



RESORT VILLAGE OF CHITEK LAKE

FINANCIAL STATEMENTS

For the year ended December 31, 2020

RESORT VILLAGE OF CHITEK LAKE
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STATEMENT OF RESPONSIBILITY

To the Ratepayers of the Resort Village of Chitek Lake:

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

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

The Council is composed of elected officials who are not employees of the Resort Village. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities. The Council fulfills these responsibilities by reviewing the financial information prepared by administration and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the Resort Village's external auditors.

Sensus Chartered Professional Accountants Ltd., 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.

Mayor

Administrator



INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of:
Resort Village of Chitek Lake
Chitek Lake, Saskatchewan

Qualified Opinion

We have audited the financial statements of the Resort Village of Chitek Lake, which comprise the statement of financial position as at December 31, 2020 and the statement of operations, statement of changes in net debt, and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, except for the matters described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Resort Village of Chitek Lake as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Comparative Figures

The financial statements for the year ended December 31, 2019 were audited by another public accounting firm who expressed a qualified opinion dated June 24, 2020.

Basis for Qualified Opinion

The Resort Village of Chitek Lake does not maintain detailed records of all individual tangible capital assets that make up the balance capitalized in these financial statements. We were, therefore, unable to obtain assurance over the tangible capital asset and amortization expense balances for the year ended December 31, 2020, as well as the comparative tangible capital asset and amortization expense balances for the year ended December 31, 2019. The effects of this departure, if any, from Canadian Public Sector Accounting Standards on the financial statements for the year ended December 31, 2020, have not been determined, as there is insufficient information available to do so.

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 Resort Village of Chitek Lake in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Resort Village of Chitek Lake'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 Resort Village of Chitek Lake or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Resort Village of Chitek Lake's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 Resort Village of Chitek Lake'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 Resort Village of Chitek Lake'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 Resort Village of Chitek Lake 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.

Yorkton, Saskatchewan
September 9, 2021



Chartered Professional Accountants Ltd.

RESORT VILLAGE OF CHITEK LAKE
STATEMENT OF FINANCIAL POSITION
 As at December 31, 2020

	2020	2019
FINANCIAL ASSETS		
Cash	\$ 951,692	\$ 856,429
Taxes receivable - municipal (Note 2)	41,454	47,766
Amounts receivable (Note 3)	36,134	85,867
Land for resale (Note 4)	139,909	139,909
Patronage equity	100	100
TOTAL FINANCIAL ASSETS	1,169,289	1,130,071
LIABILITIES		
Accounts payable and accrued liabilities	74,270	171,720
Deferred revenue (Notes 1 and 5)	10,222	75
Long-term debt (Note 6)	1,191,388	1,240,007
TOTAL LIABILITIES	1,275,880	1,411,802
NET DEBT	(106,591)	(281,731)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedules 6 and 7)	3,964,524	3,435,694
Inventories	11,679	12,282
Prepaid expenses	22,589	4,391
TOTAL NON-FINANCIAL ASSETS	3,998,792	3,452,367
ACCUMULATED SURPLUS (Schedule 8)	\$ 3,892,201	\$ 3,170,636

RESORT VILLAGE OF CHITEK LAKE
STATEMENT OF OPERATIONS
 For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
REVENUE			
Taxes and other unconditional revenue (Schedule 1)	\$ 575,490	\$ 589,581	\$ 662,913
Fees and charges (Schedules 4 and 5)	134,660	217,914	226,144
Conditional grants (Schedules 4 and 5)	19,640	16,452	2,616
Investment income and commissions (Schedules 4 and 5)	12,710	5,719	12,790
Other revenues (Schedules 4 and 5)	4,930	4,444	5,589
	747,430	834,110	910,052
EXPENSES			
General government services (Schedule 3)	189,712	227,634	184,781
Protective services (Schedule 3)	18,680	17,468	22,922
Transportation services (Schedule 3)	283,724	277,508	275,522
Environmental and public health services (Schedule 3)	69,570	67,920	69,564
Planning and development services (Schedule 3)	13,640	24,232	13,632
Recreation and cultural services (Schedule 3)	148,460	171,953	156,560
Utility services (Schedule 3)	7,450	40,620	19,365
	731,236	827,335	742,346
SURPLUS BEFORE OTHER CAPITAL CONTRIBUTIONS	16,194	6,775	167,706
Provincial/Federal capital grants and contributions (Schedules 4 and 5)	14,690	714,790	386,019
ANNUAL SURPLUS	30,884	721,565	553,725
ACCUMULATED SURPLUS, BEGINNING OF YEAR	3,170,636	3,170,636	2,616,911
ACCUMULATED SURPLUS, END OF YEAR	\$ 3,201,520	\$ 3,892,201	\$ 3,170,636

RESORT VILLAGE OF CHITEK LAKE
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)
For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
ANNUAL SURPLUS	\$ 30,884	\$ 721,565	\$ 553,725
Acquisition of tangible capital assets	(1,356,710)	(595,416)	(1,300,336)
Amortization of tangible capital assets	66,586	66,586	64,584
Decrease in inventories		603	377
Increase in prepaid expenses		(18,198)	(4,285)
	<u>(1,290,124)</u>	<u>(546,425)</u>	<u>(1,239,660)</u>
CHANGE IN NET FINANCIAL ASSETS (NET DEBT)	\$ (1,259,240)	175,140	(685,935)
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR		<u>(281,731)</u>	404,204
NET DEBT, END OF YEAR		<u>\$ (106,591)</u>	<u>\$ (281,731)</u>

RESORT VILLAGE OF CHITEK LAKE
STATEMENT OF CASH FLOWS
 For the year ended December 31, 2020

	2020	2019
OPERATING TRANSACTIONS		
Annual surplus	\$ 721,565	\$ 553,725
Changes in non-cash items:		
Taxes receivable - municipal	6,313	(9,972)
Amounts receivable	49,733	(60,456)
Inventories	603	377
Prepaid expenses	(18,199)	(4,285)
Accounts payable and accrued liabilities	(97,450)	114,471
Deferred revenue	10,147	
Amortization	66,586	64,584
Cash provided by operating transactions	<u>739,298</u>	<u>658,444</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(595,416)	(1,300,336)
Cash applied to capital transactions	<u>(595,416)</u>	<u>(1,300,336)</u>
INVESTING TRANSACTIONS		
Acquisition of real estate properties		(19,601)
Cash applied to investing transactions		<u>(19,601)</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt		1,255,800
Debt repayment	(48,619)	(15,793)
Cash provided by (applied to) financing transactions	<u>(48,619)</u>	<u>1,240,007</u>
INCREASE IN CASH	95,263	578,514
CASH, BEGINNING OF YEAR	856,429	277,915
CASH, END OF YEAR	\$ 951,692	\$ 856,429

RESORT VILLAGE OF CHITEK LAKE
NOTES TO THE FINANCIAL STATEMENTS
 For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

Reporting Entity

The financial statements consolidate the assets, liabilities, and flow of resources of the Resort Village. The entity is comprised of all of the organizations that are owned or controlled by the Resort Village and are, therefore, accountable to Council for the administration of their financial affairs and resources. The assets, liabilities and operations of the Recreation Boards are not included in these financial statements except for any assistance to the Recreation Boards, as Council's position is that it does not control the Recreation Boards.

Collection of Funds for Other Authorities

Collection of funds by the Resort Village for the school board, municipal hail, and conservation and development authorities are collected and remitted in accordance with relevant legislation. The amounts collected are disclosed in Note 2.

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 revenue in the period that the events giving rise to the transfer occur, providing:

- a) the transfers are authorized
- b) any eligibility criteria have been met; and
- c) reasonable estimates of the amounts can be made.

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

Deferred Revenue and Deposits

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.

RESORT VILLAGE OF CHITEK LAKE
NOTES TO THE FINANCIAL STATEMENTS
 For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Local Improvement Charges

Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.

Net-Financial Assets

Net-financial assets at the end of the 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.

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.

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.

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.

Portfolio Investments

Portfolio investments are valued at the lower of cost and market value, less any provisions for other than temporary impairment. The long-term investments in the Saskatchewan Rural Municipalities - Self-Insurance Fund are accounted for on the equity basis.

Inventories

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

RESORT VILLAGE OF CHITEK LAKE
NOTES TO THE FINANCIAL STATEMENTS
 For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tangible Capital Assets

All tangible capital asset acquisitions or betterment made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired 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 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 Resort Village's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
General assets	
Land	Indefinite
Land improvements	5 to 20 years
Buildings	10 to 50 years
Vehicles and equipment	
Vehicles	5 to 10 years
Machinery and equipment	5 to 10 years
Infrastructure Assets	
Infrastructure assets	30 to 75 years
Water & sewer	40 years
Road network assets	40 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 Resort Village does not capitalize interest incurred while a tangible capital asset is under construction.

RESORT VILLAGE OF CHITEK LAKE
NOTES TO THE FINANCIAL STATEMENTS
 For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

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

Landfill Liability

The Resort Village of Chitek Lake does not maintain a waste disposal site. Currently the Resort Village of Chitek Lake uses Greenland Waste Disposal Ltd. for waste collection.

Trust Funds

Funds held in trust for others, under a trust agreement or statute, are not included in the financial statements as they are not controlled by the Resort Village.

Employee Benefit Plans

Contributions to the Resort Village's defined benefit plans are expensed when contributions are made. Under the defined benefit multi-employer plan, the Resort Village's obligations are limited to their contributions.

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 Resort Village:
 - 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.

RESORT VILLAGE OF CHITEK LAKE
NOTES TO THE FINANCIAL STATEMENTS
 For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Uncertainty

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

The measurement of materials and supplies are based on estimates of volume and quality. The 'Opening Asset costs' of tangible capital assets have been estimated where actual costs were not available. Amortization is based on the estimated useful lives of tangible capital assets.

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

Basis of Segmentation/Segment Report

The Resort Village has adopted the new Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly attributable to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the purpose of specific borrowings.

The segments (functions) are as follows:

General government: Provides administration of the Resort Village.

Protective services: Is comprised of expenses for police and fire protection.

Transportation services: 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: Environmental segment provides waste disposal and other environmental services and the public health segment provides for expenses related to public health services in the Resort Village.

Planning and development: Provides for neighbourhood development and sustainability.

Recreation and culture: Provides for community services through provision of recreation and leisure services.

Utility: Provides for delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

Budget Information

Budget information is presented on a basis consistent with that used for the actual results. The budget was approved by Council on June 18, 2020.

RESORT VILLAGE OF CHITEK LAKE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. This standard requires fair value measurement of derivatives and equity instruments 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 a 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 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 the performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payer.

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

RESORT VILLAGE OF CHITEK LAKE
NOTES TO THE FINANCIAL STATEMENTS
 For the year ended December 31, 2020

2. TAXES AND GRANTS-IN-LIEU RECEIVABLE

	2020	2019
Municipal		
- Current	\$ 23,188	\$ 36,406
- Arrears	18,266	11,360
Total municipal taxes receivable	<u>41,454</u>	<u>47,766</u>
School		
- Current	10,867	17,309
- Arrears	4,693	3,739
Total school taxes receivable	<u>15,560</u>	<u>21,048</u>
Total taxes and grants-in-lieu receivable	<u>57,014</u>	<u>68,814</u>
Deduct taxes receivable to be collected on behalf of other organizations	<u>(15,560)</u>	<u>(21,048)</u>
Municipal and grants-in-lieu taxes receivable	<u>\$ 41,454</u>	<u>\$ 47,766</u>

3. AMOUNTS RECEIVABLE

Amounts receivable are valued at their net realized value.

	2020	2019
Federal government	\$ 34,097	\$ 70,218
Provincial government	2,037	2,199
Organizations and individuals		13,552
	<u>36,134</u>	<u>85,969</u>
Less allowance for doubtful amounts		(102)
	<u>\$ 36,134</u>	<u>\$ 85,867</u>

4. LAND FOR RESALE

	2020	2019
Other land	\$ 139,909	\$ 139,909

RESORT VILLAGE OF CHITEK LAKE
NOTES TO THE FINANCIAL STATEMENTS
 For the year ended December 31, 2020

5. DEFERRED REVENUE

	2020	2019
Municipal Economic Enhancement Program Facility deposit	\$ 10,222	\$ 75
	<u>\$ 10,222</u>	<u>\$ 75</u>

6. LONG-TERM DEBT

The debt limit of the Resort Village is \$837,831. The debt limit for a Resort Village is the total amount of the Resort Village's own source revenues for the preceding year (the *Municipalities Act* Section 161(1)).

	2020	2019
Municipal Financing Corporation of Saskatchewan debenture bearing interest at a fixed rate of 2.90% per annum. Payable in blended annual instalments of \$56,790, matures August 2044.	\$ 972,210	\$ 1,000,000
Innovation Credit Union Ltd. mortgage bearing interest at a fixed rate of 5.25% per annum. Payable in blended monthly instalments of \$2,745, matures March 2024. Secured by a general security agreement.	219,178	240,007
	<u>\$ 1,191,388</u>	<u>\$ 1,240,007</u>

Future principal and interest payments are as follows:

	Principal	Interest	Total
2021	\$ 50,552	\$ 39,178	\$ 89,730
2022	52,563	37,167	89,730
2023	54,660	35,070	89,730
2024	56,849	32,881	89,730
2025	59,134	30,596	89,730
Thereafter	917,630	309,340	1,226,970
Balance	<u>\$ 1,191,388</u>	<u>\$ 484,232</u>	<u>\$ 1,675,620</u>

RESORT VILLAGE OF CHITEK LAKE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2020

7. PENSION PLAN

The Resort Village 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 benefits. The Resort Village's pension expense in 2020 was \$13,567 (2019 - \$18,057). The benefits accrued to the Resort Village's employees from MEPP are calculated using the following: Pensionable Years of Service, Highest Average Salary, and the plan accrual rate. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook Section PS3250.

8. COMPARATIVE FIGURES

The financial statements for the year ended December 31, 2019 were audited by another public accounting firm who expressed a qualified opinion dated June 24, 2020.

9. PRIOR YEAR'S FIGURES

The prior year's figures have been restated due to accrued interest payable on long-term debt not being recorded in the prior year. The effect of this adjustment is a decrease to opening accumulated surplus by \$12,709.

10. COMMITMENTS

The Resort Village has committed to the building of a new lagoon with total anticipated project costs of \$3.3 million. This project was approved with the New Building Canada Fund - Small Communities Fund, with the Federal and Provincial government each providing one-third of the total cost up to \$1.1 million. As of the year-end date, \$3,146,214 has been spent on this project and capitalized as an asset under construction, and this project is expected to be completed in 2021.

11. GOVERNMENT ASSISTANCE

In response to the pandemic, the Provincial and Federal governments have provided funds to municipalities in order to stimulate economic recovery and enhance infection protection and control measures in their operations. Through the Municipal Economic Enhancement Program (MEEP), the Resort Village received funds of \$19,835 which was approved to be spent on the following: \$7,445 was approved for applying gravel to roadways, \$4,723 was spent in 2020 and recognized into revenue and the remaining \$2,722 has been deferred to 2021. \$7,500 was approved for applying calcium to roadways which was not done in 2020 and the entire amount has been deferred to 2021. \$4,890 was approved for upgrading hall features which was complete in 2020 and recognized into revenue. In addition, the Safe Restart Program provided \$8,232 in unconditional funding to the Resort Village.

RESORT VILLAGE OF CHITEK LAKE
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2020

12. OTHER MATTERS

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a worldwide pandemic. Subsequently, on March 18, 2020, the Province of Saskatchewan declared a province-wide state of emergency to help reduce the spread of COVID-19. The Resort Village has not suffered any significant disruptions throughout the year as a result from the outbreak.

While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of this disruption. As a result, the related financial impact and duration cannot be reasonably estimated at this time.

RESORT VILLAGE OF CHITEK LAKE
SCHEDULE 1 - SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES
 For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
TAXES			
General municipal tax levy	\$ 522,050	\$ 483,038	\$ 477,530
Abatements and adjustments		1,205	(902)
Discount on current year taxes	(15,900)	(17,692)	(20,592)
Net Municipal Taxes	506,150	466,551	456,036
Penalties on tax arrears	5,830	7,511	5,810
Special tax levy		44,280	137,270
Total Taxes	511,980	518,342	599,116
UNCONDITIONAL GRANTS			
Equalization (Revenue Sharing)	30,180	33,268	30,182
Safe Restart Program		8,232	
Total Unconditional Grants	30,180	41,500	30,182
GRANTS-IN-LIEU OF TAXES			
Provincial			
Other	2,820	2,316	2,816
Other Government Transfers			
S.P.C. Surcharge	19,510	17,406	19,393
Sask Energy Surcharge	11,000	10,017	11,406
Total Grants-in-Lieu of Taxes	33,330	29,739	33,615
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 575,490	\$ 589,581	\$ 662,913

RESORT VILLAGE OF CHITEK LAKE
SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION
 For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 500	\$ 531	\$ 324
- Sale of supplies	30	250	25
- Other (land rent, pet licenses, tax certificates)	3,360	2,988	3,358
Total Fees and Charges	3,890	3,769	3,707
- Investment income and commissions	12,710	5,719	12,790
- Other (DNR compound fees, other office services)	3,930	3,429	4,091
Total Other Segmented Revenue	20,530	12,917	20,588
Total Operating	20,530	12,917	20,588
Total General Government Services	20,530	12,917	20,588
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Bylaw fines and fire fees	1,340		1,336
Total Fees and Charges	1,340		1,336
Total Other Segmented Revenue	1,340		1,336
Total Operating	1,340		1,336
Total Protective Services	1,340		1,336

RESORT VILLAGE OF CHITEK LAKE
SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION
For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
TRANSPORTATION SERVICES			
Capital			
Conditional Grants			
- Municipal Economic Enhancement Program	\$	\$ 4,723	\$
Total Capital		4,723	
Total Transportation Services		4,723	
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and disposal fees	5,510	1,865	5,516
- Cemetery fees	1,380	450	1,380
Total Fees and Charges	6,890	2,315	6,896
Total Other Segmented Revenue	6,890	2,315	6,896
Total Operating	6,890	2,315	6,896
Total Environmental and Public Health Services	6,890	2,315	6,896
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (building permits, inspection fees, building caveats)	17,650	23,193	17,489
Total Fees and Charges	17,650	23,193	17,489
Total Other Segmented Revenue	17,650	23,193	17,489
Total Operating	17,650	23,193	17,489
Total Planning and Development Services	17,650	23,193	17,489

RESORT VILLAGE OF CHITEK LAKE
SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION
 For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Recreation fees	\$ 101,960	\$ 183,497	\$ 193,783
Total Fees and Charges	<u>101,960</u>	<u>183,497</u>	<u>193,783</u>
- Fundraising and donations	1,000	1,015	1,498
Total Other Segmented Revenue	<u>102,960</u>	<u>184,512</u>	<u>195,281</u>
Conditional Grants			
- Student Employment	18,340	15,156	1,320
- Saskatchewan Lotteries	1,300	1,296	1,296
Total Conditional Grants	<u>19,640</u>	<u>16,452</u>	<u>2,616</u>
Total Operating	<u>122,600</u>	<u>200,964</u>	<u>197,897</u>
Capital			
Conditional Grants			
- Municipal Economic Enhancement Program		4,890	
Total Capital		<u>4,890</u>	
Total Recreation and Cultural Services	<u>122,600</u>	<u>205,854</u>	<u>197,897</u>

RESORT VILLAGE OF CHITEK LAKE
SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Sewer	\$ 2,930	\$ 5,140	\$ 2,933
Total Fees and Charges	<u>2,930</u>	<u>5,140</u>	2,933
Total Other Segmented Revenue	<u>2,930</u>	<u>5,140</u>	2,933
Total Operating	<u>2,930</u>	<u>5,140</u>	2,933
Capital			
Conditional Grants			
- Gas Tax	14,690	12,213	19,919
- New Building Canada Fund		<u>692,964</u>	366,100
Total Capital	<u>14,690</u>	<u>705,177</u>	386,019
Total Utility Services	<u>17,620</u>	<u>710,317</u>	388,952
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 186,630</u>	<u>\$ 959,319</u>	\$ 633,158
SUMMARY			
Total Other Segmented Revenue	\$ 152,300	\$ 228,077	\$ 244,523
Total Conditional Grants	19,640	16,452	2,616
Total Capital Grants and Contributions	<u>14,690</u>	<u>714,790</u>	386,019
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 186,630</u>	<u>\$ 959,319</u>	\$ 633,158

RESORT VILLAGE OF CHITEK LAKE
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 15,170	\$ 6,450	\$ 10,961
Wages and benefits	90,820	118,884	91,214
Professional/Contractual services	53,790	68,851	51,374
Utilities	6,550	7,970	6,550
Maintenance, materials, and supplies	9,220	11,322	12,275
Amortization	1,332	1,332	763
Interest	12,830	12,927	11,644
Allowance for uncollectibles		(102)	
Total General Government Services	189,712	227,634	184,781
PROTECTIVE SERVICES			
Police protection			
Wages and benefits	4,490	678	4,484
Professional/Contractual services	6,420	6,647	6,416
Fire protection			
Wages and benefits	3,290	2,893	3,292
Professional/Contractual services	980	1,161	980
Utilities	2,360	4,568	2,355
Maintenance, materials, and supplies	1,140	1,521	1,141
Amortization			4,254
Total Protective Services	18,680	17,468	22,922
TRANSPORTATION SERVICES			
Wages and benefits	169,880	131,070	169,569
Professional/Contractual services	8,370	10,099	4,520
Utilities	21,860	21,923	21,858
Maintenance, materials, and supplies	45,290	71,809	46,306
Gravel	440	4,723	441
Amortization	37,884	37,884	32,828
Total Transportation Services	283,724	277,508	275,522
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Professional/Contractual services	69,170	67,340	69,164
Maintenance, materials, and supplies	400	580	400
Total Environmental and Public Health Services	69,570	67,920	69,564

RESORT VILLAGE OF CHITEK LAKE
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
 For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
PLANNING AND DEVELOPMENT SERVICES			
Professional/Contractual services	\$ 13,640	\$ 24,232	\$ 13,632
Total Planning and Development Services	13,640	24,232	13,632
RECREATION AND CULTURAL SERVICES			
Wages and benefits	63,000	96,533	69,099
Professional/Contractual services	10,220	4,235	9,773
Utilities	21,400	20,721	21,399
Maintenance, materials, and supplies	24,860	21,375	27,313
Grants and contributions			
- Operating	2,240	2,349	2,237
Amortization	26,740	26,740	26,739
Total Recreation and Cultural Services	148,460	171,953	156,560
UTILITY SERVICES			
Professional/Contractual services	150	7,096	4,330
Utilities	2,380	2,801	568
Maintenance, materials, and supplies	4,290	1,508	2,311
Amortization	630	630	
Interest		28,585	12,156
Total Utility Services	7,450	40,620	19,365
TOTAL EXPENSES BY FUNCTION	\$ 731,236	\$ 827,335	\$ 742,346

RESORT VILLAGE OF CHITEK LAKE
SCHEDULE 4 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
For the year ended December 31, 2020

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 3,769	\$	\$	\$ 2,315	\$ 23,193	\$ 183,497	\$ 5,140	\$ 217,914
Tangible Capital Asset Sale - Gain (Loss)								
Land Sales - Gain (Loss)								
Investment Income & Commissions	5,719							5,719
Other Revenues	3,429					1,015		4,444
Grants - Conditional						16,452		16,452
- Capital			4,723			4,890	705,177	714,790
Total revenues	12,917		4,723	2,315	23,193	205,854	710,317	959,319
Expenses (Schedule 3)								
Wages & Benefits	125,334	3,571	131,070			96,533		356,508
Professional/Contractual Services	68,851	7,808	10,099	67,340	24,232	4,235	7,096	189,661
Utilities	7,970	4,568	21,923			20,721	2,801	57,983
Maintenance, Materials, Supplies	11,322	1,521	76,532	580		21,375	1,508	112,838
Grants and Contributions						2,349		2,349
Amortization	1,332		37,884			26,740	630	66,586
Interest	12,927						28,585	41,512
Allowance for Uncollectibles	(102)							(102)
Other								
Total expenses	227,634	17,468	277,508	67,920	24,232	171,953	40,620	827,335
Surplus (Deficit) by Function	(214,717)	(17,468)	(272,785)	(65,605)	(1,039)	33,901	669,697	131,984
Taxation and other unconditional revenue (Schedule 1)								589,581
Net Surplus								\$ 721,565

RESORT VILLAGE OF CHITEK LAKE
SCHEDULE 5 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
For the year ended December 31, 2019

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 3,707	\$ 1,336	\$	\$ 6,896	\$ 17,489	\$ 193,783	\$ 2,933	\$ 226,144
Tangible Capital Asset Sale - Gain (Loss)								
Land Sales - Gain (Loss)								
Investment Income & Commissions	12,790							12,790
Other Revenues	4,091					1,498		5,589
Grants - Conditional						2,616		2,616
- Capital							386,019	386,019
Total revenues	20,588	1,336		6,896	17,489	197,897	388,952	633,158
Expenses (Schedule 3)								
Wages & Benefits	102,175	7,776	169,569			69,099		348,619
Professional/Contractual Services	51,374	7,396	4,520	69,164	13,632	9,773	4,330	160,189
Utilities	6,550	2,355	21,858			21,399	568	52,730
Maintenance, Materials, Supplies	12,275	1,141	46,747	400		27,313	2,311	90,187
Grants and Contributions						2,237		2,237
Amortization	763	4,254	32,828			26,739		64,584
Interest	11,644						12,156	23,800
Allowance for Uncollectibles								
Other								
Total expenses	184,781	22,922	275,522	69,564	13,632	156,560	19,365	742,346
Surplus (Deficit) by Function	(164,193)	(21,586)	(275,522)	(62,668)	3,857	41,337	369,587	(109,188)
Taxation and other unconditional revenue (Schedule 1)								662,913
Net Surplus								\$ 553,725

RESORT VILLAGE OF CHITEK LAKE
SCHEDULE 6 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT
For the year ended December 31, 2020

	General Assets					Infrastructure Assets	General/ Infrastructure	Totals	
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Assets Under Construction	2020	2019
Cost									
Opening costs	\$		950,484	428,314	511,025	117,790	2,572,948	\$4,580,561	\$3,280,225
Additions during the year					22,150		573,266	595,416	1,300,336
Closing costs			950,484	428,314	533,175	117,790	3,146,214	5,175,977	4,580,561
Accumulated Amortization									
Opening accumulated amortization			525,250	417,672	187,737	14,208		1,144,867	1,080,283
Amortization			23,762	1,900	37,980	2,944		66,586	64,584
Closing accumulated amortization			549,012	419,572	225,717	17,152		1,211,453	1,144,867
Net Book Value	\$		401,472	8,742	307,458	100,638	3,146,214	\$3,964,524	\$3,435,694

RESORT VILLAGE OF CHITEK LAKE
SCHEDULE 7 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION
For the year ended December 31, 2020

Cost	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Totals	
								2020	2019
Opening costs	\$ 129,282	95,575	941,853			897,065	2,516,786	\$4,580,561	\$3,280,225
Additions during the year	<u>5,758</u>					<u>1,272</u>	<u>588,386</u>	<u>595,416</u>	<u>1,300,336</u>
Closing costs	<u>135,040</u>	<u>95,575</u>	<u>941,853</u>			<u>898,337</u>	<u>3,105,172</u>	<u>5,175,977</u>	<u>4,580,561</u>
Accumulated Amortization									
Opening accumulated amortization	14,722	95,575	624,548			409,050	972	1,144,867	1,080,283
Amortization	<u>1,332</u>		<u>37,884</u>			<u>26,740</u>	<u>630</u>	<u>66,586</u>	<u>64,584</u>
Closing accumulated amortization	<u>16,054</u>	<u>95,575</u>	<u>662,432</u>			<u>435,790</u>	<u>1,602</u>	<u>1,211,453</u>	<u>1,144,867</u>
Net Book Value	<u>\$ 118,986</u>		<u>279,421</u>			<u>462,547</u>	<u>3,103,570</u>	<u>\$3,964,524</u>	<u>\$3,435,694</u>

RESORT VILLAGE OF CHITEK LAKE
SCHEDULE 8 - SCHEDULE OF ACCUMULATED SURPLUS
 For the year ended December 31, 2020

	2019	Changes	2020
UNAPPROPRIATED DEFICIT	\$ 974,949	\$ 144,116	\$ 1,119,065
APPROPRIATED RESERVES			
Total appropriated			
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	3,435,694	528,830	3,964,524
Less: Related debt	(1,240,007)	48,619	(1,191,388)
Net Investment in Tangible capital assets	2,195,687	577,449	2,773,136
TOTAL ACCUMULATED SURPLUS	\$ 3,170,636	\$ 721,565	\$ 3,892,201

RESORT VILLAGE OF CHITEK LAKE
SCHEDULE 9 - SCHEDULE OF MILL RATES AND ASSESSMENTS
For the year ended December 31, 2020

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable assessment	55,110	70,618,640			3,181,600		73,855,350
Regional Park Assessment							
Total Assessment							73,855,350
Mill Rate Factor(s)	1.00	1.00			1.00		
Total Base/Minimum Tax	800	281,600			16,000		298,400
Total Municipal Tax Levy	938	458,146			23,954		483,038

MILL RATES:

MILLS

Average Municipal	6.5403
Average School	4.2160
Potash Mill Rate	
Uniform Municipal Mill Rate	2.5000

RESORT VILLAGE OF CHITEK LAKE
SCHEDULE 10 - SCHEDULE OF COUNCIL REMUNERATION
 For the year ended December 31, 2020

<u>Position - Name</u>	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Mayor - Sandra Svoboda	\$ 1,500	\$ 936	2,436
Mayor - Doug Struhar	1,500		1,500
Councilor - Warren Kidd	1,500	653	2,153
Councilor - Dave Gardiner	1,400		1,400
Councilor - Debby Alberts	550	323	873
	<hr/>	<hr/>	<hr/>
	\$ 6,450	\$ 1,912	8,362
	<hr/>	<hr/>	<hr/>