

VILLAGE OF TORQUAY
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

VILLAGE OF TORQUAY
TABLE OF CONTENTS
 For the year ended December 31, 2020

	Page
STATEMENT OF RESPONSIBILITY	3
INDEPENDENT AUDITOR'S REPORT , dated August 11, 2021	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 - 2020	26
Schedule 5 - Schedule of Segment Disclosure by Function - 2019	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:

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



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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, 2020 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, 2020 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 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.

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
August 11, 2021


Chartered Professional Accountants Ltd.

VILLAGE OF TORQUAY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 As at December 31, 2020

	2020	2019
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	\$ 445,821	\$ 404,315
Taxes receivable - municipal (Note 3)	36,208	48,881
Amounts receivable (Note 4)	25,754	49,382
Land for resale (Note 5)	17,042	17,042
Portfolio investments (Note 6)	106,608	103,250
TOTAL FINANCIAL ASSETS	631,433	622,870
LIABILITIES		
Accounts payable and accrued liabilities	8,347	27,498
Deposits (Note 1)	5,750	5,600
Deferred revenue (Notes 1 and 7)	1,207	
TOTAL LIABILITIES	15,304	33,098
NET FINANCIAL ASSETS	616,129	589,772
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedules 6 and 7)	520,734	507,398
Prepaid expenses	103	40
TOTAL NON-FINANCIAL ASSETS	520,837	507,438
ACCUMULATED SURPLUS (Schedule 8)	\$ 1,136,966	\$ 1,097,210

VILLAGE OF TORQUAY
CONSOLIDATED STATEMENT OF OPERATIONS
 For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
REVENUE			
Taxes and other unconditional revenue (Schedule 1)	\$ 208,848	\$ 225,313	\$ 207,210
Fees and charges (Schedules 4 and 5)	93,705	110,820	96,760
Conditional grants (Schedules 4 and 5)	2,500	12,320	33,615
Land sales - gain (loss) (Schedules 4 and 5)			(6,828)
Investment income and commissions (Schedules 4 and 5)	1,500	7,576	8,207
Other revenues (Schedules 4 and 5)		23	66,965
Total revenue	306,553	356,052	405,929
EXPENSES			
General government services (Schedule 3)	133,927	137,363	136,491
Protective services (Schedule 3)	22,034	30,700	30,940
Transportation services (Schedule 3)	72,021	62,272	39,398
Environmental and public health services (Schedule 3)	20,560	21,098	20,521
Planning and development services (Schedule 3)	8,414	7,524	28,033
Recreation and cultural services (Schedule 3)	9,787	17,499	16,496
Utility services (Schedule 3)	87,164	97,852	97,615
Total expenses	353,907	374,308	369,494
SURPLUS (DEFICIT) BEFORE OTHER CAPITAL CONTRIBUTIONS	(47,354)	(18,256)	36,435
Provincial/Federal capital grants and contributions (Schedules 4 and 5)	51,696	58,012	29,919
ANNUAL SURPLUS	4,342	39,756	66,354
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,097,210	1,097,210	1,030,856
ACCUMULATED SURPLUS, END OF YEAR	\$ 1,101,552	\$ 1,136,966	\$ 1,097,210

VILLAGE OF TORQUAY
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
 For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
ANNUAL SURPLUS	\$ 4,342	\$ 39,756	\$ 66,354
Acquisition of tangible capital assets	(119,580)	(51,627)	(30,757)
Amortization of tangible capital assets	38,291	38,291	38,057
Increase in prepaid expenses		(63)	(1)
	(81,289)	(13,399)	7,299
CHANGE IN NET FINANCIAL ASSETS	\$ (76,947)	26,357	73,653
NET FINANCIAL ASSETS, BEGINNING OF YEAR		589,772	516,119
NET FINANCIAL ASSETS, END OF YEAR		\$ 616,129	\$ 589,772

VILLAGE OF TORQUAY
CONSOLIDATED STATEMENT OF CASH FLOWS
 For the year ended December 31, 2020

	2020	2019
OPERATING TRANSACTIONS		
Annual surplus	\$ 39,756	\$ 66,354
Changes in non-cash items:		
Taxes receivable - municipal	12,673	13,976
Amounts receivable	23,628	(17,873)
Prepaid expenses	(63)	(1)
Accounts payable and accrued liabilities	(19,151)	(42,182)
Deferred revenue	1,207	
Deposits	150	200
Loss (gain) on sale of land for resale		6,828
Amortization	38,291	38,057
Cash provided by operating transactions	<u>96,491</u>	<u>65,359</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(51,627)	(30,757)
Cash applied to capital transactions	<u>(51,627)</u>	<u>(30,757)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments		187,626
Proceeds on sale of land for resale		2,636
Purchase of portfolio investments	(3,358)	(3,250)
Acquisition of real estate properties		(9,465)
Cash provided by (applied to) investing transactions	<u>(3,358)</u>	<u>177,547</u>
CHANGE IN CASH AND TEMPORARY INVESTMENTS	41,506	212,149
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	404,315	192,166
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 445,821</u>	<u>\$ 404,315</u>

VILLAGE OF TORQUAY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

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

Torquay and District Fire Department	- 50%
Torquay Recreation Board	- 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 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, 2020

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, 2020

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, 2020

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, 2020

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 10, 2020.

VILLAGE OF TORQUAY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2020

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 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, 2020

2. CASH AND TEMPORARY INVESTMENTS

Cash and temporary investments are comprised of the following:

	2020	2019
Cash	\$ 343,770	\$ 304,315
Temporary investments	102,051	100,000
	<u>\$ 445,821</u>	<u>\$ 404,315</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% (2019 - 2.05%) and will mature in October 2022.

3. TAXES AND GRANTS-IN-LIEU RECEIVABLE

	2020	2019
Municipal		
- Current	\$ 20,071	\$ 20,622
- Arrears	16,137	28,259
Total municipal taxes receivable	<u>36,208</u>	48,881
School		
- Current	8,903	9,756
- Arrears	3,499	5,843
Total school taxes receivable	<u>12,402</u>	15,599
Total taxes and grants-in-lieu receivable	<u>48,610</u>	64,480
Deduct taxes receivable to be collected on behalf of other organizations	<u>(12,402)</u>	(15,599)
Municipal and grants-in-lieu taxes receivable	<u>\$ 36,208</u>	<u>\$ 48,881</u>

4. AMOUNTS RECEIVABLE

Amounts receivable are valued at their net realizable value.

	2020	2019
Utility	\$ 12,215	\$ 15,831
Organizations and individuals	8,967	29,405
Federal government	4,572	4,146
	<u>\$ 25,754</u>	<u>\$ 49,382</u>

VILLAGE OF TORQUAY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2020

5. LAND FOR RESALE

	2020	2019
Tax title property	\$ 23,214	\$ 23,214
Allowance for market value adjustment	(6,172)	(6,172)
	<u>\$ 17,042</u>	<u>\$ 17,042</u>

6. PORTFOLIO INVESTMENTS

	2020	2019
Radius Credit Union Ltd.	\$ 106,608	\$ 103,250

Investments in Radius Credit Union Ltd. represent a non-redeemable term deposit earning interest at a rate of 3.25% (2019 - 3.25%) and matures in October 2023.

7. DEFERRED REVENUE

	2020	2019
Municipal Economic Enhancement Program	\$ 1,207	\$

8. LONG-TERM DEBT

The debt limit of the Village is \$245,575. 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 2020 was \$3,000 (2019 - \$2,912). 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 PS3250.

VILLAGE OF TORQUAY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2020

10. OTHER MATTERS

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a worldwide pandemic. Subsequently, on March 18, 2020, the Province of Saskatchewan declared a province-wide state of emergency to help reduce the spread of COVID-19. The Village has not suffered any significant disruptions throughout the year as a result from the outbreak.

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.

11. GOVERNMENT ASSISTANCE

In response to the pandemic, the Provincial and Federal governments have 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 \$36,651 and 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 has been spent on road repairs and \$4,944 has been spent on hydrant replacements, deferring the remaining \$1,207 into 2021. In addition, 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, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
TAXES			
General municipal tax levy	\$ 128,946	\$ 128,946	\$ 127,950
Discount on current year taxes		(5,294)	(5,061)
Net Municipal Taxes	128,946	123,652	122,889
Penalties on tax arrears	1,000	8,208	8,984
Total Taxes	129,946	131,860	131,873
UNCONDITIONAL GRANTS			
Equalization (Revenue Sharing)	59,756	59,756	54,055
Safe Restart Program		15,212	
Total Unconditional Grants	59,756	74,968	54,055
GRANTS-IN-LIEU OF TAXES			
Federal	829	829	829
Provincial Sasktel	717	717	717
Local/Other Housing Authority			2,170
Other Government Transfers S.P.C. Surcharge	11,900	11,830	11,919
Sask Energy Surcharge	5,700	5,109	5,647
Total Grants-in-Lieu of Taxes	19,146	18,485	21,282
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 208,848	\$ 225,313	\$ 207,210

VILLAGE OF TORQUAY
SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Sale of supplies	\$ 1,005	\$ 1,680	\$ 1,483
- Tax enforcement		993	1,612
Total Fees and Charges	<u>1,005</u>	<u>2,673</u>	<u>3,095</u>
- Land sales - gain (loss)			(6,828)
- Investment income and commissions	1,500	7,576	8,207
- Insurance proceeds			651
Total Other Segmented Revenue	<u>2,505</u>	<u>10,249</u>	<u>5,125</u>
Total Operating	<u>2,505</u>	<u>10,249</u>	<u>5,125</u>
Total General Government Services	<u>2,505</u>	<u>10,249</u>	<u>5,125</u>
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Torquay & District Fire Department - fire calls		10,533	2,521
Total Fees and Charges		<u>10,533</u>	<u>2,521</u>
- Torquay & District Fire Department - donations, fundraising, interest		23	66,314
Total Other Segmented Revenue		<u>10,556</u>	<u>68,835</u>
Conditional Grants			
- Torquay & District Fire Department - municipal grants		2,500	2,500
Total Conditional Grants		<u>2,500</u>	<u>2,500</u>
Total Operating		<u>13,056</u>	<u>71,335</u>
Total Protective Services		<u>13,056</u>	<u>71,335</u>

VILLAGE OF TORQUAY
SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 900	\$ 937	\$ 1,012
- Road maintenance	1,000	6,043	490
Total Fees and Charges	1,900	6,980	1,502
Total Other Segmented Revenue	1,900	6,980	1,502
Total Operating	1,900	6,980	1,502
Capital			
Conditional Grants			
- Municipal Economic Enhancement Program	30,500	30,500	
Total Capital	30,500	30,500	
Total Transportation Services	32,400	37,480	1,502
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and disposal fees	15,600	15,835	15,544
Total Fees and Charges	15,600	15,835	15,544
Total Other Segmented Revenue	15,600	15,835	15,544
Conditional Grants			
- Multi-Material Stewardship Western	2,500	4,583	1,809
Total Conditional Grants	2,500	4,583	1,809
Total Operating	18,100	20,418	17,353
Total Environmental and Public Health Services	18,100	20,418	17,353

VILLAGE OF TORQUAY
SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Conditional Grants			
- Federation of Canadian Municipalities grant	\$	\$	\$ 24,000
Total Conditional Grants			24,000
Total Operating			24,000
Total Planning and Development Services			24,000
RECREATION AND CULTURAL SERVICES			
Operating			
Conditional Grants			
- Saskatchewan Lotteries		4,357	4,357
- Torquay Recreation Board - Grow Your Community		880	949
Total Conditional Grants		5,237	5,306
Total Operating		5,237	5,306
Total Recreation and Cultural Services		5,237	5,306
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	51,200	50,334	50,093
- Sewer	23,300	23,752	23,281
- Water and sewer penalties	700	713	724
Total Fees and Charges	75,200	74,799	74,098
Total Other Segmented Revenue	75,200	74,799	74,098
Total Operating	75,200	74,799	74,098
Capital			
Conditional Grants			
- Gas Tax	15,045	22,568	29,919
- Municipal Economic Enhancement Program	6,151	4,944	
Total Capital	21,196	27,512	29,919
Total Utility Services	96,396	102,311	104,017
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 149,401	\$ 188,751	\$ 228,638

VILLAGE OF TORQUAY
SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
SUMMARY			
Total Other Segmented Revenue	\$ 95,205	\$ 118,419	\$ 165,104
Total Conditional Grants	2,500	12,320	33,615
Total Capital Grants and Contributions	51,696	58,012	29,919
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 149,401	\$ 188,751	\$ 228,638

VILLAGE OF TORQUAY
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
 For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 12,300	\$ 11,613	\$ 11,753
Wages and benefits	90,500	91,577	90,419
Professional/Contractual services	19,032	19,205	20,637
Utilities	3,840	3,605	3,556
Maintenance, materials, and supplies	6,800	7,871	7,343
Grants and contributions			
- Operating	450	2,505	1,828
Amortization	955	955	955
Interest	50	32	
Total General Government Services	133,927	137,363	136,491
PROTECTIVE SERVICES			
Police protection			
Professional/Contractual services	12,804	12,282	11,855
Fire protection			
Wages and benefits		1,320	1,772
Professional/Contractual services	5,653	8,116	7,668
Utilities		885	1,028
Maintenance, materials, and supplies		4,151	1,740
Amortization	3,577	3,577	3,360
Torquay & District Fire Department		369	3,517
Total Protective Services	22,034	30,700	30,940
TRANSPORTATION SERVICES			
Wages and benefits	6,000	4,400	5,803
Professional/Contractual services	21,600	14,639	8,317
Utilities	9,450	9,243	9,389
Maintenance, materials, and supplies	11,551	4,757	3,760
Gravel	12,000	17,813	
Amortization	11,420	11,420	12,129
Total Transportation Services	72,021	62,272	39,398
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Professional/Contractual services	14,700	14,867	14,661
Maintenance, materials, and supplies		371	
Amortization	5,860	5,860	5,860
Total Environmental and Public Health Services	20,560	21,098	20,521

VILLAGE OF TORQUAY
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2020

	2020 Budget Unaudited (Note 1)	2020 Actual	2019 Actual
PLANNING AND DEVELOPMENT SERVICES			
Professional/Contractual services	\$ 8,000	\$ 7,110	\$ 27,619
Amortization	414	414	414
Total Planning and Development Services	8,414	7,524	28,033
RECREATION AND CULTURAL SERVICES			
Professional/Contractual services	500	500	500
Maintenance, materials, and supplies		1,970	
Grants and contributions			
- Operating	2,500	8,242	9,270
- Capital	3,431	3,431	3,370
Amortization	3,356	3,356	3,356
Total Recreation and Cultural Services	9,787	17,499	16,496
UTILITY SERVICES			
Professional/Contractual services	31,400	31,826	29,194
Utilities	12,950	12,417	12,257
Maintenance, materials, and supplies	30,105	40,900	44,181
Amortization	12,709	12,709	11,983
Total Utility Services	87,164	97,852	97,615
TOTAL EXPENSES BY FUNCTION	\$ 353,907	\$ 374,308	\$ 369,494

VILLAGE OF TORQUAY
SCHEDULE 4 - 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	23						7,576
Investment Income & Commissions		2,500		4,583		5,237		12,320
Other Revenues			30,500				27,512	58,012
Grants - Conditional			37,480	20,418		5,237	102,311	188,751
- Capital		13,056						
Total revenues	10,249	13,056	37,480	20,418	5,237	5,237	102,311	188,751
Expenses (Schedule 3)								
Wages & Benefits	103,190	1,320	4,400					108,910
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	2,505		11,420	5,860	414	3,356	12,709	38,291
Amortization	955	3,577						32
Interest	32							369
Other		369						
Total expenses	137,363	30,700	62,272	21,098	7,524	17,499	97,852	374,308
Surplus (Deficit) by Function	(127,114)	(17,644)	(24,792)	(680)	(7,524)	(12,262)	4,459	(185,557)

Taxation and other unconditional revenue (Schedule 1)

225,313

Net Surplus

\$ 39,756



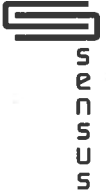
VILLAGE OF TORQUAY
SCHEDULE 5 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
For the year ended December 31, 2019

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 3,095	\$ 2,521	\$ 1,502	\$ 15,544	\$	\$	\$ 74,098	\$ 96,760
Tangible Capital Asset Sale - Gain (Loss)	(6,828)							(6,828)
Land Sales - Gain (Loss)	8,207							8,207
Investment Income & Commissions	651	66,314		1,809	24,000	5,306		66,965
Other Revenues		2,500					29,919	33,615
Grants - Conditional - Capital		71,335	1,502	17,353	24,000	5,306	104,017	29,919
Total revenues	5,125	71,335	1,502	17,353	24,000	5,306	104,017	228,638
Expenses (Schedule 3)								
Wages & Benefits	102,172	1,772	5,803					109,747
Professional/Contractual Services	20,637	19,523	8,317	14,661	27,619	500	29,194	120,451
Utilities	3,556	1,028	9,389				12,257	26,230
Maintenance, Materials, Supplies	7,343	1,740	3,760				44,181	57,024
Grants and Contributions	1,828					12,640		14,468
Amortization	955	3,360	12,129	5,860	414	3,356	11,983	38,057
Interest								
Other		3,517						3,517
Total expenses	136,491	30,940	39,398	20,521	28,033	16,496	97,615	369,494
Surplus (Deficit) by Function	(131,366)	40,395	(37,896)	(3,168)	(4,033)	(11,190)	6,402	(140,856)
Taxation and other unconditional revenue (Schedule 1)								207,210
Net Surplus								\$ 66,354



VILLAGE OF TORQUAY
SCHEDULE 6 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT
For the year ended December 31, 2020

Cost	General Assets						Infrastructure Assets	General/ Infrastructure	Totals	
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets			Assets Under Construction	2020
Opening costs	\$ 11,194	222,209	234,553	163,941	153,592	279,246		\$1,064,735	\$1,033,978	
Additions during the year		44,571			7,056			51,627	30,757	
Closing costs	11,194	222,209	279,124	163,941	160,648	279,246		1,116,362	1,064,735	
Accumulated Amortization										
Opening accumulated amortization		82,280	151,136	104,400	79,371	140,150		557,337	519,280	
Amortization		6,479	5,568	3,068	10,839	12,337		38,291	38,057	
Closing accumulated amortization		88,759	156,704	107,468	90,210	152,487		595,628	557,337	
Net Book Value	\$ 11,194	133,450	122,420	56,473	70,438	126,759		\$ 520,734	\$ 507,398	



VILLAGE OF TORQUAY
SCHEDULE 7 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION
For the year ended December 31, 2020

Cost								Totals	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	2020	2019
Opening costs	\$ 45,816	180,817	256,194	217,933	8,043	167,817	188,115	\$1,064,735	\$1,033,978
Additions during the year		3,686					47,941	51,627	30,757
Closing costs	45,816	184,503	256,194	217,933	8,043	167,817	236,056	1,116,362	1,064,735
Accumulated Amortization									
Opening accumulated amortization	16,102	114,221	126,415	64,430	2,484	120,820	112,865	557,337	519,280
Amortization	955	3,577	11,420	5,860	414	3,356	12,709	38,291	38,057
Closing accumulated amortization	17,057	117,798	137,835	70,290	2,898	124,176	125,574	595,628	557,337
Net Book Value	\$ 28,759	66,705	118,359	147,643	5,145	43,641	110,482	\$ 520,734	\$ 507,398



VILLAGE OF TORQUAY
SCHEDULE 8 - SCHEDULE OF ACCUMULATED SURPLUS
For the year ended December 31, 2020

	2019	Changes	2020
UNAPPROPRIATED SURPLUS	\$ 348,190	\$ 26,420	\$ 374,610
APPROPRIATED RESERVES			
Surplus Reserve	63,400		63,400
Unspecified Reserve	42,227		42,227
Perpetual Reserve	135,995		135,995
Total appropriated	241,622		241,622
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	507,398	13,336	520,734
Net Investment in Tangible capital assets	507,398	13,336	520,734
TOTAL ACCUMULATED SURPLUS	\$ 1,097,210	\$ 39,756	\$ 1,136,966

VILLAGE OF TORQUAY
SCHEDULE 9 - SCHEDULE OF MILL RATES AND ASSESSMENTS
For the year ended December 31, 2020

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable assessment	125,290	16,101,840			1,545,900		17,773,030
Regional Park Assessment							
Total Assessment							17,773,030
Mill Rate Factor(s)	1.00	1.00			1.00		
Total Base/Minimum Tax	1,500	84,700			7,200		93,400
Total Municipal Tax Levy	1,751	116,903			10,292		128,946

MILL RATES:

	MILLS
Average Municipal	7.2552
Average School	4.2880
Potash Mill Rate	
Uniform Municipal Mill Rate	2.0000



VILLAGE OF TORQUAY
SCHEDULE 10 - SCHEDULE OF COUNCIL REMUNERATION
For the year ended December 31, 2020

<u>Position - Name</u>	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Mayor - Michael Strachan	\$ 1,920	\$	1,920
Councilor - Terry Malaryk	2,160	430	2,590
Councilor - Mark Mason	1,040		1,040
Councilor - Daniel Daae	960		960
Councilor - Bill Somerville	720		720
Councilor - Ashlee Friess	160		160
	<u>\$ 6,960</u>	<u>\$ 430</u>	<u>7,390</u>