

**Village of Arran**  
**FINANCIAL STATEMENTS**  
**Year Ended December 31, 2021**

# **Village of Arran**

Arran, Saskatchewan

December 31, 2021

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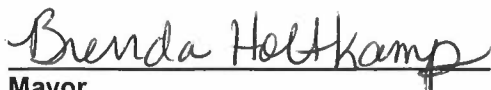
### **Management's Responsibility**

The municipality's 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 is required.

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

The council is composed of elected officials who are not employees of the 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 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 Arran

### *Opinion*

We have audited the financial statements of Village of Arran, (the municipality), which comprise the Statement of Financial Position as at December 31, 2021 and the Statements of Operations, Change in Net Financial Assets and Cash Flow 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 municipality as at December 31, 2021, and results of its operations and its 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 Auditors' Responsibilities for the Audit of the 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 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 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 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 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 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 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 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 auditors' 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 auditors' 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 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.

**Baker Tilly SK LLP**

Yorkton, SK  
June 21, 2022

*Baker Tilly SK LLP*

**Village of Arran**  
Arran, Saskatchewan  
Statement of Financial Position as at December 31, 2021

Statement 1

	2021	2020
<b>Assets</b>		
<b>Financial Assets</b>		
Cash and temporary investments - note 2	16,115	16,347
Taxes receivable - municipal - note 3	42,917	39,953
Other accounts receivable - note 4	4,005	2,465
Land for resale - note 5	2,189	2,550
<b>Total Financial Assets</b>	<u>65,226</u>	<u>61,315</u>
<b>Liabilities</b>		
Accounts payable - note 8	1,032	
Deposits - tax title property	100	1,004
Deferred revenue - note 6	6,166	6,543
Accrued landfill costs - note 7	60,000	60,000
Long-term debt - note 9	17,726	18,226
<b>Total Liabilities</b>	<u>85,024</u>	<u>85,773</u>
<b>Net Financial Assets</b>	<u>( 19,798)</u>	<u>( 24,458)</u>
<b>Non-Financial Assets</b>		
Tangible capital assets - schedules 6 and 7	108,488	110,587
Prepayments and deferred charges	6,080	160
<b>Total Non-Financial Assets</b>	<u>114,568</u>	<u>110,747</u>
<b>Accumulated Surplus - schedule 8</b>	<u>\$ 94,770</u>	<u>\$ 86,289</u>

Approved on behalf of the council:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Councillor

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

**Village of Arran**  
Statement of Operations  
For the year ended December 31, 2021

Statement 2

	<b>2021 Budget [Note 1(o)]</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Revenues</b>			
Taxes and other unconditional revenue			
- schedule 1	56,940	52,605	93,560
Fees and charges - schedules 4 and 5	8,295	6,281	4,527
Land sales - gain - schedules 4 and 5	500		
Investment income and commissions			
- schedules 4 and 5	40		44
Other revenues - schedules 4 and 5		2,753	( 729)
<b>Total Revenue</b>	<u>65,775</u>	<u>61,639</u>	<u>97,402</u>
<b>Expenses - schedule 3</b>			
General government services	39,303	29,521	77,338
Protective services	2,986	3,017	2,737
Transportation services	1,600	4,977	6,278
Environmental and public health services			2,075
Recreation and cultural services	169	846	1,468
Utilities services	16,206	18,390	15,594
<b>Total Expenses</b>	<u>60,264</u>	<u>56,751</u>	<u>105,490</u>
<b>Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions</b>	5,511	4,888	( 8,088)
Provincial/Federal Capital Grants and Contributions			
- schedules 4 and 5	<u>2,213</u>	<u>3,593</u>	<u>0</u>
<b>Surplus (Deficit) of Revenue over Expenses</b>	7,724	8,481	( 8,088)
<b>Accumulated Surplus, Beginning of Year</b>	<u>86,289</u>	<u>86,289</u>	<u>94,377</u>
<b>Accumulated Surplus, End of Year</b>	<u>\$ 94,013</u>	<u>\$ 94,770</u>	<u>\$ 86,289</u>

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

**Village of Arran**  
Statement of Change in Net Financial Assets  
For the year ended December 31, 2021

Statement 3

	<b>2021 Budget [Note 1(o)]</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Surplus (Deficit)</b>	<u>7,724</u>	<u>8,481</u>	<u>( 8,088)</u>
(Acquisition) of tangible capital assets		( 3,860)	
Amortization of tangible capital assets		<u>5,959</u>	<u>5,959</u>
<b>Surplus of Capital Expenses over Expenditures</b>	<u>0</u>	<u>2,099</u>	<u>5,959</u>
(Acquisition) of prepaid expense		( 6,080)	( 160)
Use of prepaid expense		<u>160</u>	<u>790</u>
<b>Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures</b>	<u>0</u>	<u>( 5,920)</u>	<u>630</u>
<b>Increase (Decrease) in Net Financial Assets</b>	<u>7,724</u>	<u>4,660</u>	<u>( 1,499)</u>
Net Financial Assets, beginning of year	<u>( 24,458)</u>	<u>( 24,458)</u>	<u>( 22,959)</u>
<b>Net Financial Assets, End of Year</b>	<u><u>\$ ( 16,734)</u></u>	<u><u>\$ ( 19,798)</u></u>	<u><u>\$ ( 24,458)</u></u>

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



**Village of Arran**  
Statement of Cash Flow  
For the year ended December 31, 2021

Statement 4

	2021	2020
<b>Cash Provided by (used for) the Following Activities</b>		
<b>Operating:</b>		
<b>Surplus (Deficit)</b>	8,481	( 8,088)
Amortization	<u>5,959</u>	<u>5,959</u>
	14,440	( 2,129)
<b>Change in Assets/Liabilities</b>		
Taxes receivable - municipal	( 2,964)	3,880
Other receivables	( 1,540)	334
Land for resale	361	( 950)
Accounts payable	1,032	( 39,806)
Utility deposits	( 904)	
Deferred revenue	( 377)	5,806
Prepayments and deferred charges	<u>( 5,920)</u>	<u>630</u>
<b>Cash Provided by Operating Transactions</b>	<u>4,128</u>	<u>( 32,235)</u>
<b>Capital:</b>		
Acquisition of capital assets	<u>( 3,860)</u>	<u>0</u>
<b>Financing:</b>		
Long-term debt issued		18,226
Long-term debt repaid	<u>( 500)</u>	<u>18,226</u>
<b>Cash Provided by (Applied to) Financing Transactions</b>	<u>( 500)</u>	<u>18,226</u>
<b>Change in Cash and Temporary Investments During the Year</b>	( 232)	( 14,009)
Cash and temporary investments, beginning of year	<u>16,347</u>	<u>30,356</u>
<b>Cash and Temporary Investments, End of Year</b>	<u>\$ 16,115</u>	<u>\$ 16,347</u>

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

**Village of Arran**  
Notes to Financial Statements  
For the year ended December 31, 2021

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**1. Significant Accounting Policies**

The financial statements of the municipality 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 adopted by the municipality are as follows:

**(a) Basis of accounting**

The 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) 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.

**(c) 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.

**(d) 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.

**(e) 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.

**Village of Arran**  
Notes to Financial Statements  
For the year ended December 31, 2021

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**1. Significant Accounting Policies - continued**

(f) Non-financial assets

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

(g) 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>General Assets</b>	<b>Useful Life</b>
Land	indefinite
Land improvements	75 years
Buildings	20 years
Vehicles	10 years
Mobile equipment	10 years
Linear assets	40 years
<b>Infrastructure Assets</b>	
Paving, sidewalks and roadways	40 years

(h) 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.

(i) 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.

**Village of Arran**  
Notes to Financial Statements  
For the year ended December 31, 2021

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**1. Significant Accounting Policies - continued**

(j) Landfill liability

The Village of Arran has operated a landfill since 1983. The annual provision is reported as an expense and the accumulated provision is reported on the Statement of Financial Position. Detailed disclosure is provided in note 7.

(k) 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.

(l) 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.

(m) 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 collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

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

The opening asset costs of tangible capital assets have been estimated where actual costs were not available.

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

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

**Village of Arran**  
Notes to Financial Statements  
For the year ended December 31, 2021

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**1. Significant Accounting Policies - continued**

**(n) 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.

**(o) Budget information**

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on May 19, 2021.

**(p) 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.

**Village of Arran**  
Notes to Financial Statements  
For the year ended December 31, 2021

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**1. Significant Accounting Policies - continued**

(p) New standards and amendments to standards - continued

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.

	2021	2020
<b>2. Cash and Temporary Investments</b>		
Cash	\$ 16,115	\$ 16,347

Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less.

**Village of Arran**  
Notes to Financial Statements  
For the year ended December 31, 2021

	<b>2021</b>	<b>2020</b>
<b>3. Taxes and Grants In Lieu Receivable</b>		
Municipal - current	20,001	18,814
Municipal - arrears	<u>106,589</u>	<u>112,259</u>
	126,590	131,073
Less: Allowance for uncollectibles	<u>83,673</u>	<u>91,120</u>
Total municipal taxes receivable	<u>42,917</u>	<u>39,953</u>
 School - current	 1,421	 1,036
School - arrears	<u>8,141</u>	<u>8,851</u>
Total school taxes receivable	<u>9,562</u>	<u>9,887</u>
 Total taxes and grants in lieu receivable	 52,479	 49,840
 Less: Taxes receivable to be collected on behalf of other organizations	 <u>9,562</u>	 <u>9,887</u>
 <b>Municipal and Grants In Lieu Taxes Receivable</b>	 <b><u>\$ 42,917</u></b>	 <b><u>\$ 39,953</u></b>
<b>4. Other Accounts Receivable</b>		
Utility	17,465	21,360
Trade	1,007	1,138
Other	<u>1,074</u>	<u>853</u>
Total other accounts receivable	19,546	23,351
Less: Allowance for uncollectibles	<u>15,541</u>	<u>20,886</u>
 <b>Net Other Accounts Receivable</b>	 <b><u>\$ 4,005</u></b>	 <b><u>\$ 2,465</u></b>
<b>5. Land for Resale</b>		
Tax title property	639,837	699,308
Less: Allowance for market value adjustment	<u>637,648</u>	<u>696,758</u>
 <b>Total Land for Resale</b>	 <b><u>\$ 2,189</u></b>	 <b><u>\$ 2,550</u></b>
<b>6. Deferred Revenue</b>		
Unspent Canada Community-Building Fund grant	5,996	6,543
Prepaid taxes	<u>170</u>	<u></u>
	<u>\$ 6,166</u>	<u>\$ 6,543</u>

**Village of Arran**  
Notes to Financial Statements  
For the year ended December 31, 2021

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	2021	2020
<b>7. Accrued Landfill Costs</b>		
Accrued landfill costs	<u>\$ 60,000</u>	<u>\$ 60,000</u>

In 2021, the municipality has accrued an overall liability for environmental matters in the amount of \$60,000 (2020 - \$60,000) which represents management's best estimate of this liability. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Included in environmental liabilities is \$60,000 (2020 - \$60,000) of the estimated total landfill closure and post-closure care expenses. The estimated liability for these expenses is recognized as the landfill site's capacity is used and the reported liability represents the portion of the estimated total expenses recognized as at December 31, 2021 based on the cumulative capacity used at that date, compared to the total estimated landfill capacity. Estimated total expenditures represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at the municipality's average long-term borrowing rate of 6% (2020 - 6%).

	2021	2020
<b>8. Accounts Payable</b>		
Accounts payable are comprised of the following items:		
Accounts payable	698	
Unremitted school tax collections	<u>334</u>	
	<u>\$ 1,032</u>	<u>\$ 0</u>

**9. Long-Term Debt**

The debt limit of the municipality for 2022 is \$40,699. 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).

- (a) Loan is repayable to the RM of Livingston #331 as funds are available over the next five years bearing interest at 0.75% (repayable by 2025). The Village has committed to paying \$500 per month which started in December 2021.



**Village of Arran**  
Notes to Financial Statements  
For the year ended December 31, 2021

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**10. Employee Benefit Plans**

The municipality participates in contributory defined benefit pension plan for all of 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 financial statements. The benefit expense reflected in the 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:

	<b>2021</b>	<b>2020</b>
General members	9.00 %	9.00 %
Designated members	0.00 %	12.50 %

Contributions to the plan during the year were as follows:

As per the most recently audited financial statements dated December 31, 2020, the plan surplus is \$838,900,000.

**11. Subsequent Events**

Subsequent to year end, the Village of Arran lost quorum for council. Under Section 14 of The Local Government Election Act, 2015 and Section 97 of the Municipalities Act, the Minister of Government Relations appointed Harvey Malanowich and Gina Rakochy as councillors for the Village. These appointees will hold office until the Village is restructured into the RM of Livingston No. 331 or the vacancies are filled at a by-election for the Village.

**Village of Arran**  
Schedule of Taxes and Other Unconditional Revenue  
For the year ended December 31, 2021

Schedule 1

	<b>2021 Budget [Note 1(o)]</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Taxes</b>			
General municipal tax levy	33,500	33,500	40,100
Abatements and adjustments		( 1,275)	( 7,214)
Discount on current year taxes	( 625)	( 560)	( 622)
Net municipal taxes	<u>32,875</u>	<u>31,665</u>	<u>32,264</u>
Penalties on tax arrears	<u>12,000</u>	<u>9,553</u>	<u>48,216</u>
<b>Total Taxes</b>	<u>44,875</u>	<u>41,218</u>	<u>80,480</u>
<b>Unconditional Grants</b>			
Equalization (revenue sharing)	7,685	7,634	7,685
Safe Restart Saskatchewan			<u>1,491</u>
<b>Total Unconditional Grants</b>	<u>7,685</u>	<u>7,634</u>	<u>9,176</u>
<b>Grants In Lieu of Taxes</b>			
Provincial			
SaskTel	1,100	1,100	
S.P.C. surcharge	3,280	2,607	3,080
Sask Energy Surcharge		<u>46</u>	<u>824</u>
<b>Total Grants In Lieu of Taxes</b>	<u>4,380</u>	<u>3,753</u>	<u>3,904</u>
<b>Total Taxes and Other Unconditional Revenue</b>	<u>\$ 56,940</u>	<u>\$ 52,605</u>	<u>\$ 93,560</u>

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

# Village of Arran

## Schedule of Operating and Capital Revenue by Function For the year ended December 31, 2021

Schedule 2-1

	2021 Budget [Note 1(o)]	2021 Actual	2020 Actual
<b>General Government Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges			
Sale of gravel supplies			878
Other	820		774
Total Fees and Charges	820	0	1,652
Other		2,753	( 729)
Investment income and commissions	40		44
Total Other Segmented Revenue	860	2,753	967
<b>Total General Government Services</b>	<b>\$ 860</b>	<b>\$ 2,753</b>	<b>\$ 967</b>
<b>Transportation Services</b>			
<b>Capital</b>			
Conditional Grants			
Canada Community-Building Fund	2,213		
<b>Total Capital</b>	2,213	0	0
<b>Total Transportation Services</b>	<b>\$ 2,213</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Utility Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges			
Water	7,475	6,281	2,875
Total Other Segmented Revenue	7,475	6,281	2,875
<b>Total Operating</b>	7,475	6,281	2,875
<b>Capital</b>			
Conditional Grants			
Municipal Economic Enhancement Program		3,593	
<b>Total Capital</b>	0	3,593	0
<b>Total Utility Services</b>	<b>\$ 7,475</b>	<b>\$ 9,874</b>	<b>\$ 2,875</b>
<b>Total Operating and Capital Revenue by Function</b>	<b>\$ 10,548</b>	<b>\$ 12,627</b>	<b>\$ 3,842</b>
<b>Summary</b>			
Total Other Segmented Revenue	8,335	9,034	3,842
Total Capital Grants and Contributions	2,213	3,593	
<b>Total Operating and Capital Revenue by Function</b>	<b>\$ 10,548</b>	<b>\$ 12,627</b>	<b>\$ 3,842</b>

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part of these financial statements.*

**Village of Arran**  
Total Expenses by Function  
For the year ended December 31, 2021

Schedule 3-1

	2021 Budget [Note 1(o)]	2021 Actual	2020 Actual
<b>General Government Services</b>			
Council remuneration and travel			72
Wages and benefits	295	294	209
Contractual services - assessment	780	570	780
Professional/Contractual services	7,835	8,720	8,447
Maintenance, materials and supplies	370	427	341
Grants and contributions - operating		35	
Insurance	2,423	2,422	2,278
Allowance for uncollectibles	21,600	11,053	56,713
Other	6,000	6,000	8,498
	<u>6,000</u>	<u>6,000</u>	<u>8,498</u>
<b>Total General Government Services</b>	<b>\$ 39,303</b>	<b>\$ 29,521</b>	<b>\$ 77,338</b>
<b>Protective Services</b>			
Police protection			
Professional/Contractual services	1,205	1,236	1,204
Fire protection			
Professional/Contractual services	1,781	1,781	1,533
	<u>1,781</u>	<u>1,781</u>	<u>1,533</u>
<b>Total Protective Services</b>	<b>\$ 2,986</b>	<b>\$ 3,017</b>	<b>\$ 2,737</b>
<b>Transportation Services</b>			
Utilities	1,600	1,468	2,769
Amortization		3,509	3,509
	<u>1,600</u>	<u>3,509</u>	<u>3,509</u>
<b>Total Transportation Services</b>	<b>\$ 1,600</b>	<b>\$ 4,977</b>	<b>\$ 6,278</b>
<b>Environmental and Public Health Services</b>			
Professional/Contractual services	\$ 0	\$ 0	\$ 2,075
	<u>0</u>	<u>0</u>	<u>2,075</u>
<b>Recreation and Cultural Services</b>			
Utilities		510	1,132
Libraries	169	336	336
	<u>169</u>	<u>336</u>	<u>336</u>
<b>Total Recreation and Cultural Services</b>	<b>\$ 169</b>	<b>\$ 846</b>	<b>\$ 1,468</b>
<b>Utility Services</b>			
Professional/Contractual services	10,258	6,146	8,915
Utilities	4,937	2,848	750
Maintenance, materials and supplies	1,011	6,946	2,904
Amortization		2,450	2,450
Allowance for uncollectibles			575
	<u>1,011</u>	<u>2,450</u>	<u>2,450</u>
<b>Total Utility Services</b>	<b>\$ 16,206</b>	<b>\$ 18,390</b>	<b>\$ 15,594</b>
<b>Total Expenses by Function</b>	<b>\$ 60,264</b>	<b>\$ 56,751</b>	<b>\$ 105,490</b>

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

# Village of Arran

Schedule of Segment Disclosure by Function  
For the year ended December 31, 2021

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							6,281	6,281
Other revenues	2,753							2,753
Grants - capital							3,593	3,593
Total Revenues	<u>2,753</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,874</u>	<u>12,627</u>
<b>Expenses - schedule 3</b>								
Wages and benefits	294							294
Professional/contractual services	9,290	3,017					6,146	18,453
Utilities			1,468			510	2,848	4,826
Maintenance materials and supplies	427						6,946	7,373
Grants and contributions	35							35
Amortization			3,509				2,450	5,959
Insurance	2,422							2,422
Libraries						336		336
Allowance for uncollectibles	11,053							11,053
Other	6,000							6,000
Total Expenses	<u>29,521</u>	<u>3,017</u>	<u>4,977</u>	<u>0</u>	<u>0</u>	<u>846</u>	<u>18,390</u>	<u>56,751</u>
<b>Surplus (Deficit) by Function</b>	<u>\$( 26,768)</u>	<u>\$( 3,017)</u>	<u>\$( 4,977)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$( 846)</u>	<u>\$( 8,516)</u>	<u>( 44,124)</u>
Taxation and other unconditional revenue - schedule 1								<u>52,605</u>
<b>Net Surplus</b>								<u>\$ 8,481</u>

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

# Village of Arran

Schedule of Segment Disclosure by Function  
For the year ended December 31, 2020

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	1,652						2,875	4,527
Investment income and commissions	44							44
Other revenues	( 729)							( 729)
<b>Total Revenues</b>	<u>967</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,875</u>	<u>3,842</u>
<b>Expenses - schedule 3</b>								
Wages and benefits	209							209
Professional/contractual services	9,299	2,737		2,075			8,915	23,026
Utilities			2,769			1,132	750	4,651
Maintenance materials and supplies	341						2,904	3,245
Amortization			3,509				2,450	5,959
Insurance	2,278							2,278
Libraries						336		336
Allowance for uncollectibles	56,713						575	57,288
Other	8,498							8,498
<b>Total Expenses</b>	<u>77,338</u>	<u>2,737</u>	<u>6,278</u>	<u>2,075</u>	<u>0</u>	<u>1,468</u>	<u>15,594</u>	<u>105,490</u>
<b>Surplus (Deficit) by Function</b>	<u>\$( 76,371)</u>	<u>\$( 2,737)</u>	<u>\$( 6,278)</u>	<u>\$( 2,075)</u>	<u>\$ 0</u>	<u>\$( 1,468)</u>	<u>\$( 12,719)</u>	<u>( 101,648)</u>
Taxation and other unconditional revenue - schedule 1								<u>93,560</u>
<b>Net Surplus (Deficit)</b>								<u>\$( 8,088)</u>

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part of these financial statements.*

**Village of Arran**  
Schedule of Tangible Capital Assets by Object  
For the year ended December 31, 2021

Schedule 6

	2021							2020
	General Assets					Infrastruct. Assets	General/Infrastruct. Assets under Constr.	Total
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets		Total
Asset Cost								
Opening Asset Cost	3,030		121,200		10,560	409,921		544,711
Additions during the year								
Disposals and write-down during the year							3,860	3,860
Closing Asset Costs	3,030	0	121,200	0	10,560	409,921	3,860	548,571
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs			121,200		6,336	306,588		428,165
Add: Amortization taken					1,056	4,903		5,959
Closing Accumulated Amortization Costs	0	0	121,200	0	7,392	311,491	0	439,883
Net Book Value	\$ 3,030	\$ 0	\$ 0	\$ 0	\$ 3,168	\$ 98,430	\$ 3,860	\$ 108,488

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

**Village of Arran**  
Schedule of Tangible Capital Assets by Function  
For the year ended December 31, 2021

Schedule 7

	<b>2021</b>							<b>2020</b>
	<b>General Government</b>	<b>Protective Services</b>	<b>Transport. Services</b>	<b>Environ. &amp; Public Health</b>	<b>Planning &amp; Develop.</b>	<b>Rec. &amp; Culture</b>	<b>Water &amp; Sewer</b>	<b>Total</b>
Asset Cost								
Opening Asset Cost			240,037			20,900	283,774	544,711
Additions during the year							3,860	3,860
Closing Asset Costs	0	0	240,037	0	0	20,900	287,634	544,711
Accumulated Amortization Cost								
Opening Accumulated								
Amortization Costs			189,221			20,200	224,703	428,165
Add: Amortization taken			3,509				2,450	5,959
Closing Accumulated Amortization								
Costs	0	0	192,730	0	0	20,200	227,153	434,124
Net Book Value	\$ 0	\$ 0	\$ 47,307	\$ 0	\$ 0	\$ 700	\$ 60,481	\$ 110,587

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part of these financial statements.*



**Village of Arran**  
Schedule of Accumulated Surplus  
For the year ended December 31, 2021

Schedule 8

	2020	Changes	2021
<b>Unappropriated Surplus</b>	<u>( 6,072)</u>	<u>10,080</u>	<u>4,008</u>
<b>Net Investments in Tangible Capital Assets</b>			
Tangible capital assets - schedule 6	110,587	( 2,099)	108,488
Less: Related debt	<u>18,226</u>	<u>( 500)</u>	<u>17,726</u>
<b>Net Investment in Tangible Capital Assets</b>	<u>92,361</u>	<u>( 1,599)</u>	<u>90,762</u>
<b>Total Accumulated Surplus</b>	<u>\$ 86,289</u>	<u>\$ 8,481</u>	<u>\$ 94,770</u>

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

**Village of Arran**  
Schedule of Mill Rates and Assessments  
For the year ended December 31, 2021

Schedule 9

	Property Class					Total	
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial		Potash Mine(s)
Taxable Assessment	13,530	604,800			66,045		684,375
Total Assessment							684,375
Mill Rate Factor(s)							
Total Base/Minimum Tax (generated for each property class)	175	30,600			2,725		33,500
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	175	30,600			2,725		33,500
Mill Rates:	Mills						
Average Municipal*	48.9498						
Average School*	4.6196						
Potash Mill Rate							
Uniform Municipal Mill Rate							

\*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).