

Village of Punnichy
CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2021

Village of Punnichy

Punnichy, Saskatchewan

December 31, 2021

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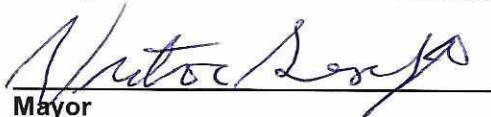
Management's Responsibility

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

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

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

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


Mayor


Administrator

Independent Auditors' Report

To the Council
Village of Punnichy

Opinion

We have audited the consolidated financial statements of Village of Punnichy, (the municipality), which comprise the consolidated Statement of Financial Position as at December 31, 2021 and the consolidated Statements of Operations, Change in Net Financial Assets and Cash Flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

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

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

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

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



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

Baker Tilly SK LLP

Baker Tilly SK LLP

Yorkton, SK
May 11, 2022

Village of Punnichy
Punnichy, Saskatchewan
Consolidated Statement of Financial Position as at December 31, 2021

Statement 1

	2021	2020
Assets		
Financial Assets		
Cash and temporary investments - note 2	248,226	246,174
Taxes receivable - municipal - note 3	45,465	35,738
Other accounts receivable - note 4	33,276	37,991
Land for resale - note 5	24,177	24,177
Long-term investments	4,808	
Total Financial Assets	<u>355,952</u>	<u>344,080</u>
Liabilities		
Accounts payable and accrued liabilities	3,510	53,742
Deposits	16,583	11,271
Deferred revenue - note 7	71,199	55,077
Other liabilities	2,233	2,233
Long-term debt - note 8	17,330	
Total Liabilities	<u>110,855</u>	<u>122,323</u>
Net Financial Assets	<u>245,097</u>	<u>221,757</u>
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	533,327	553,127
Prepayments and deferred charges	28	70
Stock and supplies		949
Total Non-Financial Assets	<u>533,355</u>	<u>554,146</u>
Accumulated Surplus - schedule 8	<u>\$ 778,452</u>	<u>\$ 775,903</u>

Approved on behalf of the council:

Mayor

Councillor

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

Village of Punnicchy
Consolidated Statement of Operations
For the year ended December 31, 2021

Statement 2

	2021 Budget (Note 1(r))	2021 Actual	2020 Actual
Revenues			
Taxes and other unconditional revenue - schedule 1	258,820	222,043	248,617
Fees and charges - schedules 4 and 5	182,630	166,053	144,490
Conditional grants - schedules 4 and 5	3,450	3,380	3,380
Tangible capital asset sales - gain - schedules 4 and 5			(9,999)
Land sales - gain - schedules 4 and 5			63
Investment income and commissions - schedules 4 and 5	700	5,203	741
Other revenues - schedules 4 and 5			116
Total Revenue	<u>445,600</u>	<u>396,679</u>	<u>387,408</u>
Expenses - schedule 3			
General government services	127,270	122,141	171,406
Protective services	20,880	20,993	20,010
Transportation services	91,390	91,060	87,617
Environmental and public health services	37,630	32,780	39,700
Recreation and cultural services	91,250	87,938	89,448
Utilities services	97,780	49,050	80,688
Total Expenses	<u>466,200</u>	<u>403,962</u>	<u>488,869</u>
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(20,600)	(7,283)	(101,461)
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>45,600</u>	<u>9,832</u>	<u>61,829</u>
Surplus (Deficit) of Revenue over Expenses	25,000	2,549	(39,632)
Accumulated Surplus, Beginning of Year	<u>775,903</u>	<u>775,903</u>	<u>815,535</u>
Accumulated Surplus, End of Year	<u>\$ 800,903</u>	<u>\$ 778,452</u>	<u>\$ 775,903</u>

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

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

Statement 3

	2021 Budget (Note 1(r))	2021 Actual	2020 Actual
Surplus (Deficit)	<u>25,000</u>	<u>2,549</u>	<u>(39,632)</u>
(Acquisition) of tangible capital assets	(25,000)	(21,655)	(38,153)
Amortization of tangible capital assets		41,455	38,848
Proceeds on disposal of tangible capital assets			801
Loss on the disposal of tangible capital assets			<u>9,999</u>
Surplus (Deficit) of Capital Expenses over Expenditures	<u>(25,000)</u>	<u>19,800</u>	<u>11,495</u>
(Acquisition) of supplies inventories			(949)
Consumption of supplies inventory		949	
Use of prepaid expense		<u>42</u>	<u>95</u>
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>991</u>	<u>(854)</u>
Increase (Decrease) in Net Financial Assets	<u>0</u>	<u>23,340</u>	<u>(28,991)</u>
Net Financial Assets, beginning of year	<u>221,757</u>	<u>221,757</u>	<u>250,748</u>
Net Financial Assets, End of Year	<u>\$ 221,757</u>	<u>\$ 245,097</u>	<u>\$ 221,757</u>

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

Village of Punnichy
Consolidated Statement of Cash Flow
For the year ended December 31, 2021

Statement 4

	2021	2020
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus (Deficit)	2,549	(39,632)
Amortization	41,455	38,848
Loss on disposal of tangible capital assets	<u>9,999</u>	<u>9,999</u>
	44,004	9,215
Change in Assets/Liabilities		
Taxes receivable - municipal	(9,727)	26,292
Other receivables	4,715	(10,105)
Land for resale		429
Accounts payable and accrued liabilities	(50,232)	44,241
Deposits	5,312	125
Deferred revenue	16,122	(12,364)
Other liabilities		1,000
Stock and supplies for use	949	(949)
Prepayments and deferred charges	<u>42</u>	<u>95</u>
Cash Provided by Operating Transactions	<u>11,185</u>	<u>57,979</u>
Capital:		
Acquisition of capital assets	(21,655)	(38,153)
Proceeds from the disposal of capital assets		<u>801</u>
Cash Applied to Capital Transactions	<u>(21,655)</u>	<u>(37,352)</u>
Investing:		
Additions to long-term investments	<u>(4,808)</u>	<u>0</u>
Financing:		
Long-term debt issued	<u>17,330</u>	<u>0</u>
Change in Cash and Temporary Investments During the Year	2,052	20,627
Cash and temporary investments, beginning of year	<u>246,174</u>	<u>225,547</u>
Cash and Temporary Investments, End of Year	<u>\$ 248,226</u>	<u>\$ 246,174</u>

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

Village of Punnichy
Notes to Consolidated Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies

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

(a) Basis of accounting

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

(b) Reporting entity

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

Entities included in these consolidated financial statements are as follows:

Entity	Basis of Recording
The Punnichy Recreation Board	Full consolidation

All inter-organizational transactions and balances have been eliminated.

(c) Collection of funds for other authorities

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

(d) Government transfers

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

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

Unearned government transfer amounts received will be recorded as deferred revenue.

Earned government transfer amounts not received will be recorded as an amount receivable.

Village of Punnichy
Notes to Consolidated Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(e) Deferred revenue - fees and charges

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

(f) Net financial assets

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

(g) Non-financial assets

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

(h) Appropriated reserves

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

(i) Tangible capital assets

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

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

Village of Punnichy
Notes to Consolidated Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(j) Government contributions

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

(k) Works of art

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

(l) Capitalization of interest

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

(m) Leases

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

(n) Employee benefit plans

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

(o) Revenue

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

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

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

Village of Punnichy
Notes to Consolidated Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(p) Measurement uncertainty

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

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

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

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

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

(q) Basis of segmentation/segment report

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

The segments (functions) are as follows:

General government: provides for the administration of the municipality.

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

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

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

Planning and development: provides for neighbourhood development and sustainability.

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

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

(r) Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on August 13, 2021.

Village of Punnichy
Notes to Consolidated Financial Statements
For the year ended December 31, 2021

1. Significant Accounting Policies - continued

(s) New standards and amendments to standards

Effective for fiscal years beginning on or after April 1, 2022:

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

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

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

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

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

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

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

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

Village of Punnichy
Notes to Consolidated Financial Statements
For the year ended December 31, 2021

	2021	2020
2. Cash and Temporary Investments		
Cash	\$ 248,226	\$ 246,174
Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less.		
3. Taxes and Grants In Lieu Receivable	2021	2020
Municipal - current	31,565	38,167
Municipal - arrears	213,900	172,571
	<u>245,465</u>	<u>210,738</u>
Less: Allowance for uncollectibles	200,000	175,000
Total municipal taxes receivable	<u>45,465</u>	<u>35,738</u>
School - current	4,702	5,464
School - arrears	40,735	33,755
Total school taxes receivable	<u>45,437</u>	<u>39,219</u>
Total taxes and grants in lieu receivable	90,902	74,957
Less: Taxes receivable to be collected on behalf of other organizations	<u>45,437</u>	<u>39,219</u>
Municipal and Grants In Lieu Taxes Receivable	<u>\$ 45,465</u>	<u>\$ 35,738</u>
4. Other Accounts Receivable		
Utility	32,513	32,438
Trade	12,891	17,681
Total other accounts receivable	<u>45,404</u>	<u>50,119</u>
Less: Allowance for uncollectibles	<u>12,128</u>	<u>12,128</u>
Net Other Accounts Receivable	<u>\$ 33,276</u>	<u>\$ 37,991</u>
5. Land for Resale		
Tax title property	198,162	198,162
Less: Allowance for market value adjustment	<u>175,385</u>	<u>175,385</u>
Net tax title property	22,777	22,777
Other land	<u>1,400</u>	<u>1,400</u>
Total Land for Resale	<u>\$ 24,177</u>	<u>\$ 24,177</u>
6. Long-Term Investments		
Equity in co-operatives	<u>\$ 4,808</u>	<u>\$ 0</u>

Village of Punnichy
Notes to Consolidated Financial Statements
For the year ended December 31, 2021

	2021	2020
7. Deferred Revenue		
Deferred Canada Community Building Fund	\$ 71,199	\$ 55,077

8. Long-Term Debt

The debt limit of the municipality for 2022 is \$275,436. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the Municipalities Act section 161).

- (a) Debenture debt is repayable at \$584 per month including interest at 3.25% over a 36 month period. The loan was secured to purchase golf carts and re-wire the cart shed at the golf course.

Future principal and interest payments are as follows:

	Principal	Interest	2021 Total	2020 Total
2022	6,540	466	7,006	
2023	6,755	251	7,006	
2024	4,035	42	4,077	
	<u>\$ 17,330</u>	<u>\$ 759</u>	<u>\$ 18,089</u>	<u>\$ 0</u>

9. Budget

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

Village of Punnichy
Notes to Consolidated Financial Statements
For the year ended December 31, 2021

10. Employee Benefit Plans

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

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

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

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

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

	2021	2020
General members	9.00 %	9.00 %
Designated members	12.50 %	12.50 %

Contributions to the plan during the year were as follows:

Benefit expense	5,919	5,920
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As per the most recently audited consolidated financial statements dated December 30, 2020, the plan surplus is \$838,900,000.

11. Contractual Rights

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

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

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

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

Schedule 1

	2021 Budget (Note 1(r))	2021 Actual	2020 Actual
Taxes			
General municipal tax levy	136,620	106,588	112,798
Abatements and adjustments	(1,860)	(369)	(380)
Discount on current year taxes	(2,000)	(2,039)	(2,021)
Net municipal taxes	<u>132,760</u>	<u>104,180</u>	<u>110,397</u>
Penalties on tax arrears	<u>18,060</u>	<u>21,103</u>	<u>17,529</u>
Total Taxes	<u>150,820</u>	<u>125,283</u>	<u>127,926</u>
Unconditional Grants			
Equalization (revenue sharing)	50,000	49,812	50,247
Safe Restart Program			<u>12,706</u>
Total Unconditional Grants	<u>50,000</u>	<u>49,812</u>	<u>62,953</u>
Grants In Lieu of Taxes			
Federal	34,000	25,077	33,542
Provincial			
Sask. Energy Gas	6,500	5,001	6,566
Other	4,500	4,355	4,579
S.P.C. surcharge	<u>13,000</u>	<u>12,515</u>	<u>13,051</u>
Total Grants In Lieu of Taxes	<u>58,000</u>	<u>46,948</u>	<u>57,738</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 258,820</u>	<u>\$ 222,043</u>	<u>\$ 248,617</u>

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

Village of Punnichy

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-1
For the year ended December 31, 2021

	2021 Budget (Note 1(r))	2021 Actual	2020 Actual
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of supplies	100	1,651	578
General office services	60	263	65
Licenses and permits	1,400	725	245
Total Fees and Charges	<u>1,560</u>	<u>2,639</u>	<u>888</u>
Other revenues			116
Land sales - gain			63
Investment income and commissions	700	5,203	741
Total Other Segmented Revenue	<u>2,260</u>	<u>7,842</u>	<u>1,808</u>
Total Operating	<u>2,260</u>	<u>7,842</u>	<u>1,808</u>
Capital			
Conditional Grants			
Municipal Economic Enhancement Program			1,640
Total Capital	<u>0</u>	<u>0</u>	<u>1,640</u>
Total General Government Services	<u>\$ 2,260</u>	<u>\$ 7,842</u>	<u>\$ 3,448</u>
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	3,460	2,070	2,835
Tangible capital asset proceeds			501
Total Other Segmented Revenue	<u>3,460</u>	<u>2,070</u>	<u>3,336</u>
Total Operating	<u>3,460</u>	<u>2,070</u>	<u>3,336</u>
Capital			
Conditional Grants			
Municipal Economic Enhancement Program	30,000		
Total Capital	<u>30,000</u>	<u>0</u>	<u>0</u>
Total Transportation Services	<u>\$ 33,460</u>	<u>\$ 2,070</u>	<u>\$ 3,336</u>

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

Village of Punnichy

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-2
For the year ended December 31, 2021

	2021 Budget (Note 1(r))	2021 Actual	2020 Actual
Environmental and Public Health Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Waste and disposal fees	3,100	3,170	2,782
Rentals		2,000	13,537
Cemetery fees	5,000	2,200	800
Total Other Segmented Revenue	<u>8,100</u>	<u>7,370</u>	<u>17,119</u>
Total Environmental and Public Health Services	<u>\$ 8,100</u>	<u>\$ 7,370</u>	<u>\$ 17,119</u>
Planning and Development Services			
Operating			
Tangible capital asset proceeds	0	0	(10,500)
Total Other Segmented Revenue	0	0	(10,500)
Conditional Grants			
Other	2,800		
Total Conditional Grants	<u>2,800</u>	<u>0</u>	<u>0</u>
Total Planning and Development Services	<u>\$ 2,800</u>	<u>\$ 0</u>	<u>\$ (10,500)</u>
Recreation and Cultural Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Recreation fees	76,510	80,773	62,844
Total Other Segmented Revenue	<u>76,510</u>	<u>80,773</u>	<u>62,844</u>
Conditional Grants			
Saskatchewan Lotteries		2,730	2,730
Recreation and culture - operating	650	650	650
Total Conditional Grants	<u>650</u>	<u>3,380</u>	<u>3,380</u>
Total Operating	<u>77,160</u>	<u>84,153</u>	<u>66,224</u>
Capital			
Conditional Grants			
Municipal Economic Enhancement Program			16,000
Total Capital	<u>0</u>	<u>0</u>	<u>16,000</u>
Total Recreation and Cultural Services	<u>\$ 77,160</u>	<u>\$ 84,153</u>	<u>\$ 82,224</u>

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

Village of Punnichy

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-3
For the year ended December 31, 2021

	2021 Budget (Note 1(r))	2021 Actual	2020 Actual
Utility Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Water	48,000	37,902	30,952
Sewer	45,000	35,299	29,852
Total Fees and Charges	<u>93,000</u>	<u>73,201</u>	<u>60,804</u>
Total Other Segmented Revenue	<u>93,000</u>	<u>73,201</u>	<u>60,804</u>
Total Operating	<u>93,000</u>	<u>73,201</u>	<u>60,804</u>
Capital			
Conditional Grants			
Municipal Economic Enhancement Program			12,974
Canada Community Building Fund	15,600	9,832	31,215
Total Capital	<u>15,600</u>	<u>9,832</u>	<u>44,189</u>
Total Utility Services	<u>\$ 108,600</u>	<u>\$ 83,033</u>	<u>\$ 104,993</u>
Total Operating and Capital Revenue by Function	<u>\$ 232,380</u>	<u>\$ 184,468</u>	<u>\$ 200,620</u>
Summary			
Total Other Segmented Revenue	183,330	171,256	135,411
Total Conditional Grants	3,450	3,380	3,380
Total Capital Grants and Contributions	<u>45,600</u>	<u>9,832</u>	<u>61,829</u>
Total Operating and Capital Revenue by Function	<u>\$ 232,380</u>	<u>\$ 184,468</u>	<u>\$ 200,620</u>

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

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

Schedule 3-1

	2021 Budget (Note 1(r))	2021 Actual	2020 Actual
General Government Services			
Council remuneration and travel	7,500	7,125	7,766
Wages and benefits	56,000	43,943	48,328
Professional/Contractual services	4,200	4,200	4,466
Contractual services - other	26,700	24,116	30,194
Utilities	5,300	4,800	5,142
Maintenance, materials and supplies	5,170	2,316	3,626
Grants and contributions - operating	200	30	205
Amortization		187	187
Insurance	9,400	10,316	8,772
Allowance for uncollectibles	12,800	25,000	62,000
Other		108	720
	<u> </u>	<u> </u>	<u> </u>
Total General Government Services	<u>\$ 127,270</u>	<u>\$ 122,141</u>	<u>\$ 171,406</u>
Protective Services			
Police protection			
Professional/Contractual services	17,000	17,029	16,584
Fire protection			
Wages and benefits	400	270	225
Professional/Contractual services	2,300	3,179	2,191
Maintenance, materials and supplies	1,000		839
Amortization	180	515	171
	<u> </u>	<u> </u>	<u> </u>
Total Protective Services	<u>\$ 20,880</u>	<u>\$ 20,993</u>	<u>\$ 20,010</u>
Transportation Services			
Wages and benefits	47,600	45,295	41,306
Professional/Contractual services	2,360	1,441	3,189
Utilities	13,680	12,417	13,683
Maintenance, materials and supplies	8,430	7,471	7,219
Gravel	520	516	688
Machinery costs/fuel/blades	3,800	6,054	3,212
Culverts/drainage			280
Amortization	15,000	17,866	18,040
	<u> </u>	<u> </u>	<u> </u>
Total Transportation Services	<u>\$ 91,390</u>	<u>\$ 91,060</u>	<u>\$ 87,617</u>

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

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

Schedule 3-2

	2021 Budget (Note 1(r))	2021 Actual	2020 Actual
Environmental and Public Health Services			
Professional/Contractual services	35,210	29,693	37,026
Maintenance, materials and supplies		260	
Amortization	1,000	1,253	1,253
Other	<u>1,420</u>	<u>1,574</u>	<u>1,421</u>
Total Environmental and Public Health Services	<u>\$ 37,630</u>	<u>\$ 32,780</u>	<u>\$ 39,700</u>
Recreation and Cultural Services			
Wages and benefits			360
Professional/Contractual services	37,340	34,963	45,075
Utilities	14,140	12,053	10,384
Maintenance, materials and supplies	26,120	24,005	16,834
Grants and contributions - operating	2,800	5,595	5,627
Amortization	9,000	9,921	9,922
Interest		249	
Other	<u>1,850</u>	<u>1,152</u>	<u>1,246</u>
Total Recreation and Cultural Services	<u>\$ 91,250</u>	<u>\$ 87,938</u>	<u>\$ 89,448</u>
Utility Services			
Wages and benefits	14,700	14,400	14,400
Professional/Contractual services	9,420	4,777	5,978
Utilities	7,000	5,565	6,484
Maintenance, materials and supplies	47,320	12,595	44,551
Amortization	9,000	11,713	9,275
Allowance for uncollectibles	<u>10,340</u>		
Total Utility Services	<u>\$ 97,780</u>	<u>\$ 49,050</u>	<u>\$ 80,688</u>
Total Expenses by Function	<u>\$ 466,200</u>	<u>\$ 403,962</u>	<u>\$ 488,869</u>

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

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

Schedule 4

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	2,639		2,070	7,370		80,773	73,201	166,053
Investment income and commissions	5,203							5,203
Grants - conditional						3,380		3,380
Grants - capital							9,832	9,832
Total Revenues	<u>7,842</u>	<u>0</u>	<u>2,070</u>	<u>7,370</u>	<u>0</u>	<u>84,153</u>	<u>83,033</u>	<u>184,468</u>
Expenses - schedule 3								
Wages and benefits	43,943	270	45,295				14,400	103,908
Professional/contractual services	35,441	20,208	1,441	29,693		34,963	4,777	126,523
Utilities	4,800		12,417			12,053	5,565	34,835
Maintenance materials and supplies	2,316		7,987	260		24,005	12,595	47,163
Machinery costs/fuel/blades			6,054					6,054
Grants and contributions	30					5,595		5,625
Amortization	187	515	17,866	1,253		9,921	11,713	41,455
Insurance	10,316							10,316
Interest						249		249
Allowance for uncollectibles	25,000							25,000
Other	108			1,574		1,152		2,834
Total Expenses	<u>122,141</u>	<u>20,993</u>	<u>91,060</u>	<u>32,780</u>	<u>0</u>	<u>87,938</u>	<u>49,050</u>	<u>403,962</u>
Surplus (Deficit) by Function	<u>\$ (114,299)</u>	<u>\$ (20,993)</u>	<u>\$ (88,990)</u>	<u>\$ (25,410)</u>	<u>\$ 0</u>	<u>\$ (3,785)</u>	<u>\$ 33,983</u>	<u>(219,494)</u>
Taxation and other unconditional revenue - schedule 1								<u>222,043</u>
Net Surplus								<u>\$ 2,549</u>

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

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

Schedule 5

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

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part of these consolidated financial statements.*

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

Schedule 6

	2021						2020		
	General Assets					Infrastruct. Assets	General/ Infrastruct. Assets under Constr.		
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets		Total	Total
Asset Cost									
Opening Asset Cost	6,016	0	490,293	92,002	179,924	2,183,596	0	2,951,831	2,925,678
Additions during the year			1,404	19,066	1,185			21,655	38,153
Disposals and write-down during the year									(12,000)
Closing Asset Costs	6,016	0	491,697	111,068	181,109	2,183,596	0	2,973,486	2,951,831
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	0	0	296,320	90,737	129,300	1,882,347	0	2,398,704	2,361,056
Add: Amortization taken			12,053	1,267	6,113	22,022		41,455	38,848
Less: Accumulated amortization on disposals									1,200
Closing Accumulated Amortization Costs	0	0	308,373	92,004	135,413	1,904,369	0	2,440,159	2,398,704
Net Book Value	\$ 6,016	\$ 0	\$ 183,324	\$ 19,064	\$ 45,696	\$ 279,227	\$ 0	\$ 533,327	\$ 553,127

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

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

Schedule 7

	2021							2020	
	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Water & Sewer	Total	Total
Asset Cost									
Opening Asset Cost	29,162	112,979	1,481,920	55,363	0	424,037	848,370	2,951,831	2,925,678
Additions during the year						21,655		21,655	38,153
Disposals and write-down during the year									(12,000)
Closing Asset Costs	<u>29,162</u>	<u>112,979</u>	<u>1,481,920</u>	<u>55,363</u>	<u>0</u>	<u>445,692</u>	<u>848,370</u>	<u>2,973,486</u>	<u>2,951,831</u>
Accumulated Amortization Cost									
Opening Accumulated									
Amortization costs	14,459	95,169	1,280,603	32,610	0	274,517	701,346	2,398,704	2,361,056
Add: Amortization taken	187	515	17,866	1,253		9,921	11,713	41,455	38,848
Less: Accumulated amortization on disposals									1,200
Closing Accumulated Amortization Costs	<u>14,646</u>	<u>95,684</u>	<u>1,298,469</u>	<u>33,863</u>	<u>0</u>	<u>284,438</u>	<u>713,059</u>	<u>2,440,159</u>	<u>2,398,704</u>
Net Book Value	\$ 14,516	\$ 17,295	\$ 183,451	\$ 21,500	\$ 0	\$ 161,254	\$ 135,311	\$ 533,327	\$ 553,127

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

Village of Punnichy
Consolidated Schedule of Accumulated Surplus
For the year ended December 31, 2021

Schedule 8

	2020	Changes	2021
Unappropriated Surplus	<u>151,150</u>	<u>39,679</u>	<u>190,829</u>
Appropriated Surplus			
Capital trust reserve	10,000		10,000
Utility			
Utility reserve	20,446		20,446
Other			
Other reserves	<u>41,180</u>	<u> </u>	<u>41,180</u>
Total Appropriated	<u>71,626</u>	<u>0</u>	<u>71,626</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	553,127	(19,800)	533,327
Less: Related debt	<u> </u>	<u>17,330</u>	<u>17,330</u>
Net Investment in Tangible Capital Assets	<u>553,127</u>	<u>(37,130)</u>	<u>515,997</u>
Total Accumulated Surplus	<u>\$ 775,903</u>	<u>\$ 2,549</u>	<u>\$ 778,452</u>

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

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

Schedule 9

	Property Class					Total	
	Agriculture	Residential	Condominium	Seasonal Residential	Commercial & Industrial		Potash Mine(s)
Taxable Assessment		3,014,880				907,290	3,922,170
Regional Park Assessment							
Total Assessment							3,922,170
Mill Rate Factor(s)		1.3000				2.4000	
Total Base/Minimum Tax (generated for each property class)		67,550				4,050	71,600
Total Municipal Tax Levy (include base and/or minimum tax and special levies)		80,125				26,463	106,588
Mill Rates:	Mills						
Average Municipal*	27.1758						
Average School*	4.9897						
Potash Mill Rate							
Uniform Municipal Mill Rate	11.1000						

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

Village of Punnichy
Schedule of Council Remuneration
For the year ended December 31, 2021

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Victor Senft	2,350		2,350
Lawrence Cox	1,275		1,275
Darlene Sands	1,750		1,750
Brenda Kraemer	<u>1,750</u>	<u></u>	<u>1,750</u>
	<u>\$ 7,125</u>	<u>\$ 0</u>	<u>\$ 7,125</u>

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