

**RESORT VILLAGE OF MELVILLE BEACH
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2021**

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Management's Responsibility


The municipality's management is responsible for the preparation and presentation of the accompanying 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 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 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.

Miller Moar Grodecki Kreklewich & Chorney, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the 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

Miller Moar Grodecki Krelewich & Chorney

Chartered Professional Accountants

INDEPENDENT AUDITORS' REPORT

To: The Mayor and Council
Resort Village of Melville Beach

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2021, and the results of its operations, changes in net financial assets and its cash flows 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 Auditor's Responsibilities for the Audit of the 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 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 audit opinion.

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

Management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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:

Continued on the next page...

- Identify and assess the risks of material misstatement of the 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 auditor's report to the related disclosures in the 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 Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Miller Moar Grodecki Kreklewich & Chorney

MILLER MOAR GRODECKI KREKLEWICH & CHORNEY
Chartered Professional Accountants

Melville, Saskatchewan
May 13, 2022

Resort Village of Melville Beach
Statement of Financial Position
As at December 31, 2021

	2021	Statement 1 2020
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	112,333	80,792
Taxes Receivable - Municipal (Note 3)	5,032	5,311
Other Accounts Receivable (Note 4)	2,754	3,755
Land for Resale (Note 5)	-	-
Long-Term Investments (Note 6)	32,000	32,000
Debt Charges Recoverable	-	-
Other	-	-
Total Financial Assets	152,119	121,858
LIABILITIES		
Bank Indebtedness	-	-
Accounts Payable	21,276	21,280
Accrued Liabilities Payable	-	-
Deposits	-	-
Deferred Revenue (Note 7)	2,311	1,271
Accrued Landfill Costs	-	-
Liability for Contaminated Sites	-	-
Other Liabilities	-	-
Long-Term Debt (Note 8)	-	-
Lease Obligations	-	-
Total Liabilities	23,587	22,551
NET FINANCIAL ASSETS	128,532	99,307
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	185,041	193,543
Prepayments and Deferred Charges	5	5
Stock and Supplies	-	-
Other	-	-
Total Non-Financial Assets	185,046	193,548
ACCUMULATED SURPLUS (Schedule 8)	313,578	292,855

Contingent Liabilities (Note 9)

The accompanying notes and schedules are an integral part of these statements.

See Accompanying Notes

Resort Village of Melville Beach
Statement of Operations
As at December 31, 2021

	2021 Budget	2021	Statement 2 2020
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	79,708	78,159	98,472
Fees and Charges (Schedule 4, 5)	2,710	2,628	7,336
Conditional Grants (Schedule 4, 5)	-	(250)	250
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	-	9	-
Land Sales - Gain (Schedule 4, 5)	-	18,936	-
Investment Income and Commissions (Schedule 4, 5)	300	328	306
Restructurings (Schedule 4,5)	-	-	-
Other Revenues (Schedule 4, 5)	-	-	-
Total Revenues	82,718	99,810	106,364
EXPENSES			
General Government Services (Schedule 3)	30,224	29,489	37,529
Protective Services (Schedule 3)	1,525	1,919	2,292
Transportation Services (Schedule 3)	6,880	16,936	12,536
Environmental and Public Health Services (Schedule 3)	25,600	15,091	16,683
Planning and Development Services (Schedule 3)	-	2,069	2,619
Recreation and Cultural Services (Schedule 3)	18,705	15,500	15,459
Utility Services (Schedule 3)	300	398	214
Restructurings (Schedule 3)	-	-	-
Total Expenses	83,234	81,402	87,332
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(516)	18,408	19,032
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	587	2,315	4,413
Surplus (Deficit) of Revenues over Expenses	71	20,723	23,445
Accumulated Surplus, Beginning of Year	292,855	292,855	269,410
Accumulated Surplus, End of Year	292,926	313,578	292,855

The accompanying notes and schedules are an integral part of these statements.

Resort Village of Melville Beach
Statement of Change in Net Financial Assets
As at December 31, 2021

	2021 Budget	2021	Statement 3 2020
Surplus of Revenues over Expenses	71	20,723	23,445
(Acquisition) of tangible capital assets	-	(3,432)	-
Amortization of tangible capital assets	-	11,343	11,442
Proceeds on disposal of tangible capital assets	-	600	-
Loss (gain) on the disposal of tangible capital assets	-	(9)	-
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (Deficit) of capital expenses over expenditures	-	8,502	11,442
(Acquisition) of supplies inventories	-	-	-
(Acquisition) of prepaid expense	-	(5)	(5)
Consumption of supplies inventory	-	-	-
Use of prepaid expense	-	5	2,551
Surplus (Deficit) of expenses of other non-financial over expenditures	-	-	2,546
Increase/Decrease in Net Financial Assets	71	29,225	37,433
Net Financial Assets - Beginning of Year	99,307	99,307	61,874
Net Financial Assets - End of Year	99,378	128,532	99,307

The accompanying notes and schedules are an integral part of these statements.

See Accompanying Notes

Resort Village of Melville Beach
Statement of Cash Flow
As at December 31, 2021

Statement 4

	2021	2020
Cash provided by (used for) the following activities		
Operating:		
Surplus of Revenues over Expenses	20,723	23,445
Amortization	11,343	11,442
Loss (gain) on disposal of tangible capital assets	(9)	-
	<u>32,057</u>	<u>34,887</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	279	10,391
Other Receivables	1,001	4,096
Land for Resale	-	-
Other Financial Assets	-	-
Accounts and Accrued Liabilities Payable	(4)	(5,787)
Deposits	-	-
Deferred Revenue	1,040	(246)
Accrued Landfill Costs	-	-
Liability for Contaminated Sites	-	-
Other Liabilities	-	-
Stock and Supplies	-	-
Prepayments and Deferred Charges	-	2,546
Other	-	-
Cash provided by operating transactions	<u>34,373</u>	<u>45,887</u>
Capital:		
Acquisition of capital assets	(3,432)	-
Proceeds from the disposal of capital assets	600	-
Other capital	-	-
Cash applied to capital transactions	<u>(2,832)</u>	<u>-</u>
Investing:		
Long-term investments	-	-
Other investments	-	-
Cash provided by (applied to) investing transactions	<u>-</u>	<u>-</u>
Financing:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	-	(15,109)
Other financing	-	-
Cash provided by (applied to) financing transactions	<u>-</u>	<u>(15,109)</u>
Change in Cash and Temporary Investments during the year	<u>31,541</u>	<u>30,778</u>
Cash and Temporary Investments - Beginning of Year	<u>80,792</u>	<u>50,014</u>
Cash and Temporary Investments - End of Year	<u><u>112,333</u></u>	<u><u>80,792</u></u>

The accompanying notes and schedules are an integral part of these statements.

Resort Village of Melville Beach
Notes to the Financial Statements
As at December 31, 2021

1. Significant Accounting Policies

The financial statements of the municipality have been prepared by management in accordance with Canadian public sector accounting standards as recommended by the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the municipality are as follows:

Basis of Accounting: The 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.

- a) **Reporting Entity:** The 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. No entities have been consolidated into these financial statements.
- b) **Collection of Funds for Other Authorities:** Collection of funds by the municipality for school board authorities are collected and remitted in accordance with relevant legislation.
- c) **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.

- d) **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.
- e) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- 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) **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.
- j) **Investments:** Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment.

Resort Village of Melville Beach
Notes to the Financial Statements
As at December 31, 2021

1. Significant Accounting Policies - Continued

- k) **Inventories:** Inventories of materials and supplies expected to be used by the municipality 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 determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.
- l) **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 deflation 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 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. Tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The municipality'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 Yrs
Buildings	10 to 50 Yrs
Vehicles & Equipment	
Vehicles	5 to 10 Yrs
Machinery and Equipment	5 to 10 Yrs
Infrastructure Assets	
Infrastructure Assets	30 to 75 Yrs
Water & Sewer	30 to 75 Yrs
Road Network Assets	30 to 75 Yrs

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

Leases: All leases are recorded on the financial statements as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risk associated with the leased asset is classified as a capital lease and recorded as tangible capital asset. 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. Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

- m) **Landfill Liability:** The municipality does not operate a waste disposal site.
- n) **Trust Funds:** Funds held in trust for others are not included in the financial statements as they are not controlled by the municipality.
- o) **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.
- p) **Liability for Contaminated Sites:** Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:
- a) an environmental standard exists;
 - b) contamination exceeds the environmental standard;
 - c) the municipality:
 - i. is directly responsible; or
 - ii. accepts responsibility;
 - d) it is expected that future economic benefits will be given up; and
 - e) a reasonable estimate of the amount can be made.

Resort Village of Melville Beach
Notes to the Financial Statements
As at December 31, 2021

1. Significant Accounting Policies - Continued

- q) **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 collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.
- 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.
- r) **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.
- s) **Budget Information:** Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on April 18, 2021.
- t) **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. 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 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 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.

Resort Village of Melville Beach
Notes to the Financial Statements
As at December 31, 2021

2. Cash and Temporary Investments

	2021	2020
Cash	112,333	80,792
Temporary Investments	-	-
Total Cash and Temporary Investments	112,333	80,792

Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less.

3. Taxes Receivable - Municipal

	2021	2020
Municipal - Current	3,254	4,465
- Arrears	7,278	4,846
	10,532	9,311
- Less Allowance for Uncollectible	(5,500)	(4,000)
Total municipal taxes receivable	5,032	5,311
School - Current	2,205	2,935
- Arrears	3,941	2,358
Total school taxes receivable	6,146	5,293
Other	-	-
Total taxes and grants in lieu receivable	11,178	10,604
Deduct taxes receivable to be collected on behalf of other organizations	(6,146)	(5,293)
Total Taxes Receivable - Municipal	5,032	5,311

4. Other Accounts Receivable

	2021	2020
Federal Government	294	904
Provincial Government	-	-
Local Government	-	-
Utility	-	-
Trade	2,460	2,851
Other	-	-
Total Other Accounts Receivable	2,754	3,755
Less: Allowance for Uncollectible	-	-
Net Other Accounts Receivable	2,754	3,755

Resort Village of Melville Beach
Notes to the Financial Statements
As at December 31, 2021

5. Land for Resale	2021	2020
Tax Title Property	-	-
Allowance for market value adjustment	-	-
Net Tax Title Property	-	-
Other Land	-	-
Allowance for market value adjustment	-	-
Net Other Land	-	-
Total Land for Resale	-	-

6. Long-Term Investments	2021	2020
Term Deposits	32,000	32,000
Total Long-Term Investments	32,000	32,000

7. Deferred Revenue	2021	2020
Building Inspection Deposits	2,311	1,271
Total Long-Term Investments	2,311	1,271

8. Long-Term Debt

a) The debt limit of the municipality is \$97,635. 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(1)).

9. Contingent Liabilities

The municipality is a member of a regional landfill. Expenditures that relate to on-going environmental and reclamation programs are charged against revenues as incurred. Closure and post-closure care expenses are recognized based on assumptions, engineering studies and estimates to the costs. Changes to the underlying assumptions or legislative change in the future could have a material impact on the statements. As these costs are not readily determinable, the municipality has not provided for closure or post-closure care expenses.

Resort Village of Melville Beach
Notes to the Financial Statements
As at December 31, 2021

10. Risk Management

The municipality is exposed to financial risks from its financial assets and liabilities. These risks include credit risk, liquidity risk and market risk.

a) Credit Risk

Credit risk is the risk to the municipality from potential non-payment of accounts receivable. The credit risk related to the municipality's receivables from the provincial government, federal government and their agencies are considered to be minimal. Management reviews accounts receivable on a case by case basis to determine if a valuation allowance is necessary to reflect any impairment in collectability.

b) Liquidity Risk

Liquidity risk is the risk that the municipality will not be able to meet its financial obligations as they come due. The municipality manages liquidity risk by monitoring budgets and maintaining adequate cash balances.

c) Market Risk

The municipality is exposed to market risks with respect to interest rates as follows:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The municipality's interest rate exposure relates to cash and cash equivalents. The municipality minimizes these risks by:

- holding cash in an account at a Canadian bank, denominated in Canadian currency
- managing cash flows to minimize utilization of its bank line of credit

11. Budget Figures

The budget was approved by Council on April 18, 2021. The budget figures, which have not been audited, presented in these financial statements have been adjusted to conform to Public Sector Accounting Standards, as follows:

	2021
Budgeted surplus approved by council	8,071
Subtract: Transfer from surplus	(8,000)
Budgeted surplus per Statement of Operations	<u><u>71</u></u>

Resort Village of Melville Beach
Schedule of Taxes and Other Unconditional Revenue
As at December 31, 2021

	2021 Budget	2021	Schedule 1 2020
TAXES			
General municipal tax levy	70,765	71,193	90,540
Abatements and adjustments	(575)	(941)	(576)
Discount on current year taxes	(2,000)	(2,162)	(3,439)
Net Municipal Taxes	68,190	68,090	86,525
Potash tax share	-	-	-
Trailer license fees	2,000	572	-
Penalties on tax arrears	1,970	1,988	3,217
Special tax levy	-	-	-
Other	-	-	-
Total Taxes	72,160	70,650	89,742
UNCONDITIONAL GRANTS			
Revenue Sharing	6,288	6,288	6,327
Safe Restart Program	-	-	1,133
Total Unconditional Grants	6,288	6,288	7,460
GRANTS IN LIEU OF TAXES			
Federal	-	-	-
Provincial	-	-	-
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
TransGas	-	-	-
Central Services	-	-	-
SaskTel	560	433	560
Other	-	-	-
Local/Other	-	-	-
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other	-	-	-
Other Government Transfers	-	-	-
S.P.C. Surcharge	-	-	-
Sask Energy Surcharge	700	788	710
Other	-	-	-
Total Grants in Lieu of Taxes	1,260	1,221	1,270
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	79,708	78,159	98,472

See Accompanying Notes

Resort Village of Melville Beach
Schedule of Operating and Capital Revenue by Function
As at December 31, 2021

Schedule 2 - 1

GENERAL GOVERNMENT SERVICES

Operating

	2021 Budget	2021	2020
Other Segmented Revenue			
Fees and Charges			
- Custom work	-	-	-
- Sales of supplies	160	430	150
- Building permits/licenses/rentals	1,200	1,475	5,386
Total Fees and Charges	1,360	1,905	5,536
- Tangible capital asset sales - gain (loss)	-	-	-
- Land sales - gain	-	18,936	-
- Investment income and commissions	300	328	306
- Other	-	-	-
Total Other Segmented Revenue	1,660	21,169	5,842
Conditional Grants			
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
	1,660	21,169	5,842

Total Operating

Capital

Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total General Government Services	1,660	21,169	5,842

PROTECTIVE SERVICES

Operating

Other Segmented Revenue			
Fees and Charges	-	-	-
- Other	-	-	-
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)	-	9	-
- Other	-	-	-
Total Other Segmented Revenue	-	9	-
Conditional Grants			
- Student Employment	-	-	-
- Local government	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
	-	9	-

Total Operating

Capital

Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- Provincial Disaster Assistance	-	-	-
- Local government	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Protective Services	-	9	-

See Accompanying Notes

Resort Village of Melville Beach
Schedule of Operating and Capital Revenue by Function
As at December 31, 2021

Schedule 2 - 2

	2021 Budget	2021	2020
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	150	150	450
- Sales of supplies	-	-	-
- Road Maintenance and Restoration Agreements	-	-	-
- Frontage	-	-	-
- Other	-	-	-
Total Fees and Charges	150	150	450
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	150	150	450
Conditional Grants			
- RIRG (CTP)	-	-	-
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	150	150	450
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- RIRG (Heavy Haul, CTP, Municipal Bridges)	-	-	-
- Provincial Disaster Assistance	-	-	-
- Municipal Economic Enhancement Program	-	-	2,731
Total Capital	-	-	2,731
Restructuring Revenue	-	-	-
Total Transportation Services	150	150	3,181

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	-	-	-
- Other	-	-	-
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment	-	-	-
- TAPD	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- TAPD	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Environmental and Public Health Services	-	-	-

See Accompanying Notes

Resort Village of Melville Beach
Schedule of Operating and Capital Revenue by Function
As at December 31, 2021

Schedule 2 - 3

	2021 Budget	2021	2020
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges	-	-	-
- Building inspections	1,200	573	1,350
Total Fees and Charges	1,200	573	1,350
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	1,200	573	1,350
Conditional Grants			
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	1,200	573	1,350
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	587	2,315	1,682
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	587	2,315	1,682
Restructuring Revenue	-	-	-
Total Planning and Development Services	1,787	2,888	3,032

RECREATION AND CULTURAL SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Rentals	-	-	-
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment	-	-	-
- Heritage grant	-	-	-
- Sask Lotteries	-	(250)	250
Total Conditional Grants	-	(250)	250
Total Operating	-	(250)	250
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- Local government	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Recreation and Cultural Services	-	(250)	250

See Accompanying Notes

Resort Village of Melville Beach
Schedule of Operating and Capital Revenue by Function
As at December 31, 2021

Schedule 2 - 4

	2021 Budget	2021	2020
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	-	-	-
- Sewer	-	-	-
- Other	-	-	-
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- New Building Canada Fund (SCF, NRP)	-	-	-
- Clean Water and Wastewater Fund	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Utility Services	-	-	-
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	3,597	23,966	12,305

SUMMARY

Total Other Segmented Revenue	3,010	21,901	7,642
Total Conditional Grants	-	(250)	250
Total Capital Grants and Contributions	587	2,315	4,413
Restructuring Revenue	-	-	-
TOTAL REVENUE BY FUNCTION	3,597	23,966	12,305

See Accompanying Notes

Resort Village of Melville Beach
Total Expenses by Function
As at December 31, 2021

Schedule 3 - 1

	2021 Budget	2021	2020
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	800	538	4,901
Wages and benefits	15,990	15,170	15,361
Professional/Contractual services	11,524	10,813	9,909
Utilities	460	478	460
Maintenance, materials and supplies	750	990	682
Grants and contributions - operating	100	-	140
- capital	-	-	-
Amortization	-	-	-
Interest	-	-	482
Allowance for uncollectible	-	1,500	4,000
Other - Election costs	600	-	1,594
General Government Services	30,224	29,489	37,529
Restructuring	-	-	-
Total General Government Services	30,224	29,489	37,529

PROTECTIVE SERVICES

Police protection

Wages and benefits	-	-	-
Professional/Contractual services	1,500	1,894	2,193
Utilities	-	-	-
Maintenance, material and supplies	-	-	-
Grants and contributions - operating	-	-	-
- capital	-	-	-
Other	-	-	-

Fire protection

Wages and benefits	-	-	-
Professional/Contractual services	25	25	-
Utilities	-	-	-
Maintenance, material and supplies	-	-	-
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	-	99
Interest	-	-	-
Other	-	-	-

Protective Services	1,525	1,919	2,292
Restructuring	-	-	-
Total Protective Services	1,525	1,919	2,292

TRANSPORTATION SERVICES

Wages and benefits	-	-	-
Professional/Contractual Services	2,380	4,974	743
Utilities	3,050	3,027	3,356
Maintenance, materials, and supplies	1,200	1,859	1,361
Gravel	250	-	-
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	7,076	7,076
Interest	-	-	-
Other	-	-	-

Transportation Services	6,880	16,936	12,536
Restructuring	-	-	-
Total Transportation Services	6,880	16,936	12,536

See Accompanying Notes

Resort Village of Melville Beach
Total Expenses by Function
As at December 31, 2021

Schedule 3 - 2
2020

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

	2021 Budget	2021	2020
Wages and benefits	-	-	-
Professional/Contractual services	25,600	15,091	16,683
Utilities	-	-	-
Maintenance, materials and supplies	-	-	-
Grants and contributions - operating	-	-	-
o Waste disposal	-	-	-
o Public Health	-	-	-
- capital	-	-	-
o Waste disposal	-	-	-
o Public Health	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Environmental and Public Health Services	25,600	15,091	16,683
Restructuring	-	-	-
Total Environmental and Public Health Services	25,600	15,091	16,683

PLANNING AND DEVELOPMENT SERVICES

Wages and benefits	-	-	-
Professional/Contractual Services	-	-	550
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	2,069	2,069
Interest	-	-	-
Other	-	-	-
Planning and Development Services	-	2,069	2,619
Restructuring	-	-	-
Total Planning and Development Services	-	2,069	2,619

RECREATION AND CULTURAL SERVICES

Wages and benefits	-	-	-
Professional/Contractual services	6,755	6,755	6,756
Utilities	800	694	857
Maintenance, materials and supplies	9,150	5,853	3,648
Grants and contributions - operating	2,000	-	2,000
- capital	-	-	-
Amortization	-	2,198	2,198
Interest	-	-	-
Allowance for uncollectible	-	-	-
Other	-	-	-
Recreation and Cultural Services	18,705	15,500	15,459
Restructuring	-	-	-
Total Recreation and Cultural Services	18,705	15,500	15,459

See Accompanying Notes

Resort Village of Melville Beach
Total Expenses by Function
As at December 31, 2021

Schedule 3 - 3
2020

	2021 Budget	2021	2020
UTILITY SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	300	398	214
Utilities	-	-	-
Maintenance, materials and supplies	-	-	-
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance for Uncollectible	-	-	-
Other	-	-	-
Utility Services	300	398	214
Restructuring	-	-	-
Total Utility Services	300	398	214
 TOTAL EXPENSES BY FUNCTION			
	83,234	81,402	87,332

Resort Village of Melville Beach
Schedule of Segment Disclosure by Function
As at December 31, 2021

Schedule 4

	General Government	Protective Services	Transportation Services	& Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	1,905	-	150	-	573	-	-	2,628
Tangible Capital Asset Sales - Gain	-	9	-	-	-	-	-	9
Land Sales - Gain	18,936	-	-	-	-	-	-	18,936
Investment Income and Commissions	328	-	-	-	-	-	-	328
Other Revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	-	-	-	(250)	-	(250)
- Capital	-	-	-	-	2,315	-	-	2,315
Restructurings	-	-	-	-	-	-	-	-
Total Revenues	21,169	9	150	-	2,888	(250)	-	23,966
Expenses (Schedule 3)								
Wages & Benefits	15,708	-	-	-	-	-	-	15,708
Professional/ Contractual Services	10,813	1,919	4,974	15,091	-	6,755	398	39,950
Utilities	478	-	3,027	-	-	694	-	4,199
Maintenance Materials and Supplies	990	-	1,859	-	-	5,853	-	8,702
Grants and Contributions	-	-	-	-	-	-	-	-
Amortization	-	-	7,076	-	2,069	2,198	-	11,343
Interest	-	-	-	-	-	-	-	-
Allowance for Uncollectible	1,500	-	-	-	-	-	-	1,500
Restructurings	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenses	29,489	1,919	16,936	15,091	2,069	15,500	398	81,402
Surplus (Deficit) by Function	(8,320)	(1,910)	(16,786)	(15,091)	819	(15,750)	(398)	(57,436)

Taxes and other unconditional revenue (Schedule 1)

78,159

Net Surplus of Revenues over Expenses

20,723

See Accompanying Notes

Resort Village of Melville Beach
Schedule of Segment Disclosure by Function
As at December 31, 2020

Schedule 5

	General Government	Protective Services	Transportation Services	& Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	5,536	-	450	-	1,350	-	-	7,336
Tangible Capital Asset Sales - Gain	-	-	-	-	-	-	-	-
Land Sales - Gain	-	-	-	-	-	-	-	-
Investment Income and Commissions	306	-	-	-	-	-	-	306
Other Revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	-	-	-	250	-	250
- Capital	-	-	2,731	-	1,682	-	-	4,413
Restructurings	-	-	-	-	-	-	-	-
Total Revenues	5,842	-	3,181	-	3,032	250	-	12,305
Expenses (Schedule 3)								
Wages & Benefits	20,262	-	-	-	-	-	-	20,262
Professional/ Contractual Services	9,909	2,193	743	16,683	550	6,756	214	37,048
Utilities	460	-	3,356	-	-	857	-	4,673
Maintenance Materials and Supplies	682	-	1,361	-	-	3,648	-	5,691
Grants and Contributions	140	-	-	-	-	2,000	-	2,140
Amortization	-	99	7,076	-	2,069	2,198	-	11,442
Interest	482	-	-	-	-	-	-	482
Allowance for Uncollectible	4,000	-	-	-	-	-	-	4,000
Restructurings	-	-	-	-	-	-	-	-
Other	1,594	-	-	-	-	-	-	1,594
Total Expenses	37,529	2,292	12,536	16,683	2,619	15,459	214	87,332
Surplus (Deficit) by Function	(31,687)	(2,292)	(9,355)	(16,683)	413	(15,209)	(214)	(75,027)

Taxes and other unconditional revenue (Schedule 1)

98,472

Net Surplus of Revenues over Expenses

23,445

See Accompanying Notes

Resort Village of Melville Beach
Schedule of Tangible Capital Assets by Object
As at December 31, 2021

Schedule 6

		2021						2020	
		General Assets					Infrastructure Assets	General/ Infrastructure	
		Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets	Assets Under Construction	Total
<i>Assets</i>	Asset cost								Total
	Opening Asset costs	6	-	29,210	-	68,664	244,603	-	342,483
	Additions during the year	-	-	-	-	3,432	-	-	3,432
	Disposals and write-downs during the year	-	-	-	-	(987)	-	-	(987)
	Transfers (from) assets under construction restructuring	-	-	-	-	-	-	-	-
	Closing Asset Costs	6	-	29,210	-	71,109	244,603	-	344,928
<i>Amortization</i>	Accumulated Amortization Cost								
	Opening Accumulated Amortization Costs	-	-	17,280	-	53,948	77,712	-	148,940
	Add: Amortization taken	-	-	855	-	4,838	5,650	-	11,343
	Less: Accumulated amortization on disposals	-	-	-	-	(396)	-	-	(396)
	Transfer of Capital Assets related to restructuring	-	-	-	-	-	-	-	-
	Closing Accumulated Amortization Costs	-	-	18,135	-	58,390	83,362	-	159,887
	Net Book Value	6	-	11,075	-	12,719	161,241	-	185,041

See Accompanying Notes

Resort Village of Melville Beach
Schedule of Tangible Capital Assets by Function
As at December 31, 2021

Schedule 7

		2021							2020	
		General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
<i>Assets</i>	Asset cost									
	Opening Asset costs	6	987	232,424	-	41,389	67,677	-	342,483	342,483
	Additions during the year	-	-	-	-	-	3,432	-	3,432	-
	Disposals and write-downs during the year	-	(987)	-	-	-	-	-	(987)	-
	Reclass between functions	-	-	(13,200)	-	-	13,200	-	-	-
Closing Asset Costs		6	-	219,224	-	41,389	84,309	-	344,928	342,483
<i>Amortization</i>	Accumulated Amortization Cost									
	Opening Accumulated Amortization Costs	-	396	110,413	-	2,069	36,062	-	148,940	137,498
	Add: Amortization taken	-	-	7,076	-	2,069	2,198	-	11,343	11,442
	Less: Accumulated amortization on disposals	-	(396)	-	-	-	-	-	(396)	-
	Reclass between functions	-	-	(6,930)	-	-	6,930	-	-	-
Closing Accumulated Amortization Costs		-	-	110,559	-	4,138	45,190	-	159,887	148,940
Net Book Value		6	-	108,665	-	37,251	39,119	-	185,041	193,543

See Accompanying Notes

Resort Village of Melville Beach
Schedule of Accumulated Surplus
As at December 31, 2021

	2020	Changes	Schedule 8 2021
UNAPPROPRIATED SURPLUS	99,312	29,225	128,537
APPROPRIATED RESERVES			
Machinery and Equipment	-	-	-
Capital Trust	-	-	-
Utility	-	-	-
Other	-	-	-
Total Appropriated	-	-	-
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6, 7)	193,543	(8,502)	185,041
Less: Related debt	-	-	-
Net Investment in Tangible Capital Assets	193,543	(8,502)	185,041
Total Accumulated Surplus	292,855	20,723	313,578

See Accompanying Notes

Resort Village of Melville Beach
Schedule of Mill Rates and Assessments
As at December 31, 2021

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	-	11,947,600	-	-	-	-	11,947,600
Regional Park Assessment							-
Total Assessment							11,947,600
Mill Rate Factor(s)	-	-	-	-	-		
Total Base/Minimum Tax (generated for each property class)	-	35,350	-	-	-		35,350
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	-	71,193	-	-	-		71,193

MILL RATES:	MILLS
Average Municipal*	5.96
Average School*	4.46
Uniform Municipal Mill Rate	3.00

* Average Mill Rates (multiply the total tax levy for each taxing authority by 1000 and divide by the total assessment for the taxing authority).

Schedule 10

See Accompanying Notes
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