

**VILLAGE OF GERALD**

**FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**

**VILLAGE OF GERALD**

**FINANCIAL STATEMENTS**

**For the year ended December 31, 2020**

**VILLAGE OF GERALD**  
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## **STATEMENT OF RESPONSIBILITY**

To the Ratepayers of the Village of Gerald:

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 for financial statements.

The Council is composed of elected officials who are not employees of the 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 the administration and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the 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.

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Mayor

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Administrator

## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of:  
 Village of Gerald  
 Gerald, Saskatchewan

### Opinion

We have audited the financial statements of the Village of Gerald, which comprise the statement of financial position as at December 31, 2020 and the statement of operations, statement of changes in net financial assets, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Village of Gerald 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.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Village of Gerald 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 Village of Gerald'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 Village of Gerald or to cease operations, or has no realistic alternative but to do so.

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

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

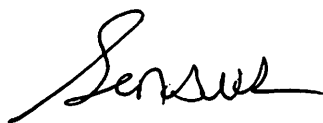
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 Village of Gerald'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 Village of Gerald'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 Village of Gerald 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  
April 20, 2021


  
 Chartered Professional Accountants Ltd.

**VILLAGE OF GERALD**  
**STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2020**

	2020	2019
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 2)	\$ 175,843	\$ 393,458
Taxes receivable - municipal (Note 3)	19,846	23,274
Amounts receivable (Note 4)	327,502	6,266
<b>TOTAL FINANCIAL ASSETS</b>	<b>523,191</b>	<b>422,998</b>
<b>LIABILITIES</b>		
Accounts payable	339,975	6,041
Land sale deposits (Notes 1 and 6)	5,000	
Long-term debt (Note 7)	119,368	141,424
<b>TOTAL LIABILITIES</b>	<b>464,343</b>	<b>147,465</b>
<b>NET FINANCIAL ASSETS</b>	<b>58,848</b>	<b>275,533</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedules 6 and 7)	1,029,625	467,106
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>1,029,625</b>	<b>467,106</b>
<b>ACCUMULATED SURPLUS (Schedule 8)</b>	<b>\$ 1,088,473</b>	<b>\$ 742,639</b>

**VILLAGE OF GERALD**  
**STATEMENT OF OPERATIONS**  
For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
<b>REVENUE</b>			
Taxes and other unconditional revenue (Schedule 1)	\$ 145,008	\$ 149,765	\$ 139,228
Fees and charges (Schedules 4 and 5)	37,985	43,053	36,333
Conditional grants (Schedules 4 and 5)	21,400	21,529	1,976
Land sales - gain (loss) (Schedules 4 and 5)	3,000		(5,318)
Investment income and commissions (Schedules 4 and 5)	4,000	3,446	6,769
Other revenues (Schedules 4 and 5)	6,737	7,963	6,738
	<b>218,130</b>	<b>225,756</b>	<b>185,726</b>
<b>EXPENSES</b>			
General government services (Schedule 3)	61,066	66,383	89,307
Protective services (Schedule 3)	10,700	10,712	10,567
Transportation services (Schedule 3)	30,429	35,662	24,890
Environmental and public health services (Schedule 3)	18,000	15,828	16,337
Recreation and cultural services (Schedule 3)	13,486	13,140	14,315
Utility services (Schedule 3)	49,081	46,899	49,616
	<b>182,762</b>	<b>188,624</b>	<b>205,032</b>
<b>SURPLUS (DEFICIT) BEFORE OTHER CAPITAL CONTRIBUTIONS</b>	<b>35,368</b>	<b>37,132</b>	<b>(19,306)</b>
Provincial/Federal capital grants and contributions (Schedules 4 and 5)	304,666	308,702	14,831
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>340,034</b>	<b>345,834</b>	<b>(4,475)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>742,639</b>	<b>742,639</b>	<b>747,114</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 1,082,673</b>	<b>\$ 1,088,473</b>	<b>\$ 742,639</b>



**VILLAGE OF GERALD**  
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**For the year ended December 31, 2020**

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 340,034</b>	<b>\$ 345,834</b>	<b>\$ (4,475)</b>
Acquisition of tangible capital assets	(499,000)	(579,316)	(43,451)
Amortization of tangible capital assets	16,797	16,797	17,757
	<b>(482,203)</b>	<b>(562,519)</b>	<b>(25,694)</b>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>\$ (142,169)</b>	<b>(216,685)</b>	<b>(30,169)</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<b>275,533</b>	<b>305,702</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<b>\$ 58,848</b>	<b>\$ 275,533</b>

**VILLAGE OF GERALD**  
**STATEMENT OF CASH FLOWS**  
**For the year ended December 31, 2020**

	2020	2019
<b>OPERATING TRANSACTIONS</b>		
Annual surplus (deficit)	\$ 345,834	\$ (4,475)
Changes in non-cash items:		
Taxes receivable - municipal	3,428	42,693
Amounts receivable	(321,236)	640
Inventories		(7,126)
Accounts payable and accrued liabilities	333,934	530
Land sale deposits	5,000	
Loss on sale of land for resale		5,318
Amortization	16,797	17,757
Cash provided by operating transactions	<u>383,757</u>	<u>55,337</u>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets	(579,316)	(43,451)
Cash applied to capital transactions	<u>(579,316)</u>	<u>(43,451)</u>
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of land for resale		2,727
Cash applied to investing transactions		<u>2,727</u>
<b>FINANCING TRANSACTIONS</b>		
Debt repayment	(22,056)	(21,487)
Cash applied to financing transactions	<u>(22,056)</u>	<u>(21,487)</u>
<b>DECREASE IN CASH AND TEMPORARY INVESTMENTS</b>	<u>(217,615)</u>	<u>(6,874)</u>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<u>393,458</u>	<u>400,332</u>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<u>\$ 175,843</u>	<u>\$ 393,458</u>

**VILLAGE OF GERALD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

The financial statements consolidates the assets, liabilities, and flow of resources of the Village. The entity is comprised of all of the organizations that are owned or controlled by the 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 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 3.

**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 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.

**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.

**VILLAGE OF GERALD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**

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

**Inventories**

Inventories of materials and supplies expected to be used by the 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 actual cost of inventory. Net realizable value is the estimated selling price in the ordinary course of business.

**VILLAGE OF GERALD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**

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**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 Village's tangible capital asset useful lives are estimated as follows:

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

**VILLAGE OF GERALD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**

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**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 Village of Gerald does not maintain a waste disposal site and utilizes the Redcoat Waste Resource Authority landfill.

**Trust Funds**

Funds held in trust for other organizations are not included in the Village's assets or equity.

**Employee Benefit Plans**

Contributions to the Village's defined benefit plans are expensed when contributions are due and payable. Under the defined benefit multi-employer plan, the 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 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.

# VILLAGE OF GERALD

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended December 31, 2020

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### **Measurement Uncertainty**

The preparation of financial statements in conformity with generally accepted accounting principles 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 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 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 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 actual results. The budget was approved by Council on June 9, 2020.

**VILLAGE OF GERALD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**

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**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.



**VILLAGE OF GERALD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**

**2. CASH AND TEMPORARY INVESTMENTS**

Cash and temporary investments are comprised of the following:

	2020	2019
Cash	\$ 77,620	\$ 297,272
Temporary investments	84,862	83,120
Restricted cash	13,361	13,066
	<u>\$ 175,843</u>	<u>\$ 393,458</u>

Cash and temporary investments include balances with banks and term deposits. Restricted cash include funds held for the Gerald Rink. Temporary investments represent investments in term deposits held at Conexus Credit Union Ltd. and earn interest at 0.30% - 1.60% (2019 - 2.00% - 2.25%) and have maturity dates ranging from April 2021 - December 2021.

**3. TAXES AND GRANTS-IN-LIEU RECEIVABLE**

	2020	2019
Municipal		
- Current	\$ 6,545	\$ 4,123
- Arrears	21,040	19,151
	<u>27,585</u>	<u>23,274</u>
- Less allowance for uncollectibles	(7,739)	
Total municipal taxes receivable	<u>19,846</u>	<u>23,274</u>
School		
- Current	1,148	873
- Arrears	4,350	3,798
Total school taxes receivable	<u>5,498</u>	<u>4,671</u>
Total taxes and grants-in-lieu receivable	<u>25,344</u>	<u>27,945</u>
Deduct taxes receivable to be collected on behalf of other organizations	(5,498)	(4,671)
Municipal and grants-in-lieu taxes receivable	<u>\$ 19,846</u>	<u>\$ 23,274</u>

**VILLAGE OF GERALD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**

**4. AMOUNTS RECEIVABLE**

Amounts receivable are valued at their net realized value.

	2020	2019
Provincial government	\$ 296,666	\$
Federal government	26,782	1,172
Utility	3,600	3,898
Accrued interest	454	692
Organizations and individuals		504
	<u>\$ 327,502</u>	<u>\$ 6,266</u>

**5. LAND FOR RESALE**

	2020	2019
Tax Title Property	\$ 47,296	\$ 47,296
Allowance for market value adjustment	(47,296)	(47,296)
Net Tax Title Property		
Other Land for Resale	3,383	3,383
Allowance for market value adjustment	(3,383)	(3,383)
Net Other Land for Resale		

**6. LAND SALE DEPOSITS**

	2020	2019
Land sale deposits	\$ 5,000	

# VILLAGE OF GERALD

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended December 31, 2020

#### 7. LONG-TERM DEBT

The debt limit of the Village is \$126,503. The debt limit for a Village is the total amount of the Village's own source revenues for the preceding year per section 161(1) of the Municipalities Act.

	2020	2019
Saskatchewan Municipal Board - Debenture, repayable in annual payments of \$25,804, bearing interest at a rate of 2.65%, secured by assets. Maturing June 2025.	\$ 119,368	\$ 141,424

Future principal and interest payments are as follows:

	Principal	Interest	Total
2021	\$ 22,643	3,161	\$ 25,804
2022	23,243	2,561	25,804
2023	23,858	1,946	25,804
2024	24,486	1,318	25,804
2025	25,138	666	25,804
Balance	\$ 119,368	9,652	\$ 129,020

#### 8. COMMITMENTS

In 2018, the Council of the Village of Gerald committed to a lagoon project, done under the Building Canada - Small Communities Fund with contributions of up to \$296,666 from the Government of Saskatchewan. As of the financial statement date, the Village has spent \$624,522 on engineering fees and the transfer of waste from lagoon cell one to lagoon cell two to stop the leakage from lagoon cell one. In addition, the liner to line cell one to prevent leakage has been purchased but not installed as of the audit date.

#### 9. PENSION PLAN

The 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 Village's pension expense in 2020 was \$2,228 (2019 - \$2,159). The benefits accrued to the 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.

**VILLAGE OF GERALD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2020**

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**10. 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 Village received funds of \$19,547 and these funds were approved to be spent on the upgrading of the wastewater treatment facility. As of December 31, 2020, \$624,522 was spent on this project. In addition, the Safe Restart Program provided \$8,113 of unconditional funds to the Village.

**11. 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 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.

# VILLAGE OF GERALD

## 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
<b>TAXES</b>			
General municipal tax levy	\$ 83,152	\$ 83,152	\$ 83,741
Abatements and adjustments		(2,000)	(3,800)
Discount on current year taxes	(3,270)	(3,249)	(3,278)
<b>Net Municipal Taxes</b>	<b>79,882</b>	<b>77,903</b>	<b>76,663</b>
Potash tax share	25,361	25,361	21,536
Penalties on tax arrears	3,000	2,341	6,608
<b>Total Taxes</b>	<b>108,243</b>	<b>105,605</b>	<b>104,807</b>
<b>UNCONDITIONAL GRANTS</b>			
Equalization (Revenue Sharing)	32,815	32,815	29,774
Sask Housing			634
Safe Restart Program		8,113	
<b>Total Unconditional Grants</b>	<b>32,815</b>	<b>40,928</b>	<b>30,408</b>
<b>GRANTS-IN-LIEU OF TAXES</b>			
Provincial			
Sasktel	950	950	950
Other Government Transfers			
Sask Energy Surcharge	3,000	2,282	3,063
<b>Total Grants-in-Lieu of Taxes</b>	<b>3,950</b>	<b>3,232</b>	<b>4,013</b>
<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<b>\$ 145,008</b>	<b>\$ 149,765</b>	<b>\$ 139,228</b>

# VILLAGE OF GERALD

## 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
<b>GENERAL GOVERNMENT SERVICES</b>			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Tax enforcement	\$ 45	\$	45
Total Fees and Charges	45		45
- Land sales - gain (loss)	3,000		(5,318)
- Investment income and commissions	4,000	3,446	6,769
- Other	6,737	7,963	6,738
Total Other Segmented Revenue	13,782	11,409	8,234
<b>Total Operating</b>	<b>13,782</b>	<b>11,409</b>	<b>8,234</b>
<b>Total General Government Services</b>	<b>13,782</b>	<b>11,409</b>	<b>8,234</b>
<b>TRANSPORTATION SERVICES</b>			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	440	540	425
Total Fees and Charges	440	540	425
Total Other Segmented Revenue	440	540	425
<b>Total Operating</b>	<b>440</b>	<b>540</b>	<b>425</b>
<b>Total Transportation Services</b>	<b>440</b>	<b>540</b>	<b>425</b>

# VILLAGE OF GERALD

## 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
<b>RECREATION AND CULTURAL SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Recreation fees	\$ 2,400	\$ 1,758	\$ 2,698
Total Fees and Charges	2,400	1,758	2,698
Total Other Segmented Revenue	2,400	1,758	2,698
Conditional Grants			
- Saskatchewan Lotteries	1,900	1,982	1,976
Total Conditional Grants	1,900	1,982	1,976
<b>Total Operating</b>	<b>4,300</b>	<b>3,740</b>	<b>4,674</b>
<b>Total Recreation and Cultural Services</b>	<b>4,300</b>	<b>3,740</b>	<b>4,674</b>
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Water and sewer	25,550	25,725	25,515
- Infrastructure fees	9,550	15,030	7,650
Total Fees and Charges	35,100	40,755	33,165
Total Other Segmented Revenue	35,100	40,755	33,165
Conditional Grants			
- Municipal Economic Enhancement Program	19,500	19,547	
Total Conditional Grants	19,500	19,547	
<b>Total Operating</b>	<b>54,600</b>	<b>60,302</b>	<b>33,165</b>
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax	8,000	12,036	14,831
- New Building Canada Fund - Small Communities Fund	296,666	296,666	
<b>Total Capital</b>	<b>304,666</b>	<b>308,702</b>	<b>14,831</b>
<b>Total Utility Services</b>	<b>359,266</b>	<b>369,004</b>	<b>47,996</b>
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>\$ 377,888</b>	<b>\$ 384,693</b>	<b>\$ 61,329</b>

# **VILLAGE OF GERALD**

## **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
<b>SUMMARY</b>			
Total Other Segmented Revenue	\$ 51,722	\$ 54,462	\$ 44,522
Total Conditional Grants	21,400	21,529	1,976
Total Capital Grants and Contributions	304,666	308,702	14,831
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>\$ 377,788</b>	<b>\$ 384,693</b>	<b>\$ 61,329</b>



**VILLAGE OF GERALD**  
**SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION**  
**For the year ended December 31, 2020**

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	\$ 3,800	\$ 4,575	\$ 3,778
Wages and benefits	29,350	29,346	28,382
Professional/Contractual services	15,970	15,936	15,467
Utilities	5,300	4,332	4,157
Maintenance, materials, and supplies	4,400	2,513	3,217
Grants and contributions			
- Operating	350		
Amortization	1,896	1,896	1,797
Interest on debenture		46	
Allowance for uncollectibles		7,739	32,509
<b>Total General Government Services</b>	<b>61,066</b>	<b>66,383</b>	<b>89,307</b>
<b>PROTECTIVE SERVICES</b>			
<b>Police protection</b>			
Professional/Contractual services	6,400	6,550	6,323
Other		300	
<b>Fire protection</b>			
Professional/Contractual services	4,300	3,862	4,244
<b>Total Protective Services</b>	<b>10,700</b>	<b>10,712</b>	<b>10,567</b>
<b>TRANSPORTATION SERVICES</b>			
Professional/Contractual services	9,500	13,836	5,239
Utilities	4,350	4,311	4,287
Maintenance, materials, and supplies	4,500	5,777	3,048
Amortization	8,331	8,331	8,331
Interest on debenture	3,748	3,407	3,985
<b>Total Transportation Services</b>	<b>30,429</b>	<b>35,662</b>	<b>24,890</b>
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Professional/Contractual services	17,000	15,464	15,501
Grants and contributions			
- Operating			
• Public Health	1,000	364	836
<b>Total Environmental and Public Health Services</b>	<b>18,000</b>	<b>15,828</b>	<b>16,337</b>

**VILLAGE OF GERALD**  
**SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION**  
 For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
<b>RECREATION AND CULTURAL SERVICES</b>			
Professional/Contractual services	2,500	2,500	2,500
Utilities	2,700	2,370	3,038
Maintenance, materials, and supplies	50		40
Grants and contributions			
- Operating	2,747	2,781	3,247
Amortization	5,489	5,489	5,490
<b>Total Recreation and Cultural Services</b>	<b>13,486</b>	<b>13,140</b>	<b>14,315</b>
<b>UTILITY SERVICES</b>			
Professional/Contractual services	27,150	30,779	30,565
Utilities	7,900	8,352	7,704
Maintenance, materials, and supplies	12,950	6,687	9,208
Amortization	1,081	1,081	2,139
<b>Total Utility Services</b>	<b>49,081</b>	<b>46,899</b>	<b>49,616</b>
<b>TOTAL EXPENSES BY FUNCTION</b>	<b>\$ 182,762</b>	<b>\$ 188,624</b>	<b>\$ 205,032</b>

**VILLAGE OF GERALD**  
**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
<b>Revenues (Schedule 2)</b>								
Fees and Charges	\$	\$	\$ 540	\$	\$	\$ 1,758	\$ 40,755	\$ 43,053
Tangible Capital Asset Sale - Gain (Loss)								3,446
Land Sales - Gain (Loss)								7,963
Investment Income & Commissions	3,446							
Other Revenues	7,963							
Grants - Conditional						1,982	19,547	21,529
- Capital							308,702	308,702
<b>Total revenues</b>	<b>11,409</b>		<b>540</b>			<b>3,740</b>	<b>369,004</b>	<b>384,693</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	33,921							33,921
Professional/Contractual Services	15,936	10,412	13,836	15,464		2,500	30,779	88,927
Utilities	4,332		4,311			2,370	8,352	19,365
Maintenance, Materials, Supplies	2,513		5,777				6,687	14,977
Grants and Contributions				364		2,781		3,145
Amortization	1,896		8,331			5,489	1,081	16,797
Interest	46		3,407					3,453
Allowance for Uncollectibles	7,739							7,739
Other		300						300
<b>Total expenses</b>	<b>66,383</b>	<b>10,712</b>	<b>35,662</b>	<b>15,828</b>		<b>13,140</b>	<b>46,899</b>	<b>188,624</b>
<b>Surplus (Deficit) by Function</b>	<b>(54,974)</b>	<b>(10,712)</b>	<b>(35,122)</b>	<b>(15,828)</b>		<b>(9,400)</b>	<b>322,105</b>	<b>196,069</b>
Taxation and other unconditional revenue (Schedule 1)								149,765
<b>Net Surplus (Deficit)</b>								<b>\$ 345,834</b>

**VILLAGE OF GERALD**  
**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
<b>Revenues (Schedule 2)</b>								
Fees and Charges	\$ 45	\$	\$ 425	\$	\$	\$ 2,698	\$ 33,165	\$ 36,333
Tangible Capital Asset Sale - Gain (Loss)								(5,318)
Land Sales - Gain (Loss)	(5,318)							6,769
Investment Income & Commissions	6,769							6,738
Other Revenues	6,738							1,976
Grants - Conditional						1,976		14,831
- Capital							14,831	61,329
<b>Total revenues</b>	<b>8,234</b>		<b>425</b>			<b>4,674</b>	<b>47,996</b>	
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	32,160							32,160
Professional/Contractual Services	15,467	10,567	5,239	15,501		2,500	30,565	79,839
Utilities	4,157		4,287			3,038	7,704	19,186
Maintenance, Materials, Supplies	3,217		3,048			40	9,208	15,513
Grants and Contributions				836		3,247		4,083
Amortization	1,797		8,331			5,490	2,139	17,757
Interest			3,985					3,985
Allowance for Uncollectibles	32,509							32,509
Other								
<b>Total expenses</b>	<b>89,307</b>	<b>10,567</b>	<b>24,890</b>	<b>16,337</b>		<b>14,315</b>	<b>49,616</b>	<b>205,032</b>
<b>Surplus (Deficit) by Function</b>	<b>(81,073)</b>	<b>(10,567)</b>	<b>(24,465)</b>	<b>(16,337)</b>		<b>(9,641)</b>	<b>(1,620)</b>	<b>(143,703)</b>
Taxation and other unconditional revenue (Schedule 1)								139,228
<b>Net Surplus (Deficit)</b>								<b>\$ (4,475)</b>

# VILLAGE OF GERALD

## SCHEDULE 6 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

For the year ended December 31, 2020

	General Assets					Infrastructure Assets	General/Infrastructure	Totals	
Cost	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Assets Under Construction	2020	2019
Opening costs	\$		129,128		12,928	656,726	87,277	\$ 886,059	\$ 842,608
Additions during the year	42,071						537,245	579,316	43,451
Closing costs	42,071		129,128		12,928	656,726	624,522	1,465,375	886,059
<b>Accumulated Amortization</b>									
Opening accumulated amortization			71,944		10,750	336,259		418,953	401,196
Amortization			6,406		979	9,412		16,797	17,757
Closing accumulated amortization			78,350		11,729	345,671		435,750	418,953
Net Book Value	\$ 42,071		50,778		1,199	311,055	624,522	\$1,029,625	\$ 467,106

**VILLAGE OF GERALD**  
**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	\$ 25,546		575,618			101,700	183,195	\$ 886,059	\$ 842,608
Additions during the year							579,316	579,316	43,451
Closing costs	25,546		575,618			101,700	762,511	1,465,375	886,059
<b>Accumulated Amortization</b>									
Opening accumulated amortization	11,947		275,704			65,455	65,847	418,953	401,196
Amortization	1,896		8,331			5,489	1,081	16,797	17,757
Closing accumulated amortization	13,843		284,035			70,944	66,928	435,750	418,953
Net Book Value	\$ 11,703		291,583			30,756	695,583	\$ 1,029,625	\$ 467,106

**VILLAGE OF GERALD**  
**SCHEDULE 8 - SCHEDULE OF ACCUMULATED SURPLUS**  
**For the year ended December 31, 2020**

	2019	Changes	2020
<b>UNAPPROPRIATED SURPLUS</b>	<b>\$ 416,657</b>	<b>(238,741)</b>	<b>\$ 177,916</b>
<b>APPROPRIATED RESERVES</b>			
Reserve	300		300
<b>Total appropriated</b>	<b>300</b>		<b>300</b>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>			
Tangible capital assets (Schedule 6)	467,106	562,519	1,029,625
Less: Related debt	(141,424)	22,056	(119,368)
<b>Net Investment in Tangible capital assets</b>	<b>325,682</b>	<b>584,575</b>	<b>910,257</b>
<b>Total Accumulated Surplus</b>	<b>\$ 742,639</b>	<b>345,834</b>	<b>\$ 1,088,473</b>

# VILLAGE OF GERALD

## 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	37,070	5,071,760			619,700		5,728,530
Regional Park Assessment							
Total Assessment							5,728,530
Mill Rate Factor(s)	1.00	1.00			1.00		
Total Base/Minimum Tax		65,500			4,300		69,800
Total Municipal Tax Levy	241	75,917			6,994		83,152

### MILL RATES:

### MILLS

Average Municipal	14.5154
Average School	4.3352
Potash Mill Rate	
Uniform Municipal Mill Rate	6.5000



**VILLAGE OF GERALD**  
**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 - Brian Swann	\$ 1,475	\$	1,475
Councilor - Alicia Nixon	1,500		1,500
Councilor - Jacobus Swanevelder	1,300		1,300
	<u>\$ 4,275</u>	<u>\$</u>	<u>4,275</u>