

**Village of Pelly**

**CONSOLIDATED FINANCIAL STATEMENTS**

**Year Ended December 31, 2021**

# Village of Pelly

Pelly, Saskatchewan

December 31, 2021

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### Management's Responsibility


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

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

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

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

  
Mayor

  
Administrator



## Independent Auditors' Report

To the Council  
Village of Pelly

### *Opinion*

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

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

### *Basis for Opinion*

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

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

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

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

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



*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

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

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

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

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

**Baker Tilly SK LLP**

*Baker Tilly SK LLP*

Yorkton, SK  
November 25, 2022

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

Statement 1

	2021	2020
<b>Assets</b>		
<b>Financial Assets</b>		
Cash and temporary investments - note 2	56,919	123,900
Taxes receivable - municipal - note 3	99,354	113,970
Other accounts receivable - note 4	28,507	18,352
Land for resale - note 5	54,539	40,469
Long-term investments - note 6	126,825	113,140
<b>Total Financial Assets</b>	366,144	409,831
<b>Liabilities</b>		
Accounts payable	21,592	20,347
Accrued liabilities	2,647	1,453
Utility deposits	10,700	10,600
Deferred revenue - note 8	83,345	39,372
Long-term debt - note 9	103,276	71,970
<b>Total Liabilities</b>	221,560	143,742
<b>Net Financial Assets</b>	144,584	266,089
<b>Non-Financial Assets</b>		
Tangible capital assets - schedules 6 and 7	677,056	611,236
Prepayments and deferred charges	15,445	12,076
Stock and supplies	700	2,000
<b>Total Non-Financial Assets</b>	693,201	625,312
<b>Accumulated Surplus - schedule 8</b>	<b>\$ 837,785</b>	<b>\$ 891,401</b>

Approved on behalf of the council:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Councillor

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

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

Statement 2

	2021 Budget (Note 1(q))	2021 Actual	2020 Actual
<b>Revenues</b>			
Taxes and other unconditional revenue			
- schedule 1	391,665	380,092	387,850
Fees and charges - schedules 4 and 5	130,670	132,300	127,032
Conditional grants - schedules 4 and 5	21,980	15,476	79,081
Tangible capital asset sales - gain - schedules 4 and 5		( 826)	
Land sales - gain - schedules 4 and 5		727	( 742)
Investment income and commissions - schedules 4 and 5	1,100	1,110	1,555
Other revenues - schedules 4 and 5		11,422	3,021
<b>Total Revenue</b>	<u>545,415</u>	<u>540,301</u>	<u>597,797</u>
<b>Expenses - schedule 3</b>			
General government services	152,835	190,428	173,622
Protective services	20,000	23,696	19,492
Transportation services	172,462	166,883	155,208
Environmental and public health services	54,770	50,025	46,776
Recreation and cultural services	38,315	58,591	40,606
Utilities services	62,651	104,294	56,900
<b>Total Expenses</b>	<u>501,033</u>	<u>593,917</u>	<u>492,604</u>
<b>Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions</b>	44,382	( 53,616)	105,193
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>0</u>	<u>0</u>	<u>0</u>
<b>Surplus (Deficit) of Revenue over Expenses</b>	44,382	( 53,616)	105,193
<b>Accumulated Surplus, Beginning of Year</b>	<u>891,401</u>	<u>891,401</u>	<u>786,208</u>
<b>Accumulated Surplus, End of Year</b>	<u>\$ 935,783</u>	<u>\$ 837,785</u>	<u>\$ 891,401</u>

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

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

Statement 3

	2021 Budget (Note 1(q))	2021 Actual	2020 Actual
<b>Surplus (Deficit)</b>	<u>44,382</u>	<u>( 53,616)</u>	<u>105,193</u>
(Acquisition) of tangible capital assets		( 101,930)	( 92,580)
Amortization of tangible capital assets		34,284	26,786
Proceeds on disposal of tangible capital assets		1,000	
Loss on the disposal of tangible capital assets		<u>826</u>	
<b>Surplus (Deficit) of Capital Expenses over Expenditures</b>	<u>0</u>	<u>( 65,820)</u>	<u>( 65,794)</u>
(Acquisition) of supplies inventories			( 2,000)
(Acquisition) of prepaid expense		( 15,445)	( 12,076)
Consumption of supplies inventory		1,300	
Use of prepaid expense		<u>12,076</u>	<u>13,014</u>
<b>Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures</b>	<u>0</u>	<u>( 2,069)</u>	<u>( 1,062)</u>
<b>Increase (Decrease) in Net Financial Assets</b>	44,382	( 121,505)	38,337
Net Financial Assets, beginning of year	<u>266,089</u>	<u>266,089</u>	<u>227,752</u>
<b>Net Financial Assets, End of Year</b>	<u>\$ 310,471</u>	<u>\$ 144,584</u>	<u>\$ 266,089</u>

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



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

Statement 4

	2021	2020
<b>Cash Provided by (used for) the Following Activities</b>		
<b>Operating:</b>		
<b>Surplus (Deficit)</b>		
Amortization	( 53,616)	105,193
Loss on disposal of tangible capital assets	34,284	26,786
	<u>826</u>	
<b>Change in Assets/Liabilities</b>	( 18,506)	<u>131,979</u>
Taxes receivable - municipal		
Other receivables	14,616	5,973
Land for resale	( 10,155)	( 7,102)
Other financial assets	( 14,070)	5,135
Accounts payable	1,300	( 2,000)
Utility deposits	1,245	11,508
Deferred revenue	100	100
Accrued liabilities payable	43,973	( 2,496)
Prepayments and deferred charges	1,193	147
<b>Cash Provided by Operating Transactions</b>	<u>( 3,368)</u>	<u>938</u>
	<u>16,328</u>	<u>144,182</u>
<b>Capital:</b>		
Acquisition of capital assets	( 101,930)	( 92,580)
Proceeds from the disposal of capital assets	1,000	
<b>Cash Applied to Capital Transactions</b>	<u>( 100,930)</u>	<u>( 92,580)</u>
<b>Investing:</b>		
Long-term investments		
Additions to long-term investments	4,369	
<b>Cash Provided by (Applied to) Investing Transactions</b>	<u>( 18,054)</u>	<u>( 1,228)</u>
	<u>( 13,685)</u>	<u>( 1,228)</u>
<b>Financing:</b>		
Long-term debt issued	60,000	
Long-term debt repaid	( 28,694)	( 32,844)
<b>Cash Provided by (Applied to) Financing Transactions</b>	<u>31,306</u>	<u>( 32,844)</u>
<b>Change in Cash and Temporary Investments During the Year</b>	( 66,981)	17,530
Cash and temporary investments, beginning of year	<u>123,900</u>	<u>106,370</u>
<b>Cash and Temporary Investments, End of Year</b>	<u>\$ 56,919</u>	<u>\$ 123,900</u>

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

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

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**1. Significant Accounting Policies**

The consolidated financial statements of the municipality 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:

(a) Basis of accounting

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

(b) Reporting entity

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

Entities included in these consolidated financial statements are as follows:

Entity	Basis of Recording
Pelly & District Recreation Board	Full consolidation
Pelly Centennial Committee	Full consolidation

All inter-organizational transactions and balances have been eliminated.

(c) Collection of funds for other authorities

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

(d) Government transfers

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

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

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

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

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

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**1. Significant Accounting Policies - continued**

(e) Deferred revenue - fees and charges

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

(f) Net financial assets

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

(g) Non-financial assets

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

(h) Appropriated reserves

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

(i) Tangible capital assets

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

<b>Assets</b>	<b>Useful Life</b>
General Assets	
Land	indefinite
Land improvements	30-50 years
Buildings	30-50 years
Vehicles	5-10 years
Mobile equipment	5-10 years
Linear assets	30-45 years
Infrastructure Assets	
Paving, sidewalks and roadways	30-45 years

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

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1. **Significant Accounting Policies** - continued

(j) Government contributions

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

(k) Works of art

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

(l) Capitalization of interest

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

(m) Employee benefit plans

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

(n) Revenue

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

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

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

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

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**1. Significant Accounting Policies - continued**

(o) Measurement uncertainty

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

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

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

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

Land for resale is stated after evaluation for market value and an appropriate allowance for market value adjustment is provided where considered necessary.

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.

(p) Basis of segmentation/segment report

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

The segments (functions) are as follows:

General government: provides for the administration of the municipality.

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

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

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

Planning and development: provides for neighbourhood development and sustainability.

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

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

(q) Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on July 14, 2021.

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

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1. **Significant Accounting Policies** - continued

(r) New standards and amendments to standards

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

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

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

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

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

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

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

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

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

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

	2021	2020
<b>2. Cash and Temporary Investments</b>		
Cash	\$ 56,919	\$ 123,900
Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less.		
<b>3. Taxes and Grants In Lieu Receivable</b>		
Municipal - current	66,697	74,765
Municipal - arrears	78,614	122,559
	145,311	197,324
Less: Allowance for uncollectibles	45,957	83,354
Total municipal taxes receivable	99,354	113,970
School - current	5,077	6,560
School - arrears	4,001	10,043
Total school taxes receivable	9,078	16,603
Total taxes and grants in lieu receivable	108,432	130,573
Less: Taxes receivable to be collected on behalf of other organizations	9,078	16,603
<b>Municipal and Grants In Lieu Taxes Receivable</b>	\$ 99,354	\$ 113,970
<b>4. Other Accounts Receivable</b>		
Federal government	12,923	4,576
Provincial government	2,495	1,927
Utility	1,308	3,211
Trade	12,206	8,763
Interest receivable		300
Total other accounts receivable	28,932	18,777
Less: Allowance for uncollectibles	425	425
<b>Net Other Accounts Receivable</b>	\$ 28,507	\$ 18,352
<b>5. Land for Resale</b>		
Tax title property	144,307	96,514
Less: Allowance for market value adjustment	89,768	56,045
<b>Total Land for Resale</b>	\$ 54,539	\$ 40,469
<b>6. Long-Term Investments</b>		
Domestic - other long-term investments	124,713	111,423
Membership share in Affinity Credit Union	15	15
Equity in Norquay Co-op.	2,097	1,702
	\$ 126,825	\$ 113,140

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

**7. Bank Indebtedness**

Bank indebtedness includes an operating loan amounting to \$30,000 (2020 - \$30,000) and bearing interest at 2.45%.

	2021	2020
<b>8. Deferred Revenue</b>		
Deferred Canada Community Building Fund	76,281	33,622
Land sale deposit	250	5,750
Prepaid taxes	6,814	
	<u>\$ 83,345</u>	<u>\$ 39,372</u>

**9. Long-Term Debt**

The debt limit of the municipality for 2022 is \$413,297. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (*The Municipalities Act* Section 161).

- (a) Affinity Credit Union loan payable in semi-annual instalments of \$10,920, including interest at 2.94%. The loan matures in 2024.

Future principal and interest payments are as follows:

	Principal	Interest	2021 Total	2020 Total
2022	19,726	1,315	21,041	
2023	20,310	731	21,041	
2024	9,607	141	9,748	
	<u>\$ 49,643</u>	<u>\$ 2,187</u>	<u>\$ 51,830</u>	<u>\$ 0</u>

- (b) Affinity Credit Union loan payable in annual instalments of \$14,160, including interest at 3.74%. The loan matures in 2022.

Future principal repayments are estimated as follows:

	Principal	Interest	2021 Total	2020 Total
2021				14,160
2022	12,464	462	12,926	12,926
	<u>\$ 12,464</u>	<u>\$ 462</u>	<u>\$ 12,926</u>	<u>\$ 27,086</u>



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

9. **Long-Term Debt - continued**

(c) Affinity Credit Union loan payable in blended annual instalments of \$7,357, including interest at 4.75%. The loan matures in 2028.

Future principal repayments are estimated as follows:

	Principal	Interest	2021 Total	2020 Total
2021				
2022				7,357
2023	5,403	1,954	7,357	7,357
2024	5,659	1,698	7,357	7,357
2025	5,924	1,433	7,357	7,357
2025	6,209	1,148	7,357	7,357
Thereafter	17,974	1,611	19,585	19,585
	<u>\$ 41,169</u>	<u>\$ 7,844</u>	<u>\$ 49,013</u>	<u>\$ 56,370</u>

10. **Employee Benefit Plans**

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

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

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

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

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

Contributions to the plan during the year were as follows:

Benefit expense	\$ 11,884	\$ 10,187
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As per the most recently audited consolidated financial statements dated December 31, 2020, the plan surplus is \$838,900,000.

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

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**11. Budget**

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

Budgeted revenues and expenditures presented in these consolidated financial statements, for comparative purposes, are only for the Village of Pelly. There are no corresponding budgeted amounts for the revenues and expenditures of the Pelly and District Recreation Board, which are included in these consolidated financial statements.

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

Schedule 1

	2021 Budget (Note 1(q))	2021 Actual	2020 Actual
<b>Taxes</b>			
General municipal tax levy	294,710	279,156	277,155
Abatements and adjustments		( 781)	( 11,152)
Discount on current year taxes	( 11,000)	( 9,910)	( 9,722)
Net municipal taxes	<u>283,710</u>	<u>268,465</u>	<u>256,281</u>
Penalties on tax arrears	17,000	18,495	21,092
<b>Total Taxes</b>	<u>300,710</u>	<u>286,960</u>	<u>277,373</u>
<b>Unconditional Grants</b>			
Equalization (revenue sharing)	65,965	65,965	66,548
Safe Restart Program			17,001
<b>Total Unconditional Grants</b>	<u>65,965</u>	<u>65,965</u>	<u>83,549</u>
<b>Grants In Lieu of Taxes</b>			
Federal	4,460	3,020	4,461
Provincial			
Other	1,830	500	1,835
S.P.C. surcharge	18,700	23,647	20,632
<b>Total Grants In Lieu of Taxes</b>	<u>24,990</u>	<u>27,167</u>	<u>26,928</u>
<b>Total Taxes and Other Unconditional Revenue</b>	<u>\$ 391,665</u>	<u>\$ 380,092</u>	<u>\$ 387,850</u>

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

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

	2021 Budget (Note 1(q))	2021 Actual	2020 Actual
<b>General Government Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges			
Sale of supplies	170	91	1,148
Rentals	1,240	6,195	1,349
Licenses and permits	80	70	50
Other	220	75	443
Total Fees and Charges	<u>1,710</u>	<u>6,431</u>	<u>2,990</u>
Tangible capital asset sales - gain (loss)		( 826)	
Land sales - gain (loss)		727	( 742)
Investment income and commissions	1,100	1,110	1,555
Total Other Segmented Revenue	<u>2,810</u>	<u>7,442</u>	<u>3,803</u>
<b>Total General Government Services</b>	<u>\$ 2,810</u>	<u>\$ 7,442</u>	<u>\$ 3,803</u>
<b>Protective Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges			
Rentals	1,200		1,200
Total Other Segmented Revenue	<u>1,200</u>	<u>0</u>	<u>1,200</u>
<b>Total Protective Services</b>	<u>\$ 1,200</u>	<u>\$ 0</u>	<u>\$ 1,200</u>
<b>Transportation Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges			
Custom work	1,500	4,208	689
Licenses and permits			60
Total Fees and Charges	<u>1,500</u>	<u>4,208</u>	<u>749</u>
Total Other Segmented Revenue	<u>1,500</u>	<u>4,208</u>	<u>749</u>
Conditional Grants			
Canada Community Building Fund	14,510		30,781
Municipal Economic Enhancement Program			
Total Conditional Grants	<u>14,510</u>	<u>0</u>	<u>40,963</u>
<b>Total Transportation Services</b>	<u>\$ 16,010</u>	<u>\$ 4,208</u>	<u>\$ 72,493</u>

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

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

	2021 Budget (Note 1(q))	2021 Actual	2020 Actual
<b>Environmental and Public Health Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges			
Waste disposal fees	18,160	18,116	18,155
Cemetery fees	200	450	200
Total Fees and Charges	<u>18,360</u>	<u>18,566</u>	<u>18,355</u>
Total Other Segmented Revenue	<u>18,360</u>	<u>18,566</u>	<u>18,355</u>
Conditional Grants			
Other	800	9,026	800
Total Conditional Grants	<u>800</u>	<u>9,026</u>	<u>800</u>
<b>Total Environmental and Public Health Services</b>	<u>\$ 19,160</u>	<u>\$ 27,592</u>	<u>\$ 19,155</u>
<b>Planning and Development Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges			
Other	800	500	690
Total Other Segmented Revenue	<u>800</u>	<u>500</u>	<u>690</u>
<b>Total Operating</b>	<u>800</u>	<u>500</u>	<u>690</u>
<b>Total Planning and Development Services</b>	<u>\$ 800</u>	<u>\$ 500</u>	<u>\$ 690</u>
<b>Recreation and Cultural Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges			
Rentals		1,150	
Recreation fees	6,500	80	1,675
Pelly & District Recreation Board		1,350	1,320
Total Fees and Charges	<u>6,500</u>	<u>2,580</u>	<u>2,995</u>
Other revenues		11,422	3,021
Total Other Segmented Revenue	<u>6,500</u>	<u>14,002</u>	<u>6,016</u>
Conditional Grants			
Saskatchewan Lotteries	5,970	750	5,737
Recreation and culture - operating	700	5,700	800
Total Conditional Grants	<u>6,670</u>	<u>6,450</u>	<u>6,537</u>
<b>Total Operating</b>	<u>13,170</u>	<u>20,452</u>	<u>12,553</u>
<b>Total Recreation and Cultural Services</b>	<u>\$ 13,170</u>	<u>\$ 20,452</u>	<u>\$ 12,553</u>

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

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

	2021 Budget (Note 1(q))	2021 Actual	2020 Actual
<b>Utility Services</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges			
Water	70,440	70,364	70,189
Sewer	29,820	29,496	29,744
Other	340	155	120
Total Fees and Charges	<u>100,600</u>	<u>100,015</u>	<u>100,053</u>
Total Other Segmented Revenue	<u>100,600</u>	<u>100,015</u>	<u>100,053</u>
<b>Total Utility Services</b>	<u>\$ 100,600</u>	<u>\$ 100,015</u>	<u>\$ 100,053</u>
<b>Total Operating and Capital Revenue by Function</b>	<u>\$ 153,750</u>	<u>\$ 160,209</u>	<u>\$ 209,947</u>
<b>Summary</b>			
Total Other Segmented Revenue	131,770	144,733	130,866
Total Conditional Grants	<u>21,980</u>	<u>15,476</u>	<u>79,081</u>
<b>Total Operating and Capital Revenue by Function</b>	<u>\$ 153,750</u>	<u>\$ 160,209</u>	<u>\$ 209,947</u>

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

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

Schedule 3-1

	2021 Budget (Note 1(q))	2021 Actual	2020 Actual
<b>General Government Services</b>			
Council remuneration and travel	23,825	26,411	19,248
Wages and benefits	63,110	84,605	59,464
Professional/Contractual services	54,580	32,516	28,533
Utilities	3,070	329	3,128
Maintenance, materials and supplies	3,000	14,569	5,840
Grants and contributions - operating	1,800	5,200	5,133
Amortization		1,013	1,470
Interest	50	464	16
Allowance for uncollectibles		25,321	50,790
Other	3,400		
<b>Total General Government Services</b>	<u>\$ 152,835</u>	<u>\$ 190,428</u>	<u>\$ 173,622</u>
<b>Protective Services</b>			
Police protection			
Professional/Contractual services	14,000	14,095	13,727
Fire protection			
Professional/Contractual services	100	2,556	744
Grants and contributions - operating	5,900	6,524	4,500
Amortization		521	521
<b>Total Protective Services</b>	<u>\$ 20,000</u>	<u>\$ 23,696</u>	<u>\$ 19,492</u>
<b>Transportation Services</b>			
Wages and benefits	80,440	93,208	69,816
Professional/Contractual services	22,900	19,975	24,755
Utilities	22,090	21,384	19,946
Maintenance, materials and supplies	36,609	15,128	25,669
Gravel	5,500	806	373
Amortization		16,382	14,649
Interest	4,923		
<b>Total Transportation Services</b>	<u>\$ 172,462</u>	<u>\$ 166,883</u>	<u>\$ 155,208</u>

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

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

Schedule 3-2

	<b>2021 Budget (Note 1(q))</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Environmental and Public Health Services</b>			
Professional/Contractual services	29,500	17,537	23,192
Utilities		( 66)	
Maintenance, materials and supplies	650	1,389	1,140
Grants and contributions - operating	22,520	29,117	20,520
Other	2,100	2,048	1,924
<b>Total Environmental and Public Health Services</b>	<b>\$ 54,770</b>	<b>\$ 50,025</b>	<b>\$ 46,776</b>
<b>Recreation and Cultural Services</b>			
Wages and benefits	2,400	1,575	1,462
Professional/Contractual services	15,700	25,241	22,379
Utilities	400	5,272	5,075
Maintenance, materials and supplies	10,000	5,632	1,291
Grants and contributions - operating	5,975	5,000	
Amortization		5,771	940
Libraries	3,840	3,833	3,833
Other		6,267	5,626
<b>Total Recreation and Cultural Services</b>	<b>\$ 38,315</b>	<b>\$ 58,591</b>	<b>\$ 40,606</b>
<b>Utility Services</b>			
Wages and benefits	13,251	13,024	12,618
Professional/Contractual services	8,000	25,962	10,633
Utilities	12,970	11,808	11,242
Maintenance, materials and supplies	28,430	41,930	13,201
Amortization		10,597	9,206
Interest		973	
<b>Total Utility Services</b>	<b>\$ 62,651</b>	<b>\$ 104,294</b>	<b>\$ 56,900</b>
<b>Total Expenses by Function</b>	<b>\$ 501,033</b>	<b>\$ 593,917</b>	<b>\$ 492,604</b>

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



**Village of Pelly**

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

Schedule 5

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
<b>Revenues - schedule 2</b>								
Fees and charges	2,990	1,200	749	18,355	690	2,995	100,053	127,032
Land sales - gain (loss)	( 742)						( 742)	
Investment income and commissions	1,555							1,555
Other revenues			71,744	800		3,021		3,021
Grants - conditional			72,493	19,155	690	6,537		79,081
<b>Total Revenues</b>	<b>3,803</b>	<b>1,200</b>	<b>72,493</b>	<b>19,155</b>	<b>690</b>	<b>12,553</b>	<b>100,053</b>	<b>209,947</b>
<b>Expenses - schedule 3</b>								
Wages and benefits	59,464		69,816			1,462	12,618	143,360
Professional/contractual services	47,781	14,471	24,755	23,192		22,379	10,633	143,211
Utilities	3,128		19,946			5,075	11,242	39,391
Maintenance materials and supplies	5,840		26,042	1,140		1,291	13,201	47,514
Grants and contributions	5,133	4,500		20,520				30,153
Amortization	1,470	521	14,649			940	9,206	26,786
Libraries						3,833		3,833
Interest	16						16	16
Allowance for uncollectibles	50,790							50,790
Other				1,924		5,626		7,550
<b>Total Expenses</b>	<b>173,622</b>	<b>19,492</b>	<b>155,208</b>	<b>46,776</b>	<b>0</b>	<b>40,606</b>	<b>56,900</b>	<b>492,604</b>
<b>Surplus (Deficit) by Function</b>	<b>\$( 169,819)</b>	<b>\$( 18,292)</b>	<b>\$( 82,715)</b>	<b>\$( 27,621)</b>	<b>690</b>	<b>\$( 28,053)</b>	<b>43,153</b>	<b>( 282,657)</b>
Taxation and other unconditional revenue - schedule 1								
<b>Net Surplus</b>								<b>387,850</b>
								<b>\$ 105,193</b>

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

**Village of Pelly**

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

Schedule 6

	2021					2020		
	General Assets					Infrastruct. Assets	General/Infrastruct. Assets	Total
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets	under Constr.	Total
Asset Cost								
Opening Asset Cost	36,102	25,324	360,316	0	230,667	640,423	0	1,292,832
Additions during the year	55	61,370			40,505			101,930
Disposals and write-down during the year					( 2,282)			( 2,282)
Closing Asset Costs	36,157	25,324	421,686	0	268,890	640,423	0	1,392,480
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	0	3,007	330,019	0	88,427	260,143	0	681,596
Add: Amortization taken		1,013	6,456		15,420	11,395		34,284
Less: Amortization on disposals					456			456
Closing Accumulated Amortization Costs	0	4,020	336,475	0	103,391	271,538	0	715,424
Net Book Value	\$ 36,157	\$ 21,304	\$ 85,211	\$ 0	\$ 165,499	\$ 368,885	\$ 0	\$ 677,056
								\$ 611,236

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

**Village of Pelly**

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

Schedule 7

	2021					2020	
	General Government Services	Protective Services	Transport. & Health	Public Environ. & Planning & Develop.	Rec. & Culture	Water & Sewer	Total
Asset Cost							
Opening Asset Cost	16,154	26,038	281,308	23,000	0	330,677	615,655
Additions during the year	75,027	9,593			13,518		3,792
Disposals and write-down during the year	( 2,282)						( 2,282)
Closing Asset Costs	88,899	35,631	281,308	23,000	0	344,195	619,447
Accumulated Amortization Cost							
Opening Accumulated Amortization Costs	3,464	21,875	84,546	0	0	286,210	285,501
Add: Amortization taken	1,013	521	16,382		5,771		10,597
Less: Accumulated amortization on disposals	456						456
Closing Accumulated Amortization Costs	4,021	22,396	100,928	0	0	291,981	296,098
Net Book Value	\$ 84,878	\$ 13,235	\$ 180,380	\$ 23,000	\$ 0	\$ 52,214	\$ 323,349
							\$ 677,056
							\$ 611,236

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

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

Schedule 8

	2020	Changes	2021
<b>Unappropriated Surplus</b>	<u>149,603</u>	<u>( 89,080)</u>	<u>60,523</u>
<b>Appropriated Surplus</b>			
Utility			
Utility reserve	<u>93,340</u>	<u>0</u>	<u>93,340</u>
Other			
Centennial reserve	4,351		4,351
Greenwood Cemetery Reserve	6,451	950	7,401
Road construction	68,209		68,209
Admin staffing	13,180		13,180
Safe Restart	<u>17,001</u>		<u>17,001</u>
	<u>109,192</u>	<u>950</u>	<u>110,142</u>
<b>Total Appropriated</b>	<u>202,532</u>	<u>950</u>	<u>203,482</u>
<b>Net Investments in Tangible Capital Assets</b>			
Tangible capital assets - schedule 6	611,236	65,820	677,056
Less: Related debt	<u>71,970</u>	<u>31,306</u>	<u>103,276</u>
<b>Net Investment in Tangible Capital Assets</b>	<u>539,266</u>	<u>34,514</u>	<u>573,780</u>
<b>Total Accumulated Surplus</b>	<u>\$ 891,401</u>	<u>\$( 53,616)</u>	<u>\$ 837,785</u>

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

**Village of Pelly**

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

Schedule 9

	Property Class				Total
	Agriculture	Residential	Seasonal Residential	Commercial & Industrial	
Taxable Assessment	63,855	5,368,080		831,045	6,262,980
Regional Park Assessment					
Total Assessment	63,855	5,368,080		831,045	6,262,980
Mill Rate Factor(s)	1.0000	1.0000		1.0000	
Total Base/Minimum Tax (generated for each property class)	390	207,450		13,880	221,720
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	1,738	248,157		29,261	279,156
<b>Mill Rates:</b>					
Average Municipal*					
Average School*					
Potash Mill Rate					
Uniform Municipal Mill Rate					

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

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

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Trevor Auchstaetter	8,425	112	8,537
Kevin Krotenko	5,075		5,075
Robert Dercach	3,700		3,700
Eric Krochak	2,860		2,860
Megan Scott	3,330		3,330
	<u>23,390</u>	<u>112</u>	<u>23,502</u>
	\$ 23,390	\$ 112	\$ 23,502

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