

**VILLAGE OF SHEHO**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

**VILLAGE OF SHEHO**  
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**For the year ended December 31, 2021**

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## STATEMENT OF RESPONSIBILITY

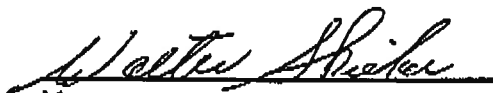
To the Ratepayers of the Village of Sheho:

The Village'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 are required.

In discharging its responsibilities for the integrity and fairness 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 Village. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities. The Council fulfills these responsibilities by reviewing the financial information prepared by administration and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the Village's external auditors.

Sensus Chartered Professional Accountants Ltd., an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the 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 administration to discuss their audit findings.

  
Mayor

  
Administrator



## INDEPENDENT AUDITOR'S REPORT

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

### Qualified Opinion

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

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of the Village of Sheho as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Qualified Opinion

The Sheho Recreation Board, a consolidated entity of the Village of Sheho derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of organization. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, annual surplus (deficit), assets and accumulated surplus.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Village of Sheho in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 Village of Sheho's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Village of Sheho or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's 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 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Village of Sheho's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village of Sheho's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Village of Sheho 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Yorkton, Saskatchewan  
September 14, 2022



Chartered Professional Accountants Ltd.

**VILLAGE OF SHEHO**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2021**

	2021	2020
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 2)	\$ 308,647	\$ 272,097
Taxes receivable - municipal (Note 3)	12,058	16,175
Amounts receivable (Note 4)	19,330	12,470
<b>TOTAL FINANCIAL ASSETS</b>	<b>340,035</b>	<b>300,742</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	12,061	14,805
Deposits (Note 1)	901	
Deferred revenue (Notes 1 and 6)	172	3,091
<b>TOTAL LIABILITIES</b>	<b>13,134</b>	<b>17,896</b>
<b>NET FINANCIAL ASSETS</b>	<b>326,901</b>	<b>282,846</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedules 6 and 7)	51,061	60,919
Land for resale (Note 5)	33	35
Prepaid expenses	698	605
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>51,792</b>	<b>61,559</b>
<b>ACCUMULATED SURPLUS (Schedule 8)</b>	<b>\$ 378,693</b>	<b>\$ 344,405</b>

**VILLAGE OF SHEHO**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
<b>REVENUE</b>			
Taxes and other unconditional revenue (Schedule 1)	\$ 150,607	\$ 141,201	\$ 152,928
Fees and charges (Schedules 4 and 5)	63,520	87,925	67,250
Conditional grants (Schedules 4 and 5)	9,983	14,044	2,908
Land sales - gain (loss) (Schedules 4 and 5)		4,450	
Investment income and commissions (Schedules 4 and 5)	300	398	530
Other revenues (Schedules 4 and 5)		3,411	689
	224,410	251,429	224,305
<b>EXPENSES</b>			
General government services (Schedule 3)	91,835	95,630	72,481
Protective services (Schedule 3)	9,100	9,153	9,017
Transportation services (Schedule 3)	56,448	37,883	31,185
Environmental and public health services (Schedule 3)	22,650	22,860	24,030
Recreation and cultural services (Schedule 3)	21,188	17,676	16,610
Utility services (Schedule 3)	58,350	43,372	43,269
	259,571	226,574	196,592
<b>SURPLUS (DEFICIT) BEFORE OTHER CAPITAL CONTRIBUTIONS</b>	(35,161)	24,855	27,713
Provincial/Federal capital grants and contributions (Schedules 4 and 5)	6,000	9,433	18,195
<b>ANNUAL SURPLUS (DEFICIT)</b>	(29,161)	34,288	45,908
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	344,405	344,405	298,497
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ 315,244	\$ 378,693	\$ 344,405

**VILLAGE OF SHEHO****CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**

For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (29,161)</b>	<b>\$ 34,288</b>	<b>\$ 45,908</b>
Amortization of tangible capital assets	9,858	9,858	11,101
Gain on sale of land for resale		(4,450)	
Proceeds on sale of land for resale		4,452	
Increase in prepaid expenses		(93)	(478)
	<b>9,858</b>	<b>9,767</b>	<b>10,623</b>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>\$ (19,303)</b>	<b>44,055</b>	<b>56,531</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<b>282,846</b>	<b>226,315</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<b>\$ 326,901</b>	<b>\$ 282,846</b>



**VILLAGE OF SHEHO**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2021

	2021	2020
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 34,288	\$ 45,908
Changes in non-cash items:		
Taxes receivable - municipal	4,117	(1,655)
Amounts receivable	(6,860)	987
Prepaid expenses	(93)	(478)
Accounts payable and accrued liabilities	(2,744)	2,641
Deferred revenue	(2,919)	3,091
Deposits	901	
Gain on sale of land for resale	(4,450)	
Amortization	9,858	11,101
Cash provided by operating transactions	<u>32,098</u>	<u>61,595</u>
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of land for resale	<u>4,452</u>	
Cash provided by investing transactions	<u>4,452</u>	
<b>INCREASE IN CASH AND TEMPORARY INVESTMENTS</b>	<u>36,550</u>	<u>61,595</u>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<u>272,097</u>	<u>210,502</u>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<u>\$ 308,647</u>	<u>\$ 272,097</u>

**VILLAGE OF SHEHO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Basis of Accounting**

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

**Reporting Entity**

The financial statements consolidate the assets, liabilities, and flow of resources of the Village. The entity is comprised of all of the organizations that are owned or controlled by the Village and are, therefore, accountable to Council for the administration of their financial affairs and resources. Entities included in these consolidated financial statements are as follows:

Sheho Recreation Board - 100%

**Collection of Funds for Other Authorities**

Collection of funds by the Village 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.

**Government Transfers**

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

- a) the transfers are authorized
- b) any eligibility criteria have been met; and
- c) reasonable estimates of the amounts 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.

**Deferred Revenue and Deposits**

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

**VILLAGE OF SHEHO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Local Improvement Charges**

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

**Net Financial Assets**

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

**Non-Financial Assets**

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

**Appropriated Reserves**

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

**Property Tax Revenue**

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

**Portfolio Investments**

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

**Inventories**

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

**VILLAGE OF SHEHO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Tangible Capital Assets**

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

<u>Asset</u>	<u>Useful Life</u>
<b>General Assets</b>	
Land	Indefinite
Land improvements	5 to 20 years
Buildings	10 to 50 years
Vehicles and equipment	
Vehicles	5 to 10 years
Machinery and equipment	5 to 10 years
<b>Infrastructure Assets</b>	
Infrastructure assets	30 to 75 years
Water & sewer	50 years
Road network assets	50 years

**Government Contributions**

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

**Works of Art and Other Unrecognized Assets**

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

**Capitalization of Interest**

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

**VILLAGE OF SHEHO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases**

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

**Landfill Liability**

The Village of Sheho does not maintain a waste disposal site. Currently, the Village of Sheho uses Ottenbreit Sanitation Services Ltd. for waste collection.

**Trust Funds**

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

**Employee Benefit Plans**

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

**Liability for Contaminated Sites**

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

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

**VILLAGE OF SHEHO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Uncertainty**

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenue and expenditures during the period. Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

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

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

**Basis of Segmentation/Segment Report**

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

The segments (functions) are as follows:

**General government:** Provides administration of the Village.

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

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

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

**Planning and development:** Provides for neighbourhood development and sustainability.

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

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

**Budget Information**

Budget information is presented on a basis consistent with that used for the actual results. The budget was approved by Council on April 15, 2021.

**VILLAGE OF SHEHO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**New Standards and Amendments to Standards**

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

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

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

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

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

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

**Effective for Fiscal Years Beginning On or After April 1, 2023:**

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

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

**VILLAGE OF SHEHO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

**2. CASH AND TEMPORARY INVESTMENTS**

Cash and temporary investments are comprised of the following:

	2021	2020
Cash	\$ 278,075	\$ 241,551
Temporary investments	30,572	30,546
	<u>\$ 308,647</u>	<u>\$ 272,097</u>

Cash and temporary investments include balances with banks and term deposits. Temporary investments represent investments in term deposits held at Foam Lake Credit Union Ltd. and earn interest at 0.10% - 0.70% (2020 - 0.10% - 1.90%) and have maturity dates ranging from January 2022 to March 2022.

The Village of Sheho banks with Foam Lake Credit Union Ltd. where they have an authorized overdraft limit of \$30,000 at an interest rate of 1.75% (unauthorized overdraft interest rate of 20.00%).

**3. TAXES AND GRANTS-IN-LIEU RECEIVABLE**

	2021	2020
Municipal		
- Current	\$ 18,799	\$ 18,773
- Arrears	29,872	26,346
	<u>48,671</u>	<u>45,119</u>
- Less allowance for uncollectibles	(36,613)	(28,944)
Total municipal taxes receivable	<u>12,058</u>	<u>16,175</u>
School		
- Current	2,434	2,016
- Arrears	1,640	1,648
Total school taxes receivable	<u>4,074</u>	<u>3,664</u>
Total taxes and grants-in-lieu receivable	<u>16,132</u>	<u>19,839</u>
Deduct taxes receivable to be collected on behalf of other organizations	(4,074)	(3,664)
Municipal and grants-in-lieu taxes receivable	<u>\$ 12,058</u>	<u>\$ 16,175</u>



**VILLAGE OF SHEHO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

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**4. AMOUNTS RECEIVABLE**

Amounts receivable are valued at their net realized value.

	2021	2020
Provincial government	\$ 9,440	\$ 3,098
Federal government	4,850	4,565
Utility	3,706	2,642
Organizations and individuals	1,200	1,983
Accrued interest	134	182
	<b>\$ 19,330</b>	<b>\$ 12,470</b>

**5. LAND FOR RESALE**

	2021	2020
Tax Title Property	\$ 60,707	\$ 62,227
Allowance for market value adjustment	(60,674)	(62,192)
Total Land for Resale	<b>\$ 33</b>	<b>\$ 35</b>

**6. DEFERRED REVENUE**

	2021	2020
Sheho Recreation Board	\$ 172	\$
Municipal Economic Enhancement Program (Note 10)		3,091
	<b>\$ 172</b>	<b>\$ 3,091</b>

**7. LONG-TERM DEBT**

The debt limit of the Village is \$168,530. The debt limit for a Village is the total amount of the Village's own source revenues for the preceding year (the *Municipalities Act* Section 161(1)).

**VILLAGE OF SHEHO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

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**8. PENSION PLAN**

The Village is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration benefits. The Village's pension expense in 2021 was \$2,237 (2020 - \$NIL). The benefits accrued to the Village's employees from MEPP are calculated using the following: Pensionable Years of Service, Highest Average Salary, and the plan accrual rate. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook Section PS 3250.

**9. PRIOR YEAR'S FIGURES**

The prior year's figures have been restated due to the consolidation of the Sheho Recreation Board and have been summarized in the table below. The effect of these adjustments is an increase to accumulated surplus.

	<b>2021</b>	2020
Opening fund balance:		
Accumulated surplus	<b>\$ 344,405</b>	\$ 284,834
Adjustments:		
Consolidation of Sheho Recreation Board		13,663
Opening accumulated surplus, restated	<b>344,405</b>	298,497
Annual surplus, previously stated	<b>34,288</b>	42,458
Adjustments:		
Accounts receivable		3,098
Consolidation of Sheho Recreation Board		352
Annual surplus, restated	<b>34,288</b>	45,908
Accumulated surplus, end of year	<b>\$ 378,693</b>	\$ 344,405

**10. GOVERNMENT ASSISTANCE**

In response to the pandemic in the prior year, the Provincial and Federal governments provided funds to municipalities in order to stimulate economic recovery and enhance infection protection and control measures in their operations. Through the Municipal Economic Enhancement Program (MEEP), the Village received funds of \$Nil (2020 - \$15,091). \$12,000 was approved for water treatment plant upgrades and was completed in 2020. The remaining \$3,091 was approved for rebedding filters at the water treatment plant which was not completed until 2021, therefore the funding was deferred into 2021. In addition, the Safe Restart Program provided \$Nil (2020 - \$6,264) in unconditional funding to the Village.

**VILLAGE OF SHEHO**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

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**11. OTHER MATTERS**

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

**VILLAGE OF SHEHO**  
**SCHEDULE 1 - SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES**  
**For the year ended December 31, 2021**

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
<b>TAXES</b>			
General municipal tax levy	\$ 117,574	\$ 103,480	\$ 112,331
Abatements and adjustments		(1,328)	(4,873)
Discount on current year taxes	(4,200)	(3,351)	(4,088)
<b>Net Municipal Taxes</b>	<b>113,374</b>	<b>98,801</b>	<b>103,370</b>
Penalties on tax arrears	500	5,497	5,362
<b>Total Taxes</b>	<b>113,874</b>	<b>104,298</b>	<b>108,732</b>
<b>UNCONDITIONAL GRANTS</b>			
Equalization (Revenue Sharing)	25,000	25,582	25,796
Safe restart			6,264
<b>Total Unconditional Grants</b>	<b>25,000</b>	<b>25,582</b>	<b>32,060</b>
<b>GRANTS-IN-LIEU OF TAXES</b>			
Provincial Sasktel	633		700
Other Government Transfers			
S.P.C. Surcharge	7,800	8,254	8,121
Sask Energy Surcharge	3,300	3,067	3,315
<b>Total Grants-in-Lieu of Taxes</b>	<b>11,733</b>	<b>11,321</b>	<b>12,136</b>
<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<b>\$ 150,607</b>	<b>\$ 141,201</b>	<b>\$ 152,928</b>

# VILLAGE OF SHEHO

## SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Sales of supplies	\$ 750	\$ 407	\$ 214
- Office rental	1,880	2,935	2,515
Total Fees and Charges	2,630	3,342	2,729
- Land sales - gain (loss)		4,450	
- Investment income and commissions	300	398	530
Total Other Segmented Revenue	2,930	8,190	3,259
<b>Total Operating</b>	<b>2,930</b>	<b>8,190</b>	<b>3,259</b>
<b>Total General Government Services</b>	<b>2,930</b>	<b>8,190</b>	<b>3,259</b>
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work	1,800	3,689	2,592
Total Fees and Charges	1,800	3,689	2,592
Total Other Segmented Revenue	1,800	3,689	2,592
<b>Total Operating</b>	<b>1,800</b>	<b>3,689</b>	<b>2,592</b>
<b>Total Transportation Services</b>	<b>1,800</b>	<b>3,689</b>	<b>2,592</b>

# VILLAGE OF SHEHO

## SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Waste and disposal fees	\$ 18,000	\$ 19,295	\$ 18,518
- Cemetery fees	200	650	
Total Fees and Charges	<u>18,200</u>	<u>19,945</u>	18,518
Total Other Segmented Revenue	<u>18,200</u>	<u>19,945</u>	18,518
Conditional Grants			
- Multi-Material Stewardship Western	500	2,048	925
Total Conditional Grants	<u>500</u>	<u>2,048</u>	925
<b>Total Operating</b>	<u>18,700</u>	<u>21,993</u>	19,443
<b>Total Environmental and Public Health Services</b>	<u>18,700</u>	<u>21,993</u>	19,443
<b>RECREATION AND CULTURAL SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Hall and rink rental	2,400	9,450	2,320
- Sheho Recreation Board		9,807	2,620
Total Fees and Charges	<u>2,400</u>	<u>19,257</u>	4,940
- Sheho Recreation Board		3,411	689
Total Other Segmented Revenue	<u>2,400</u>	<u>22,668</u>	5,629
Conditional Grants			
- Saskatchewan Lotteries and Saskatchewan Tourism Sector Support Program	9,483	9,483	1,983
- Sheho Recreation Board		2,513	
Total Conditional Grants	<u>9,483</u>	<u>11,996</u>	1,983
<b>Total Operating</b>	<u>11,883</u>	<u>34,664</u>	7,612
<b>Total Recreation and Cultural Services</b>	<u>11,883</u>	<u>34,664</u>	7,612

# VILLAGE OF SHEHO

## SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Water	\$ 19,600	\$ 22,468	\$ 21,186
- Sewer	12,700	12,050	10,383
- Infrastructure fees	6,190	7,174	6,902
Total Fees and Charges	<u>38,490</u>	<u>41,692</u>	38,471
Total Other Segmented Revenue	<u>38,490</u>	<u>41,692</u>	38,471
<b>Total Operating</b>	<u>38,490</u>	<u>41,692</u>	38,471
<b>Capital</b>			
Conditional Grants			
- Canada Community - Building Fund (CCBF)	6,000	6,342	6,195
- Municipal Economic Enhancement Program (MEEP)		3,091	12,000
<b>Total Capital</b>	<u>6,000</u>	<u>9,433</u>	18,195
<b>Total Utility Services</b>	<u>44,490</u>	<u>51,125</u>	56,666
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<u>\$ 79,803</u>	<u>\$ 119,661</u>	\$ 89,572
<b>SUMMARY</b>			
Total Other Segmented Revenue	\$ 63,820	\$ 96,184	\$ 68,469
Total Conditional Grants	9,983	14,044	2,908
Total Capital Grants and Contributions	<u>6,000</u>	<u>9,433</u>	18,195
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<u>\$ 79,803</u>	<u>\$ 119,661</u>	\$ 89,572

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

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	\$ 4,450	\$ 6,440	\$ 3,792
Wages and benefits	38,720	41,575	28,830
Professional/Contractual services	19,315	22,475	20,689
Utilities	13,200	11,304	12,504
Maintenance, materials, and supplies	6,150	6,167	4,085
Amortization			248
Allowance for uncollectibles	10,000	7,669	2,333
<b>Total General Government Services</b>	<b>91,835</b>	<b>95,630</b>	<b>72,481</b>
<b>PROTECTIVE SERVICES</b>			
<b>Police protection</b>			
Professional/Contractual services	5,100	5,193	5,057
<b>Fire protection</b>			
Professional/Contractual services	4,000	3,960	3,960
<b>Total Protective Services</b>	<b>9,100</b>	<b>9,153</b>	<b>9,017</b>
<b>TRANSPORTATION SERVICES</b>			
Professional/Contractual services	12,300	11,767	11,666
Utilities	13,750	12,136	13,301
Maintenance, materials, and supplies	30,200	13,782	6,019
Amortization	198	198	199
<b>Total Transportation Services</b>	<b>56,448</b>	<b>37,883</b>	<b>31,185</b>
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Professional/Contractual services	22,650	22,860	24,030
<b>Total Environmental and Public Health Services</b>	<b>22,650</b>	<b>22,860</b>	<b>24,030</b>



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

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
<b>RECREATION AND CULTURAL SERVICES</b>			
Professional/Contractual services	\$	\$ 2,763	\$ 1,214
Utilities	425	910	960
Maintenance, materials, and supplies	200	2,913	1,319
Grants and contributions			
- Operating	10,903	1,412	3,395
Amortization	9,660	9,660	9,660
Interest		18	62
<b>Total Recreation and Cultural Services</b>	<b>21,188</b>	<b>17,676</b>	<b>16,610</b>
<b>UTILITY SERVICES</b>			
Professional/Contractual services	17,000	16,179	12,370
Utilities	10,300	5,512	6,755
Maintenance, materials, and supplies	31,050	21,681	23,151
Amortization			993
<b>Total Utility Services</b>	<b>58,350</b>	<b>43,372</b>	<b>43,269</b>
<b>TOTAL EXPENSES BY FUNCTION</b>	<b>\$ 259,571</b>	<b>\$ 226,574</b>	<b>\$ 196,592</b>

**VILLAGE OF SHEHO**  
**SCHEDULE 4 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION**  
For the year ended December 31, 2021

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and Charges	\$ 3,342	\$	\$ 3,689	\$ 19,945	\$	\$ 19,257	\$ 41,692	\$ 87,925
Tangible Capital Asset Sale - Gain (Loss)								
Land Sales - Gain (Loss)	4,450							4,450
Investment Income & Commissions	398							398
Other Revenues						3,411		3,411
Grants - Conditional				2,048		11,996		14,044
- Capital							9,433	9,433
<b>Total revenues</b>	<b>8,190</b>		<b>3,689</b>	<b>21,993</b>		<b>34,664</b>	<b>51,125</b>	<b>119,661</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	48,015							48,015
Professional/Contractual Services	22,475	9,153	11,767	22,860		2,763	16,179	85,197
Utilities	11,304		12,136			910	5,512	29,862
Maintenance, Materials, Supplies	6,167		13,782			2,913	21,681	44,543
Grants and Contributions						1,412		1,412
Amortization			198			9,660		9,858
Interest						18		18
Allowance for Uncollectibles	7,669							7,669
Other								
<b>Total expenses</b>	<b>95,630</b>	<b>9,153</b>	<b>37,883</b>	<b>22,860</b>		<b>17,676</b>	<b>43,372</b>	<b>226,574</b>
<b>Surplus (Deficit) by Function</b>	<b>(87,440)</b>	<b>(9,153)</b>	<b>(34,194)</b>	<b>(867)</b>		<b>16,988</b>	<b>7,753</b>	<b>(106,913)</b>
Taxation and other unconditional revenue (Schedule 1)								141,201
<b>Net Surplus</b>								<b>\$ 34,288</b>

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

	<b>General Government</b>	<b>Protective Services</b>	<b>Transportation Services</b>	<b>Environmental &amp; Public Health</b>	<b>Planning and Development</b>	<b>Recreation and Culture</b>	<b>Utility Services</b>	<b>Total</b>
<b>Revenues (Schedule 2)</b>								
Fees and Charges	\$ 2,729	\$	\$ 2,592	\$ 18,518	\$	\$ 4,940	\$ 38,471	\$ 67,250
Tangible Capital Asset Sale - Gain (Loss)								
Land Sales - Gain (Loss)								
Investment Income & Commissions	530							530
Other Revenues						689		689
Grants - Conditional				925		1,983		2,908
- Capital							18,195	18,195
<b>Total revenues</b>	<b>3,259</b>		<b>2,592</b>	<b>19,443</b>		<b>7,612</b>	<b>56,666</b>	<b>89,572</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	32,622							32,622
Professional/Contractual Services	20,689	9,017	11,666	24,030		1,214	12,370	78,986
Utilities	12,504		13,301			960	6,755	33,520
Maintenance, Materials, Supplies	4,085		6,019			1,319	23,150	34,573
Grants and Contributions						3,395		3,395
Amortization	248		199			9,660	994	11,101
Interest						62		62
Allowance for Uncollectibles	2,333							2,333
Other								
<b>Total expenses</b>	<b>72,481</b>	<b>9,017</b>	<b>31,185</b>	<b>24,030</b>		<b>16,610</b>	<b>43,269</b>	<b>196,592</b>
<b>Surplus (Deficit) by Function</b>	<b>(69,222)</b>	<b>(9,017)</b>	<b>(28,593)</b>	<b>(4,587)</b>		<b>(8,998)</b>	<b>13,397</b>	<b>(107,020)</b>
Taxation and other unconditional revenue (Schedule 1)								152,928
<b>Net Surplus</b>								<b>\$ 45,908</b>

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

	General Assets					Infrastructure Assets	General/Infrastructure Assets Under Construction	Totals	
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets		2021	2020
<b>Cost</b>									
Opening costs	\$ 41,400		427,709		127,165	390,329		\$ 986,603	\$ 986,603
Closing costs	41,400		427,709		127,165	390,329		986,603	986,603
<b>Accumulated Amortization</b>									
Opening accumulated amortization			408,388		126,967	390,329		925,684	914,583
Amortization			9,660		198			9,858	11,101
Closing accumulated amortization			418,048		127,165	390,329		935,542	925,684
Net Book Value	\$ 41,400		9,661					\$ 51,061	\$ 60,919

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

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Totals	
								2021	2020
<b>Cost</b>									
Opening costs	\$ 20,941		122,019			399,308	444,335	\$ 986,603	\$ 986,603
Closing costs	20,941		122,019			399,308	444,335	986,603	986,603
<b>Accumulated Amortization</b>									
Opening accumulated amortization	1,241		114,620			367,087	442,736	925,684	914,583
Amortization			198			9,660		9,858	11,101
Closing accumulated amortization	1,241		114,818			376,747	442,736	935,542	925,684
Net Book Value	\$ 19,700		7,201			22,561	1,599	\$ 51,061	\$ 60,919

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

	2020	Changes	2021
<b>UNAPPROPRIATED SURPLUS</b>	\$ 274,157	\$ 44,137	\$ 318,294
<b>APPROPRIATED RESERVES</b>			
Hall Roof Repair Reserve	9,329	9	9,338
<b>Total appropriated</b>	9,329	9	9,338
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>			
Tangible capital assets (Schedule 6)	60,919	(9,858)	51,061
<b>Net Investment in tangible capital assets</b>	60,919	(9,858)	51,061
<b>TOTAL ACCUMULATED SURPLUS</b>	\$ 344,405	\$ 34,288	\$ 378,693

**VILLAGE OF SHEHO**

**SCHEDULE 9 - SCHEDULE OF MILL RATES AND ASSESSMENTS**

For the year ended December 31, 2021

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable assessment	119,935	3,057,680			830,875		4,008,490
Regional Park Assessment							
Total Assessment							4,008,490
Mill Rate Factor(s)	1.00	1.00			0.80		
Total Base/Minimum Tax	1,540	51,340			4,160		57,040
Total Municipal Tax Levy	2,355	87,263			13,862		103,480

**MILL RATES:**

**MILLS**

Average Municipal	25.8153
Average School	4.8419
Potash Mill Rate	
Uniform Municipal Mill Rate	19.0000

**VILLAGE OF SHEHO**  
**SCHEDULE 10 - SCHEDULE OF COUNCIL REMUNERATION**  
**For the year ended December 31, 2021**

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<u>Position - Name</u>	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Mayor - Walter Skiehar	\$ 2,465	\$ 1,075	3,540
Deputy Mayor - Tammy Fedak	1,500		1,500
Councilor - Kelvin Hawreliuk	1,400		1,400
	<u>\$ 5,365</u>	<u>\$ 1,075</u>	<u>6,440</u>