewan
March 10, 2022


Chartered Professional Accountants

RURAL MUNICIPALITY OF VICTORY NO. 226**Statement 1****CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

December 31, 2021
with comparative figures for 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Financial assets:		
Cash and temporary investments (Note 2)	\$ 973,829	1,274,216
Taxes receivable - Municipal (Note 3)	40,139	22,223
Other accounts receivable (Note 4)	54,123	50,006
Land for re-sale (Note 5)	1,042	1,116
Long-term investments (Note 6)	77,606	71,910
Other	-	-
Total financial assets	<u>1,146,739</u>	<u>1,419,471</u>
<u>LIABILITIES</u>		
Bank indebtedness	-	-
Accounts payable	14,613	58,154
Accrued liabilities payable	-	-
Deposits	-	-
Deferred revenue (Note 7)	263	381
Accrued landfill costs (Note 8)	75,000	75,000
Liability for contaminated sites	-	-
Other liabilities	-	-
Long-term debt (Note 9)	-	-
Lease obligations	-	-
Total liabilities	<u>89,876</u>	<u>133,535</u>
NET FINANCIAL ASSETS (DEBT)	1,056,863	1,285,936
Non-financial assets:		
Tangible capital assets (Schedule 6, 7)	2,749,504	2,455,448
Prepaid and deferred charges	-	-
Stock and supplies	263,755	331,201
Other	-	-
Total non-financial assets	<u>3,013,259</u>	<u>2,786,649</u>
	<u>\$ 4,070,122</u>	<u>4,072,585</u>
Accumulated Surplus (Schedule 8)	<u>\$ 4,070,122</u>	<u>4,072,585</u>

APPROVED ON BEHALF OF COUNCIL:

Reeve

Councillor

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

Statement 2

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year ended December 31, 2021
with comparative figures for 2020

		<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Revenues:				
Taxes and other unconditional revenue	(Schedule 1)	\$ 1,177,460	1,163,701	1,034,341
Fees and charges	(Schedule 4, 5)	52,445	81,671	94,149
Conditional grants	(Schedule 4, 5)	5,393	11,012	7,410
Tangible capital asset sales - gain (loss)	(Schedule 4, 5)	-	(56,655)	-
Land sales - gain (loss)	(Schedule 4, 5)	-	-	-
Investment income and commissions	(Schedule 4, 5)	7,050	10,929	12,056
Restructurings	(Schedule 4, 5)	-	-	-
Other revenues	(Schedule 4, 5)	-	2,222	-
Total Revenues		<u>1,242,348</u>	<u>1,212,880</u>	<u>1,147,956</u>
Expenditures:				
General government services	(Schedule 3)	212,954	210,274	193,676
Protective services	(Schedule 3)	43,857	68,105	67,884
Transportation services	(Schedule 3)	1,204,733	911,838	738,726
Environmental and public health services	(Schedule 3)	126,800	57,095	50,316
Planning and development services	(Schedule 3)	500	-	-
Recreation and cultural services	(Schedule 3)	17,713	15,075	29,375
Utility services	(Schedule 3)	3,300	1,672	-
Restructurings	(Schedule 3)	-	-	-
Total Expenditures		<u>1,609,857</u>	<u>1,264,059</u>	<u>1,079,977</u>
Surplus (deficit) of revenues over expenditures before other capital contributions		<u>(367,509)</u>	<u>(51,179)</u>	<u>67,979</u>
Provincial/Federal capital grants and contributions	(Schedule 4, 5)	<u>25,897</u>	<u>48,716</u>	<u>117,727</u>
Surplus (deficit) of revenues over expenditures		<u>(341,612)</u>	<u>(2,463)</u>	<u>185,706</u>
Accumulated surplus (deficit), beginning of year		<u>4,072,585</u>	<u>4,072,585</u>	<u>3,886,879</u>
Accumulated surplus (deficit), end of year		<u>\$ 3,730,973</u>	<u>4,070,122</u>	<u>4,072,585</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

Statement 3

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Surplus (deficit)	\$ (341,612)	(2,463)	185,706
(Acquisition) of tangible capital assets	(375,450)	(681,872)	(380,908)
Amortization of tangible capital assets	197,949	166,212	196,206
Proceeds on disposal of tangible capital assets	152,500	164,950	-
Loss (gain) on disposal of tangible capital assets	-	56,655	-
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (deficit) of capital expenses over expenditures	(25,001)	(294,055)	(184,702)
(Acquisition) of supplies inventories	-	(16,138)	(10,607)
(Acquisition) of prepaid expenses	-	-	-
Consumption of supplies inventories	-	83,583	97,287
Use of prepaid expenses	-	-	22,701
Surplus (deficit) of expenses of other non-financial over expenditures	-	67,445	109,381
Increase (decrease) in Net Financial Assets	(366,613)	(229,073)	110,385
Net Financial Assets (Debt) - Beginning of the year	1,285,936	1,285,936	1,175,551
Net Financial Assets (Debt)- End of year	\$ 919,323	1,056,863	1,285,936

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

Statement 4

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 2021
with comparative figures for 2020

Cash provided by (used in) the following activities:	2021	2020
Operating:		
Surplus (deficit)	\$ (2,463)	185,706
Amortization	166,212	196,206
Loss (gain) on disposal of tangible capital assets	<u>56,655</u>	<u>-</u>
	220,404	381,912
Change in assets/liabilities		
Taxes receivable - Municipal	(17,916)	12,766
Other accounts receivable	(4,116)	184
Land for re-sale	73	(436)
Other financial assets	-	-
Accounts and accrued liabilities payable	(43,542)	(133,005)
Deposits	-	-
Deferred revenue	(117)	(26,715)
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Stock and supplies	67,446	86,680
Prepayments and deferred charges	-	-
Other (Bridge Project)	<u>-</u>	<u>22,701</u>
Net cash from operations	<u>222,232</u>	<u>344,087</u>
Capital:		
Acquisition of capital assets	(681,872)	(380,908)
Proceeds from the disposal of capital assets	164,950	-
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(516,922)</u>	<u>(380,908)</u>
Investing:		
Long-term investments	(5,697)	(4,384)
Other investments	<u>-</u>	<u>-</u>
Net cash used for investing	<u>(5,697)</u>	<u>(4,384)</u>
Financing activities:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	-	-
Other financing	<u>-</u>	<u>-</u>
Net cash from financing	<u>-</u>	<u>-</u>
Increase (decrease) in cash resources	(300,387)	(41,205)
Cash and temporary investments, beginning of year	<u>1,274,216</u>	<u>1,315,421</u>
Cash and temporary investments, end of year (Note 2)	<u>\$ 973,829</u>	<u>1,274,216</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues 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.

(b) Reporting Entity

The financial statements consolidate the assets, liabilities and flow of resources of the Municipality. The entity is comprised of all organizations owned or controlled by the Municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

Entities included in these financial statements are as follows:

Entity

Beechy & District Fire Council - 50%

All inter-organizational transactions and balances have been eliminated.

(c) Collection of funds for other authorities

Collection of funds by the municipality for the school board, municipal hail and conservation and development authorities are collected and remitted in accordance with the relevant legislation. The amounts collected are disclosed in Note 3.

(d) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. 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.

(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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Net-financial assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.

(f) Non-Financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to

RURAL MUNICIPALITY OF VICTORY NO. 226
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021

discharge the liabilities of the government unless they are sold.

(g) Appropriated Reserves

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

(h) 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.

(i) Investments

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment.

Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment. The long-term investments in the Saskatchewan Association of Rural Municipalities - Self Insurance Fund are accounted for on the equity basis.

(j) Inventories

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

RURAL MUNICIPALITY OF VICTORY NO. 226

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) **Tangible Capital Assets**

All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of the contribution. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The costs 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 was updated February 2019 and are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land improvements	10 to 25 years
Buildings	10 to 50 years
Vehicles and equipment	
Vehicles	5 to 10 years
Machinery & Equipment	5 to 15 years
<i>Infrastructure Assets</i>	
Infrastructure assets	30 to 75 Years
Water and sewer	30 to 75 years
Road network assets	30 to 75 years

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

(l) **Landfill liability**

The Municipality maintains a waste disposal site. The costs to close and maintain sold waste landfill sites are based on estimated future expenses, adjusted for inflation and discounted to current dollars. The annual provision is recorded as an expense and the accumulated provision is reported as a liability on the consolidated statement of financial position. Recommended disclosure is provided in Note 8.

RURAL MUNICIPALITY OF VICTORY NO. 226
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Trust Funds

Funds held in trust for others, under a trust agreement or statute, are not included in the consolidated financial statements as they are not controlled by the municipality. Trust fund activities administered by the municipality are disclosed in Note 14.

(n) 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:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) the municipality:
 - i. is directly responsible; or
 - ii. accepts responsibility;
- d) it is expected that future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

(o) Employee benefit plans

Contributions to the municipality's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to its contributions.

(p) Measurement Uncertainty

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts 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 period in which they become known.

RURAL MUNICIPALITY OF VICTORY NO. 226
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021

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 borrowing.

These 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 the delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

2. CASH AND TEMPORARY INVESTMENTS

	<u>2021</u>	<u>2020</u>
Cash	\$ 952,126	1,261,474
Temporary investments	-	-
Restricted Cash (Bechy & District Fire Council)	<u>21,703</u>	<u>12,742</u>
	<u>\$ 973,829</u>	<u>1,274,216</u>

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 other than specific current purposes is included in restricted cash.

RURAL MUNICIPALITY OF VICTORY NO. 226
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. TAXES AND GRANTS IN LIEU RECEIVABLE

	<u>2021</u>	<u>2020</u>
Municipal: - Current	\$ 37,944	21,935
- Arrears	<u>2,195</u>	<u>288</u>
	40,139	22,223
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Total municipal taxes receivable	<u>40,139</u>	<u>22,223</u>
School: - Current	10,891	5,875
- Arrears	<u>82</u>	<u>202</u>
Total school taxes receivable	<u>10,973</u>	<u>6,077</u>
Other: - Current	6,108	6,150
- Arrears	<u>-</u>	<u>-</u>
Total other collections receivable	<u>6,108</u>	<u>6,150</u>
Total taxes and grants in lieu receivable	57,220	34,450
Deduct taxes receivable to be collected on behalf of other organizations	<u>(17,081)</u>	<u>(12,227)</u>
Total taxes receivable - Municipal	<u>\$ 40,139</u>	<u>22,223</u>

4. OTHER ACCOUNTS RECEIVABLE

	<u>2021</u>	<u>2020</u>
Federal government	\$ 44,854	30,150
Provincial government	3,530	-
Local government	2,146	2,027
Utility	-	-
Trade	1,259	4,970
Other (share of Beechy & District Fire Council)	<u>2,334</u>	<u>12,859</u>
Total other accounts receivable	54,123	50,006
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Net other accounts receivable	<u>\$ 54,123</u>	<u>50,006</u>

RURAL MUNICIPALITY OF VICTORY NO. 226
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021

5. LAND FOR RESALE

	<u>2021</u>	<u>2020</u>
Tax title property	\$ 4,315	5,076
Less: - allowance for market value adjustment	(1,334)	(1,698)
- due to other taxing authorities	<u>(1,939)</u>	<u>(2,262)</u>
Net tax title Property	<u>1,042</u>	<u>1,116</u>
Other land	-	-
Less: - allowance for market value adjustment	<u>-</u>	<u>-</u>
Net other land	<u>-</u>	<u>-</u>
Total land for resale	<u>\$ 1,042</u>	<u>1,116</u>

6. LONG-TERM INVESTMENTS

	<u>2021</u>	<u>2020</u>
Sask. Assoc. of Rural Municipalities - Self-insurance fund	\$ 52,628	49,572
Sask. Assoc. of Rural Municipalities - Property-insurance fund	<u>24,978</u>	<u>22,338</u>
Total long term investments	<u>\$ 77,606</u>	<u>71,910</u>

7. DEFERRED REVENUE

	<u>2021</u>	<u>2020</u>
Prepaid and deferred charges	<u>\$ 263</u>	<u>381</u>

8. ACCRUED LANDFILL COSTS

	<u>2021</u>	<u>2020</u>
Accrued landfill costs	<u>\$ 75,000</u>	<u>75,000</u>

In 2021 the Municipality has accrued an overall liability for environmental matters in the amount of \$75,000 (2019 - \$75,000) which represents management's best estimate of this liability. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.

9. LONG-TERM DEBT

The authorized debt limit for the Municipality is \$751,122. The authorized 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)). The incremental debt above the debt limit authorized in the *Municipalities Act* is approved by the Saskatchewan Municipal Board.

RURAL MUNICIPALITY OF VICTORY NO. 226
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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10. CONTINGENT LIABILITIES

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

11. PENSION PLAN

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multi-employer 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's pension expense in 2021 was \$31,896 (2020 - \$26,450). 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.

Based on the latest information available (December 31, 2020 Audited Financial Statements) the Municipal Employees Pension Plan had a surplus in the net assets available for benefits of \$838,900,000. This is based on the most recent actuarial valuation, completed December 31, 2019. The Rural Municipality's portion of this is not readily determinable.

12. COMPARATIVE FIGURES

Certain of the prior year comparative figures may have been restated to conform to the current year's presentation.

13. RELATED PARTIES

The consolidated financial statements include transactions with related parties. The Municipality is related to Beechy & District Fire council under common control of the Council.

Transactions with related parties are in the normal course of operations and are settled on normal trade terms.

RURAL MUNICIPALITY OF VICTORY NO. 226
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December 31, 2021

14. TRUSTS ADMINISTERED BY THE MUNICIPALITY

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

	<u>2021</u>	<u>2020</u>
Health Funds & History Books		
Balance - beginning of year	\$ 75,495	74,471
Revenue (History Book sales)	195	780
Revenue (Donations)	-	-
Interest revenue	<u>-</u>	<u>244</u>
Balance - end of year	<u>\$ 75,690</u>	<u>75,495</u>

15. BUDGET

The Financial Plan (Budget) adopted by Council on May 6, 2021 does not include the budget for the Beechy and District Fire Council. The budget was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget expensed shows transfer to reserve as an expense. As a result, the budget figures presented in the statements of operations and change in net financial assets include the following adjustments:

	<u>2021</u>
Budget net surplus	\$ (366,612)
Add: Transfer to reserves	<u>25,000</u>
Budget surplus per statement of operations	<u>\$ (341,612)</u>

RURAL MUNICIPALITY OF VICTORY NO. 226
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021

16. BEECHY & DISTRICT FIRE COUNCIL

The Municipality and the Village of Beechy (the "Members") jointly own and operate the Beechy & District Regional Fire Council (the "Council"), a regional fire council created under the authority of the Municipalities Act of the Province of Saskatchewan by bylaw of the members.

The following is 100% of the financial position and result of operations of the Council, a non-business government partnership, of which 50% has been proportionately consolidated into the financial statements of Members:

	2021 100%	2021 50%	2020 100%	2020 50%
Financial Position				
Financial Assets				
Cash	\$ 43,406	21,703	25,484	12,742
Accounts receivable	4,668	2,334	25,718	12,859
	<u>48,074</u>	<u>24,037</u>	<u>51,202</u>	<u>25,601</u>
Liabilities				
Accounts Payable	570	285	3,940	1,970
	<u>570</u>	<u>285</u>	<u>3,940</u>	<u>1,970</u>
Net Financial Assets	47,504	23,752	47,262	23,631
Non-financial Assets				
Tangible Capital Assets	129,242	64,621	139,638	69,819
Accumulated Surplus	\$ <u>176,746</u>	<u>88,373</u>	<u>186,900</u>	<u>93,450</u>
Operations				
Revenues	\$ 53,218	26,609	63,014	31,507
Expenses	<u>(63,372)</u>	<u>(31,686)</u>	<u>(67,526)</u>	<u>(33,763)</u>
Annual deficit	(10,154)	(5,077)	(4,512)	(2,256)
Accumulated Surplus, opening	<u>186,900</u>	<u>93,450</u>	<u>191,412</u>	<u>95,706</u>
Accumulated Surplus, closing	\$ <u>176,746</u>	<u>88,373</u>	<u>186,900</u>	<u>93,450</u>

RURAL MUNICIPALITY OF VICTORY NO. 226
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021

17. RECENT ACCOUNTING PRONOUNCEMENTS

A number of new and amended standards have been issued that may impact the Rural Municipality:

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 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 is 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 is 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.

Standards Effective On Or After April 1, 2023:

PS 3400 Revenue is 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 Rural Municipality continues to assess the impacts of the above accounting standards. The extent of impact resulting from the adoption of these standards is not known at this time.

RURAL MUNICIPALITY OF VICTORY NO. 226

SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
TAXES			
General municipal tax levy	\$ 980,637	981,610	824,071
Abatements and adjustments	-	-	-
Discount on current year taxes	(20,000)	(37,060)	(31,609)
Net municipal taxes	<u>960,637</u>	<u>944,550</u>	<u>792,462</u>
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	1,500	3,827	2,286
Special tax levy	3,245	3,246	3,441
Other	-	-	-
Total Taxes	<u>965,382</u>	<u>951,623</u>	<u>798,189</u>
UNCONDITIONAL GRANTS			
Revenue sharing	206,541	206,541	207,810
Organized Hamlet	4,580	4,580	4,611
Other (Safe Restart)	-	-	22,669
Total Unconditional Grants	<u>211,121</u>	<u>211,121</u>	<u>235,090</u>
GRANTS IN LIEU OF TAXES			
Federal	-	-	-
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
TransGas	-	-	-
SPMC - Municipal Share	-	-	-
Sasktel	957	957	1,062
Other	-	-	-
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other	-	-	-
Other Government Transfers			
S.P.C. Surcharge	-	-	-
Other	-	-	-
Total Grants in Lieu of Taxes	<u>957</u>	<u>957</u>	<u>1,062</u>
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	<u>\$ 1,177,460</u>	<u>1,163,701</u>	<u>1,034,341</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 595	1,367	557
Sales of supplies	1,200	939	1,282
Other (Rentals)	1,200	1,313	1,763
Total Fees and Charges	2,995	3,619	3,602
Tangible capital asset sales - gain (loss)	-	-	-
Land sales - gain (loss)	-	-	-
Investment income and commissions	7,050	10,929	12,056
Other	-	-	-
Total other segmented revenue	10,045	14,548	15,658
Conditional Grants			
Student employment	-	-	-
Other (TSSI)	-	5,045	-
Total Conditional Grants	-	5,045	-
Total Operating	10,045	19,593	15,658
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total General Government Services	10,045	19,593	15,658
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Fire fees	-	26,609	31,507
Total Fees and Charges	-	26,609	31,507
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	26,609	31,507
Conditional Grants			
Student employment	-	-	-
Local government	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	26,609	31,507
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Provincial Disaster Assistance	-	-	-
Local government	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Protective Services	-	26,609	31,507

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 23,000	27,975	27,106
Sales of supplies	20,150	12,618	25,059
Road Maintenance and Restoration Agreements	1,800	1,772	2,035
Frontage	-	-	-
Other	-	-	-
Total Fees and Charges	44,950	42,365	54,200
Tangible capital asset sales - gain (loss)	-	(56,655)	-
Other	-	2,222	-
Total other segmented revenue	44,950	(12,068)	54,200
Conditional Grants			
Primary Weight Corridor	-	-	-
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	<u>44,950</u>	<u>(12,068)</u>	<u>54,200</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	23,484	46,303	60,697
MREP (Heavy Haul, CTP, Municipal Bridges)	-	-	-
Provincial Disaster Assistance	-	-	-
Other (Municipal Economic Enhancement Program)	-	-	54,617
Total Capital	<u>23,484</u>	<u>46,303</u>	<u>115,314</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Transportation Services	<u>68,434</u>	<u>34,235</u>	<u>169,514</u>
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Waste and Disposal Fees	-	-	-
Other (Sale of Pest Control products)	4,500	9,078	4,840
Total Fees and Charges	4,500	9,078	4,840
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	4,500	9,078	4,840
Conditional Grants			
Student employment	-	-	-
TAPD	-	-	-
Local government	3,521	3,540	5,538
Other (MMSW)	1,872	2,427	1,872
Total Conditional Grants	5,393	5,967	7,410
Total Operating	<u>9,893</u>	<u>15,045</u>	<u>12,250</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
TAPD	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Environmental and Public Health Services Services	<u>9,893</u>	<u>15,045</u>	<u>12,250</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Maintenance and Development Charges	\$ -	-	-
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	-	-
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Planning and Development Services	-	-	-
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Sales of supplies	-	-	-
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	-	-
Conditional Grants			
Student Employment	-	-	-
Local government	-	-	-
Donations	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Local government	2,413	2,413	2,413
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	2,413	2,413	2,413
Restructuring Revenue	-	-	-
Total Recreation and Cultural Services	2,413	2,413	2,413

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Water	\$ -	-	-
Sewer	-	-	-
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	-	-
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
New Building Canada Fund (SCF, NRP)	-	-	-
Clean Water and Wastewater Fund	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Utility Services	-	-	-
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 90,785</u>	<u>97,895</u>	<u>231,342</u>
SUMMARY			
Total Other Segmented Revenue	\$ 59,495	38,167	106,205
Total Conditional Grants	5,393	11,012	7,410
Total Capital Grants and Contributions	25,897	48,716	117,727
Restructuring Revenue	-	-	-
TOTAL REVENUE BY FUNCTION	<u>\$ 90,785</u>	<u>97,895</u>	<u>231,342</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 26,000	23,633	24,237
Wages and benefits	127,410	128,008	112,488
Professional/Contractual services	37,085	36,600	31,280
Utilities	5,060	4,596	4,529
Maintenance, materials, and supplies	16,700	16,734	20,441
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	669	669	669
Interest	30	34	32
Allowance for uncollectibles	-	-	-
General Government Services	<u>212,954</u>	<u>210,274</u>	<u>193,676</u>
Restructuring	-	-	-
Total General Government Services	<u>212,954</u>	<u>210,274</u>	<u>193,676</u>
PROTECTIVE SERVICES			
Police protection			
Wages and benefits	-	-	-
Professional/Contractual services	18,500	18,794	18,303
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating	200	-	200
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Fire protection			
Wages and benefits	-	-	-
Professional/Contractual services	6,000	3,559	3,475
Utilities	600	480	526
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating	12,760	12,760	12,760
-capital	-	-	-
Amortization	5,797	6,024	4,053
Interest	-	-	-
Other (Beechy & District Fire Council)	-	26,488	28,567
Protective Services	<u>43,857</u>	<u>68,105</u>	<u>67,884</u>
Restructuring	-	-	-
Total Protective Services	<u>43,857</u>	<u>68,105</u>	<u>67,884</u>
TRANSPORTATION SERVICES			
Council remuneration and travel	4,800	3,226	2,280
Wages and benefits	320,500	304,103	229,828
Professional/Contractual services	359,250	49,327	49,792
Utilities	10,300	9,085	9,020
Maintenance, materials, and supplies	174,500	211,052	134,399
Gravel	130,000	161,635	121,924
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	191,483	159,519	191,483
Interest	-	-	-
Other (Grader rental)	13,900	13,891	-
Transportation Services	<u>1,204,733</u>	<u>911,838</u>	<u>738,726</u>
Restructuring	-	-	-
Total Transportation Services	<u>1,204,733</u>	<u>911,838</u>	<u>738,726</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	\$ -	-	-
Professional/Contractual services	93,000	31,508	28,910
Utilities	5,800	4,317	5,521
Maintenance, materials, and supplies	25,000	18,270	15,885
Grants and contributions			
-operating			
Waste disposal	3,000	3,000	-
Public health	-	-	-
-capital			
Waste disposal	-	-	-
Public health	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Environmental and Public Health Services	<u>126,800</u>	<u>57,095</u>	<u>50,316</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Environmental and Public Health Services	<u>126,800</u>	<u>57,095</u>	<u>50,316</u>
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	500	-	-
Grants and contributions			
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Planning and Development Services	<u>500</u>	<u>-</u>	<u>-</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Planning and Development Services	<u>500</u>	<u>-</u>	<u>-</u>
RECREATION AND CULTURAL SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	8,200	8,122	8,122
Utilities	-	-	-
Maintenance, materials, and supplies	2,500	-	-
Grants and contributions			
-operating	2,413	2,413	16,713
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other (Donations)	4,600	4,540	4,540
Recreation and Cultural Services	<u>17,713</u>	<u>15,075</u>	<u>29,375</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Recreation and Cultural Services	<u>17,713</u>	<u>15,075</u>	<u>29,375</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
UTILITY SERVICES			
Wages and benefits	\$ -	-	-
Professional Contractual services	3,300	1,672	-
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other	-	-	-
Utility Services	<u>3,300</u>	<u>1,672</u>	<u>-</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Services	<u>3,300</u>	<u>1,672</u>	<u>-</u>
 TOTAL EXPENDITURES BY FUNCTION	 \$ <u>1,609,857</u>	 <u>1,264,059</u>	 <u>1,079,977</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

Schedule 4

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2021

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and charges	\$ 3,619	26,609	42,365	9,078	-	-	-	81,671
Tangible capital asset sales - Gain (loss)	-	-	(56,655)	-	-	-	-	(56,655)
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	10,929	-	-	-	-	-	-	10,929
Other revenues	-	-	2,222	-	-	-	-	2,222
Grants - Conditional	5,045	-	-	5,967	-	-	-	11,012
Grants - Capital	-	-	46,303	-	-	2,413	-	48,716
Restructurings	-	-	-	-	-	-	-	-
Total revenues	<u>19,593</u>	<u>26,609</u>	<u>34,235</u>	<u>15,045</u>	<u>-</u>	<u>2,413</u>	<u>-</u>	<u>97,895</u>
Expenses (Schedule 3)								
Wages & Benefits	151,641	-	307,329	-	-	-	-	458,970
Professional/Contractual Services	36,600	22,353	49,327	31,508	-	8,122	1,672	149,582
Utilities	4,596	480	9,085	4,317	-	-	-	18,478
Maintenance, materials and supplies	16,734	-	372,687	18,270	-	4,540	-	412,231
Grants and contributions	-	12,760	-	3,000	-	2,413	-	18,173
Amortization	669	6,024	159,519	-	-	-	-	166,212
Interest	34	-	-	-	-	-	-	34
Allowance for uncollectibles	-	-	-	-	-	-	-	-
Other	-	26,488	13,891	-	-	-	-	40,379
Restructurings	-	-	-	-	-	-	-	-
Total expenses	<u>210,274</u>	<u>68,105</u>	<u>911,838</u>	<u>57,095</u>	<u>-</u>	<u>15,075</u>	<u>1,672</u>	<u>1,264,059</u>
Surplus (deficit) by function	(190,681)	(41,496)	(877,603)	(42,050)	-	(12,662)	(1,672)	(1,166,164)
Taxation and other unconditional revenue (Schedule 1)								<u>1,163,701</u>
Net Surplus (Deficit)								<u>\$ (2,463)</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
Year ended December 31, 2020

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and charges	\$ 3,602	31,507	54,200	4,840	-	-	-	94,149
Tangible capital asset sales - Gain (loss)	-	-	-	-	-	-	-	-
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	12,056	-	-	-	-	-	-	12,056
Other revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	-	7,410	-	-	-	7,410
Grants - Capital	-	-	115,314	-	-	2,413	-	117,727
Restructurings	-	-	-	-	-	-	-	-
Total revenues	<u>15,658</u>	<u>31,507</u>	<u>169,514</u>	<u>12,250</u>	<u>-</u>	<u>2,413</u>	<u>-</u>	<u>231,342</u>
Expenses (Schedule 3)								
Wages & Benefits	136,725	-	232,108	-	-	-	-	368,833
Professional/Contractual Services	31,280	21,778	49,792	28,910	-	8,122	-	139,882
Utilities	4,529	526	9,020	5,521	-	-	-	19,596
Maintenance, materials and supplies	20,441	-	256,323	15,885	-	-	-	292,649
Grants and contributions	-	12,960	-	-	-	16,713	-	29,673
Amortization	669	4,053	191,483	-	-	-	-	196,205
Interest	32	-	-	-	-	-	-	32
Allowance for uncollectibles	-	-	-	-	-	-	-	-
Other	-	28,567	-	-	-	4,540	-	33,107
Restructurings	-	-	-	-	-	-	-	-
Total expenses	<u>193,676</u>	<u>67,884</u>	<u>738,726</u>	<u>50,316</u>	<u>-</u>	<u>29,375</u>	<u>-</u>	<u>1,079,977</u>
Surplus (deficit) by function	(178,018)	(36,377)	(569,212)	(38,066)	-	(26,962)	-	(848,635)
Taxation and other unconditional revenue (Schedule 1)								<u>1,034,341</u>
Net Surplus (Deficit)								<u>\$ 185,706</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

Year ended December 31, 2021
with comparative figures for 2020

	2021							2020
	General Assets					Infrastructure Assets	General / Infrastructure Assets Under Construction	
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Total	Total
Asset cost								
Opening asset costs	\$ 15,864	10,464	96,072	138,232	1,868,867	2,614,239	-	4,743,738
Additions during the year	-	-	-	-	419,768	262,105	-	681,873
Disposals and write-downs during the year	-	-	-	-	(369,342)	-	-	(369,342)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
Closing asset costs	<u>15,864</u>	<u>10,464</u>	<u>96,072</u>	<u>138,232</u>	<u>1,919,293</u>	<u>2,876,344</u>	<u>-</u>	<u>4,743,738</u>
Accumulated amortization cost								
Opening accumulated amortization costs	-	1,395	50,767	40,048	802,230	1,393,850	-	2,288,290
Add: Amortization taken	-	698	1,496	9,179	118,581	36,258	-	166,212
Less: Accumulated amortization on disposals	-	-	-	-	(147,737)	-	-	(147,737)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	<u>-</u>	<u>2,093</u>	<u>52,263</u>	<u>49,227</u>	<u>773,074</u>	<u>1,430,108</u>	<u>-</u>	<u>2,306,765</u>
Net book value	<u>\$ 15,864</u>	<u>8,371</u>	<u>43,809</u>	<u>89,005</u>	<u>1,146,219</u>	<u>1,446,236</u>	<u>-</u>	<u>2,749,504</u>

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: \$ -

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION

Year ended December 31, 2021
with comparative figures for 2020

	2021							2020
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total
Asset cost								
Opening asset costs	\$ 53,049	122,912	4,515,850	51,127	-	300	500	4,743,738
Additions during the year	-	-	681,873	-	-	-	-	681,873
Disposals and write-downs during the year	-	-	(369,342)	-	-	-	-	(369,342)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
Closing asset costs	<u>53,049</u>	<u>122,912</u>	<u>4,828,381</u>	<u>51,127</u>	<u>-</u>	<u>300</u>	<u>500</u>	<u>5,056,269</u>
Accumulated amortization cost								
Opening accumulated amortization costs	23,958	34,954	2,191,192	38,186	-	-	-	2,288,290
Add: Amortization taken	669	6,024	159,519	-	-	-	-	166,212
Less: Accumulated amortization on disposals	-	-	(147,737)	-	-	-	-	(147,737)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	<u>24,627</u>	<u>40,978</u>	<u>2,202,974</u>	<u>38,186</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,306,765</u>
Net book value	<u>\$ 28,422</u>	<u>81,934</u>	<u>2,625,407</u>	<u>12,941</u>	<u>-</u>	<u>300</u>	<u>500</u>	<u>2,749,504</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226
CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS
Year ended December 31, 2021

	<u>2020</u>	<u>Changes</u>	<u>2021</u>
UNAPPROPRIATED SURPLUS	\$ <u>1,195,330</u>	<u>160,241</u>	<u>1,355,571</u>
APPROPRIATED RESERVES			
Machinery and equipment	212,000	25,000	237,000
Public reserve	-	-	-
Capital trust	-	-	-
Utility	-	-	-
Other (Beechy & District Fire Council)	93,450	2,257	95,707
Other (Landfill)	<u>40,000</u>	<u>20,000</u>	<u>60,000</u>
Total Appropriated	<u>345,450</u>	<u>47,257</u>	<u>392,707</u>
ORGANIZED HAMLETS			
Hamlet of Demaine	<u>46,912</u>	<u>4,186</u>	<u>51,098</u>
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	2,484,893	(214,147)	2,270,746
Less: Related debt	<u>-</u>	<u>-</u>	<u>-</u>
Net Investment in Tangible Capital Assets	<u>2,484,893</u>	<u>(214,147)</u>	<u>2,270,746</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Total Accumulated Surplus	\$ <u>4,072,585</u>	<u>(2,463)</u>	<u>4,070,122</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

SCHEDULE OF MILL RATES AND ASSESSMENTS

Year ended December 31, 2021

	PROPERTY CLASS						Total
	<u>Agriculture</u>	<u>Residential</u>	<u>Residential Condominium</u>	<u>Seasonal Residential</u>	<u>Commercial & Industrial</u>	<u>Potash Mine(s)</u>	
Taxable Assessment	\$ 152,277,720	10,398,680	-	-	1,105,493	-	\$ 163,781,893
Regional Park Assessment							-
Total Assessment							\$ 163,781,893
Mill Rate Factor(s)	1.0000	1.0000	1.0000	1.0000	1.2500		
Total Base/Minimum Tax (generated for each property class)	-	5,400	-	-	500		5,900
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ 944,122	29,075	-	-	8,413		981,610

MILL RATES:

	<u>MILLS</u>
Average Municipal*	5.993
Average School*	1.592
Potash Mill Rate	-
Uniform Municipal Mill Rate	6.200

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

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

SCHEDULE OF COUNCIL REMUNERATION

Year ended December 31, 2021

Position	Name	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Reeve	H. Lee Galbraith	\$ 4,350	267	4,617
Councilor	Kerry Ringrose	2,550	458	3,008
Councilor	Chad Peters	3,675	579	4,254
Councilor	Devin Hermanson	2,250	560	2,810
Councilor	Colten Sander	1,800	217	2,017
Councillor	Wayne Jansen	3,600	686	4,286
Councillor	Harold Gates	3,150	537	3,687
Total		<u>\$ 21,375</u>	<u>3,304</u>	<u>24,679</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF VICTORY NO. 226

SCHEDULE OF RESTRUCTURING

Year ended December 31, 2021

Carrying Amount of Assets and Liabilities Transferred/Received at Restructuring Date

Cash and temporary investments	\$ -
Taxes Receivable - Municipal	-
Other accounts receivable	-
Land for resale	-
Long-term investments	-
Debt charges recoverable	-
Bank indebtedness	-
Accounts payable	-
Accrued liabilities payable	-
Deposits	-
Deferred revenue	-
Accrued landfill costs	-
Liability for contaminated sites	-
Other liabilities	-
Long-term debt	-
Lease obligations	-
Tangible capital assets	-
Prepayments and deferred charges	-
Stock and supplies	-
Other	-
Total Net Carrying Amount Received (Transferred)	\$ -

See accompanying notes to the financial statements.