

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

VILLAGE OF TORQUAY
TABLE OF CONTENTS
For the year ended December 31, 2021

	Page
STATEMENT OF RESPONSIBILITY	3
INDEPENDENT AUDITOR'S REPORT , dated July 13, 2022	4 - 5
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	6
Consolidated Statement of Operations	7
Consolidated Statement of Change in Net Financial Assets	8
Consolidated Statement of Cash Flows	9
Notes to the Consolidated Financial Statements	10 - 18
Schedule 1 - Schedule of Taxes and Other Unconditional Revenue	19
Schedule 2 - Schedule of Operating and Capital Revenue by Function	20 - 23
Schedule 3 - Schedule of Expenses by Function	24 - 25
Schedule 4 - Schedule of Segment Disclosure by Function - 2021	26
Schedule 5 - Schedule of Segment Disclosure by Function - 2020	27
Schedule 6 - Schedule of Tangible Capital Assets by Object	28
Schedule 7 - Schedule of Tangible Capital Assets by Function	29
Schedule 8 - Schedule of Accumulated Surplus	30
Schedule 9 - Schedule of Mill Rates and Assessments	31
Schedule 10 - Schedule of Council Remuneration	32

STATEMENT OF RESPONSIBILITY

To the Ratepayers of the Village of Torquay:

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 Torquay
Torquay, Saskatchewan

Qualified Opinion

We have audited the accompanying consolidated financial statements of the Village of Torquay, 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 Torquay as at December 31, 2021 and its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Province of Saskatchewan has stringent environmental approval processes for landfill sites that are set out by legislation and regulation. Prior to receiving environmental approval and accepting any waste, a landfill operator is obligated to include responsibility for closure and post-closure care of the approved sites, which requires the Village to set up a liability and accrue for the future expense to restore the land after closure. The Village of Torquay has not recorded a landfill liability; therefore, we have qualified our audit opinion as a result of the unrecorded liability which is a departure from Canadian public sector accounting standards.

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 Torquay 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 Torquay'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 Torquay or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Village of Torquay'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 Torquay'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 Torquay'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 Torquay 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 represents 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
July 13, 2022



Chartered Professional Accountants Ltd.

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

	2021	2020
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	\$ 361,473	\$ 445,821
Taxes receivable - municipal (Note 3)	34,338	36,208
Amounts receivable (Note 4)	68,428	25,754
Portfolio investments (Note 6)	110,070	106,608
TOTAL FINANCIAL ASSETS	574,309	614,391
LIABILITIES		
Accounts payable and accrued liabilities	33,594	8,347
Deposits (Note 1)	6,050	5,750
Deferred revenue (Notes 1 and 7)	200	1,207
TOTAL LIABILITIES	39,844	15,304
NET FINANCIAL ASSETS	534,465	599,087
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedules 6 and 7)	678,747	520,734
Land for resale (Note 5)	21,842	17,042
Prepaid expenses	55	103
TOTAL NON-FINANCIAL ASSETS	700,644	537,879
ACCUMULATED SURPLUS (Schedule 8)	\$ 1,235,109	\$ 1,136,966
COMMITMENTS AND CONTINGENCIES (Note 10)		

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

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
REVENUE			
Taxes and other unconditional revenue (Schedule 1)	\$ 214,185	\$ 212,108	\$ 225,313
Fees and charges (Schedules 4 and 5)	94,600	105,210	110,820
Conditional grants (Schedules 4 and 5)	2,000	16,574	12,320
Investment income and commissions (Schedules 4 and 5)	601	5,995	7,576
Other revenues (Schedules 4 and 5)		10,973	973
Total revenue	<u>311,386</u>	<u>350,860</u>	<u>357,002</u>
EXPENSES			
General government services (Schedule 3)	139,449	135,091	134,857
Protective services (Schedule 3)	22,211	30,173	30,700
Transportation services (Schedule 3)	37,323	40,749	62,272
Environmental and public health services (Schedule 3)	21,260	24,477	21,098
Planning and development services (Schedule 3)	5,414	444	7,524
Recreation and cultural services (Schedule 3)	11,573	37,004	20,954
Utility services (Schedule 3)	81,841	58,737	97,852
Total expenses	<u>319,071</u>	<u>326,675</u>	<u>375,257</u>
SURPLUS (DEFICIT) BEFORE OTHER CAPITAL CONTRIBUTIONS	(7,685)	24,185	(18,255)
Provincial/Federal capital grants and contributions (Schedules 4 and 5)	15,045	73,958	58,012
ANNUAL SURPLUS	7,360	98,143	39,757
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,136,966	1,136,966	1,097,209
ACCUMULATED SURPLUS, END OF YEAR	\$ 1,144,326	\$ 1,235,109	\$ 1,136,966

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

For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
ANNUAL SURPLUS	\$ 7,360	\$ 98,143	\$ 39,757
Acquisition of tangible capital assets	(519,750)	(197,756)	(51,627)
Amortization of tangible capital assets	39,743	39,743	38,291
Acquisition of real estate properties		(4,800)	
Decrease (increase) in prepaid expenses		48	(66)
	(480,007)	(162,765)	(13,402)
CHANGE IN NET FINANCIAL ASSETS	\$ (472,647)	(64,622)	26,355
NET FINANCIAL ASSETS, BEGINNING OF YEAR		599,087	572,732
NET FINANCIAL ASSETS, END OF YEAR		\$ 534,465	\$ 599,087

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

	2021	2020
OPERATING TRANSACTIONS		
Annual surplus	\$ 98,143	\$ 39,757
Changes in non-cash items:		
Taxes receivable - municipal	1,870	12,677
Amounts receivable	(42,674)	23,628
Prepaid expenses	48	(66)
Accounts payable and accrued liabilities	25,247	(19,152)
Deferred revenue	(1,007)	1,207
Deposits	300	150
Amortization	39,743	38,291
Cash provided by operating transactions	<u>121,670</u>	<u>96,492</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(197,756)	(51,627)
Cash applied to capital transactions	<u>(197,756)</u>	<u>(51,627)</u>
INVESTING TRANSACTIONS		
Purchase of portfolio investments	(3,462)	(3,358)
Acquisition of real estate properties	(4,800)	
Cash provided by (applied to) investing transactions	<u>(8,262)</u>	<u>(3,358)</u>
CHANGE IN CASH AND TEMPORARY INVESTMENTS	<u>(84,348)</u>	41,507
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	445,821	404,314
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 361,473</u>	<u>\$ 445,821</u>

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

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 financial statements are as follows:

Torquay and District Fire Department	- 50% (2020 - 50%)
Torquay Recreation Board	- 100% (2020 - 100%)

All inter-organizational transactions and balances have been eliminated.

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 user charges, grants 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 TORQUAY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Local Improvement Charges

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

Net Financial Assets

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

Non-Financial Assets

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

Appropriated Reserves

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

Property Tax Revenue

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

Portfolio Investments

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

Inventories

Inventories of materials and supplies expected to be used by the Village are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued 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 TORQUAY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tangible Capital Assets

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

<u>Asset</u>	<u>Useful Life</u>
General Assets	
Land	Indefinite
Land improvements	5 to 20 years
Buildings	10 to 50 years
Vehicles and equipment	
Vehicles	5 to 10 years
Machinery and equipment	5 to 10 years
Infrastructure Assets	
Infrastructure assets	30 to 75 years
Water & sewer	15 to 40 years
Road network assets	15 to 40 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 TORQUAY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Landfill Liability

The Village of Torquay maintains a waste disposal site. The Village is unable to estimate closure and post-closure costs. No amount has been recorded as an asset or liability. Currently, the Village uses GFL Environmental Inc. for waste collection.

Trust Funds

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

Employee Benefit Plan

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 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 the future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector account 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 actual results. The budget was approved by Council on June 9, 2021.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Standards and Amendments to Standards

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

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

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

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

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

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

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

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

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

VILLAGE OF TORQUAY
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	\$ 257,331	\$ 343,770
Temporary investments	104,142	102,051
	<u>\$ 361,473</u>	<u>\$ 445,821</u>

Cash and temporary investments include balances with banks and a redeemable term deposit. The term deposit is held at Radius Credit Union Ltd. earning interest at a rate of 2.05% (2020 - 2.05%) and will mature in October 2022.

3. TAXES AND GRANTS-IN-LIEU RECEIVABLE

	2021	2020
Municipal		
- Current	\$ 13,408	\$ 20,071
- Arrears	20,930	16,137
Total municipal taxes receivable	<u>34,338</u>	<u>36,208</u>
School		
- Current	5,105	8,902
- Arrears	4,669	3,499
Total school taxes receivable	<u>9,774</u>	<u>12,401</u>
Total taxes and grants-in-lieu receivable	<u>44,112</u>	<u>48,609</u>
Deduct taxes receivable to be collected on behalf of other organizations	<u>(9,774)</u>	<u>(12,401)</u>
Municipal and grants-in-lieu taxes receivable	<u>\$ 34,338</u>	<u>\$ 36,208</u>

4. AMOUNTS RECEIVABLE

Amounts receivable are valued at their net realizable value.

	2021	2020
Provincial government	\$ 41,679	\$
Utility	12,787	12,215
Federal government	9,693	4,572
Organizations and individuals	4,269	8,967
	<u>\$ 68,428</u>	<u>\$ 25,754</u>

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

5. LAND FOR RESALE

	2021	2020
Tax title property	\$ 28,014	\$ 23,214
Allowance for market value adjustment	(6,172)	(6,172)
	<u>\$ 21,842</u>	<u>\$ 17,042</u>

6. PORTFOLIO INVESTMENTS

	2021	2020
Radius Credit Union Ltd.	\$ 110,070	\$ 106,608

Investments in Radius Credit Union Ltd. represent a non-redeemable term deposit earning interest at a rate of 3.25% (2020 - 3.25%) and matures in October 2023.

7. DEFERRED REVENUE

	2021	2020
Prepaid taxes	\$ 200	\$ 1,207
Municipal Economic Enhancement Program		1,207
	<u>\$ 200</u>	<u>\$ 1,207</u>

8. LONG-TERM DEBT

The debt limit of the Village is \$242,071. 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)).

9. PENSION PLAN

The Village is an employer member of the Municipal Employment 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 \$3,060 (2020 - \$3,000). The benefits accrued to the Village's employees from MEPP are calculated using the following: Pensionable Years of Service, Highest Average Salary, and the plan accrual rate. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook Section PS 3250.

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

10. COMMITMENTS

The Village has committed to water treatment plant upgrades and a new well with total anticipated project costs of \$1,861,020 as per the ICIP grant eligible expenditures, however the estimated project cost is estimated to exceed this. The project is expected to be completed March 2023. This project was approved with the Canada's Infrastructure Program (ICIP) contributing \$1,364,686 from the Provincial Government. The remainder of the project costs will be covered by the Village. As of the financial statement date, \$153,500 has been spent on this project.

11. OTHER MATTERS

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

12. 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 - \$36,651). In the prior year, these funds were approved to be spent on road repair (\$30,500) and the replacement of fire hydrants (\$6,151). As of December 31, 2020, \$31,328 had been spent on road repairs and \$4,944 had been spent on hydrant replacements. The remaining \$1,207 was recognized in the current year, as the projects were completed. In addition, during 2020 the Safe Restart Program provided \$15,212 in unconditional funding to the Village.

VILLAGE OF TORQUAY

SCHEDULE 1 - SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES

For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
TAXES			
General municipal tax levy	\$ 135,259	\$ 133,959	\$ 128,946
Discount on current year taxes		(5,900)	(5,294)
Net Municipal Taxes	135,259	128,059	123,652
Penalties on tax arrears	1,000	5,638	8,208
Total Taxes	136,259	133,697	131,860
UNCONDITIONAL GRANTS			
Equalization (Revenue Sharing)	59,234	59,234	59,756
Safe Restart Program			15,212
Total Unconditional Grants	59,234	59,234	74,968
GRANTS-IN-LIEU OF TAXES			
Federal	935	935	829
Provincial Sasktel	807	807	717
Local/Other Access Communications Co-operative Ltd.		500	
Other Government Transfers S.P.C. Surcharge	11,950	12,549	11,830
Sask Energy Surcharge	5,000	4,386	5,109
Total Grants-in-Lieu of Taxes	18,692	19,177	18,485
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 214,185	\$ 212,108	\$ 225,313

VILLAGE OF TORQUAY

SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Sale of supplies	\$ 1,100	\$ 2,080	\$ 1,680
- Tax enforcement		3,178	993
Total Fees and Charges	<u>1,100</u>	<u>5,258</u>	<u>2,673</u>
- Investment income and commissions	601	5,995	7,576
- Insurance proceeds		1,061	
Total Other Segmented Revenue	<u>1,701</u>	<u>12,314</u>	<u>10,249</u>
Total Operating	<u>1,701</u>	<u>12,314</u>	<u>10,249</u>
Total General Government Services	<u>1,701</u>	<u>12,314</u>	<u>10,249</u>
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Torquay & District Fire Department - fire calls		7,262	10,533
Total Fees and Charges		<u>7,262</u>	<u>10,533</u>
- Torquay & District Fire Department - donations, fundraising, interest		506	23
Total Other Segmented Revenue		<u>7,768</u>	<u>10,556</u>
Conditional Grants			
- Torquay & District Fire Department - municipal grants		9,000	2,500
Total Conditional Grants		<u>9,000</u>	<u>2,500</u>
Total Operating		<u>16,768</u>	<u>13,056</u>
Total Protective Services		<u>16,768</u>	<u>13,056</u>

VILLAGE OF TORQUAY

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
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 600	\$ 2,117	\$ 937
- Road maintenance			6,043
Total Fees and Charges	600	2,117	6,980
Total Other Segmented Revenue	600	2,117	6,980
Conditional Grants			
- Provincial Traffic Safety Fund		55	
Total Conditional Grants		55	
Total Operating	600	2,172	6,980
Capital			
Conditional Grants			
- Municipal Economic Enhancement Program			30,500
Total Capital			30,500
Total Transportation Services	600	2,172	37,480
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and disposal fees	16,000	15,257	15,835
Total Fees and Charges	16,000	15,257	15,835
- Sale of metal		1,681	
Total Other Segmented Revenue	16,000	16,938	15,835
Conditional Grants			
- Multi-Material Stewardship Western	2,000	2,165	4,583
Total Conditional Grants	2,000	2,165	4,583
Total Operating	18,000	19,103	20,418
Total Environmental and Public Health Services	18,000	19,103	20,418

VILLAGE OF TORQUAY

SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
- Donations	\$	\$ 7,725	\$ 950
Total Other Segmented Revenue		7,725	950
Conditional Grants			
- Saskatchewan Lotteries		4,357	4,357
- Torquay Recreation Board - Grow Your Community		997	880
Total Conditional Grants		5,354	5,237
Total Operating		13,079	6,187
Total Recreation and Cultural Services		13,079	6,187
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	53,000	51,821	50,334
- Sewer	23,200	22,935	23,752
- Water and sewer penalties	700	560	713
Total Fees and Charges	76,900	75,316	74,799
Total Other Segmented Revenue	76,900	75,316	74,799
Total Operating	76,900	75,316	74,799
Capital			
Conditional Grants			
- Canada Community Building Fund (CCBF)	15,045	31,072	22,568
- Investing in Canada Infrastructure Program (ICIP)		41,679	
- Municipal Economic Enhancement Program		1,207	4,944
Total Capital	15,045	73,958	27,512
Total Utility Services	91,945	149,274	102,311
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 112,246	\$ 212,710	\$ 189,701

VILLAGE OF TORQUAY

SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2021

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
SUMMARY			
Total Other Segmented Revenue	\$ 95,201	\$ 122,178	\$ 119,369
Total Conditional Grants	2,000	16,574	12,320
Total Capital Grants and Contributions	15,045	73,958	58,012
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 112,246	\$ 212,710	\$ 189,701

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

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 11,450	\$ 11,898	\$ 11,613
Wages and benefits	95,100	89,988	91,576
Professional/Contractual services	19,944	20,222	19,205
Utilities	3,750	3,583	3,605
Maintenance, materials, and supplies	8,200	8,445	7,871
Amortization	955	955	955
Interest	50		32
Total General Government Services	139,449	135,091	134,857
PROTECTIVE SERVICES			
Police protection			
Professional/Contractual services	12,282	12,612	12,282
Fire protection			
Wages and benefits		980	1,320
Professional/Contractual services	5,000	8,890	8,116
Utilities		729	885
Maintenance, materials, and supplies		2,368	4,151
Amortization	4,594	4,594	3,577
Torquay & District Fire Department	335		369
Total Protective Services	22,211	30,173	30,700
TRANSPORTATION SERVICES			
Wages and benefits	6,000	4,214	4,400
Professional/Contractual services	1,000	2,513	14,639
Utilities	9,300	8,684	9,243
Maintenance, materials, and supplies	7,000	3,897	4,757
Gravel	2,000		17,813
Amortization	12,023	12,023	11,420
Other - Road recovery		9,418	
Total Transportation Services	37,323	40,749	62,272
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Professional/Contractual services	15,000	18,388	14,867
Maintenance, materials, and supplies	400	229	371
Amortization	5,860	5,860	5,860
Total Environmental and Public Health Services	21,260	24,477	21,098

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

	2021 Budget Unaudited (Note 1)	2021 Actual	2020 Actual
PLANNING AND DEVELOPMENT SERVICES			
Professional/Contractual services	\$	\$ 30	\$ 7,110
Maintenance, materials, and supplies	5,000		
Amortization	414	414	414
Total Planning and Development Services	5,414	444	7,524
RECREATION AND CULTURAL SERVICES			
Professional/Contractual services	500	500	500
Maintenance, materials, and supplies			1,970
Grants and contributions			
- Operating	4,300	29,731	11,697
- Capital	3,417	3,417	3,431
Amortization	3,356	3,356	3,356
Total Recreation and Cultural Services	11,573	37,004	20,954
UTILITY SERVICES			
Professional/Contractual services	31,200	23,394	31,826
Utilities	12,100	10,178	12,417
Maintenance, materials, and supplies	26,000	12,624	40,900
Amortization	12,541	12,541	12,709
Total Utility Services	81,841	58,737	97,852
TOTAL EXPENSES BY FUNCTION	\$ 319,071	\$ 326,675	\$ 375,257

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

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 5,258	\$ 7,262	\$ 2,117	\$ 15,257	\$	\$	\$ 75,316	\$ 105,210
Tangible Capital Asset Sale - Gain (Loss)								
Land Sales - Gain (Loss)								5,995
Investment Income & Commissions	5,995							10,973
Other Revenues	1,061	506		1,681		7,725		16,574
Grants - Conditional		9,000	55	2,165		5,354		73,958
- Capital							73,958	73,958
Total revenues	12,314	16,768	2,172	19,103		13,079	149,274	212,710
Expenses (Schedule 3)								
Wages & Benefits	101,886	980	4,214					107,080
Professional/Contractual Services	20,222	21,502	2,513	18,388	30	500	23,394	86,549
Utilities	3,583	729	8,684				10,178	23,174
Maintenance, Materials, Supplies	8,445	2,368	3,897	229			12,624	27,563
Grants and Contributions						33,148		33,148
Amortization	955	4,594	12,023	5,860	414	3,356	12,541	39,743
Interest								
Other			9,418					9,418
Total expenses	135,091	30,173	40,749	24,477	444	37,004	58,737	326,675
Surplus (Deficit) by Function	(122,777)	(13,405)	(38,577)	(5,374)	(444)	(23,925)	90,537	(113,965)
Taxation and other unconditional revenue (Schedule 1)								212,108
Net Surplus								\$ 98,143

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

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 2,673	\$ 10,533	\$ 6,980	\$ 15,835	\$	\$	\$ 74,799	\$ 110,820
Tangible Capital Asset Sale - Gain (Loss)								
Land Sales - Gain (Loss)								7,576
Investment Income & Commissions	7,576							973
Other Revenues		23				950		12,320
Grants - Conditional		2,500		4,583		5,237		58,012
- Capital			30,500				27,512	
Total revenues	10,249	13,056	37,480	20,418		6,187	102,311	189,701
Expenses (Schedule 3)								
Wages & Benefits	103,189	1,320	4,400					108,909
Professional/Contractual Services	19,205	20,398	14,639	14,867	7,110	500	31,826	108,545
Utilities	3,605	885	9,243				12,417	26,150
Maintenance, Materials, Supplies	7,871	4,151	22,570	371		1,970	40,900	77,833
Grants and Contributions						15,128		15,128
Amortization	955	3,577	11,420	5,860	414	3,356	12,709	38,291
Interest	32							32
Other		369						369
Total expenses	134,857	30,700	62,272	21,098	7,524	20,954	97,852	375,257
Surplus (Deficit) by Function	(124,608)	(17,644)	(24,792)	(680)	(7,524)	(14,767)	4,459	(185,556)
Taxation and other unconditional revenue (Schedule 1)								225,313
Net Surplus								\$ 39,757

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

	General Assets					Infrastructure Assets	General/ Infrastructure	Totals	
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Assets Under Construction	2021	2020
Cost									
Opening costs	\$ 11,194	222,209	279,124	163,941	160,648	279,246		\$1,116,362	\$1,064,735
Additions during the year				26,250	14,166	3,840	153,500	197,756	51,627
Closing costs	11,194	222,209	279,124	190,191	174,814	283,086	153,500	1,314,118	1,116,362
Accumulated Amortization									
Opening accumulated amortization		88,759	156,704	107,468	90,210	152,487		595,628	557,337
Amortization		6,479	5,908	4,084	10,982	12,290		39,743	38,291
Closing accumulated amortization		95,238	162,612	111,552	101,192	164,777		635,371	595,628
Net Book Value	\$ 11,194	126,971	116,512	78,639	73,622	118,309	153,500	\$ 678,747	\$ 520,734

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

Cost	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Totals	
								2021	2020
Opening costs	\$ 45,816	184,503	256,194	217,933	8,043	167,817	236,056	\$1,116,362	\$1,064,735
Additions during the year		29,266	14,990				153,500	197,756	51,627
Closing costs	45,816	213,769	271,184	217,933	8,043	167,817	389,556	1,314,118	1,116,362
Accumulated Amortization									
Opening accumulated amortization	17,057	117,798	137,835	70,290	2,898	124,176	125,574	595,628	557,337
Amortization	955	4,593	12,023	5,860	414	3,357	12,541	39,743	38,291
Closing accumulated amortization	18,012	122,391	149,858	76,150	3,312	127,533	138,115	635,371	595,628
Net Book Value	\$ 27,804	91,378	121,326	141,783	4,731	40,284	251,441	\$ 678,747	\$ 520,734

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

	2020	Changes	2021
UNAPPROPRIATED SURPLUS	\$ 374,610	\$ (59,870)	\$ 314,740
APPROPRIATED RESERVES			
Surplus Reserve	63,400		63,400
Unspecified Reserve	42,227		42,227
Perpetual Reserve	135,995		135,995
Total appropriated	<u>241,622</u>		<u>241,622</u>
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	520,734	158,013	678,747
Net investment in tangible capital assets	<u>520,734</u>	<u>158,013</u>	<u>678,747</u>
TOTAL ACCUMULATED SURPLUS	<u>\$ 1,136,966</u>	<u>\$ 98,143</u>	<u>\$ 1,235,109</u>

VILLAGE OF TORQUAY

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	
Taxable assessment	124,245	13,814,240			890,885	14,829,370
Regional Park Assessment						
Total Assessment						14,829,370
Mill Rate Factor(s)	1.00	1.00			1.00	
Total Base/Minimum Tax	1,000	95,800			7,500	104,300
Total Municipal Tax Levy	1,248	123,429			9,282	133,959

MILL RATES:

MILLS

Average Municipal	9.0333
Average School	4.5716
Potash Mill Rate	
Uniform Municipal Mill Rate	2.0000

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

<u>Position - Name</u>	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Mayor - Michael Strachan	\$ 1,920	\$	\$ 1,920
Councilor - Terry Malaryk	3,915		3,915
Councilor - Mark Mason	2,560		2,560
Councilor - Ashlee Friess	1,040		1,040
Councilor - Daniel Daae	720		720
	<hr/>		<hr/>
	\$ 10,155	\$	\$ 10,155
	<hr/>		<hr/>