



**Annual Financial Statements
and Supporting Schedules**

**City of Melfort
for the Year Ended December 31, 2021**

Management's Responsibility

Independent Auditor's Report

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Management's Responsibility



To the Ratepayers of the City of Melfort:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. The responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fair presentation of the financial statements, management designs and maintains the necessary accounting systems, 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.

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

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Mayor and 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.

e-Signed by Adam Homes

2022-08-08 17:52:15:15 CST

City Manager

e-Signed by Trevor Wowk

2022-08-08 17:54:29:29 CST

City Treasurer

To the Mayor and Council of the City of Melfort:

Opinion

We have audited the financial statements of the City of Melfort (the "City"), which comprise the statement of financial position as at December 31, 2021, and the statements of financial activities, changes in net financial assets, cash flow and the related schedules 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 City as at December 31, 2021, and the results of its operations, changes in its net financial assets and 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 City 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.

Emphasis of Matter - Correction of an Error

We draw attention to Note 14 of the financial statements, which explains that certain information for the year ended December 31, 2020 has been restated. Our opinion is not modified in respect of this matter.

Responsibilities of Management 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 City'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 City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

Independent Auditor's Report *(Continued from previous page)*

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 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 City'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 City'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 City 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.

Melfort, Saskatchewan

August 8, 2022

MNP LLP

Chartered Professional Accountants

MNP

CITY OF MELFORT



STATEMENT OF FINANCIAL POSITION

Year ended December 31, 2021

	2021 \$	2020 \$
	<i>(Restated - Note 14)</i>	
FINANCIAL ASSETS		
Current Financial Assets		
Cash	4,900,559	3,275,492
Accounts receivable (Note 2)	2,253,930	1,419,012
Taxes receivable (Note 3)	233,133	254,708
Short-term investments (Note 4)	9,317,913	9,117,349
Accrued interest receivable	479	15,963
	16,706,015	14,082,523
Long-term accounts receivable (Note 2)	129,176	260,086
Tax title property (Note 5)	325,022	326,658
Local improvements receivable (Note 6)	73,587	16,296
Land for resale (Note 7)	2,036,150	2,232,378
Loans receivable (Note 8)	7,917	8,487
	19,277,867	16,926,429
FINANCIAL LIABILITIES		
Current Financial Liabilities		
Accounts payable and accrued liabilities	2,517,165	1,595,591
Growth incentive rebates	24,000	18,000
Utility deposits	241,909	238,664
Deferred revenue (Note 9)	922,623	503,082
Current portion of capital lease obligation (Note 10)	48,487	46,428
	3,754,184	2,401,765
Long-term capital lease obligation (Note 10)	8,239	56,598
Long-term contaminated sites liability (Note 12)	166,000	166,000
Landfill closure and post-closure liability (Note 13)	2,879,089	2,849,468
	3,053,328	3,072,066
	6,807,512	5,473,831
NET FINANCIAL ASSETS	12,470,355	11,452,598
NON-FINANCIAL ASSETS		
Prepaid expenses	46,093	11,220
Inventory	235,906	174,472
Tangible capital assets (Schedule 13 - 14)	50,260,567	49,571,756
	50,542,566	49,757,449
ACCUMULATED SURPLUS (Schedule 11)	63,012,921	61,210,047

Approved on behalf of City Council:

e-Signed by Glenn George
2022-08-08 17:53:10:10 CST

Mayor

e-Signed by Doug Terry
2022-08-08 17:27:07:07 CST

Deputy Mayor

The accompanying notes are an integral part of these financial statements

CITY OF MELFORT

STATEMENT OF FINANCIAL ACTIVITIES

Year ended December 31, 2021



Budget 2021		Total 2021	Total 2020
\$		\$	\$
<i>(Note 20)</i>			<i>(Restated - Note 14)</i>
REVENUES			
Operational (see Schedules 1 thru 5)			
6,356,591	Taxation	6,258,524	6,247,824
268,045	Grants in lieu of taxes	272,279	268,197
1,428,476	Government grants	1,644,357	2,339,009
1,057,339	Fiscal revenues	1,167,848	1,070,885
16,000	General government services	12,247	14,295
232,364	Protective services	299,690	271,890
119,388	Transportation services	186,590	128,919
46,500	Public health services	43,610	43,825
-	Economic development services	-	533,949
512,411	Recreation and culture services	568,286	468,167
2,939,962	Utility services	3,145,840	2,802,638
889,511	Landfill fees (environmental services)	1,009,796	829,711
446,096	Waste collection fees (environmental services)	462,574	445,898
Capital (see Schedules 6 thru 7)			
5,000	Capital grants and operations	333,126	1,718,233
274,069	Wellness Centre	270,823	295,343
14,591,752		15,675,588	17,478,783
EXPENSES			
Operational (see Schedules 2 thru 5)			
1,250,317	General government services	1,379,293	1,317,800
1,701,238	Protective services	1,531,510	1,556,872
2,179,594	Transportation services	3,051,151	2,960,130
54,776	Public health services	13,073	28,390
111,406	Economic development services	108,228	632,074
2,962,016	Recreation and culture services	3,604,976	3,247,219
2,372,156	Utility services	2,933,731	2,777,622
489,292	Landfill (environmental services)	635,578	3,332,623
261,249	Waste collection (environmental services)	274,382	258,025
Capital (see Schedules 6 thru 7)			
270,085	Wellness Centre	340,794	353,660
11,652,129		13,872,714	16,464,416
2,939,623	EXCESS OF REVENUES OVER EXPENSES	1,802,874	1,014,367
	ACCUMULATED SURPLUS, BEGINNING OF YEAR, AS PREVIOUSLY STATED	61,673,996	60,807,225
	Correction of an error <i>(Note 14)</i>	(463,949)	(611,545)
	ACCUMULATED SURPLUS, BEGINNING OF YEAR, AS RESTATED	61,210,047	60,195,680
	ACCUMULATED SURPLUS, END OF YEAR	63,012,921	61,210,047

The accompanying notes are an integral part of these financial statements

CITY OF MELFORT



STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2021

	Budget 2021 \$	Total 2021 \$	Total 2020 \$
	<i>(Note 20)</i>		<i>(Restated - Note 14)</i>
SURPLUS	2,939,623	1,802,874	1,014,367
Acquisition of tangible capital assets	(3,606,163)	(3,105,427)	(3,904,760)
Amortization of tangible capital assets	-	2,380,168	2,343,678
Proceeds on disposal of tangible capital assets	-	36,254	56,937
Loss on tangible capital assets	-	195	29,691
(Increase) decrease in inventory	-	(61,434)	(13,228)
(Increase) decrease in prepaid expenses	-	(34,873)	42,746
CHANGE IN NET FINANCIAL ASSETS	(3,606,163)	(785,117)	(1,444,936)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(666,540)	1,017,756	(430,569)
NET FINANCIAL ASSETS - BEGINNING OF YEAR	11,452,598	11,452,598	12,494,712
Correction of an error <i>(Note 14)</i>	-	-	(611,545)
NET FINANCIAL ASSETS - END OF YEAR	10,786,058	12,470,355	11,452,598

The accompanying notes are an integral part of these financial statements

CITY OF MELFORT



STATEMENT OF CASH FLOW

Year ended December 31, 2021

	2021 \$	2020 \$
	<i>(Restated - Note 14)</i>	
OPERATING ACTIVITIES		
Surplus	1,802,874	1,014,367
Amortization	2,380,168	2,343,678
Loss on disposal of tangible capital assets	194	29,691
Landfill closure and post-closure expense	29,621	2,617,655
	4,212,856	6,005,391
CHANGES IN WORKING CAPITAL		
(Increase) decrease in accounts receivable	(704,008)	(626,111)
Decrease (increase) in taxes receivable	21,575	(40,206)
Decrease (increase) in accrued interest receivable	15,484	27,996
Increase (decrease) in accounts payable and accrued liabilities	921,574	(74,864)
Increase (decrease) in growth incentive rebates	6,000	18,000
Increase (decrease) in utility deposits	3,245	4,100
Increase (decrease) in deferred revenue	419,541	(249,202)
(Increase) decrease in prepaid expenses	(34,873)	42,746
(Increase) decrease in inventory	(61,434)	(13,228)
	4,799,960	5,094,622
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(3,105,427)	(3,904,760)
Proceeds from the disposal of tangible capital assets	36,254	56,937
	(3,069,173)	(3,847,823)
INVESTING ACTIVITIES		
Net (purchase) disposal of investments	(200,565)	833,686
Net decrease (increase) in tax title property	1,636	17,112
Net (increase) decrease in local improvement receivable	(57,291)	7,443
Net decrease (increase) in land for resale	196,228	(108,190)
Net decrease (increase) in loans receivable	570	(831)
	(59,421)	749,220
FINANCING ACTIVITIES		
Repayment of capital lease obligation	(46,300)	(98,768)
INCREASE IN CASH RESOURCES	1,625,066	1,897,251
CASH RESOURCES, BEGINNING OF YEAR	3,275,492	1,378,241
CASH RESOURCES, END OF YEAR	4,900,559	3,275,492

The accompanying notes are an integral part of these financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The financial statements consolidate the assets, liabilities and flow of resources of the City of Melfort ("the City"). The entity is comprised of all of the organizations that are owned or controlled by the City and are, therefore, accountable to the Council for the administration of their financial affairs and resources. For the purpose of the financial statements of the City, there are no organizations that require consolidation.

Impact on operations of COVID-19 (coronavirus)

In early March 2020, the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on businesses through the restrictions put in place by the Canadian, provincial, and municipal governments regarding travel, business operations, and isolation/quarantine orders.

The City's operations were impacted by COVID-19 due to staff layoffs, closure of community and recreation facilities, and cancellation of organized sport and leisure activities. The impact of COVID-19 has been partially offset by Government funding to be applied towards pandemic-related expenditures and capital projects to facilitate economic recovery.

Basis of Accounting

The financial statements of the City have been prepared by management in accordance with accounting standards established by the Public Sector Accounting Board of the Accounting Standards Oversight Council. Significant aspects of the accounting policies are as follows:

A. Accounting for school board transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the North East School Division are not reflected in the City fund balances of these financial statements.

B. Land for resale

Development costs associated with land for resale are capitalized to specific development projects and proceeds from the sale of these properties are credited to the specific projects. Gains or losses on the sales of properties are recognized once all costs in relation to the specific development project have been incurred.

C. Growth incentive rebates

These rebates relate to the sale of certain lots within the City. Purchasers receive \$6,000 cash back. At the time of sale, the amount is accrued as a liability and is paid out when the purchaser has fulfilled all required conditions.

D. Reserve funds

Reserve funds are established by council resolution to set aside funds for specific purposes in the future. The maintenance of these funds is completed through the budgeting process and projections of capital projects in the future. Decisions to utilize these funds are via Council resolutions during preparation of the annual budget.

E. Cash resources

Cash resources includes balances with banks and short-term investments with maturities of three months or less.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued from previous page)*

F. Inventory

Inventory of stock and supplies for internal use is valued at the lower of cost and replacement cost.

G. Investments

Portfolio investments are reported at cost, less any provisions for other than temporary impairment. Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment.

H. Local improvement charges

Local improvement projects, which are financed by frontage taxes, recognize the prepayment charge as revenue in the period in which the related expenditures occurred. A long-term receivable is recorded for the principal portion of unpaid frontage which is financed through local improvement and frontage levies.

I. Revenue recognition

Revenues are accounted for in the period in which the transactions or events giving rise to the revenues occurred.

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 revenue.

Water and sewer utility consumers are billed on a cyclical basis and may include estimates. No accrual is made for revenues not billed at the year-end.

Government transfers are recognized as either expenditures or revenues in the period that the events giving rise to the transfer occurred, as long as the transfer is authorized, eligibility criteria have been met by the recipient, and a reasonable estimate of the amount can be made. Government transfer amounts received but not earned will be recorded as deferred revenue. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. Earned government transfer amounts not received will be recorded as an amount receivable.

Contributions received from donations in relation to the Wellness Centre, Airport, and Heliport project are recognized as received. A number of organizations and individuals have made pledges for contributions to be paid over a period of time. These contributions have not been recorded in the financial statements as the ultimate collection cannot be reasonably assured at this time. Amounts related to donations from outside entities are recorded as revenue at the time the cash is received, as collectability is not assured until that time.

J. Expenditure recognition

Expenditures are recognized in the period the goods and services are acquired and a liability is incurred. They also include grants and contributions made when no direct goods or services were acquired.



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued from previous page)*

K. Basis of segmentation

City services have been segmented by grouping activities that have similar service objectives. The segments are as follows:

- Operating Fund: This fund includes all activities of the City operations not relating to utilities or waste disposal. These operations have been segmented to different services that the City provides, which includes:
 - General Government Services: The general government segment provides for the administration of the City.
 - Protective Services: Protective services is comprised of expenses for police and fire protection.
 - Transportation Services: The transportation services segment is responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.
 - Public Health Services: The public health segment provides for expenses related to public health services in the City.
 - Economic Development Services: The economic development segment provides for neighbourhood development and sustainability.
 - Recreation and Culture Services: The recreation and culture segment provides for community services through the provision of recreation and leisure services.
- Water and Sewer Utility Fund: The utility services segment provides for delivery of water, collecting and treating of wastewater.
- Landfill Fund: The landfill service segment provides waste disposal services.
- Waste Collection Fund: This segment provides waste collection services to the residents and businesses within the City.
- Wellness Centre Fund: This segment includes the revenues and expenses related to the Wellness Centre Clinic that is available to residents of the City of Melfort. It does not include the activity of other public health services within the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued from previous page)*

L. Measurement uncertainty

The preparation of financial statements in conformity with 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.
- Tax title property is stated after evaluation as to their fair market value and an appropriate allowance is provided when the fair market value is lesser than the costs that have been incurred or accrued.
- The measurement of stock and supplies are based on estimates of volume and quality.
- Amortization is based on the estimated useful lives of tangible capital assets.
- Liability for contaminated sites are based on the City's best estimate of costs associated with the remediation and restoration of the sites.
- Landfill closure and post-closure liability is based on the City's best estimate of costs associated with the remediation and closure of the existing landfill.

Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

M. 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 City:
 - 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.


1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued from previous page)*
N. Tangible capital assets

All tangible capital asset acquisitions or betterments made throughout the year are recorded at the acquisition cost. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The cost of these tangible capital assets less any residual value are amortized over each asset's useful life using the straight-line method of amortization. The City's capital asset useful lives are estimated as follows:

<u>General Assets</u>	<u>Useful Life (years)</u>
Land	Indefinite
Land improvements	20
Buildings	25 - 50
Building Leaseholds	25 - 50
Machinery and equipment	
Information technology	5
Office equipment	8
Other equipment	10 - 15
Food service equipment	15
Water and wastewater equipment	25
Licensed vehicles	10
Infrastructure	
Roads	25 - 40
Sidewalks	40
Traffic lights	25
Airport runway and lighting	30
Water mains	25 - 50
Hydrants	30
Reservoirs	50 - 100
Sanitary lines	50
Lift stations	45
Wastewater treatment	50
Other storm and sewer networks	40

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

All leases are recorded in 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. Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2021

	2021 \$	2020 \$
2. ACCOUNTS RECEIVABLE		
Government grants - provincial	138,328	60,999
Government grants - local	99,850	88,242
Saskatchewan Power and Energy	83,127	74,219
Goods and Services Tax	66,752	69,535
	<u>388,057</u>	<u>292,995</u>
Trade accounts	1,864,318	1,194,621
Less: Allowance for doubtful accounts	(155,760)	(105,460)
	<u>1,708,558</u>	<u>1,089,161</u>
Water and sewage receivables	308,841	319,292
Less: Allowance for doubtful accounts	(22,350)	(22,350)
	<u>286,491</u>	<u>296,942</u>
	<u>2,383,106</u>	<u>1,679,098</u>
Less: Long-term receivables	(129,176)	(260,086)
	<u>2,253,930</u>	<u>1,419,012</u>

Long-term receivables consist of \$75,800 (2020 - \$149,366) in land sales expected to be received uniformly from 2022 - 2023 and \$53,376 (2020 - \$110,720) in community contributions expected to be received before 2030.

3. TAXES RECEIVABLE

Taxes receivable - municipal portion	272,693	297,968
Less: General allowance for doubtful accounts	(39,560)	(43,260)
	<u>233,133</u>	<u>254,708</u>

The City is also responsible for assessing and collecting taxes on behalf of other organizations under the Cities Act. As at December 31, 2021, \$71,291 (2020 - \$78,274) in property taxes were collectable on behalf of these organizations. As well, \$102,280 (2020 - \$102,753) of tax title property is being administered on their behalf.

4. INVESTMENTS

Long-term investments	9,317,913	9,117,349
Less: Investments maturing in one year	(9,317,913)	(9,117,349)
	<u>-</u>	<u>-</u>

Investments maturing or redeemed between three months and one year from the balance sheet date are presented as short-term investments on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2021



	2021 \$	2020 \$
5. TAX TITLE PROPERTY		
Tax title property	391,822	393,458
Allowance for market value adjustment	(66,800)	(66,800)
	<u>325,022</u>	<u>326,658</u>
6. LOCAL IMPROVEMENTS RECEIVABLE		
Local improvements receivable include the portion of local improvements that are financed by the City and then charged to the individual taxpayers over seven years. These loans bear interest at the rate set out in the uniform rate bylaw.		
	<u>73,587</u>	<u>16,296</u>
7. LAND FOR RESALE		
The City has allocated funds for the purchase and servicing of land for resale. Revenue from the sale of lots will be used to offset the development costs of each subdivision on a cost recovery basis. The balance at the end of the year consists of all costs to date relating to the purchase and development of both residential and commercial property, less any amounts that require capitalization.		
	<u>2,036,150</u>	<u>2,232,378</u>
8. LOANS RECEIVABLE		
Employee computer loans	<u>7,917</u>	<u>8,487</u>
The purpose of the employee computer loans is to allow employees of the City to obtain home computers. The employees receive a taxable benefit at the prescribed rate, and payments for the computer loans are taken directly off of the individual's payroll payment.		
9. DEFERRED REVENUE		
		<i>(Restated - Note 14)</i>
Canadian Community-Building Fund ("CCBF")	822,032	463,949
Deposit-in trust land sale	100,000	-
Other deferred revenue	591	11,774
Municipal Economic Enhancement Program ("MEEP")	-	27,359
	<u>922,623</u>	<u>503,082</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2021

	2021 \$	2020 \$
10. LEASE OBLIGATIONS		
Self-Contained Breathing Apparatus Equipment lease payable in monthly instalments of \$4,166 including interest at 4.35%, secured by equipment with a net book value of \$145,277.	56,726	103,026
Capital lease obligation at year-end	56,726	103,026
Less: current portion	48,487	46,428
Long-term capital lease obligation at year-end	8,239	56,598
Future minimum lease payments related to the obligation under capital lease are as follows:		
2022	49,998	
2023	8,333	
	58,331	
Less: imputed interest	(1,605)	
	56,726	

11. LONG-TERM DEBT

The debt limit of the City is \$8,000,000 in accordance with Section 133 of *The Cities Act*.

The City did not have any long-term debt as of December 31, 2021. Subsequent to the 2021 year-end, the City secured a \$4,000,000 loan to finance for capital infrastructure projects.

12. LIABILITY FOR CONTAMINATED SITES

The City has a contaminated site that will require remediation. The estimated cost for remediation is \$166,000 (2020 - \$166,000) per previous costs to remediate a similar property. The City has not yet budgeted for the remediation and does not intend to remediate the site in the immediate future as, in 2018, the City repurposed the property by constructing tennis and basketball courts. As there were no alterations to the soil below, the contamination liability remains unchanged and is recorded as non-current.

Changes to the underlying assumptions, site assessments, or future legislation could have a material impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2021

	2021 \$	2020 \$
13. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY		
Closure and post-closure landfill liabilities	2,879,089	2,849,468

The City operates a waste disposal utility that is responsible for waste collection, landfill operations, and future site restoration costs. A closure and post-closure liability was recognized based on assumptions and estimates as performed by contracted engineers for the costs of closure, site restoration, and post-closure care activities discounted at the City's incremental borrowing rate. As closure and post-closure activities progress, the liability will be revalued with expenditures (recoveries) recorded to operating surplus of revenue over expenditures.

The liability has been calculated based on the following assumptions as per an environmental assessment performed in 2020:

- Decommissioning of current landfill scheduled to occur over the next 5 years (2021 - 2026)
- \$2,460,880 for estimated closure and site remediation costs (2021 - 2026)
- \$40,000 per year for estimated post-closure care activities (2027 - 2051)
- 2.00% incremental borrowing rate

Changes to the underlying assumptions, engineer assessments, or future legislation could have a material impact on the financial statements.

14 CORRECTION OF AN ERROR

During the year, it was identified that funding received from the Canadian Community-Building Fund ("CCBF") program in 2020 and prior years were reported as revenue instead of deferred revenue. As the eligibility criteria had not been met to recognize all funds received as revenue, surplus amounts should have been reported as deferred revenue. The overall impact to the 2020 operating surplus of revenues over expenses was an increase of \$147,597 as a result of this change. To correct this error, the 2020 comparative figures have been restated as follows:

Increase in Deferred Revenue	463,949
Increase in Government Grants - CCBF (<i>Schedule 1</i>)	147,597
Decrease in Opening Accumulated Surplus	(611,546)

15. RESERVE FUND

General operating fund		
Operating reserves (<i>Schedule 12</i>)	898,632	596,604
Capital reserves (<i>Schedule 12</i>)	8,112,033	7,163,626
Utility operating fund		
Capital reserves (<i>Schedule 12</i>)	1,691,007	1,411,725
Total Reserves (<i>Schedule 12</i>)	10,701,672	9,171,955

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2021

	2021 \$	2020 \$
16. CAPITAL TRUST FUND		
The fund represents a pool of capital that enables internal financing of capital projects. Cash reserves for the fund are held by the General Operating Fund.		
Approved fund equity - general	1,400,000	1,400,000
Approved fund equity - utility	4,100,000	4,100,000
	<u>5,500,000</u>	<u>5,500,000</u>
Less: Internally financed loans	5,500,000	5,500,000
Fund balance	<u>-</u>	<u>-</u>

17. INTERNALLY FINANCED LOANS**Multi-Use Facility**

Interest bearing loan payable at a 5.00% interest rate, repayable in a blended annual instalment of \$406,000, due 2028.

2,345,512	2,620,487
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Spruce Haven Recreation Development and Wellness Centre

Interest bearing loan payable at a 3.50% interest rate, repayable in a blended annual instalment of \$415,000 in 2021 increasing \$10,000 per year thereafter until 2028 where a variable schedule is implemented, due 2033.

6,241,159	5,033,095
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Total internal debt

8,586,671	7,653,582
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During the year, internally financed loan advances of \$1,446,906 (2020 - \$nil) were received with principal repayments of \$513,818 (2020 - \$485,460) made.

18. PENSION PLANS**Multi-Employer Defined Benefit Plans**

The City contributes to the Municipal Employees' Pension Plan ("MEPP").

The MEPP provides retirement benefits based on length of service and pensionable earnings. It is funded by contributions from both the employer and employee at rates set by the Municipal Employees' Pension Commission.

Contributions to the plan are expensed when the contributions are made. Under this plan, the City's obligations are limited to their contributions. Both the employee and employer are required to contribute 9% of the 2021 pensionable earnings of the individual. Total contributions recorded as an expense in 2021 were \$249,889 (2020 - \$249,597).

Due to the fact that the contributions made by the participating members are not segregated within the plan itself, the City is unable to determine their share of the assets and liabilities of the plan. As a result, these items are not included within these financial statements.

19. RECENT ACCOUNTING PRONOUNCEMENTS

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. 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 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 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 City is currently assessing the impact of adopting the future accounting standards.

20. BUDGET

The budget was approved by Council on April 12, 2021, in relation to the general, utility, waste collection, landfill, and wellness operations.

21. GUARANTEE

The City has guaranteed the construction mortgage of the North East SPCA to a maximum of \$500,000. Should the North East SPCA default on the loan, the City is required to immediately resume payments on their behalf. No liability has been recorded related to this guarantee.

22. COMMITMENTS

In 2017, the City entered into an operating lease agreement with Avatex Development Corporation in relation to the use of the Wellness Centre. The City is committed to paying \$204,000 per year in lease payments, plus operating and maintenance fees, for the use of the building over a 20-year lease term (*see Schedule 7*).

The City has entered various lease agreements for machinery and equipment which have end dates ranging from 2021-2024.

The estimated minimum annual payments are as follows:

2022	422,890
2023	376,123
2024	251,728
2025	204,000
2026+	2,244,000

23. WELLNESS CENTRE

Operating costs related to the Wellness Centre are financed through operations. Council has resolved that any shortfall in revenues over expenses will be funded by the special capital reserve. It is Management's belief that a loss will be incurred each year and, as such, transfers will be required to fund annual operations.

24. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year presentation.

CITY OF MELFORT



SCHEDULE 1 - SCHEDULE OF GENERAL OPERATING REVENUES BY FUNCTION

Year ended December 31, 2021

Budget 2021 \$		Actual 2021 \$	Actual 2020 \$
(Note 20)			
	TAXATION		
6,421,602	Property levy	6,323,695	6,311,844
2,989	Mobile trailer license fees	2,628	2,556
(68,000)	Less: Sask. Assessment Management Agency service costs	(67,799)	(66,576)
<u>6,356,591</u>		<u>6,258,524</u>	<u>6,247,824</u>
	GRANTS IN LIEU OF TAXES		
23,187	Federal	22,357	23,187
	Provincial		
149,000	SaskEnergy Gas	144,101	149,152
95,858	Other provincial	105,821	95,858
<u>268,045</u>		<u>272,279</u>	<u>268,197</u>
1,188,499	PROVINCIAL GRANT - REVENUE SHARING	1,197,730	1,208,375
152,028	PROVINCIAL GRANT - SAFE RESTART	-	357,447
-	GOVERNMENT GRANTS - CCBF	372,042	677,889
87,949	GOVERNMENT GRANTS - PROVINCIAL	59,565	85,298
-	GOVERNMENT GRANTS - MEEP	15,020	10,000
<u>1,428,476</u>		<u>1,644,357</u>	<u>2,339,009</u>
	FISCAL REVENUES		
679,000	S.P.C. Electric surcharge	696,295	678,475
54,300	Licenses and permits	52,205	47,338
7,539	Property rentals	41,839	48,639
256,500	Return on investments	285,728	262,504
60,000	Tax penalties	74,325	34,012
-	Tax title property sales	17,456	(81)
<u>1,057,339</u>		<u>1,167,848</u>	<u>1,070,885</u>
<u>9,110,451</u>	TOTAL TAXATION AND OTHER UNCONDITIONAL REVENUE	<u>9,343,007</u>	<u>9,925,915</u>
	PROGRAM REVENUES		
16,000	General government services	12,247	14,295
<u>16,000</u>		<u>12,247</u>	<u>14,295</u>
	Protective services:		
64,064	Police protection	88,399	67,278
90,000	Fire protection	134,565	134,349
65,000	Building inspection	69,183	61,280
-	Mosquito control	-	350
5,000	Bylaw enforcement	1,050	1,377
8,300	Animal control	6,493	7,256
<u>232,364</u>		<u>299,690</u>	<u>271,890</u>

CITY OF MELFORT



SCHEDULE 1 - SCHEDULE OF GENERAL OPERATING REVENUES BY FUNCTION

Year ended December 31, 2021

Budget 2021 \$		Actual 2021 \$	Actual 2020 \$
<i>(Note 20)</i>			
	Transportation services:		
2,500	Mechanic and shop charges	9,132	8,809
500	Roads and streets	14,653	114
58,388	Air transportation	105,962	76,025
58,000	Disability transit	56,842	43,971
119,388		186,590	128,919
	Public health services:		
46,500	Cemetery	43,610	43,825
46,500		43,610	43,825
	Economic Development:		
-	Community Project - Heliport	-	533,949
-		-	533,949
	Recreation and culture services:		
2,000	Administration	15,412	9,731
51,411	Trust initiative program	51,411	51,411
116,500	Kerry Vickar Centre	215,689	81,758
	Northern Lights Palace		
139,500	Arena	131,941	180,512
144,000	Leisure pool	97,363	69,946
2,000	Parks	1,530	4,366
15,000	Playgrounds	19,076	28,639
30,000	Campgrounds	31,505	39,520
12,000	Sports fields	4,359	2,283
512,411		568,286	468,167
926,663	TOTAL PROGRAM REVENUES	1,110,424	1,461,045
10,037,114	TOTAL OPERATING REVENUES	10,453,430	11,386,961

CITY OF MELFORT



SCHEDULE 2 - SCHEDULE OF GENERAL OPERATING EXPENSES BY FUNCTION

Year ended December 31, 2021

Budget 2021 \$		Actual 2021 \$	Actual 2020 \$
<i>(Note 20)</i>			
GENERAL GOVERNMENT SERVICES			
-	Amortization	57,713	53,551
63,723	City Hall	74,208	67,556
56,270	Debt charges	161,010	124,346
847,804	Finance and administration	792,829	769,879
282,520	Legislative	293,532	302,470
1,250,317		1,379,293	1,317,800
PROTECTIVE SERVICES			
14,500	911 system	15,261	15,524
27,220	Animal control	26,695	26,986
-	Amortization	64,714	59,845
98,538	Building inspection	101,589	103,776
152,599	Bylaw enforcement	142,686	94,340
325,570	Fire protection	301,070	279,716
-	Mosquito control	-	27
18,050	Other protective services	5,858	6,505
1,064,761	Police protection	873,637	970,153
1,701,238		1,531,510	1,556,872
TRANSPORTATION SERVICES			
200,270	Administration	212,444	187,244
82,203	Air transportation	146,822	101,313
-	Amortization	814,901	786,944
106,666	Disability transit	90,841	99,150
	Roads and streets		
50,000	Crack filling	42,179	39,197
78,000	Dust control	71,231	77,137
925,853	General	757,956	747,979
134,000	Patching	133,620	148,680
-	Snow and ice removal	39,906	99,923
50,000	Sidewalks	11,841	5,704
254,000	Street lighting and traffic services	221,049	261,414
138,012	Workshop	171,215	150,896
160,590	Vehicle and equipment pool	337,145	254,550
2,179,594		3,051,151	2,960,130

CITY OF MELFORT



SCHEDULE 2 - SCHEDULE OF GENERAL OPERATING EXPENSES BY FUNCTION

Year ended December 31, 2021

Budget 2021 \$		Actual 2021 \$	Actual 2020 \$
<i>(Note 20)</i>			
	PUBLIC HEALTH SERVICES		
-	Amortization	2,324	2,324
54,776	Cemetery	10,749	26,065
<u>54,776</u>		<u>13,073</u>	<u>28,390</u>
	ECONOMIC DEVELOPMENT SERVICES		
26,500	Community development	26,897	18,357
52,106	Community planning	54,312	57,232
32,800	Economic development	27,019	22,535
-	Community project - Heliport	-	533,949
<u>111,406</u>		<u>108,228</u>	<u>632,074</u>
	RECREATION AND CULTURE SERVICES		
427,157	Administration	453,075	437,217
-	Amortization	765,463	751,328
44,472	Campgrounds	50,891	24,178
72,251	Heritage	76,966	73,573
453,149	Kerry Vickar Centre	469,179	313,855
161,487	Libraries (Wapiti and Local)	153,832	158,885
274,013	Municipal and regional parks	218,239	247,368
	Northern Lights Palace		
489,529	Arena	459,664	486,123
757,700	Leisure pool	624,873	453,464
35,960	Playgrounds	39,421	37,702
22,005	Post Office	17,676	28,785
39,970	Sports fields	32,589	11,519
45,500	Spruce Haven	55,538	38,837
51,411	Trust initiative program	51,411	51,411
87,412	Vehicle pool and storage	136,160	132,975
<u>2,962,016</u>		<u>3,604,976</u>	<u>3,247,219</u>
<u>8,259,347</u>	TOTAL EXPENSES	<u>9,688,230</u>	<u>9,742,486</u>
<u>1,777,767</u>	EXCESS OF OPERATING REVENUES OVER EXPENSES	<u>765,200</u>	<u>1,644,475</u>

CITY OF MELFORT



SCHEDULE 3 - SCHEDULE OF WATER AND SEWER UTILITY OPERATIONS

Year ended December 31, 2021

Budget 2021 \$		Actual 2021 \$	Actual 2020 \$
<i>(Note 20)</i>			
	REVENUES		
2,857,112	Sale of water	3,092,869	2,756,001
82,850	Other water revenues	52,971	46,637
2,939,962		3,145,840	2,802,638
	EXPENSES		
244,432	Administration	266,975	259,998
-	Amortization	522,739	537,619
69,498	Meter reading	74,517	75,868
131,894	Sewage collection	81,773	107,174
10,000	Sewage lagoons	8,659	7,782
66,417	Sewage pump stations	58,244	58,411
104,560	Tools and equipment	141,506	135,781
1,482,235	Treated water purchase - SaskWater	1,514,860	1,333,091
55,000	Utility service connections	52,383	18,253
170,120	Water distribution	183,712	170,801
38,000	Water treatment	28,362	72,843
2,372,156		2,933,731	2,777,622
567,806	EXCESS OF REVENUE OVER EXPENSES	212,110	25,016

CITY OF MELFORT



SCHEDULE 4 - SCHEDULE OF LANDFILL OPERATIONS

Year ended December 31, 2021

Budget 2021 \$		Actual 2021 \$	Actual 2020 \$
<i>(Note 20)</i>			
	REVENUES		
879,301	Waste disposal	997,189	817,577
10,210	Eco centre	12,608	12,134
889,511		1,009,796	829,711
	EXPENSES		
-	Amortization	75,017	74,770
363,392	Waste disposal	377,827	319,958
125,000	Engineer consultation and services	151,475	319,060
-	Closure and post-closure costs	29,621	2,617,655
900	Eco centre	1,639	1,180
489,292		635,578	3,332,623
400,219	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	374,219	(2,502,912)

CITY OF MELFORT



SCHEDULE 5 - SCHEDULE OF WASTE COLLECTION OPERATIONS

Year ended December 31, 2021

Budget 2021 \$		Actual 2021 \$	Actual 2020 \$
<i>(Note 20)</i>			
	REVENUES		
379,946	Waste collection	382,443	379,796
66,150	Grant revenue	80,131	66,102
446,096		462,574	445,898
	EXPENSES		
248,500	Waste collection	253,091	248,906
12,749	Compost site	21,292	9,119
261,249		274,382	258,025
184,847	EXCESS OF REVENUE OVER EXPENSES	188,192	187,873

CITY OF MELFORT



SCHEDULE 6 - SCHEDULE OF CAPITAL OPERATIONS

Year ended December 31, 2021

Budget 2021 \$	Actual 2021 \$	Actual 2020 \$
(Note 20)		
REVENUES		
<ul style="list-style-type: none"> - Government grants - Federal capital grants - Municipal Economic Enhancement Program - Community donations for multi-use facility - Community partnerships for capital infrastructure - (Loss) Gain on land sales - Loss on disposal of tangible capital assets - Local improvements 	<ul style="list-style-type: none"> 20,478 22,800 12,339 1,667 - (24,710) (194) 183,086 	<ul style="list-style-type: none"> 332,750 38,000 823,862 77,059 70,000 257,510 (29,691) -
5,000	117,658	148,742
5,000	333,126	1,718,233
EXCESS OF REVENUE OVER EXPENSES		

CITY OF MELFORT

SCHEDULE 7 - SCHEDULE OF WELLNESS CENTRE OPERATIONS

Year ended December 31, 2021



Budget 2021 \$		Actual 2021 \$	Actual 2020 \$
<i>(Note 20)</i>			
	REVENUES		
240,576	Lease revenue	237,330	261,850
33,493	Contributions	33,493	33,493
274,069		270,823	295,343
	EXPENSES		
-	Amortization	77,298	77,298
254,435	Lease expense	250,520	263,010
15,650	Utility	12,976	13,352
270,085		340,794	353,660
3,984	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(69,970)	(58,317)

CITY OF MELFORT



SCHEDULE 8 - SCHEDULE OF SEGMENT DISCLOSURE AND EXPENSES BY OBJECT

Year ended December 31, 2021

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Utility Services	Other Capital Revenues	Total
REVENUES									
Fees and charges	5,570	80,737	38,649	1,433,142	-	497,285	3,092,869	-	5,148,253
Municipal grants	-	81,209	-	-	-	-	-	-	81,209
Other grants	-	-	28,953	80,131	-	51,411	-	-	160,495
Wellness Centre	-	-	-	270,823	-	-	-	-	270,823
Other revenues	6,677	137,743	118,988	2,708	-	19,590	42,358	106,765	434,829
Interest income	-	-	-	-	-	-	10,613	-	10,613
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	(194)	(194)
Loss on sale of land development	-	-	-	-	-	-	-	(24,710)	(24,710)
Government grants - capital	-	-	-	-	-	-	-	55,617	55,617
Local improvement	-	-	-	-	-	-	-	183,086	-
Capital fundraising	-	-	-	-	-	-	-	12,560	12,560
TOTAL REVENUES	12,247	299,690	186,590	1,786,804	-	568,286	3,145,840	333,126	6,332,583
EXPENSES									
Wages and benefits	719,224	445,928	771,854	178,533	52,630	1,511,415	435,499	-	4,115,083
Professional/contractual services	193,955	834,160	317,024	396,546	19,078	66,725	14,533	-	1,842,022
Utilities	36,295	18,349	189,078	19,278	3,185	486,778	93,224	-	846,186
Insurance	13,965	3,178	60,611	2,316	-	149,309	41,167	-	270,546
Maintenance, materials and supplies	50,429	82,815	889,686	300,127	4,438	465,820	1,793,482	-	3,586,797
Grants and contributions	-	-	-	-	7,155	222,656	-	-	229,811
Amortization	57,713	64,714	814,901	154,638	-	765,463	522,739	-	2,380,168
Interest	161,010	-	-	-	-	-	-	-	161,010
Other	146,702	82,365	7,997	212,389	21,742	(63,189)	33,085	-	441,092
TOTAL EXPENSES	1,379,293	1,531,510	3,051,151	1,263,827	108,228	3,604,976	2,933,731	-	13,872,716
SURPLUS (DEFICIT) BY FUNCTION	(1,367,045)	(1,231,820)	(2,864,561)	522,977	(108,228)	(3,036,690)	212,110	333,126	(7,540,133)
Taxation and other unconditional revenue (<i>Schedule 1</i>)									9,343,007
EXCESS OF REVENUES OVER EXPENSES									1,802,874

CITY OF MELFORT



SCHEDULE 9 - SCHEDULE OF PRIOR YEAR SEGMENT DISCLOSURE AND EXPENSES BY OBJECT

Year ended December 31, 2020

(Restated - Note 14)

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Utility Services	Other Capital Revenues	Total
REVENUES									
Fees and charges	3,910	59,214	32,230	1,251,097	-	375,998	2,762,662	-	4,485,110
Municipal grants	-	88,242	-	-	-	-	-	-	88,242
Other grants	-	-	24,463	66,102	-	51,411	-	-	141,976
Wellness centre	-	-	-	295,343	-	-	-	-	295,343
Other revenues	10,385	124,434	72,226	2,234	533,949	40,758	34,534	33,685	852,206
Interest income	-	-	-	-	-	-	5,442	-	5,442
Gain on disposal of tangible capital assets	-	-	-	-	-	-	-	(29,691)	(29,691)
Gain on sale of land development	-	-	-	-	-	-	-	257,510	257,510
Government grants - capital	-	-	-	-	-	-	-	1,371,612	1,371,612
Capital fundraising	-	-	-	-	-	-	-	85,117	85,117
TOTAL REVENUES	14,295	271,890	128,919	1,614,776	533,949	468,167	2,802,638	1,718,233	7,552,867
EXPENSES									
Wages and benefits	697,086	401,689	799,625	168,609	56,883	1,318,576	434,218	-	3,876,686
Professional/contractual services	144,811	903,077	391,099	3,145,294	547,695	6,910	56,833	-	5,195,719
Utilities	41,727	19,089	201,063	19,634	3,277	433,214	97,124	-	815,128
Insurance	12,906	5,639	53,896	2,676	-	142,278	43,537	-	260,932
Maintenance, materials and supplies	68,493	77,344	720,408	326,270	2,938	416,176	1,600,310	-	3,211,939
Grants and contributions	-	-	-	-	6,874	221,398	-	-	228,272
Amortization	53,551	59,845	786,944	154,392	-	751,328	537,619	-	2,343,678
Interest	124,346	-	-	-	-	-	-	-	124,346
Other	174,881	90,189	7,096	155,821	14,408	(42,660)	7,982	-	407,717
TOTAL EXPENSES	1,317,800	1,556,872	2,960,130	3,972,697	632,076	3,247,219	2,777,622	-	16,464,416
SURPLUS (DEFICIT) BY FUNCTION	(1,303,505)	(1,284,982)	(2,831,211)	(2,357,920)	(98,127)	(2,779,053)	25,016	1,718,233	(8,911,549)

Taxation and other unconditional revenue (Schedule 1)

9,925,915

EXCESS OF REVENUES OVER EXPENSES

1,014,367

CITY OF MELFORT



SCHEDULE 10 - SCHEDULE OF CHANGES IN UNAPPROPRIATED SURPLUS

Year ended December 31, 2021

	2021 \$	2020 \$
	(Restated - Note 14)	
BALANCE, BEGINNING OF YEAR	2,250,032	4,254,654
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES		
General operating fund (Schedule 2)	765,200	1,644,475
Utility operating fund (Schedule 3)	212,110	25,016
Landfill operating fund (Schedule 4)	374,219	(2,502,912)
Waste collection operating fund (Schedule 5)	188,192	187,873
Capital fund (Schedule 6)	333,126	1,718,233
Wellness Centre (Schedule 7)	(69,970)	(58,317)
	1,802,876	1,014,367
CHANGES IN UNAPPROPRIATED SURPLUS FROM TRANSFER ACTIVITY		
Transfer from reserve to surplus	1,911,523	2,316,788
Transfer from surplus to repayment of internal borrowing	(513,818)	(485,460)
Transfer from surplus to general reserves	(2,052,952)	(2,062,084)
Transfer of prior year surplus to reserves	(654,989)	(666,009)
Transfer to investment in capital	(688,811)	(1,474,454)
Transfer to general reserves for internal borrowing purposes	(36,225)	(36,224)
	(2,035,272)	(2,407,444)
Correction of an error (Note 14)	-	(611,545)
UNAPPROPRIATED SURPLUS BALANCE, END OF YEAR	2,017,636	2,250,032

CITY OF MELFORT



SCHEDULE 11 - SCHEDULE OF APPROPRIATED AND ACCUMULATED SURPLUS

Year ended December 31, 2021

	2021 \$	2020 \$
	<i>(Restated - Note 14)</i>	
TOTAL RESERVES		
Balance, beginning of year	9,171,955	7,909,625
Additions		
General capital fund	1,657,602	2,119,429
Utility operating fund	395,350	436,000
Prior years excess	654,990	172,664
Repayment of internal debt	513,818	485,460
	3,221,760	3,213,553
Deductions		
General capital fund	(1,555,933)	(1,383,805)
Utility capital fund	(136,110)	(567,418)
Capital trust fund	-	-
	(1,692,043)	(1,951,223)
Balance, end of year	10,701,672	9,171,955
 LAND DEVELOPMENT FUND		
Balance, beginning of year	216,304	545,645
Additions	36,225	36,224
Deductions	(219,483)	(365,565)
Balance, end of year	33,046	216,304

CITY OF MELFORT



SCHEDULE 11 - SCHEDULE OF APPROPRIATED AND ACCUMULATED SURPLUS

Year ended December 31, 2021

	2021 \$	2020 \$
	<i>(Restated - Note 14)</i>	
INVESTMENT IN TANGIBLE CAPITAL ASSETS		
Balance, beginning of year	49,571,756	48,097,302
Additions	3,105,427	3,904,760
Deductions		
Amortization	(2,380,168)	(2,343,678)
Capital asset disposals (cost less accumulated amortization)	(36,448)	(86,628)
	(2,416,616)	(2,430,306)
Balance, end of year	50,260,567	49,571,756
TOTAL APPROPRIATED SURPLUS		
Total reserves (page 28)	10,701,672	9,171,955
Land development fund (page 28)	33,046	216,304
Investment in tangible capital assets (Schedule 13 - 14)	50,260,567	49,571,756
	60,995,285	58,960,015
TOTAL UNAPPROPRIATED SURPLUS (Schedule 10)	2,017,636	2,250,032
ACCUMULATED SURPLUS	63,012,921	61,210,047

CITY OF MELFORT

SCHEDULE 12 - SCHEDULE OF RESERVES

Year ended December 31, 2021



	Balance, Beginning of Year \$	Transfers from (to) Operations \$	Transfer (to) from Equity \$	Transfers for Capital Purposes \$	Balance, End of Year \$
<i>(Restated - Note 14)</i>					
A. GENERAL FUND					
OPERATING RESERVES					
Mill rate stabilization	622,981	-	302,028	-	925,009
Economic development study	(26,377)	-	-	-	(26,377)
	596,604	-	302,028	-	898,632
CAPITAL RESERVES					
General government services:					
Computer equipment and software	188,311	23,389	-	-	211,700
Development levy	162,733	32,940	-	-	195,673
Protective services:					
Fire trucks	-	35,083	(10,083)	(25,000)	-
Fire hall and equipment	598	-	-	-	598
Police/EMO equipment	34	-	-	-	34
Transportation services:					
Transportation machinery/equipment	440,795	81,860	-	(98,638)	424,017
Workshop equipment	32,439	-	-	(30,155)	2,284
Airport equipment/site/facilities	56,797	11,694	-	(26,600)	41,891
Special needs transit van	28,082	-	-	-	28,082
Local improvements	1,100,733	40,930	-	-	1,141,663
Prepaid flankage	5,962	-	-	-	5,962
General street upgrades	183,482	29,236	-	-	212,718
Sidewalks	310,518	40,930	-	-	351,448
Fleet replacement	1,145,653	304,247	10,083	(537,750)	922,233
Linear infrastructure replacement	981,968	735,000	-	(525,735)	1,191,233
Environmental health services:					
Waste disposal site building	60,069	-	188,367	(93,260)	155,176
Waste collection equipment	-	-	-	-	-
Public health services:					
Cemetery site	(18,650)	-	-	-	(18,650)
Cemetery site perpetual care	5,550	700	-	-	6,250
Recreation and culture services:					
Administration	13,200	-	-	-	13,200
Playgrounds	5,785	-	-	-	5,785
Parks	50,957	5,847	-	-	56,804
Parks equipment - replacement	625,994	52,624	-	(135,605)	543,013
Northern Lights Palace	58,201	29,236	-	(53,000)	34,437
Special capital	640,206	-	51,459	-	691,665
City facilities	1,076,088	233,886	513,818	(30,190)	1,793,602
Facility maintenance	8,121	-	93,094	-	101,215
	7,163,626	1,657,602	846,738	(1,555,933)	8,112,033
TOTAL GENERAL RESERVES	7,760,230	1,657,602	1,148,766	(1,555,933)	9,010,665

CITY OF MELFORT

SCHEDULE 12 - SCHEDULE OF RESERVES

Year ended December 31, 2021



	Balance, Beginning of Year \$	Transfers from (to) Operations \$	Transfer (to) from Equity \$	Transfers for Capital Purposes \$	Balance, End of Year \$
<i>(Restated - Note 14)</i>					
B. UTILITY FUND					
Water conservation program	62,717	20,000	-	-	82,717
Utility equipment	205,074	50,000	-	(136,110)	118,964
Water distribution system	819,341	286,850	-	-	1,106,191
Water rate stabilization	241,055	-	20,042	-	261,097
Sewage disposal system	83,538	38,500	-	-	122,038
TOTAL UTILITY RESERVES	1,411,725	395,350	20,042	(136,110)	1,691,007
TOTAL RESERVES	9,171,955	2,052,952	1,168,808	(1,692,043)	10,701,672

CITY OF MELFORT



SCHEDULE 13 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

Year ended December 31, 2021

	2021								2020	
	General Assets						Infrastructure Assets	General/ Infrastructure	Total	Total
	Land	Land Improvements	Buildings	Buildings Lease	Vehicles	Machinery & Equipment	Linear Assets	Assets Under Construction		
ASSET COST										
Opening asset costs	306,630	6,371,385	31,138,947	1,545,953	1,258,911	6,534,120	48,252,007	221,362	95,629,315	91,899,087
Additions during the year	-	109,829	294,788	-	258,324	436,337	1,585,519	420,630	3,105,427	3,904,760
Disposals and write-downs during the year	-	-	-	-	(22,909)	(212,383)	(16,831)	-	(252,123)	(174,532)
Transfers from assets under construction	-	-	-	-	-	-	145,525	(145,525)	-	-
CLOSING ASSET COSTS	306,630	6,481,214	31,433,735	1,545,953	1,494,326	6,758,074	49,966,220	496,467	98,482,619	95,629,315
ACCUMULATED AMORTIZATION COST										
Opening accumulated amortization costs	-	2,150,749	12,329,095	193,245	977,121	4,199,966	26,207,382	-	46,057,559	43,801,785
Add: Amortization taken	-	257,562	632,117	77,298	54,933	275,083	1,083,174	-	2,380,168	2,343,678
Less: Accumulated amortization on disposals	-	-	-	-	(7,636)	(191,208)	(16,831)	-	(215,675)	(87,904)
CLOSING ACCUMULATED AMORTIZATION COSTS	-	2,408,311	12,961,212	270,543	1,024,418	4,283,842	27,273,725	-	48,222,052	46,057,559
NET BOOK VALUE	306,630	4,072,903	18,472,523	1,275,410	469,908	2,474,232	22,692,495	496,467	50,260,567	49,571,756

Amortization of \$22,657 (2020 - \$22,650) relating to capital leased assets is included in the total amortization for machinery and equipment.

CITY OF MELFORT



SCHEDULE 14 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION

Year ended December 31, 2021

	2021						2020
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Recreation & Culture	Utility Services	Total
ASSET COST							
Opening asset costs	2,528,836	1,612,589	31,440,955	3,352,996	31,719,827	24,974,112	95,629,315
Additions during the year	158,668	106,504	1,800,291	93,260	420,381	526,324	3,904,760
Disposals and write-downs during the year	-	-	(229,213)	-	(22,909)	-	(252,123)
Transfers from assets under construction	-	-	-	-	-	-	-
CLOSING ASSET COSTS	2,687,504	1,719,093	33,012,032	3,446,256	32,117,298	25,500,436	98,482,619
ACCUMULATED AMORTIZATION COST							
Opening accumulated amortization costs	1,268,080	1,024,806	17,391,980	771,351	12,298,349	13,302,992	46,057,559
Add: Amortization taken	57,713	64,714	814,901	154,638	765,463	522,739	2,380,168
Less: Accumulated amortization on disposals			(208,038)	-	(7,636)	-	(215,675)
CLOSING ACCUMULATED AMORTIZATION COSTS	1,325,793	1,089,520	17,998,842	925,989	13,056,175	13,825,731	48,222,052
NET BOOK VALUE	1,361,711	629,573	15,013,190	2,520,267	19,061,123	11,674,705	50,260,567