

**Village of Punnichy**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**

# **Village of Punnichy**

Punnichy, Saskatchewan

December 31, 2020

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### **Management's Responsibility**


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

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

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

Baker Tilly SK LLP, an independent firm of chartered professional accountants, is appointed by the council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the council and management to discuss their audit findings.

  
Mayor

  
Administrator

## **Independent Auditors' Report**

To the Council  
Village of Punnichy

### *Opinion*

We have audited the consolidated financial statements of Village of Punnichy, (the municipality), which comprise the consolidated Statement of Financial Position as at December 31, 2020 and the consolidated Statements of Operations, Changes in Net Financial Assets and Cash Flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the municipality as at December 31, 2020, and results of its operations and its consolidated cash flow for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

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

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

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

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

Council is responsible for overseeing the municipality's financial reporting process.



### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

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

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

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

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.

**Baker Tilly SK LLP**

*Baker Tilly SK LLP*

Yorkton, SK  
May 11, 2021

**Village of Punnichy**  
Punnichy, Saskatchewan  
Consolidated Statement of Financial Position as at December 31, 2020

Statement 1

	<b>2020</b>	<b>2019</b> (Note 11)
<b>Assets</b>		
<b>Financial Assets</b>		
Cash and temporary investments - note 2	246,174	225,547
Taxes receivable - municipal - note 3	35,738	62,030
Other accounts receivable - note 4	37,991	27,885
Land for resale - note 5	24,177	24,606
<b>Total Financial Assets</b>	<u>344,080</u>	<u>340,068</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	53,741	9,499
Deposits	11,271	11,146
Deferred revenue - note 6	57,310	68,674
<b>Total Liabilities</b>	<u>122,322</u>	<u>89,319</u>
<b>Net Financial Assets</b>	<u>221,758</u>	<u>250,749</u>
<b>Non-Financial Assets</b>		
Tangible capital assets - schedules 6 and 7	553,127	564,622
Prepayments and deferred charges	70	165
Stock and supplies	949	
<b>Total Non-Financial Assets</b>	<u>554,146</u>	<u>564,787</u>
<b>Accumulated Surplus - schedule 8</b>	<u>\$ 775,904</u>	<u>\$ 815,536</u>

Approved on behalf of the council:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Councillor

**Village of Punnichy**  
Consolidated Statement of Operations  
For the year ended December 31, 2020

Statement 2

	<b>2020 Budget (Note 1(r))</b>	<b>2020 Actual</b>	<b>2019 Actual (Note 11)</b>
<b>Revenues</b>			
Taxes and other unconditional revenue - schedule 1	238,400	248,617	231,300
Fees and charges - schedules 4 and 5	137,930	144,490	129,705
Conditional grants - schedules 4 and 5	( 2,150)	3,380	5,435
Tangible capital asset sales - gain - schedules 4 and 5		( 9,999)	
Land sales - gain (loss) - schedules 4 and 5	500	63	( 10,529)
Investment income and commissions - schedules 4 and 5	950	741	861
Other revenues - schedules 4 and 5		116	
<b>Total Revenue</b>	<u>375,630</u>	<u>387,408</u>	<u>356,772</u>
<b>Expenses - schedule 3</b>			
General government services	115,860	171,406	156,279
Protective services	21,100	20,010	20,001
Transportation services	74,730	87,617	91,792
Environmental and public health services	27,170	39,700	27,551
Recreation and cultural services	66,890	89,448	76,209
Utilities services	70,690	80,688	85,842
<b>Total Expenses</b>	<u>376,440</u>	<u>488,869</u>	<u>457,674</u>
<b>Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions</b>	( 810)	( 101,461)	( 100,902)
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>6,200</u>	<u>61,829</u>	<u>2,399</u>
<b>Surplus (Deficit) of Revenue over Expenses</b>	5,390	( 39,632)	( 98,503)
<b>Accumulated Surplus, Beginning of Year</b>	<u>815,536</u>	<u>815,536</u>	<u>914,039</u>
<b>Accumulated Surplus, End of Year</b>	<u>\$ 820,926</u>	<u>\$ 775,904</u>	<u>\$ 815,536</u>

*The notes to consolidated financial statements are an integral part of these consolidated financial statements.*

**Village of Punnichy**  
Consolidated Statement of Change in Net Financial Assets  
For the year ended December 31, 2020

Statement 3

	<b>2020 Budget (Note 1(r))</b>	<b>2020 Actual</b>	<b>2019 Actual (Note 11)</b>
<b>Surplus (Deficit)</b>	<u>5,390</u>	<u>( 39,632)</u>	<u>( 98,503)</u>
(Acquisition) of tangible capital assets	( 3,020)	( 38,153)	
Amortization of tangible capital assets		38,848	39,385
Proceeds on disposal of tangible capital assets		801	
Loss on the disposal of tangible capital assets	<u>          </u>	<u>9,999</u>	<u>          </u>
<b>Surplus (Deficit) of Capital Expenses over Expenditures</b>	<u>( 3,020)</u>	<u>11,495</u>	<u>39,385</u>
(Acquisition) of supplies inventories		( 949)	
Use of prepaid expense	<u>          </u>	<u>95</u>	<u>8,394</u>
<b>Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures</b>	<u>0</u>	<u>( 854)</u>	<u>8,394</u>
<b>Increase (Decrease) in Net Financial Assets</b>	2,370	( 28,991)	( 50,724)
Net Financial Assets, beginning of year	<u>250,749</u>	<u>250,749</u>	<u>301,473</u>
<b>Net Financial Assets, End of Year</b>	<u>\$ 253,119</u>	<u>\$ 221,758</u>	<u>\$ 250,749</u>

*The notes to consolidated financial statements are an integral  
part of these consolidated financial statements.*



**Village of Punnichy**  
Consolidated Statement of Cash Flow  
For the year ended December 31, 2020

Statement 4

	<b>2020</b>	<b>2019</b> (Note 11)
<b>Cash Provided by (used for) the Following Activities</b>		
<b>Operating:</b>		
<b>Surplus (Deficit)</b>	( 39,632)	( 98,503)
Amortization	38,848	39,385
Loss on disposal of tangible capital assets	9,999	
	<u>9,215</u>	<u>( 59,118)</u>
<b>Change in Assets/Liabilities</b>		
Taxes receivable - municipal	26,292	24,335
Other receivables	( 10,105)	( 5,986)
Land for resale	429	( 7,878)
Accounts payable and accrued liabilities	44,241	3,431
Deposits	125	250
Deferred revenue	( 11,364)	24,557
Stock and supplies for use	( 949)	
Prepayments and deferred charges	95	8,394
<b>Cash Provided by Operating Transactions</b>	<u>57,979</u>	<u>( 12,015)</u>
<b>Capital:</b>		
Acquisition of capital assets	( 38,153)	
Proceeds from the disposal of capital assets	801	
<b>Cash Applied to Capital Transactions</b>	<u>( 37,352)</u>	<u>0</u>
<b>Change in Cash and Temporary Investments During the Year</b>	20,627	( 12,015)
Cash and temporary investments, beginning of year	<u>225,547</u>	<u>237,562</u>
<b>Cash and Temporary Investments, End of Year</b>	<u>\$ 246,174</u>	<u>\$ 225,547</u>

*The notes to consolidated financial statements are an integral  
part of these consolidated financial statements.*

**Village of Punnichy**  
Notes to Financial Statements  
For the year ended December 31, 2020

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**1. Significant Accounting Policies**

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

**(a) Basis of accounting**

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting requires revenues to be recognized as they become available and measurable, and expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

**(b) Reporting entity**

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

Entities included in these consolidated financial statements are as follows:

<b>Entity</b>	<b>Basis of Recording</b>
The Punnichy Recreation Board	Full consolidation

All inter-organizational transactions and balances have been eliminated.

**(c) Collection of funds for other authorities**

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

**(d) Government transfers**

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

- (i) the transfers are authorized;
- (ii) any eligibility criteria have been met; and
- (iii) a reasonable estimate of the amount 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.

**Village of Punnichy**  
Notes to Financial Statements  
For the year ended December 31, 2020

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**1. Significant Accounting Policies - continued**

(e) Deferred revenue - fees and charges

Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.

(f) Net financial assets

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

(g) Non-financial assets

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

(h) Appropriated reserves

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

(i) Tangible capital assets

All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The tangible capital assets that are recognized at a nominal value are disclosed in schedule 6. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The municipality's tangible capital asset useful lives are estimated as follows:

<b>Asset</b>	<b>Useful Life</b>
General Assets	
Land improvements	5-20 years
Buildings	10-50 years
Vehicles	5-10 years
Machinery and equipment	5-10 years
Infrastructure Assets	
Water and Sewer	40 years
Linear assets	40 years

**Village of Punnichy**  
Notes to Financial Statements  
For the year ended December 31, 2020

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**1. Significant Accounting Policies - continued**

(j) 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.

(k) Works of art

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

(l) Capitalization of interest

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

(m) Leases

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

(n) Employee benefit plans

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

(o) 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. Penalties on overdue taxes are recorded in the period levied.

Utility revenue is recognized in the period in which the service has been provided.

All other revenue is recorded when received, or receivable, collection is likely, and the amount can be reasonably determined.

**Village of Punnichy**  
Notes to Financial Statements  
For the year ended December 31, 2020

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**1. Significant Accounting Policies - continued**

**(p) 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.

**(q) Basis of segmentation/segment report**

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

The segments (functions) are as follows:

General government: provides for the administration of the municipality.

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

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

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

Planning and development: provides for neighbourhood development and sustainability.

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

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

**(r) Budget information**

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on July 24, 2020.

**Village of Punnichy**  
Notes to Financial Statements  
For the year ended December 31, 2020

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**1. Significant Accounting Policies - continued**

(s) 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 remeasurement gains and losses separate from the statement of operations arising from the remeasurement 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 remeasurement gains and losses.

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

PS 3450 Financial instruments, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives. The standard requires fair value measurement of derivatives and equity instrument that are quoted in an active market; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of remeasurement 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 derecognition of financial liabilities.

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

Effective for fiscal years beginning on or after April 1, 2023:

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

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

**Village of Punnichy**  
Notes to Financial Statements  
For the year ended December 31, 2020

	2020	2019
<b>2. Cash and Temporary Investments</b>		
Cash	\$ 246,174	\$ 225,547
Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less.		
<b>3. Taxes and Grants In Lieu Receivable</b>		
Municipal - current	38,167	36,188
Municipal - arrears	172,571	138,842
	<u>210,738</u>	<u>175,030</u>
Less: Allowance for uncollectibles	175,000	113,000
Total municipal taxes receivable	<u>35,738</u>	<u>62,030</u>
School - current	5,464	5,326
School - arrears	33,755	28,574
Total school taxes receivable	<u>39,219</u>	<u>33,900</u>
Total taxes and grants in lieu receivable	74,957	95,930
Less: Taxes receivable to be collected on behalf of other organizations	<u>39,219</u>	<u>33,900</u>
<b>Municipal and Grants In Lieu Taxes Receivable</b>	<u>\$ 35,738</u>	<u>\$ 62,030</u>
<b>4. Other Accounts Receivable</b>		
Utility	32,438	29,420
Trade	17,681	10,593
Total other accounts receivable	<u>50,119</u>	<u>40,013</u>
Less: Allowance for uncollectibles	<u>12,128</u>	<u>12,128</u>
<b>Net Other Accounts Receivable</b>	<u>\$ 37,991</u>	<u>\$ 27,885</u>
<b>5. Land for Resale</b>		
Tax title property	198,162	217,524
Less: Allowance for market value adjustment	<u>175,385</u>	<u>194,318</u>
Net tax title property	22,777	23,206
Other land	<u>1,400</u>	<u>1,400</u>
<b>Total Land for Resale</b>	<u>\$ 24,177</u>	<u>\$ 24,606</u>
<b>6. Deferred Revenue</b>		
Deferred gas tax	<u>\$ 57,310</u>	<u>\$ 68,674</u>
<b>7. Long-Term Debt</b>		

The debt limit of the municipality for 2021 is \$255,744. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the Municipalities Act section 161).

**Village of Punnichy**  
Notes to Financial Statements  
For the year ended December 31, 2020

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**8. Employee Benefit Plans**

The municipality participates in a contributory defined benefit pension plan for all its employees. For defined benefit plans considered to be multi-employer plans, contributions are expensed when they are due and payable. The municipality currently participates in the Municipal Employees Pension Plan.

The contributions by the participating employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. The portion of the annual benefit costs and of the asset surpluses (deficits) that are attributable to the municipality cannot be easily determined.

Accordingly, the multi-employer plans are accounted for on the defined contribution basis. No portion of the asset (deficit) surplus of the plan is recognized in these consolidated financial statements. The benefit expense reflected in the consolidated financial statements is equal to the municipality's contributions for the year.

All contributions by employees are matched equally by the employer. The contribution rates were updated on July 1, 2018. Employee contribution rates in effect for the year are as follows:

All contributions by employees are matched equally by the employer. The contribution rates were updated on July 1, 2018. Employee contribution rates in effect for the year are as follows:

	<b>2020</b>	<b>2019</b>
General members	9.00 %	9.00 %
Designated members	12.50 %	12.50 %

Contributions to the plan during the year were as follows:

Benefit expense	5,920	4,235
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As per the most recently audited consolidated financial statements dated December 31, 2019, the plan surplus is \$658,468,000.

**9. Budget**

Budget information is presented on a basis consistent with that used for actual results.



**Village of Punnichy**  
Notes to Financial Statements  
For the year ended December 31, 2020

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**10. Contractual Rights**

Contractual rights are rights to economic resources arising from contracts or agreements that will result in an asset and revenue in the future. Significant contractual rights of the municipality are as follows:

- The Board of Education of the Horizon School Division have an agreement with the Village of Punnichy for the lease of The Punnichy Curling Rink which commenced September 15, 2014. The lease requires a payment of \$1,000 per month to the municipality with an increase of 2% per year beginning September 1, 2016. Lease payments due to the Village over the next four years are as follows:

2021 - \$12,735  
2022 - \$12,989  
2023 - \$13,249  
2024 - \$9,009

**11. Comparative Figures**

Certain balances for comparative purposes have been reclassified to conform with the current year's presentation.

**12. Impact of COVID-19**

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the municipality's environment and in the global markets, possible disruption in supply chains and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the municipality's operations. The extent of this outbreak and related containment measures on the municipality's operations cannot be reliably estimated at this time.

**Village of Punnichy**  
Consolidated Schedule of Taxes and Other Unconditional Revenue  
For the year ended December 31, 2020

Schedule 1

	<b>2020 Budget (Note 1(r))</b>	<b>2020 Actual</b>	<b>2019 Actual (Note 11)</b>
<b>Taxes</b>			
General municipal tax levy	112,700	112,798	112,291
Abatements and adjustments	( 3,100)	( 380)	( 1,263)
Discount on current year taxes	( 2,200)	( 2,021)	( 2,130)
Net municipal taxes	<u>107,400</u>	<u>110,397</u>	<u>108,898</u>
Penalties on tax arrears	17,500	17,529	18,021
Other			<u>599</u>
<b>Total Taxes</b>	<u>124,900</u>	<u>127,926</u>	<u>127,518</u>
<b>Unconditional Grants</b>			
Equalization (revenue sharing)	50,200	50,247	45,485
Safe Restart Program		<u>12,706</u>	
<b>Total Unconditional Grants</b>	<u>50,200</u>	<u>62,953</u>	<u>45,485</u>
<b>Grants In Lieu of Taxes</b>			
Federal	34,600	33,542	33,550
Provincial			
Sask. Energy Gas	12,000	6,566	7,025
Other	4,700	4,579	4,579
S.P.C. surcharge	<u>12,000</u>	<u>13,051</u>	<u>13,143</u>
<b>Total Grants In Lieu of Taxes</b>	<u>63,300</u>	<u>57,738</u>	<u>58,297</u>
<b>Total Taxes and Other Unconditional Revenue</b>	<u>\$ 238,400</u>	<u>\$ 248,617</u>	<u>\$ 231,300</u>

*The notes to consolidated financial statements are an integral  
part of these consolidated financial statements.*

# Village of Punnichy

Consolidated Schedule of Operating and Capital Revenue by Function    Schedule 2-1  
For the year ended December 31, 2020

	2020 Budget (Note 1(r))	2020 Actual	2019 Actual (Note 11)
<b>General Government Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges			
Sale of supplies	250	578	491
General office services	20	65	23
Licenses and permits	200	245	200
Total Fees and Charges	<u>470</u>	<u>888</u>	<u>714</u>
Other revenues		116	
Land sales - gain	500	63	( 10,529)
Investment income and commissions	950	741	861
Total Other Segmented Revenue	<u>1,920</u>	<u>1,808</u>	<u>( 8,954)</u>
<b>Total Operating</b>	<u>1,920</u>	<u>1,808</u>	<u>( 8,954)</u>
<b>Capital</b>			
Conditional Grants			
Municipal Economic Enhancement Program		1,640	
<b>Total Capital</b>	<u>0</u>	<u>1,640</u>	<u>0</u>
<b>Total General Government Services</b>	<u>\$ 1,920</u>	<u>\$ 3,448</u>	<u>\$ ( 8,954)</u>
<b>Transportation Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges			
Custom work	2,300	2,835	1,820
Tangible capital asset proceeds		501	
Total Other Segmented Revenue	<u>2,300</u>	<u>3,336</u>	<u>1,820</u>
<b>Total Transportation Services</b>	<u>\$ 2,300</u>	<u>\$ 3,336</u>	<u>\$ 1,820</u>

*The notes to consolidated financial statements are an integral  
part of these consolidated financial statements.*

# Village of Punnichy

Consolidated Schedule of Operating and Capital Revenue by Function    Schedule 2-2  
For the year ended December 31, 2020

	2020 Budget (Note 1(r))	2020 Actual	2019 Actual (Note 11)
<b>Environmental and Public Health Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges			
Waste and disposal fees	2,780	2,782	1,391
Rentals	9,500	13,537	12,000
Cemetery fees	1,500	800	1,400
Total Fees and Charges	<u>13,780</u>	<u>17,119</u>	<u>14,791</u>
Total Other Segmented Revenue	<u>13,780</u>	<u>17,119</u>	<u>14,791</u>
<b>Total Environmental and Public Health Services</b>	<u>\$ 13,780</u>	<u>\$ 17,119</u>	<u>\$ 14,791</u>
<b>Planning and Development Services</b>			
<b>Operating</b>			
Tangible capital asset proceeds	<u>0</u>	( 10,500)	<u>0</u>
Total Other Segmented Revenue	<u>0</u>	( 10,500)	<u>0</u>
Conditional Grants			
Other	( 2,800)		2,673
Total Conditional Grants	<u>( 2,800)</u>	<u>0</u>	<u>2,673</u>
<b>Total Planning and Development Services</b>	<u>\$( 2,800)</u>	<u>\$( 10,500)</u>	<u>\$ 2,673</u>
<b>Recreation and Cultural Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges			
Recreation fees	59,700	62,844	55,744
Other			770
Total Fees and Charges	<u>59,700</u>	<u>62,844</u>	<u>56,514</u>
Total Other Segmented Revenue	<u>59,700</u>	<u>62,844</u>	<u>56,514</u>
Conditional Grants			
Saskatchewan Lotteries		2,730	2,762
Recreation and culture - operating	650	650	
Total Conditional Grants	<u>650</u>	<u>3,380</u>	<u>2,762</u>
<b>Total Operating</b>	<u>60,350</u>	<u>66,224</u>	<u>59,276</u>
<b>Capital</b>			
Conditional Grants			
Municipal Economic Enhancement Program - RC		16,000	
<b>Total Capital</b>	<u>0</u>	<u>16,000</u>	<u>0</u>
<b>Total Recreation and Cultural Services</b>	<u>\$ 60,350</u>	<u>\$ 82,224</u>	<u>\$ 59,276</u>

*The notes to consolidated financial statements are an integral  
part of these consolidated financial statements.*

# Village of Punnichy

Consolidated Schedule of Operating and Capital Revenue by Function    Schedule 2-3  
For the year ended December 31, 2020

	2020 Budget (Note 1(r))	2020 Actual	2019 Actual (Note 11)
<b>Utility Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges			
Water	31,440	30,952	28,483
Sewer	30,240	29,852	27,383
Total Fees and Charges	<u>61,680</u>	<u>60,804</u>	<u>55,866</u>
Total Other Segmented Revenue	<u>61,680</u>	<u>60,804</u>	<u>55,866</u>
<b>Total Operating</b>	<u>61,680</u>	<u>60,804</u>	<u>55,866</u>
<b>Capital</b>			
Conditional Grants			
Municipal Economic Enhancement Program		12,974	
Gas tax	6,200	31,215	2,399
<b>Total Capital</b>	<u>6,200</u>	<u>44,189</u>	<u>2,399</u>
<b>Total Utility Services</b>	<u>\$ 67,880</u>	<u>\$ 104,993</u>	<u>\$ 58,265</u>
<b>Total Operating and Capital Revenue by Function</b>	<u>\$ 143,430</u>	<u>\$ 200,620</u>	<u>\$ 127,871</u>
<b>Summary</b>			
Total Other Segmented Revenue	139,380	135,411	120,037
Total Conditional Grants	( 2,150)	3,380	5,435
Total Capital Grants and Contributions	<u>6,200</u>	<u>61,829</u>	<u>2,399</u>
<b>Total Operating and Capital Revenue by Function</b>	<u>\$ 143,430</u>	<u>\$ 200,620</u>	<u>\$ 127,871</u>

*The notes to consolidated financial statements are an integral  
part of these consolidated financial statements.*

**Village of Punnichy**  
Total Expenses by Function  
For the year ended December 31, 2020

Schedule 3-1

	2020 Budget (Note 1(r))	2020 Actual	2019 Actual (Note 11)
<b>General Government Services</b>			
Council remuneration and travel	10,300	7,766	7,660
Wages and benefits	51,800	48,328	58,292
Professional/Contractual services	4,800	4,466	3,971
Contractual services - other	29,800	30,194	34,412
Utilities	5,000	5,142	5,516
Maintenance, materials and supplies	4,160	3,626	5,722
Grants and contributions - operating	200	205	30
Amortization		187	187
Insurance	8,800	8,772	8,196
Allowance for uncollectibles		62,000	32,532
Other	1,000	720	( 239)
	<u>115,860</u>	<u>171,406</u>	<u>156,279</u>
<b>Total General Government Services</b>	<b>\$ 115,860</b>	<b>\$ 171,406</b>	<b>\$ 156,279</b>
<b>Protective Services</b>			
Police protection			
Professional/Contractual services	16,500	16,584	16,008
Fire protection			
Wages and benefits	700	225	1,380
Professional/Contractual services	2,400	2,191	2,442
Maintenance, materials and supplies	1,500	839	
Amortization		171	171
	<u>21,100</u>	<u>20,010</u>	<u>20,001</u>
<b>Total Protective Services</b>	<b>\$ 21,100</b>	<b>\$ 20,010</b>	<b>\$ 20,001</b>
<b>Transportation Services</b>			
Wages and benefits	43,330	41,306	38,407
Professional/Contractual services	3,200	3,189	3,207
Utilities	13,250	13,683	12,722
Maintenance, materials and supplies	9,400	7,219	17,196
Gravel	1,500	688	525
Machinery costs/fuel/blades	3,750	3,212	1,545
Culverts/drainage	300	280	
Amortization		18,040	18,190
	<u>74,730</u>	<u>87,617</u>	<u>91,792</u>
<b>Total Transportation Services</b>	<b>\$ 74,730</b>	<b>\$ 87,617</b>	<b>\$ 91,792</b>

*The notes to consolidated financial statements are an integral  
part of these consolidated financial statements.*

**Village of Punnichy**  
Total Expenses by Function  
For the year ended December 31, 2020

Schedule 3-2

	<b>2020 Budget (Note 1(r))</b>	<b>2020 Actual</b>	<b>2019 Actual (Note 11)</b>
<b>Environmental and Public Health Services</b>			
Professional/Contractual services	26,170	37,026	25,354
Maintenance, materials and supplies	100		114
Amortization		1,253	1,253
Other	900	1,421	830
	<u>900</u>	<u>1,421</u>	<u>830</u>
<b>Total Environmental and Public Health Services</b>	<b>\$ 27,170</b>	<b>\$ 39,700</b>	<b>\$ 27,551</b>
<b>Recreation and Cultural Services</b>			
Wages and benefits		360	
Professional/Contractual services	29,140	45,075	28,995
Utilities	10,450	10,384	9,113
Maintenance, materials and supplies	23,100	16,834	18,048
Grants and contributions - operating	2,900	5,627	8,512
Amortization		9,922	10,239
Other	1,300	1,246	1,302
	<u>1,300</u>	<u>1,246</u>	<u>1,302</u>
<b>Total Recreation and Cultural Services</b>	<b>\$ 66,890</b>	<b>\$ 89,448</b>	<b>\$ 76,209</b>
<b>Utility Services</b>			
Wages and benefits	14,400	14,400	14,450
Professional/Contractual services	10,900	5,978	7,704
Utilities	6,300	6,484	6,096
Maintenance, materials and supplies	39,090	44,551	48,247
Amortization		9,275	9,345
	<u>39,090</u>	<u>44,551</u>	<u>48,247</u>
<b>Total Utility Services</b>	<b>\$ 70,690</b>	<b>\$ 80,688</b>	<b>\$ 85,842</b>
<b>Total Expenses by Function</b>	<b>\$ 376,440</b>	<b>\$ 488,869</b>	<b>\$ 457,674</b>

*The notes to consolidated financial statements are an integral  
part of these consolidated financial statements.*

**Village of Punnichy**  
Consolidated Schedule of Segment Disclosure by Function  
For the year ended December 31, 2020

Schedule 4

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
<b>Revenues - schedule 2</b>								
Fees and charges	888		2,835	17,119		62,844	60,804	144,490
Tangible capital asset sales - gain (loss)			501		( 10,500)			( 9,999)
Land sales - gain	63							63
Investment income and commissions	741							741
Other revenues	116							116
Grants - conditional						3,380		3,380
Grants - capital	1,640					16,000	44,189	61,829
<b>Total Revenues</b>	<b>3,448</b>	<b>0</b>	<b>3,336</b>	<b>17,119</b>	<b>( 10,500)</b>	<b>82,224</b>	<b>104,993</b>	<b>200,620</b>
<b>Expenses - schedule 3</b>								
Wages and benefits	48,328	225	41,306			360	14,400	104,619
Professional/contractual services	42,426	18,775	3,189	37,026		45,075	5,978	152,469
Utilities	5,142		13,683			10,384	6,484	35,693
Maintenance materials and supplies	3,626	839	7,907			16,834	44,551	73,757
Machinery costs/fuel/blades			3,212					3,212
Culverts/drainage			280					280
Grants and contributions	205					5,627		5,832
Amortization	187	171	18,040	1,253		9,922	9,275	38,848
Insurance	8,772							8,772
Allowance for uncollectibles	62,000							62,000
Other	720			1,421		1,246		3,387
<b>Total Expenses</b>	<b>171,406</b>	<b>20,010</b>	<b>87,617</b>	<b>39,700</b>	<b>0</b>	<b>89,448</b>	<b>80,688</b>	<b>488,869</b>
<b>Surplus (Deficit) by Function</b>	<b>\$( 167,958)</b>	<b>\$( 20,010)</b>	<b>\$( 84,281)</b>	<b>\$( 22,581)</b>	<b>\$( 10,500)</b>	<b>\$( 7,224)</b>	<b>\$ 24,305</b>	<b>( 288,249)</b>
Taxation and other unconditional revenue - schedule 1								<u>248,617</u>
<b>Net Surplus (Deficit)</b>								<u><b>\$( 39,632)</b></u>

*The notes to consolidated financial statements are an integral  
part of these consolidated financial statements.*



**Village of Punnichy**  
Consolidated Schedule of Segment Disclosure by Function  
For the year ended December 31, 2019

Schedule 5

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
<b>Revenues - schedule 2</b>								
Fees and charges	714		1,820	14,791		56,514	55,866	129,705
Land sales - gain (loss)	( 10,529)							( 10,529)
Investment income and commissions	861							861
Grants - conditional					2,673	2,762		5,435
Grants - capital							2,399	2,399
Total Revenues	( 8,954)	0	1,820	14,791	2,673	59,276	58,265	127,871
<b>Expenses - schedule 3</b>								
Wages and benefits	58,292	1,380	38,407				14,450	112,529
Professional/contractual services	46,043	18,450	3,207	25,354		28,995	7,704	129,753
Utilities	5,516		12,722			9,113	6,096	33,447
Maintenance materials and supplies	5,722		17,721	114		18,048	48,247	89,852
Machinery costs/fuel/blades			1,545					1,545
Grants and contributions	30					8,512		8,542
Amortization	187	171	18,190	1,253		10,239	9,345	39,385
Insurance	8,196							8,196
Allowance for uncollectibles	32,532							32,532
Other	( 239)			830		1,302		1,893
Total Expenses	156,279	20,001	91,792	27,551	0	76,209	85,842	457,674
<b>Surplus (Deficit) by Function</b>	<u>\$( 165,233)</u>	<u>\$( 20,001)</u>	<u>\$( 89,972)</u>	<u>\$( 12,760)</u>	<u>\$ 2,673</u>	<u>\$( 16,933)</u>	<u>\$( 27,577)</u>	<u>( 329,803)</u>
Taxation and other unconditional revenue - schedule 1								<u>231,300</u>
<b>Net Surplus (Deficit)</b>								<u>\$( 98,503)</u>

*The notes to consolidated financial statements are an integral  
part of these consolidated financial statements.*

**Village of Punnichy**  
Consolidated Schedule of Tangible Capital Assets by Object  
For the year ended December 31, 2020

Schedule 6

	2020						2019		
	General Assets					Infrastruct. Assets	General/ Infrastruct. Assets under Constr.		
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets		Total	Total
Asset Cost									
Opening Asset Cost	6,016	0	476,523	92,002	157,041	2,183,596	10,500	2,925,678	2,925,678
Additions during the year			13,770		24,383			38,153	
Disposals and write-down during the year					( 1,500)		( 10,500)	( 12,000)	
Closing Asset Costs	6,016	0	490,293	92,002	179,924	2,183,596	0	2,951,831	2,925,678
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	0	0	284,611	89,470	126,650	1,860,325	0	2,361,056	2,321,671
Add: Amortization taken			11,709	1,267	3,850	22,022		38,848	39,385
Less: Accumulated amortization on disposals					1,200			1,200	
Closing Accumulated Amortization Costs	0	0	296,320	90,737	129,300	1,882,347	0	2,398,704	2,361,056
Net Book Value	\$ 6,016	\$ 0	\$ 193,973	\$ 1,265	\$ 50,624	\$ 301,249	\$ 0	\$ 553,127	\$ 564,622

*The notes to consolidated financial statements are an integral  
part of these consolidated financial statements.*

**Village of Punnichy**  
Consolidated Schedule of Tangible Capital Assets by Function  
For the year ended December 31, 2020

Schedule 7

	2020							2019	
	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Water & Sewer	Total	Total
Asset Cost									
Opening Asset Cost	29,162	99,209	1,483,420	55,363	0	424,037	834,487	2,925,678	2,925,678
Additions during the year		13,770					24,383	38,153	
Disposals and write-down during the year			( 1,500)				( 10,500)	( 12,000)	
Closing Asset Costs	29,162	112,979	1,481,920	55,363	0	424,037	848,370	2,951,831	2,925,678
Accumulated Amortization Cost									
Opening Accumulated									
Amortization costs	14,272	94,998	1,263,763	31,357	0	264,595	692,071	2,361,056	2,321,671
Add: Amortization taken	187	171	18,040	1,253		9,922	9,275	38,848	39,385
Less: Accumulated amortization on disposals			1,200					1,200	
Closing Accumulated Amortization Costs	14,459	95,169	1,280,603	32,610	0	274,517	701,346	2,398,704	2,361,056
Net Book Value	\$ 14,703	\$ 17,810	\$ 201,317	\$ 22,753	\$ 0	\$ 149,520	\$ 147,024	\$ 553,127	\$ 564,622

*The notes to consolidated financial statements are an integral  
part of these consolidated financial statements.*

**Village of Punnichy**  
Consolidated Schedule of Accumulated Surplus  
For the year ended December 31, 2020

Schedule 8

	2019	Changes	2020
<b>Unappropriated Surplus</b>	<u>179,288</u>	<u>( 28,137)</u>	<u>151,151</u>
<b>Appropriated Surplus</b>			
Capital trust reserve	10,000		10,000
Utility			
Utility reserve	20,446		20,446
Other			
Other reserves	<u>41,180</u>	<u>          </u>	<u>41,180</u>
<b>Total Appropriated</b>	<u>71,626</u>	<u>0</u>	<u>71,626</u>
<b>Net Investments in Tangible Capital Assets</b>			
Tangible capital assets - schedule 6	<u>564,622</u>	<u>( 11,495)</u>	<u>553,127</u>
<b>Net Investment in Tangible Capital Assets</b>	<u>564,622</u>	<u>( 11,495)</u>	<u>553,127</u>
<b>Total Accumulated Surplus</b>	<u>\$ 815,536</u>	<u>\$( 39,632)</u>	<u>\$ 775,904</u>

*The notes to consolidated financial statements are an integral  
part of these consolidated financial statements.*

**Village of Punnichy**  
Schedule of Mill Rates and Assessments  
For the year ended December 31, 2020

Schedule 9

	Property Class					Total	
	Agriculture	Residential	Condominium	Seasonal Residential	Commercial & Industrial		Potash Mine(s)
Taxable Assessment		3,297,840				3,297,840	6,595,680
Regional Park Assessment							
Total Assessment							6,595,680
Mill Rate Factor(s)		1.3000				2.4000	
Total Base/Minimum Tax (generated for each property class)		12,600				2,750	15,350
Total Municipal Tax Levy (include base and/or minimum tax and special levies)		84,031				28,767	112,798
Mill Rates:	Mills						
Average Municipal*	17.1018						
Average School*	4.6210						
Potash Mill Rate							
Uniform Municipal Mill Rate	11.1000						

\*Average Mill Rates (multiply the total tax levy for each taxing authority by 1,000 and divide by the total assessment for the taxing authority).

*The notes to consolidated financial statements are an integral part of these consolidated financial statements.*

**Village of Punnichy**  
Schedule of Council Remuneration  
For the year ended December 31, 2020

Schedule 10

<b>Name</b>	<b>Remuneration</b>	<b>Reimbursed Costs</b>	<b>Total</b>
Victor Senft	350		350
Lawrence Beyer	1,700		1,700
John Riddel	750		750
Lawrence Cox	1,700		1,700
Darlene Sands	1,500		1,500
Brenda Kraemer	1,700		1,700
	<u>7,700</u>	<u>0</u>	<u>7,700</u>
	<u>\$ 7,700</u>	<u>\$ 0</u>	<u>\$ 7,700</u>

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