

VILLAGE OF GERALD
FINANCIAL STATEMENTS
For the year ended December 31, 2021

VILLAGE OF GERALD
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STATEMENT OF RESPONSIBILITY

To the Ratepayers of the Village of Gerald:

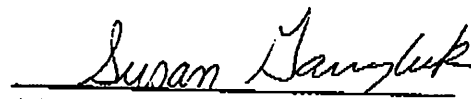
The Village's management is responsible for the preparation and presentation of the accompanying financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles and methods,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

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

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

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


Mayor


Administrator

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of the Village of Gerald, which comprise the statement of financial position as at December 31, 2021 and the statement of operations, statement of changes in net financial assets, and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Village of Gerald as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Yorkton, Saskatchewan
May 17, 2022



 Chartered Professional Accountants Ltd.

VILLAGE OF GERALD
STATEMENT OF FINANCIAL POSITION
As at December 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	\$ 176,392	\$ 175,843
Taxes receivable - municipal (Note 3)	5,147	19,846
Amounts receivable (Note 4)	10,084	327,502
TOTAL FINANCIAL ASSETS	191,623	523,191
LIABILITIES		
Accounts payable	10,543	339,976
Land sale deposits (Notes 1 and 6)	1,000	5,000
Long-term debt (Note 7)	96,727	119,368
TOTAL LIABILITIES	108,270	464,344
NET FINANCIAL ASSETS	83,353	58,847
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedules 6 and 7)	1,046,981	1,029,625
TOTAL NON-FINANCIAL ASSETS	1,046,981	1,029,625
ACCUMULATED SURPLUS (Schedule 8)	\$ 1,130,334	\$ 1,088,472

VILLAGE OF GERALD
STATEMENT OF OPERATIONS
For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
REVENUE			
Taxes and other unconditional revenue (Schedule 1)	\$ 154,103	\$ 152,936	\$ 149,765
Fees and charges (Schedules 4 and 5)	56,700	55,833	51,016
Conditional grants (Schedules 4 and 5)	1,982	1,976	21,529
Land sales - gain (loss) (Schedules 4 and 5)	2,000	4,754	
Investment income and commissions (Schedules 4 and 5)	500	682	3,446
	215,285	216,181	225,756
EXPENSES			
General government services (Schedule 3)	55,653	72,188	66,384
Protective services (Schedule 3)	10,462	10,843	10,712
Transportation services (Schedule 3)	33,275	34,279	35,662
Environmental and public health services (Schedule 3)	15,664	15,212	15,828
Recreation and cultural services (Schedule 3)	15,320	14,218	13,140
Utility services (Schedule 3)	50,431	44,151	46,899
	180,805	190,891	188,625
SURPLUS BEFORE OTHER CAPITAL CONTRIBUTIONS	34,480	25,290	37,131
Provincial/Federal capital grants and contributions (Schedules 4 and 5)	12,036	16,572	308,702
ANNUAL SURPLUS	46,516	41,862	345,833
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,088,472	1,088,472	742,639
ACCUMULATED SURPLUS, END OF YEAR	\$ 1,134,988	\$ 1,130,334	\$ 1,088,472

VILLAGE OF GERALD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
ANNUAL SURPLUS	\$ 46,516	\$ 41,862	\$ 345,833
Acquisition of tangible capital assets		(33,869)	(579,316)
Amortization of tangible capital assets	16,513	16,513	16,797
	16,513	(17,356)	(562,519)
CHANGE IN NET FINANCIAL ASSETS	<u>\$ 63,029</u>	24,506	(216,686)
NET FINANCIAL ASSETS, BEGINNING OF YEAR		58,847	275,533
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 83,353</u>	<u>\$ 58,847</u>

VILLAGE OF GERALD
STATEMENT OF CASH FLOWS
For the year ended December 31, 2021

	2021	2020
OPERATING TRANSACTIONS		
Annual surplus	\$ 41,862	\$ 345,833
Changes in non-cash items:		
Taxes receivable - municipal	14,699	3,428
Amounts receivable	317,418	(321,235)
Accounts payable and accrued liabilities	(329,433)	333,934
Land sale deposits	(4,000)	5,000
Gain on sale of land for resale	(4,754)	
Amortization	16,513	16,797
Cash provided by operating transactions	52,305	383,757
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(33,869)	(579,316)
Cash applied to capital transactions	(33,869)	(579,316)
INVESTING TRANSACTIONS		
Proceeds on sale of land for resale	4,754	
Cash applied to investing transactions	4,754	
FINANCING TRANSACTIONS		
Debt repayment	(22,641)	(22,056)
Cash applied to financing transactions	(22,641)	(22,056)
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	549	(217,615)
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	175,843	393,458
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	\$ 176,392	\$ 175,843

VILLAGE OF GERALD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village are prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies are as follows:

Basis of Accounting

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

Reporting Entity

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

Collection of Funds for Other Authorities

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

Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occur, providing:

- a) the transfer is authorized
- b) eligibility criteria have been met by the recipient; and
- c) a reasonable estimate of the amount can be made.

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

Deferred Revenue and Deposits

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

VILLAGE OF GERALD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Local Improvement Charges

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

Net-Financial Assets

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

Non-Financial Assets

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

Appropriated Reserves

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

Property Tax Revenue

Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by council following the guidance of the Government of Saskatchewan. Tax Revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.

Portfolio Investments

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

Inventories

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

VILLAGE OF GERALD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tangible Capital Assets

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

<u>Asset</u>	<u>Useful Life</u>
General assets	
Land	Indefinite
Land improvements	10 to 20 years
Buildings	10 to 50 years
Vehicles and equipment	
Vehicles	5 to 10 years
Machinery and equipment	5 to 10 years
Infrastructure Assets	
Infrastructure Assets	30 to 75 years
Water & Sewer	45 - 75 years
Road Network Assets	30 - 60 years

Government Contributions

Government contributions for the acquisition of capital assets are reported as capital revenue and do not reduce the cost of the related asset.

Works of Art and Other Unrecognized Assets

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

Capitalization of Interest

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

VILLAGE OF GERALD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

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

Landfill Liability

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

Trust Funds

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

Employee Benefit Plans

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

Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

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

VILLAGE OF GERALD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Uncertainty

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

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

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

Basis of segmentation/Segment report

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

The segments (functions) are as follows:

General government: Provides administration of the Village.

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

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

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

Planning and development: Provides for neighbourhood development and sustainability.

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

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

Budget Information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on June 8, 2021.

VILLAGE OF GERALD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Standards and Amendments to Standards

Effective for Fiscal Years Beginning On or After April 1, 2022:

PS 1201 Financial Statement Presentation, replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure in government financial statements. Requires a new statement of re-measurement gains and losses separate from the statement of operations arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. Effective in the period PS 3450 and PS 2601 are adopted.

PS 2601 Foreign Currency Translation, replaces PS 2600 with revised guidance on the recognition, presentation and disclosure of transactions that are denominated in a foreign currency. Requires that monetary assets and liabilities denominated in a foreign currency and non-monetary items included in the fair value category, denominated in a foreign currency, be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses are to be presented in the statement of re-measurement gains and losses.

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

PS 3450 Financial Instruments, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives. This standard requires fair value measurement of derivatives and equity instruments that are quoted in an active market; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

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

Effective 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 the performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payer.

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

VILLAGE OF GERALD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

2. CASH AND TEMPORARY INVESTMENTS

Cash and temporary investments are comprised of the following:

	2021	2020
Cash	\$ 176,392	\$ 77,620
Temporary investments		84,862
Restricted cash		13,361
	<u>\$ 176,392</u>	<u>\$ 175,843</u>

Cash and temporary investments include balances with banks and term deposits. Restricted cash from the prior year included funds held for the Gerald Rink. Temporary investments in the prior year represented investments in term deposits held at Conexus Credit Union Ltd. and earned interest at 0.30% - 1.60% and had maturity dates ranging from April 2021 - December 2021.

3. TAXES AND GRANTS-IN-LIEU RECEIVABLE

	2021	2020
Municipal	\$ 4,906	\$ 6,545
- Current		
- Arrears	16,847	21,040
	<u>21,753</u>	<u>27,585</u>
- Less allowance for uncollectibles	(16,606)	(7,739)
Total municipal taxes receivable	<u>5,147</u>	<u>19,846</u>
School	1,002	1,148
- Current		
- Arrears	4,980	4,350
Total school taxes receivable	<u>5,982</u>	<u>5,498</u>
Total taxes and grants-in-lieu receivable	<u>11,129</u>	<u>25,344</u>
Deduct taxes receivable to be collected on behalf of other organizations	<u>(5,982)</u>	<u>(5,498)</u>
Municipal and grants-in-lieu taxes receivable	<u>\$ 5,147</u>	<u>\$ 19,846</u>

VILLAGE OF GERALD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

4. AMOUNTS RECEIVABLE

Amounts receivable are valued at their net realized value.

	2021	2020
Utility	\$ 5,360	\$ 3,600
Federal government	3,941	26,782
Organizations and individuals	1,838	
Provincial government		296,666
Accrued interest		454
	11,139	327,502
	(1,055)	
Less allowance for doubtful amounts		
	\$ 10,084	\$ 327,502

5. LAND FOR RESALE

	2021	2020
Tax Title Property	\$ 44,640	\$ 47,296
Allowance for market value adjustment	(44,640)	(47,296)
Net Tax Title Property		
Other Land for Resale	3,383	3,383
Allowance for market value adjustment	(3,383)	(3,383)
Net Other Land for Resale		
Total Land for Resale	\$	\$

6. LAND SALE DEPOSITS

	2021	2020
Land sale deposits	\$ 1,000	\$ 5,000

VILLAGE OF GERALD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

7. LONG-TERM DEBT

The debt limit of the Village is \$132,365. The debt limit for a Village is the total amount of the Village's own source revenues for the preceding year per section 161(1) of the Municipalities Act.

	2021	2020
Saskatchewan Municipal Board - Debenture, repayable in annual payments of \$25,804, bearing interest at a rate of 2.65%, secured by assets. Maturing June 2025.	\$ 96,727	\$ 119,368

Future principal and interest payments are as follows:

	Principal	Interest	Total
2022	\$ 23,243	2,561	\$ 25,804
2023	23,858	1,946	25,804
2024	24,486	1,318	25,804
2025	25,140	664	25,804
Balance	\$ 96,727	6,489	\$ 103,216

8. COMMITMENTS

In 2018, the Council of the Village of Gerald committed to a lagoon project, done under the Building Canada - Small Communities Fund with contributions of up to \$296,666 from the Government of Saskatchewan. All contributions were recognized in the prior year. As of the financial statement date, the Village has spent \$655,351 on engineering fees and the transfer of waste from lagoon cell one to lagoon cell two to stop the leakage from lagoon cell one. In addition, the liner to line cell one to prevent leakage has been purchased but not installed as of the audit date. The estimated completion date of the project is 2023.

9. PENSION PLAN

The Village is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration benefits. The Village's pension expense in 2021 was \$2,128 (2020 - \$2,228). The benefits accrued to the Village's employees from MEPP are calculated using the following: Pensionable Years of Service, Highest Average Salary, and the plan accrual rate. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook Section PS 3250.

VILLAGE OF GERALD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2021

10. GOVERNMENT ASSISTANCE

In response to the pandemic in the prior year, the Provincial and Federal governments provided funds to municipalities in order to stimulate economic recovery and enhance infection protection and control measures in their operations. Through the Municipal Economic Enhancement Program (MEEP), the Village received funds of \$Nil (2020 - \$19,547). In the prior year, these funds were approved to be spent on the upgrading of the wastewater treatment facility. As of December 31, 2020, \$624,522 was spent on this project. In addition, during 2020 the Safe Restart Program provided \$8,113 of unconditional funds to the Village.

11. OTHER MATTERS

The COVID-19 pandemic impacted Canada and caused significant disruptions to the Canadian economy. As of the audit report date, the organization has not suffered any significant disruptions as they were able to operate within the restrictions. We are therefore unable to estimate the effect of the pandemic on the organization's operations. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of this disruption. As a result, the related financial impact and duration cannot be reasonably estimated at this time.

VILLAGE OF GERALD**SCHEDULE 1 - SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES**

For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
TAXES			
General municipal tax levy	\$ 92,131	\$ 92,131	\$ 83,152
Abatements and adjustments	(1,000)	(2,100)	(2,000)
Discount on current year taxes	(3,200)	(3,840)	(3,249)
Net Municipal Taxes	87,931	86,191	77,903
Potash tax share	27,465	27,465	25,361
Penalties on tax arrears	2,770	2,770	2,341
Total Taxes	118,166	116,426	105,605
UNCONDITIONAL GRANTS			
Revenue Sharing	32,537	32,537	32,815
Safe Restart			8,113
Total Unconditional Grants	32,537	32,537	40,928
GRANTS-IN-LIEU OF TAXES			
Provincial			
Sasktel	1,100	1,045	950
Local/Other			
Housing Authority		521	
Other Government Transfers			
Sask Energy Surcharge	2,300	2,407	2,282
Total Grants-in-Lieu of Taxes	3,400	3,973	3,232
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 154,103	\$ 152,936	\$ 149,765

VILLAGE OF GERALD**SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION**

For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Rentals	\$ 8,000	\$ 7,352	\$ 7,963
- Tax enforcement	30	30	
Total Fees and Charges	8,030	7,382	7,963
- Land sales - gain (loss)	2,000	4,754	
- Investment income and commissions	500	682	3,446
Total Other Segmented Revenue	10,530	12,818	11,409
Total Operating	10,530	12,818	11,409
Total General Government Services	10,530	12,818	11,409
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	570	620	540
Total Fees and Charges	570	620	540
Total Other Segmented Revenue	570	620	540
Total Operating	570	620	540
Total Transportation Services	570	620	540

VILLAGE OF GERALD

SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Recreation fees	\$ 500	\$ 281	\$ 1,758
Total Fees and Charges	500	281	1,758
Total Other Segmented Revenue	500	281	1,758
Conditional Grants			
- Saskatchewan Lotteries	1,982	1,976	1,982
Total Conditional Grants	1,982	1,976	1,982
Total Operating	2,482	2,257	3,740
Total Recreation and Cultural Services	2,482	2,257	3,740
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water and sewer	25,700	25,410	25,725
- Infrastructure fees	21,900	22,140	15,030
Total Fees and Charges	47,600	47,550	40,755
Total Other Segmented Revenue	47,600	47,550	40,755
Conditional Grants			
- Municipal Economic Enhancement Program			19,547
Total Conditional Grants			19,547
Total Operating	47,600	47,550	60,302
Capital			
Conditional Grants			
- Canada Community Building Fund (CCBF)	12,036	16,572	12,036
- New Building Canada Fund - Small Communities Fund			296,666
Total Capital	12,036	16,572	308,702
Total Utility Services	59,636	64,122	369,004
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 73,218	\$ 79,817	\$ 384,693

VILLAGE OF GERALD**SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION**

For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
SUMMARY			
Total Other Segmented Revenue	\$ 59,200	\$ 61,269	\$ 54,462
Total Conditional Grants	1,982	1,976	21,529
Total Capital Grants and Contributions	12,036	16,572	308,702
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 73,218	\$ 79,817	\$ 384,693

VILLAGE OF GERALD
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 4,300	\$ 3,703	\$ 4,575
Wages and benefits	31,055	30,627	29,346
Professional/Contractual services	11,267	10,846	15,936
Utilities	4,500	4,190	4,333
Maintenance, materials, and supplies	3,100	2,347	2,513
Grants and contributions			
- Operating		500	
Amortization	1,431	1,431	1,896
Interest			46
Allowance for uncollectibles		18,544	7,739
Total General Government Services	55,653	72,188	66,384
PROTECTIVE SERVICES			
Police protection			
Professional/Contractual services	6,600	6,726	6,550
Fire protection			
Professional/Contractual services	3,862	4,117	3,862
Grants and contributions			
- Operating			300
Total Protective Services	10,462	10,843	10,712
TRANSPORTATION SERVICES			
Professional/Contractual services	8,500	8,693	13,836
Utilities	4,400	3,954	4,311
Maintenance, materials, and supplies	8,700	10,307	5,777
Amortization	8,512	8,512	8,331
Interest on debenture	3,163	2,813	3,407
Total Transportation Services	33,275	34,279	35,662
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Professional/Contractual services	15,464	15,212	15,464
Grants and contributions			
- Operating			
• Public Health	200		364
Total Environmental and Public Health Services	15,664	15,212	15,828

VILLAGE OF GERALD
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
RECREATION AND CULTURAL SERVICES			
Professional/Contractual services	\$ 4,100	\$	\$ 2,500
Utilities	2,900	1,377	2,370
Maintenance, materials, and supplies	50	4,571	
Grants and contributions			
- Operating	2,781	2,781	2,781
Amortization	5,489	5,489	5,489
Total Recreation and Cultural Services	15,320	14,218	13,140
UTILITY SERVICES			
Professional/Contractual services	32,950	30,194	30,779
Utilities	8,550	7,170	8,352
Maintenance, materials, and supplies	7,850	5,706	6,687
Amortization	1,081	1,081	1,081
Total Utility Services	50,431	44,151	46,899
TOTAL EXPENSES BY FUNCTION	\$ 180,805	\$ 190,891	\$ 188,625

VILLAGE OF GERALD

SCHEDULE 4 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

For the year ended December 31, 2021

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 7,382	\$	\$ 620	\$	\$	\$ 281	\$ 47,550	\$ 55,833
Tangible Capital Asset Sale - Gain (Loss)								4,754
Land Sales - Gain (Loss)	4,754							682
Investment Income & Commissions	682							
Other Revenues								
Grants - Conditional						1,976		1,976
- Capital							16,572	16,572
Total revenues	12,818		620			2,257	64,122	79,817
Expenses (Schedule 3)								
Wages & Benefits	34,330							34,330
Professional/Contractual Services	10,846	10,843	8,693	15,212			30,194	75,788
Utilities	4,190		3,954			1,377	7,170	16,691
Maintenance, Materials, Supplies	2,347		10,307			4,571	5,706	22,931
Grants and Contributions	500					2,781		3,281
Amortization	1,431		8,512			5,489	1,081	16,513
Interest			2,813					2,813
Allowance for Uncollectibles	18,544							18,544
Other								
Total expenses	72,188	10,843	34,279	15,212		14,218	44,151	190,891
Surplus (Deficit) by Function	(59,370)	(10,843)	(33,659)	(15,212)		(11,961)	19,971	(111,074)
Taxation and other unconditional revenue (Schedule 1)								152,936
Net Surplus (Deficit)								\$ 41,862

VILLAGE OF GERALD
SCHEDULE 5 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
For the year ended December 31, 2020

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 7,963	\$	\$ 540	\$	\$	\$ 1,758	\$ 40,755	\$ 51,016
Tangible Capital Asset Sale - Gain (Loss)								
Land Sales - Gain (Loss)								
Investment Income & Commissions	3,446							3,446
Other Revenues								
Grants - Conditional						1,982	19,547	21,529
- Capital							308,702	308,702
Total revenues	11,409		540			3,740	369,004	384,693
Expenses (Schedule 3)								
Wages & Benefits	33,921							33,921
Professional/Contractual Services	15,936	10,412	13,836	15,464		2,500	30,779	88,927
Utilities	4,333		4,311			2,370	8,352	19,366
Maintenance, Materials, Supplies	2,513		5,777				6,687	14,977
Grants and Contributions		300		364		2,781		3,445
Amortization	1,896		8,331			5,489	1,081	16,797
Interest	46		3,407					3,453
Allowance for Uncollectibles	7,739							7,739
Other								
Total expenses	66,384	10,712	35,662	15,828		13,140	46,899	188,625
Surplus (Deficit) by Function	(54,975)	(10,712)	(35,122)	(15,828)		(9,400)	322,105	196,068
Taxation and other unconditional revenue (Schedule 1)								149,765
Net Surplus (Deficit)								\$ 345,833

VILLAGE OF GERALD
SCHEDULE 6 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT
For the year ended December 31, 2021

	General Assets					Infrastructure Assets	General/ Infrastructure	Totals	
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Assets Under Construction	2021	2020
Cost									
Opening costs	\$ 42,071		129,128		12,928	656,726	624,522	\$1,465,375	\$ 886,059
Additions during the year					3,040		30,829	33,869	579,316
Closing costs	42,071		129,128		15,968	656,726	655,351	1,499,244	1,465,375
Accumulated Amortization									
Opening accumulated amortization			78,350		11,729	345,671		435,750	418,953
Amortization			6,406		695	9,412		16,513	16,797
Closing accumulated amortization			84,756		12,424	355,083		452,263	435,750
Net Book Value	\$ 42,071		44,372		3,544	301,643	655,351	\$1,046,981	\$1,029,625

VILLAGE OF GERALD
SCHEDULE 7 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION
For the year ended December 31, 2021

Cost	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Totals	
								2021	2020
Opening costs	\$ 25,546		575,618			101,700	762,511	\$1,465,375	\$ 886,059
Additions during the year			3,040				30,829	33,869	579,316
Closing costs	25,546		578,658			101,700	793,340	1,499,244	1,465,375
Accumulated Amortization									
Opening accumulated amortization	13,843		284,035			70,944	66,928	435,750	418,953
Amortization	1,431		8,512			5,489	1,081	16,513	16,797
Closing accumulated amortization	15,274		292,547			76,433	68,009	452,263	435,750
Net Book Value	\$ 10,272		286,111			25,267	725,331	\$1,046,981	\$1,029,625

VILLAGE OF GERALD
SCHEDULE 8 - SCHEDULE OF ACCUMULATED SURPLUS
For the year ended December 31, 2021

	2020	Changes	2021
UNAPPROPRIATED SURPLUS	\$ 177,915	1,865	\$ 179,780
APPROPRIATED RESERVES			
Reserve	300		300
Total appropriated	300		300
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	1,029,625	17,356	1,046,981
Less: Related debt	(119,368)	22,641	(96,727)
Net Investment in Tangible capital assets	910,257	39,997	950,254
Total Accumulated Surplus	\$ 1,088,472	41,862	\$ 1,130,334

VILLAGE OF GERALD

SCHEDULE 9 - SCHEDULE OF MILL RATES AND ASSESSMENTS

For the year ended December 31, 2021

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable assessment	45,925	4,597,200			606,475		5,249,600
Regional Park Assessment							
Total Assessment							5,249,600
Mill Rate Factor(s)	1.00	1.00			1.00		
Total Base/Minimum Tax		73,400			4,800		78,200
Total Municipal Tax Levy	344	83,716			8,071		92,131

MILL RATES:

MILLS

Average Municipal	17.5500
Average School	4.6974
Potash Mill Rate	
Uniform Municipal Mill Rate	7.5000

VILLAGE OF GERALD

SCHEDULE 10 - SCHEDULE OF COUNCIL REMUNERATION

For the year ended December 31, 2021

<u>Position - Name</u>	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Mayor - Brian Swann	\$ 1,500	\$	1,500
Councilor - Alicia Nixon	1,100		1,100
Councilor - Jacobus Swanevelder	1,000		1,000
	<u>\$ 3,600</u>	<u>\$</u>	<u>3,600</u>