

RESORT VILLAGE OF BIG SHELL
Financial Statements
Year Ended December 31, 2019

RESORT VILLAGE OF BIG SHELL
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Year Ended December 31, 2019

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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 are required.

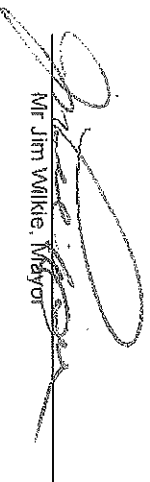
In discharging its responsibilities for the integrity and fair presentation of the financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately 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 fulfills 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.

Grant Thornton LLP, 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.



Tara Bueckert, Administrator



Mr. Jim Wilkie, Mayor

Shell Lake, SK

Date: May 22, 2020



INDEPENDENT AUDITOR'S REPORT

To the Council of the Resort Village of Big Shell

Opinion

We have audited the financial statements of the Resort Village of Big Shell (the Company), which comprise the statement of financial position as at December 31, 2019, and the statements of operations and accumulated surplus 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 Company as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for 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 Company 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

Supplemental Information

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. Schedules 1, 2, 3, 7 and 10 are presented for purposes of additional information and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the financial statements taken as a whole.

Predecessor Auditor

The financial statements of the Resort Village of Big Shell for the year ended December 31, 2018, were audited by Cogent Chartered Professional Accountants LLP who expressed an unmodified opinion on those statements on April 19, 2019. The partners and staff of Cogent Chartered Professional Accountants LLP joined Grant Thornton LLP subsequent to that on November 1, 2019.

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 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 Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report to the Council of Resort Village of Big Shell (continued)

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:

- 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 Company'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 Company'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 Company 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.



Saskatoon, SK
May 25, 2020

Chartered Professional Accountants

RESORT VILLAGE OF BIG SHELL
Statement of Financial Position
As at December 31, 2019

Statement 1

	2019	2018
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	\$ 176,489	\$ 160,279
Taxes Receivable - Municipal (Note 3)	10,582	11,622
Other Accounts Receivable (Note 4)	965	1,091
Land for Resale (Note 5)	-	-
Long-Term Investments (Note 6)	-	-
Debt Charges Recoverable (Note 7)	-	-
Other	-	-
Total financial assets	188,036	172,992
LIABILITIES		
Bank indebtedness (Note 8)	-	-
Accounts Payable	8,945	4,626
Accrued Liabilities Payable	-	-
Deposits	-	-
Deferred Revenue (Note 9)	-	-
Accrued Landfill Costs (Note 10)	-	-
Liability for Contaminated Sites (Note 11)	-	-
Other Liabilities	5,382	5,382
Long-Term Debt (Note 12)	-	-
Lease Obligations (Note 13)	-	-
Total liabilities	14,327	10,008
NET FINANCIAL ASSETS	173,709	162,984
NON-FINANCIAL ASSETS		
Tangible Capital Assets(Schedule 6, 7)	121,190	107,027
Prepayments and Deferred Charges	158	4,144
Stock and Supplies	-	-
Other (Note 14)	-	-
Total Non-Financial Assets	121,348	111,171
ACCUMULATED SURPLUS (Schedule 8)	\$ 295,057	\$ 274,155

See notes to financial statements

RESORT VILLAGE OF BIG SHELL
Statement of Operations and Accumulated Surplus
As at December 31, 2019

Statement 2

	Budget 2019	2019	2018
REVENUES OTHER THAN PROVINCIAL/FEDERAL CAPITAL GRANTS AND CONTRIBUTIONS			
Taxes and Other Unconditional Revenue (Schedule 1)	\$ 71,152	\$ 72,086	\$ 72,028
Fees and Charges (Schedule 4, 5)	11,000	17,842	15,934
Conditional Grants (Schedule 4, 5)	-	451	423
Tangible Capital Assets Sales - Gain (Loss) (Schedule 4, 5)	-	2,650	-
Land Sales - Gain (Loss) (Schedule 4, 5)	-	-	-
Investment Income and Commissions (Schedule 4, 5)	-	1,271	56
Restructurings (Schedule 4, 5)	-	-	-
Other Revenues (Schedule 4, 5)	-	-	-
Total Revenues other than Provincial/Federal Capital Grants and Contributions	82,152	94,300	88,441
EXPENSES			
General Government Services (Schedule 3)	39,950	39,049	34,618
Protective Services (Schedule 3)	8,855	7,694	8,495
Transportation Services (Schedule 3)	47,746	22,688	19,557
Environmental and Public Health Services (Schedule 3)	9,700	4,563	3,660
Planning and Development Services (Schedule 3)	-	-	-
Recreation and Cultural Services (Schedule 3)	3,733	3,802	6,161
Utility Services (Schedule 3)	1,671	1,289	1,330
Restructurings (Schedule 3)	-	-	-
Total Expenses	111,655	79,085	73,821
Surplus (Deficit) of Revenues over Expenses before Provincial/Federal Capital Grants and Contributions	(29,503)	15,215	14,620
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	2,619	5,687	2,750
Surplus (Deficit) of Revenues over Expenses	(26,884)	20,902	17,370
Accumulated Surplus (Deficit), Beginning of Year	274,155	274,155	256,785
ACCUMULATED SURPLUS - END OF YEAR	\$ 247,271	\$ 295,057	\$ 274,155

See notes to financial statements

RESORT VILLAGE OF BIG SHELL

Statement of Change in Net Financial Assets

As at December 31, 2019

Statement 3

	Budget 2019	2019	2018
Surplus (Deficit)	\$ (26,884)	\$ 20,902	\$ 17,370
(Acquisition) of tangible capital assets	-	(21,123)	(20,670)
Amortization of tangible capital assets	5,926	6,960	5,926
Proceeds on disposal of tangible capital assets	-	2,650	-
Loss (gain) on the disposal of tangible capital assets	-	(2,650)	-
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (Deficit) of capital expenses over expenditures	5,926	(14,163)	(14,744)
(Acquisition) of supplies inventories	-	-	-
(Acquisition) of prepaid expense	-	(158)	(4,144)
Consumption of supplies inventory	-	4,144	4,022
Use of prepaid expense	-	-	-
Surplus (Deficit) of expenses of other non-financial over expenditures	-	3,986	(122)
Increase/Decrease in Net Financial Assets	(20,958)	10,725	2,504
Net Financial Assets (Debt) - Beginning of Year	162,984	162,984	160,480
Net Financial Assets (Debt) - End of Year	\$ 142,026	\$ 173,709	\$ 162,984

See notes to financial statements

RESORT VILLAGE OF BIG SHELL
Statement of Cash Flows
As at December 31, 2019

Statement 4

	2019	2018
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	\$ 20,902	\$ 17,370
Amortization	6,960	5,926
Loss (gain) on disposal of tangible capital assets	(2,650)	-
	<u>25,212</u>	<u>23,296</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	1,040	2,403
Other Receivables	126	1,152
Land for Resale	-	-
Other Financial Assets	-	-
Accounts Payable	4,319	(4,550)
Accrued Liabilities Payable	-	-
Deposits	-	-
Deferred Revenue	-	-
Accrued Landfill Costs	-	-
Other Liabilities	-	-
Stock and Supplies	-	-
Prepayments and Deferred Charges	3,986	(123)
Other	-	-
	<u>9,471</u>	<u>(1,118)</u>
Cash provided by operating transactions	34,683	22,178
Capital:		
Acquisition of capital assets	(21,123)	(20,670)
Proceeds from the disposal of capital assets	2,650	-
Other capital	-	-
	<u>(18,473)</u>	<u>(20,670)</u>
Cash applied to capital transactions		
Investing:		
Long-Term Investments	-	-
Other	-	-
	<u>-</u>	<u>-</u>
Cash provided by (applied to) investing transactions		
Financing:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	-	-
Other financing	-	-
	<u>-</u>	<u>-</u>
Cash provided by (applied to) financing transactions		
Change in Cash and Temporary Investments during the year	16,210	1,508
Cash and Temporary Investments - Beginning of Year	160,279	158,771

(continues)

See notes to financial statements

RESORT VILLAGE OF BIG SHELL
Statement of Cash Flows (continued)
As at December 31, 2019

	<u>2019</u>	<u>2018</u>
Cash and Temporary Investments - End of Year (Note 2)	<u>\$ 176,489</u>	<u>\$ 160,279</u>

See notes to financial statements

RESORT VILLAGE OF BIG SHELL

Notes to Financial Statements

As at December 31, 2019

1. Significant accounting policies

The financial statements of the municipality have been 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 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. There are no external entities consolidated into this municipality.

(b) **Collection of funds for other authorities:**

Collection of funds by the municipality for school boards, municipal hail and conservation and development 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 and stipulations have been met; and
- c) reasonable estimates of the amounts can be made.

Unearned government transfer amounts received will be recorded as deferred revenue until eligibility criteria or stipulations are met.

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

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

(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. Resources restricted by agreement with an external party are recognized as revenue in the municipality's financial statements in the period in which the resources are used for the purpose or purposes specified. An externally restricted inflow received before this criterion has been met is recorded as a liability until the resources are used for the purpose or purposes specified.

(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.

(continues)

RESORT VILLAGE OF BIG SHELL
Notes to Financial Statements

As at December 31, 2019

1. Significant accounting policies (continued)

(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, provided the revenues are expected to be collected. 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 of 91 days to one year have been classified as other short-term investments and investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment.

The long term investments in the Saskatchewan Association of Rural Municipalities - Self insurance fund are accounted for on the equity basis. The balance represents the balances receivable should the municipality decide to leave the self-insurance program and includes upfront contributions to the plan, additional premium payments, allocations of investment income on the funds on deposit, self-insurance claims paid and other claims administration costs. The municipality has the ability to withdraw from the plan with notice. Beyond the return of the municipality's fund balance, it has no further claim to the residual net assets of SARMA.

(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.

(continues)

RESORT VILLAGE OF BIG SHELL

Notes to Financial Statements

As at December 31, 2019

1. Significant accounting policies (continued)

(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 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 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 Years
Buildings	10 to 50 Years
Vehicles & Equipment	
Vehicles	5 to 10 Years
Machinery and Equipment	5 to 10 Years
Infrastructure Assets	
Infrastructure Assets	30 to 75 Years
Water & Sewer	30 to 75 Years
Road Network Assets	30 to 75 Years

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

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

Capitalization of Interest: The 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 a 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 lease are amortized on a straight line basis, over their estimated useful lives [lease term]. Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

(m) Landfill Liability:

The municipality does not maintain a waste disposal site.

(n) Trust Funds:

Funds held in trust for others, under a trust agreement or statute, are not included in the financial statements as they are not controlled by the municipality. Trust fund activities administered by the municipality are disclosed in Note 18.

(o) Employee benefit plans:

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

(continues)

RESORT VILLAGE OF BIG SHELL
Notes to Financial Statements

As at December 31, 2019

1. Significant accounting policies (*continued*)

(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.

Any revisions to an amount previously recognized are accounted for in the period in which the revisions are made.

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

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

(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 May 17, 2019.

(*continues*)

RESORT VILLAGE OF BIG SHELL

Notes to Financial Statements

As at December 31, 2019

1. Significant accounting policies (continued)

(i) New Accounting Standards:

Effective January 1, 2019, the municipality adopted the following standard to comply with Canadian public sector accounting standards (PSAS). This standard applies to all public sector entities for years beginning on or after April 1, 2018. Adoption of this standard requires all public sector entities to assess information using definitions, criteria and exceptions provided in the standards and apply professional judgment to comply with the disclosure requirements of each standard.

PS 3430 Restructuring Transactions provides guidance on how to account for and report restructuring transactions by transferors and recipients of assets and/or liabilities. The new standard has been adopted on a prospective basis.

Future Accounting Standards, Effective on or after April 1, 2021:

PS 1201 Financial Statement Presentation, replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure in government financial statements. 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.

PS 3041 Portfolio Investments, replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of, portfolio investments. 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.

PS 3280 Asset Retirement Obligations, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of a liability for retirement of a tangible capital asset. As this standard includes solid waste landfill sites active and post-closing obligations upon adoption of this new standard, existing Solid Waste Landfill Closure and Post-Closure Liability section PS 3270 will be withdrawn.

Effective On or After April 1, 2022:

PS 3400, Revenue, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of revenue.

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

2. Cash and Temporary Investments

	<u>2019</u>	<u>2018</u>
Cash	\$ 176,489	\$ 160,279
Temporary Investments	-	-
Restricted Cash	-	-
Total Cash and Temporary Investments	\$ 176,489	\$ 160,279

Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for other than specific current purposes is included in restricted cash.

RESORT VILLAGE OF BIG SHELL

Notes to Financial Statements

As at December 31, 2019

	2019	2018
3. Taxes Receivable - Municipal		
<u>Municipal</u>		
- current	\$ 10,582	\$ 9,537
- arrears	-	2,085
	10,582	11,623
Less - allowance for uncollectibles	-	-
Total municipal taxes receivable	10,582	11,622
<u>School</u>		
- current	18,216	16,574
- arrears	1,373	4,099
Total school taxes receivable	19,589	20,673
Other	-	-
Total taxes and grants in lieu receivable	30,171	32,295
Deduct taxes receivable to be collected on behalf of other organizations	(19,589)	(20,673)
Total Taxes Receivable - Municipal	\$ 10,582	\$ 11,622
4. Other Accounts Receivable		
	2019	2018
Federal Government	\$ 665	\$ 1,091
Provincial Government	-	-
Local Government	-	-
Utility	-	-
Trade	300	-
Other	-	-
Total Other Accounts Receivable	965	1,091
Less: allowance for uncollectibles	-	-
Net Other Accounts Receivable	\$ 965	\$ 1,091
5. Land for Resale		
	2019	2018
Tax Title Property	\$ -	\$ -
Allowance for market value adjustment	-	-
Net Tax Title Property	-	-
Land for Resale	-	-
Allowance for market value adjustment	-	-
Net Other Land	-	-
Total Land for Resale	\$ -	\$ -
6. Investments		
	2019	2018
Short-term Investments		
Long-term Investments		
Total Investments	\$ -	\$ -

RESORT VILLAGE OF BIG SHELL

Notes to Financial Statements

As at December 31, 2019

7. Debt Charges Recoverable	<u>2019</u>	<u>2018</u>	
Current debt charges recoverable	\$ -	\$ -	
Non-current debt charges recoverable	-	-	
Total Debt Charges Recoverable	\$ -	\$ -	

This note does not pertain to this municipality.

8. Bank Indebtedness
 This note does not pertain to this municipality.

9. Deferred Revenue	<u>2019</u>	<u>2018</u>	
Balance - Beginning of Year	\$ -	\$ -	
Additions during the year	-	-	
Reductions during the year	-	-	
Balance - End of Year	\$ -	\$ -	

10. Accrued Landfill Costs	<u>2019</u>	<u>2018</u>	
Environmental Liabilities	\$ -	\$ -	

This note does not pertain to this municipality.

11. Liability for Contaminated Sites
 The municipality does not currently have a liability for any contaminated sites in the community. All properties that have environmentally risky histories are still under the ownership of the corporation or individual that operated on the property and all property tax and/or other liabilities to the municipality are current. There is currently no risk that any of these properties will become the responsibility of the municipality.

12. Long-term Debt
 The debt limit of the municipality is \$74,395. 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)).

13. Lease Obligations
 This note does not pertain to this municipality.

14. Other Non-financial Assets

	<u>2019</u>	<u>2018</u>
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List if any
 This note does not pertain to this municipality.

15. Contingent Liabilities
 This note does not pertain to this municipality.

RESORT VILLAGE OF BIG SHELL

Notes to Financial Statements

As at December 31, 2019

16. Pension Plan

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality pension expense in 2019 was \$2,268. The benefits accrued to the municipality's employees from MEPP are calculated using the following: pensionable years of service, highest average salary, and the plan accrual rate.

17. Comparative Figures/ Subsequent Events

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. It is unknown to what extent these factors will impact the Resort Village, however they could play a significant factor on the community in their ability to pay and service their taxes, as well as the utilization of taxes held by the Resort Village. The Resort Village has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Resort Village for future periods.

Certain of the prior year comparative figures may have been restated to conform to the current year's presentation.

18. Trusts Administered by the Municipality

A summary of trust fund activity by the municipality during the year is as follows:

	2019	2018
Balance - Beginning of Year	\$ -	\$ -
Revenue (Specify)	-	-
Interest revenue	-	-
Subtotal	-	-
Expenditure (Specify)	-	-
Balance - End of Year	\$ -	\$ -

This note does not pertain to this municipality.

19. Related Parties

This note does not pertain to this municipality.

20. Contingent Assets

This note does not pertain to this municipality.

21. Restructuring Transactions

This note does not pertain to this municipality.

22. Budget Data

The reconciliation of the approved budget (Bylaw#) for the current year to the budget figures reported in these financial statements is as follows:

Budget surplus per Statement of Operations	<u>2019</u>
	(26,884)
Less: Amortization not budgeted	5,926
Less: Transfers from reserves	22,000
Per approved municipal budget	<u>\$ 1,042</u>

RESORT VILLAGE OF BIG SHELL

Notes to Financial Statements

As at December 31, 2019

23. Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in an asset and revenue in the future. Significant contractual rights of the municipality are as follows: (all lease shown are net of GST)

	2019	2020	2021	2022	2023	Thereafter	Maturity Date	Current Year Total	Prior Year Total
Type, Nature, Time & Extent									

24. Contractual Obligations and Commitments

The municipality has entered into multiple-year contracts for the delivery of services and the construction of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Significant contractual obligations and commitments of the municipality include:

Time, Nature, Time & Extent	2020	2021	2022	2023	2024	Thereafter	Maturity Date	Current Year Total	Prior Year Total

See Note 13 for Capital Lease Obligations

RESORT VILLAGE OF BIG SHELL

Schedule of Taxes and Other Unconditional Revenue

As at December 31, 2019

Schedule 1

	Budget 2019	2019	2018
TAXES			
General municipal tax levy	\$ 58,002	\$ 58,003	\$ 58,003
Abatements and adjustments	-	-	-
Discount on current year taxes	-	-	-
Net Municipal Taxes	58,002	58,003	58,003
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	800	2,264	2,464
Special tax levy	-	-	-
Other	-	-	-
Total Taxes	58,802	60,267	60,467
UNCONDITIONAL GRANTS			
Revenue Sharing	12,350	11,819	11,541
Organized Hamlet	-	-	-
Total Unconditional Grants	12,350	11,819	11,541
GRANTS IN LIEU OF TAXES			
Federal	-	-	-
Provincial	-	-	-
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
Transgas	-	-	-
Central Services	-	-	-
SaskTel	-	-	-
Other	-	-	20
Local/Other	-	-	-
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other	-	-	-
Other Government Transfers	-	-	-
S.P.C. Surcharge	-	-	-
Sask Energy Surcharge	-	-	-
Other	-	-	-
Total Grants in Lieu of Taxes	-	-	20
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 71,152	\$ 72,086	\$ 72,028

RESORT VILLAGE OF BIG SHELL

Schedule of Operating and Capital Revenue by Function

As at December 31, 2019

Schedule 2 - 1

	Budget 2019	2019	2018
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue	\$ 1,000	\$ 1,377	\$ 1,561
Fees and charges	-	-	-
- Custom work	-	-	-
- Sales of supplies	-	-	-
- Other	-	-	-
Total Fees and Charges	1,000	1,377	1,561
- Tangible capital asset sales - gain (loss)	-	-	-
- Land sales - gain (loss)	-	-	-
- Investment income and commissions	-	1,271	56
- Other	-	-	-
Total Other Segmented Revenue	1,000	2,648	1,617
Conditional Grants	-	-	-
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	1,000	2,648	1,617
Capital			
Conditional Grants	-	-	-
- Federal Gas Tax	-	-	-
- Canada/Sask Municipal Rural Infrastructure Fund	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Restructuring revenue	-	-	-
Total General Government Services	1,000	2,648	1,617
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue	-	-	-
Fees and charges	-	-	-
- Other	-	-	-
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants	-	-	-
- Student Employment	-	-	-
- Local government	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants	-	-	-
- Federal Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Local government	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Restructuring revenue	-	-	-
Total Protective Services	\$ -	\$ -	\$ -

See notes to financial statements

RESORT VILLAGE OF BIG SHELL

Schedule of Operating and Capital Revenue by Function

As at December 31, 2019

Schedule 2 - 2

	Budget 2019	2019	2018
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue	\$ -	\$ -	\$ -
Fees and Charges	-	-	-
- Custom work	-	-	-
- Sales of supplies	-	-	-
- Road Maintenance and Restoration	-	-	-
Agreements	-	-	-
- Frontage	-	-	-
- Other (Sundry)	10,000	450	-
Total Fees and Charges	10,000	450	-
- Tangible capital asset sales - gain (loss)	-	2,650	-
- Other	-	-	-
Total Other Segmented Revenue	10,000	3,100	-
Conditional Grants	-	-	-
- MREP (CTP)	-	-	-
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	10,000	3,100	-
Capital			
Conditional Grants			
- Federal Gas Tax	2,619	5,687	2,750
- Canada/Sask Municipal Rural Infrastructure Fund	-	-	-
- Heavy Haul	-	-	-
- MREP (Heavy Haul, CTP, Municipal Bridges)	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	2,619	5,687	2,750
Restructuring revenue	-	-	-
Restructuring revenue	-	-	-
Total Transportation Services	12,619	8,787	2,750
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges	-	108	-
- Waste and Disposal Fees	-	-	-
- Other	-	-	-
Total Fees and Charges	-	108	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	-	108	-
Conditional Grants			
- Student Employment	-	-	-
- Local government	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	108	-
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- TAPD	-	-	-
- Transit for Disabled	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Restructuring revenue	-	-	-
Total Environmental and Public Health Services	\$ -	\$ 108	\$ -

See notes to financial statements

RESORT VILLAGE OF BIG SHELL

Schedule of Operating and Capital Revenue by Function

As at December 31, 2019

Schedule 2 - 3

	Budget 2019	2019	2018
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue	\$ -	\$ -	\$ -
Fees and Charges	-	-	-
- Maintenance and Development Charges	-	-	-
- 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	-	-	-
- Federal Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Restructuring revenue	-	-	-
Total Planning and Development Services	-	-	-
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenues	-	15,907	14,373
Fees and Charges	-	-	-
- Other	-	-	-
Total Fees and Charges	-	15,907	14,373
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	-	15,907	14,373
Conditional Grants	-	-	-
- Student Employment	-	-	-
- Local Government	-	-	-
- Donations	-	451	423
- Other (Sask Lotteries)	-	451	423
Total Conditional Grants	-	451	423
Total Operating	-	16,358	14,796
Capital			
Conditional Grants	-	-	-
- Federal Gas Tax	-	-	-
- Local government	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Restructuring revenue	-	-	-
Total Recreation and Cultural Services	\$ -	\$ 16,358	\$ 14,796

See notes to financial statements

RESORT VILLAGE OF BIG SHELL

Schedule of Operating and Capital Revenue by Function

As at December 31, 2019

Schedule 2 - 4

	Budget 2019	2019	2018
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	-	-	-
- Federal Gas Tax	-	-	-
- Clean Water and Wastewater Fund	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Restructuring revenue	-	-	-
Total Utility Services	-	-	-
TOTAL OPERATING AND CAPITAL REVENUE	\$ 13,619	\$ 27,901	\$ 19,163
BY FUNCTION			
SUMMARY			
Total Other Segmented Revenue	\$ 11,000	\$ 21,763	\$ 15,990
Total Conditional Grants	-	451	423
Total Capital Grants and Contributions	2,619	5,687	2,750
Restructuring Revenue	-	-	-
TOTAL OPERATING AND CAPITAL	\$ 13,619	\$ 27,901	\$ 19,163
REVENUE BY FUNCTION			

RESORT VILLAGE OF BIG SHELL

Total Expenses by Function

As at December 31, 2019

Schedule 3 - 1

	Budget		2019		2018	
	2019		2019		2018	
GENERAL GOVERNMENT SERVICES						
Council remuneration and travel	\$ 5,600	\$	4,676	\$	5,335	
Wages and benefits	15,800		14,632		14,129	
Professional/Contractual services	13,400		16,553		11,722	
Utilities	1,200		1,076		1,050	
Maintenance, materials and supplies	3,350		1,962		1,962	
Grants and contributions	-		-		-	
- operating	600		150		420	
- capital	-		-		-	
Amortization	-		-		-	
Interest	-		-		-	
Allowance For Uncollectibles	-		-		-	
Other	-		-		-	
General Government Services	39,950		39,049		34,618	
Restructuring	-		-		-	
Total General Government Services	39,950		39,049		34,618	
PROTECTIVE SERVICES						
Police Protection						
Wages and benefits	-		-		-	
Professional/Contractual Services	2,500		2,232		2,191	
Utilities	-		-		-	
Maintenance, Materials and Supplies	-		-		-	
Grants and contributions	-		-		-	
- operating	-		-		-	
- capital	-		-		-	
Other	-		-		-	
Fire Protection						
Wages and benefits	-		-		-	
Professional/Contractual Services	5,330		4,360		5,679	
Utilities	-		-		-	
Maintenance, Materials and Supplies	400		477		-	
Grants and contributions	-		-		-	
- operating	-		-		-	
- capital	-		-		-	
Amortization	625		625		625	
Interest	-		-		-	
Other	-		-		-	
Protective Services	8,855		7,694		8,495	
Restructuring	-		-		-	
Total Protective Services	8,855		7,694		8,495	
TRANSPORTATION SERVICES						
Wages and Benefits	4,000		3,550		5,727	
Professional/Contractual Services	14,794		7,577		5,453	
Utilities	3,500		3,116		2,711	
Maintenance, Materials and Supplies	23,700		3,270		2,537	
Gravel	-		2,389		1,377	
Grants and contributions	-		-		-	
- operating	-		-		-	
- capital	-		-		-	
Amortization	1,752		2,786		1,752	
Interest	-		-		-	
Other	-		-		-	
Transportation Services	47,746		22,688		19,557	
Restructuring	-		-		-	
Total Transportation Services	\$ 47,746	\$	22,688	\$	19,557	

See notes to financial statements

RESORT VILLAGE OF BIG SHELL

Total Expenses by Function

As at December 31, 2019

Schedule 3 - 2

	Budget		2019		2018	
	2019		2019		2018	
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES						
Wages and Benefits	\$ -		\$ -		\$ -	
Professional/Contractual Services	9,700		4,563		3,660	
Utilities	-		-		-	
Maintenance, Materials and Supplies	-		-		-	
Grants and contributions	-		-		-	
- Operating	-		-		-	
Waste disposal	-		-		-	
Public Health	-		-		-	
- Capital	-		-		-	
Waste disposal	-		-		-	
Public Health	-		-		-	
Amortization	-		-		-	
Interest	-		-		-	
Other	-		-		-	
Environmental and Public Health Services	9,700		4,563		3,660	
Restructuring	-		-		-	
Total Environmental and Public Health Services	9,700		4,563		3,660	
PLANNING AND DEVELOPMENT SERVICES						
Wages and Benefits	-		-		-	
Professional/Contractual Services	-		-		-	
Grants and contributions	-		-		-	
- operating	-		-		-	
- capital	-		-		-	
Amortization	-		-		-	
Interest	-		-		-	
Other	-		-		-	
Planning and Development Services	-		-		-	
Restructuring	-		-		-	
Total Planning and Development Services	-		-		-	
RECREATION AND CULTURAL SERVICES						
Wages and Benefits	-		-		-	
Professional/Contractual Services	855		919		925	
Utilities	-		-		-	
Maintenance, Materials, and Supplies	600		605		2,958	
Grants and contributions	-		-		-	
- operating	-		-		-	
- capital	-		-		-	
Amortization	2,278		2,278		2,278	
Interest	-		-		-	
Allowance For Uncollectibles	-		-		-	
Other	-		-		-	
Recreation and Cultural Services	3,733		3,802		6,161	
Restructuring	-		-		-	
Total Recreation and Cultural Services	\$ 3,733		\$ 3,802		\$ 6,161	

See notes to financial statements

RESORT VILLAGE OF BIG SHELL

Total Expenses by Function

As at December 31, 2019

Schedule 3 - 3

	Budget 2019	2019	2018
UTILITY SERVICES			
Wages and Benefits	\$ -	\$ -	\$ -
Professional/Contractual Services	-	-	-
Utilities	-	-	-
Maintenance, Materials and Supplies	400	18	59
Grants and contributions	-	-	-
- operating	-	-	-
- capital	-	-	-
Amortization	1,271	1,271	1,271
Interest	-	-	-
Allowance For Uncollectibles	-	-	-
Other	-	-	-
Utility Services	1,671	1,289	1,330
Restructuring	-	-	-
Total Utility Services	1,671	1,289	1,330
TOTAL EXPENSES BY FUNCTION	\$ 111,655	\$ 79,085	\$ 73,821

RESORT VILLAGE OF BIG SHELL
Schedule of Segment Disclosure by Function

As at December 31, 2019

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 1,377	\$ -	\$ 450	\$ 108	\$ -	\$ 15,907	\$ -	\$ 17,842
Tangible Capital Asset Sales - Gain (Loss)	-	-	2,650	-	-	-	-	2,650
Land Sales - Gain (Loss)	-	-	-	-	-	-	-	-
Investment Income and Commissions	1,271	-	-	-	-	-	-	1,271
Other Revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	-	-	-	451	-	451
- Capital	-	-	5,687	-	-	-	-	5,687
Restructurings	-	-	-	-	-	-	-	-
Total Revenues	2,648	-	8,787	108	-	16,358	-	27,901
Expenses (Schedule 3)								
Wages and Benefits	19,308	-	3,550	-	-	-	-	22,858
Professional/Contractual Services	16,553	6,592	7,577	4,563	-	919	-	36,204
Utilities	1,076	-	3,116	-	-	-	-	4,192
Maintenance Material and Supplies	1,962	477	5,659	-	-	605	18	8,721
Grants and Contributions	150	-	-	-	-	-	-	150
Amortization	-	625	2,786	-	-	2,278	1,271	6,960
Interest	-	-	-	-	-	-	-	-
Allowance for Uncollectibles	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenses	39,049	7,694	22,688	4,563	-	3,802	1,289	79,085
Surplus (Deficit) by Function	(36,401)	(7,694)	(13,901)	(4,455)	-	12,556	(1,289)	(51,184)
Taxes and other unconditional revenue (Schedule 1)								72,086
Net Surplus (Deficit)								\$ 20,902

See notes to financial statements

RESORT VILLAGE OF BIG SHELL

Schedule of Segment Disclosure by Function

As at December 31, 2018

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 1,561	\$ -	\$ -	\$ -	\$ -	\$ 14,373	\$ -	\$ 15,934
Tangible Capital Asset Sales - Gain (Loss)	-	-	-	-	-	-	-	-
Land Sales - Gain (Loss)	-	-	-	-	-	-	-	-
Investment Income and Commissions	56	-	-	-	-	-	-	56
Other Revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	-	-	-	423	-	423
- Capital	-	-	2,750	-	-	-	-	2,750
Restructurings	-	-	-	-	-	-	-	-
Total Revenues	1,617	-	2,750	-	-	14,796	-	19,163
Expenses (Schedule 3)								
Wages and Benefits	19,464	-	5,727	-	-	-	-	25,191
Professional/ Contractual Services	11,722	7,870	5,453	3,660	-	925	-	29,630
Utilities	1,050	-	2,711	-	-	-	-	3,761
Maintenance Material and Supplies	1,962	-	3,914	-	-	2,958	59	8,893
Grants and Contributions	420	-	-	-	-	-	-	420
Amortization	-	625	1,752	-	-	2,278	1,271	5,926
Interest	-	-	-	-	-	-	-	-
Allowance for Uncollectibles	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenses	34,618	8,495	19,557	3,660	-	6,161	1,330	73,821
Surplus (Deficit) by Function	(33,001)	(8,495)	(16,807)	(3,660)	-	8,635	(1,330)	(54,658)
Taxes and other unconditional revenue (Schedule 1)								<u>72,028</u>
Net Surplus (Deficit)								<u>\$ 17,370</u>

See notes to financial statements

RESORT VILLAGE OF BIG SHELL
Schedule of Tangible Capital Assets by Object
As at December 31, 2019

Schedule 6

	2019								2018 Total
	General Assets					Infrastructure Assets	General/ Infrastructure Assets Under Construction	Total	
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
Asset cost									
Opening Asset costs	\$ 7,000	\$ 12,930	\$ 116,130	\$ 21,435	\$ 41,826	\$ 63,528	\$ -	\$ 262,849	\$ 242,179
Additions during the year	-	-	21,123	-	-	-	-	21,123	20,670
Disposals and write-downs during the year	-	-	-	-	-	-	-	-	-
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing Asset Costs	7,000	12,930	137,253	21,435	41,826	63,528	-	283,972	262,849
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	-	1,616	85,364	11,918	21,156	35,768	-	155,822	149,896
Add: Amortization taken	-	323	2,903	1,429	1,034	1,271	-	6,960	5,926
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	-	-
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing Accumulated Amortization Costs	-	1,939	88,267	13,347	22,190	37,039	-	162,782	155,822
Net Book Value	\$ 7,000	\$ 10,991	\$ 48,986	\$ 8,088	\$ 19,636	\$ 26,489	\$ -	\$ 121,190	\$ 107,027

1. Total contributed donated assets received in 2019: \$ -
2. List of assets recognized at nominal value in 2019 are:
 - a) Infrastructure Assets \$ -
 - b) Vehicles \$ -
 - c) Machinery and Equipment \$ -
3. Amount of interest capitalized in 2019: \$ -

See notes to financial statements

RESORT VILLAGE OF BIG SHELL

Schedule of Tangible Capital Assets by Function

As at December 31, 2019

Schedule 7

	2019								2018
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
Asset cost									
Opening Asset costs	\$ 10,500	\$ 25,000	\$ 91,633	\$ 7,086	\$ -	\$ 96,630	\$ 32,000	\$ 262,849	\$ 242,179
Additions during the year	-	-	21,123	-	-	-	-	21,123	20,670
Disposals and write-downs during the year	-	-	-	-	-	-	-	-	-
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing Asset Costs	10,500	25,000	112,756	7,086	-	96,630	32,000	283,972	262,849
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	3,300	19,375	42,043	6,991	-	66,211	17,902	155,822	149,896
Add: Amortization taken	-	625	2,786	-	-	2,278	1,271	6,960	5,926
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	-	-
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing Accumulated Amortization Costs	3,300	20,000	44,829	6,991	-	68,489	19,173	162,782	155,822
Net Book Value	\$ 7,200	\$ 5,000	\$ 67,927	\$ 95	\$ -	\$ 28,141	\$ 12,827	\$ 121,190	\$ 107,027

See notes to financial statements

RESORT VILLAGE OF BIG SHELL
Schedule of Accumulated Surplus

As at December 31, 2019

Schedule 8

	2018	Changes	2019
UNAPPROPRIATED SURPLUS	\$ 131,176	\$ 6,739	\$ 137,915
APPROPRIATED RESERVES			
Machinery and Equipment	35,852	-	35,852
Public Reserve	100	-	100
Capital Trust	-	-	-
Utility	-	-	-
Other	-	-	-
Total Appropriated	35,952	-	35,952
ORGANIZED HAMLETS			
Organized Hamlet of	-	-	-
Total Organized Hamlets	-	-	-
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6, 7)	107,027	14,163	121,190
Less: Related debt	-	-	-
Net Investment in Tangible Capital Assets	107,027	14,163	121,190
Total Accumulated Surplus	\$ 274,155	\$ 20,902	\$ 295,057

RESORT VILLAGE OF BIG SHELL
Schedule of Mill Rates and Assessments

As at December 31, 2019

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	\$ -	\$ 29,762,400	\$ -	\$ -	\$ -	\$ -	\$ 29,762,400
Regional Park Assessment	-	-	-	-	-	-	-
Total Assessment	-	29,762,400	-	-	-	-	29,762,400
Mill Rate Factor(s)	-	1.0000	-	-	-	-	-
Total Base/Minimum Tax (generated for each property class)	-	58,000	-	-	-	-	58,000
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ -	\$ 58,003	\$ -	\$ -	\$ -	\$ -	\$ 58,003

MILL RATES:

Average Municipal *
 Average School
 Potash Mill Rate
 Uniform Municipal Mill Rate

MILLS
1.9489
4.1200
-
0.0001

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

RESORT VILLAGE OF BIG SHELL

Schedule of Council Remuneration

As at December 31, 2019

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Mayor	Jim Wilkie	\$ 1,250	\$ 26	\$ 1,276
Alderman	Garry Allen	900	-	900
Alderman	David Hiebert	600	-	600
Alderman	Robert Smith	900	-	900
Alderman	John Woytowich	1,000	-	1,000
Total		\$ 4,650	\$ 26	\$ 4,676

RESORT VILLAGE OF BIG SHELL
Schedule of Restructuring
Year Ended December 31, 2019

	2019
Carrying amount of Assets and Liabilities Transferred/Received at Restructuring Date:	
Cash and Temporary Investments	\$ -
Taxes Receivable - Municipal	-
Other Accounts Receivable	-
Land for Resale	-
Long-Term Investments	-
Debt Charges Recoverable	-
Bank Indebtedness	-
Accounts Payable	-
Accrued Liabilities Payable	-
Deposits	-
Deferred Revenue	-
Accrued Landfill Costs	-
Liability for Contaminated Sites	-
Other Liabilities	-
Long-Term Debt	-
Lease Obligations	-
Tangible Capital Assets	-
Prepayments and Deferred Charges	-
Stock and Supplies	-
Other	-
Total Net Carrying Amount Received (Transferred)	\$ -

See notes to financial statements

Resort Village of Big Shell

Year End: December 31, 2019

Trial Balance

DELA

Prepared by	Reviewed by	Manager	Partner
VW			
5/15/2020			

Account	Prelim	Adj's	Reclass	Rep	Rep	Rep 12/18 %Chg	L/S
1220 General Bank	60,019.49	0.00	(7,775.31)	52,244.18	40,875.18	28 A	
1257 Rec Fund	7,775.31	0.00	0.00	7,775.31	4,164.51	37 A	
1260 Savings Bank	16,165.04	0.00	0.00	16,165.04	114,990.37	(86) A	
1264 Credit Union Equity	299.43	0.00	0.00	299.43	244.09	23 A	
1265 C U Shares	5.00	0.00	0.00	5.00	5.00	0 A	
1280 Term Deposit - Credit Un	100,000.00	0.00	0.00	100,000.00	0.00	0 A	
1300 Taxes Rec. - Municipal	10,582.25	0.00	0.00	10,582.25	9,536.48	11 C	
1301 Tax Enforcement	0.00	0.00	0.00	0.00	2,085.26	(100) C	
1310 Taxes Rec. - School	19,588.87	0.00	(1,372.66)	18,216.21	16,574.25	10 C	
1311 School Arrears	0.00	0.00	1,372.66	1,372.66	4,099.15	(67) C	
1350 Resort Villages Rec.	(32.86)	(705.29)	(885.46)	(1,623.61)	(32.86)	4841 BB	
1360 Inspection Receivables	(1,086.22)	1,086.22	0.00	0.00	0.00	0 C:1	
1380 Acct Receivable	300.00	0.00	0.00	300.00	0.00	0 C:1	
1450 G. S. T. Receivable	665.07	0.00	0.00	665.07	1,091.30	(39) C:1	
1510 Prepaid Insurance	4,143.53	(3,985.36)	0.00	158.17	4,143.53	(96) L	
1600 Land	7,000.00	0.00	0.00	7,000.00	7,000.00	0 U	
1601 Land Improvements	12,930.00	0.00	0.00	12,930.00	12,930.00	0 U	
1602 Land Improvements - accum. :	(1,616.25)	(323.25)	0.00	(1,939.50)	(1,616.25)	20 U	
1603 Buildings	116,130.00	21,122.62	0.00	137,252.62	116,130.00	18 U	
1604 Buildings - Accum Amortization	(85,364.00)	(2,903.25)	0.00	(88,267.25)	(85,364.00)	3 U	
1605 Operating Equipment	41,826.00	0.00	0.00	41,826.00	41,826.00	0 U	
1606 Operating Equip. - Accum Amr	(21,156.00)	(1,033.50)	0.00	(22,189.50)	(21,156.00)	5 U	
1607 Transportation Vehicles	21,435.00	0.00	0.00	21,435.00	21,435.00	0 U	
1608 Transportation Vehicles - Acc.	(11,918.00)	(1,429.00)	0.00	(13,347.00)	(11,918.00)	12 U	
1609 Infrastructure Assets	63,528.00	0.00	0.00	63,528.00	63,528.00	0 U	
1610 Infrastructure Assets - Accum	(35,768.12)	(1,270.56)	0.00	(37,038.68)	(35,768.12)	4 U	
2010 Accounts Payble	(8,781.74)	0.00	885.46	(7,896.28)	(4,205.99)	88 BB	
2040 Prepaid Tax	(200.00)	0.00	0.00	(200.00)	(200.00)	0 BB	
2080 Building Permits Payable	775.10	0.00	0.00	775.10	(187.50)	(513) BB	
2110 Superannuation Payable	(0.40)	0.00	0.00	(0.40)	0.00	0 BB	
2120 Fish Derby Payable	(5,758.50)	0.00	5,758.50	0.00	0.00	0 BB	
2130 Beach Fund Payable	(2,016.81)	0.00	2,016.81	0.00	0.00	0 BB	
2150 School Taxes Uncollected	(19,588.86)	0.00	0.00	(19,588.86)	(20,673.40)	(5) C	
2185 TAX OVERPAYMENTS	0.33	0.00	0.00	0.33	0.00	0 BB	
2200 Social Committee	(5,381.64)	0.00	0.00	(5,381.64)	(5,381.64)	0 BB	
3560 Surplus	(131,175.56)	0.00	14,163.06	(117,012.50)	(113,806.10)	3 TT.1	
3580 Funded Reserve	(35,952.27)	0.00	0.00	(35,952.27)	(35,952.27)	0 TT.1	
3585 Equity In capital assets	(107,026.63)	0.00	(14,163.06)	(121,189.69)	(107,026.63)	13 TT.1	
4010 Municipal Tax Revenue	(58,002.93)	0.00	0.00	(58,002.93)	(58,002.93)	0 311	
4030 Requisitions	0.00	0.00	0.00	0.00	(20.00)	(100) 311	
4150 Operating Grants	(11,819.00)	0.00	0.00	(11,819.00)	(11,541.00)	2 311	
4180 General Government Service	(698.98)	(678.30)	0.00	(1,377.28)	(1,560.15)	(12) 312	
4240 Gas Tax Revenue	(5,686.50)	0.00	0.00	(5,686.50)	(2,749.50)	107 314	
4250 Environmental Development	(107.66)	0.00	0.00	(107.66)	0.00	0 316	
4300 Recreation & Culture Servi	(15,906.75)	0.00	0.00	(15,906.75)	(14,372.75)	11 317	
4301 Sask Lotteries Grant	(451.00)	0.00	0.00	(451.00)	(423.00)	7 317	
4360 Equipment Sales	(3,100.00)	0.00	450.00	(2,650.00)	0.00	0 314	
4400 Interest/Tax Penalties	(3,071.22)	(407.92)	1,215.42	(2,263.72)	(2,464.40)	(8) 311	
4405 Interest	(55.32)	0.00	(1,215.42)	(1,270.74)	(55.95)	2171 312	
4450 OTHER REVENUE	0.00	0.00	(450.00)	(450.00)	0.00	0 314	

Resort Village of Big Shell
Year End: December 31, 2019
Trial Balance

DEL4-1

Prepared by	Reviewed by	Manager	Partner
VW			
5/15/2020			

Account	Prelim	Adj's	Reclass	Rep	Rep	Rep 12/18	%Chg	L/S
5010 Salaries - Gen.	12,600.00	0.00	0.00	12,600.00	11,183.37	13	581	
5020 Salary Benefits - Gen.	2,032.21	0.00	0.00	2,032.21	2,945.27	(31)	581	
5030 Council Remuneration - Gen	4,650.00	0.00	0.00	4,650.00	5,066.65	(8)	581	
5035 Council Travel - Gen	26.00	0.00	0.00	26.00	267.95	(90)	581	
5040 Legal Fees - Gen	0.00	0.00	0.00	0.00	150.00	(100)	581	
5050 Audit - Gen	3,377.16	0.00	0.00	3,377.16	2,950.69	14	581	
5052 Municipal Requisition	2,784.00	0.00	0.00	2,784.00	3,522.15	(21)	581	
5060 Advertising - Gen.	102.50	0.00	0.00	102.50	102.50	0	581	
5061 Advertising - Tax Enforcement	0.00	0.00	0.00	0.00	140.00	(100)	581	
5062 Website	395.44	0.00	0.00	395.44	0.00	0	581	
5070 Travel - Gen	277.64	0.00	0.00	277.64	261.35	6	581	
5090 Insurance - Gen	4,585.56	3,985.36	0.00	8,570.92	4,575.30	87	581	
5100 Heat Power Phone - Gen	1,075.86	0.00	0.00	1,075.86	1,050.25	2	581	
5110 Office Supplies - Gen	431.36	705.29	0.00	1,136.65	1,279.45	(11)	581	
5115 Photocopier/Postage Meter Le	0.00	0.00	0.00	0.00	43.15	(100)	581	
5120 Postage - Gen	825.08	0.00	0.00	825.08	631.84	31	581	
5130 Grants/Don. Memberships - G	150.00	0.00	0.00	150.00	420.00	(64)	581	
5145 Tax Enforcement Cost	1,044.90	0.00	0.00	1,044.90	20.00	5125	581	
5160 Interest Exchange S/C -Gen	0.00	0.00	0.00	0.00	7.50	(100)	581	
5240 R C M P Levey - Prot	2,231.56	0.00	0.00	2,231.56	2,190.73	2	583	
5265 Fire Protection Training	0.00	0.00	0.00	0.00	1,449.00	(100)	583	
5276 Regional Fire Dept. Mainten	4,160.00	0.00	0.00	4,160.00	4,130.00	1	583	
5277 Crime Stopper/Fish Derby Dor	200.00	0.00	0.00	200.00	100.00	100	583	
5295 Signs - Prot.	47.70	0.00	0.00	47.70	0.00	0	583	
5300 Small Tools - Prot	429.66	0.00	0.00	429.66	0.00	0	583	
5301 Protect. Services - Amortizati	0.00	625.00	0.00	625.00	625.00	0	583	
5350 Wages/Salaries - Tran	3,550.03	0.00	0.00	3,550.03	5,727.10	(38)	584	
5370 Insurance - Tran	793.04	0.00	0.00	793.04	794.10	0	584	
5380 Travel - Tran	125.00	0.00	0.00	125.00	45.00	178	584	
5400 Street Maintenance - Tran	2,241.83	0.00	0.00	2,241.83	812.00	176	584	
5410 Equipment Repair - Tran	1,516.83	0.00	0.00	1,516.83	801.83	89	584	
5420 Heat Power Phone - Tran	3,116.36	0.00	0.00	3,116.36	2,711.19	15	584	
5430 Fuel & Oil - Tran	1,479.35	0.00	0.00	1,479.35	847.17	75	584	
5435 Gen. Village Maintenance Sup	334.88	0.00	0.00	334.88	1,047.88	(68)	584	
5440 Small Tools - Tran	150.00	0.00	0.00	150.00	0.00	0	584	
5445 Building Maintenance - Tran	643.60	0.00	0.00	643.60	142.14	353	584	
5450 Gravel - Tran	2,389.30	0.00	0.00	2,389.30	1,377.20	73	584	
5460 Capital Out Lays - Tran	21,785.12	(21,122.62)	0.00	662.50	500.00	33	584	
5470 Prof. Contract Services - Tran	2,900.00	0.00	0.00	2,900.00	3,000.00	(3)	584	
5480 Trans. Services - Amortization	0.00	2,785.75	0.00	2,785.75	1,752.25	59	584	
5570 Prof. Contat Serv. - Env	4,561.00	0.00	0.00	4,561.00	3,660.00	25	585	
5650 Prof. Contract Sev. - Rec	85.71	0.00	0.00	85.71	161.90	(47)	587	
5660 Grants & Donations - Rec	833.08	0.00	0.00	833.08	762.71	9	587	
5670 Beach Improvements - Rec	150.00	0.00	0.00	150.00	2,920.89	(95)	587	
5680 Material & Supplies - Rec	455.13	0.00	0.00	455.13	0.00	0	587	
5695 Signs - Rec	0.00	0.00	0.00	0.00	37.10	(100)	587	
5696 Rec/Culture Services - Amorti:	0.00	2,278.25	0.00	2,278.25	2,278.25	0	587	
5820 Washroom supplies	17.91	0.00	0.00	17.91	58.80	(70)	588	
5830 Utilities - Amortization	0.00	1,270.56	0.00	1,270.56	1,270.56	0	588	
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>		

Resort Village of Big Shell

Year End: December 31, 2019

Trial Balance

DEL42

Prepared by	Reviewed by	Manager	Partner
VW 5/15/2020			

Account	Prelim	Adj's	Reclass	Rep	Rep 12/18 %Chg	U/S
Net Income (Loss)	10,344.56			20,903.19	17,369.46	20

Resort Village of Big Shell

Year End: December 31, 2019

Adjusting Journal Entries

Date: 1/1/2019 To 12/31/2019

DELS

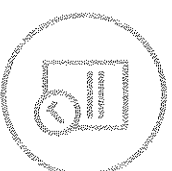
Prepared by	Reviewed by	Manager	Partner
VW			
5/15/2020			

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
1	12/31/2019	Buildings	1603	U	21,122.62	21,122.62		Factual
1	12/31/2019	Capital Out Lays - Tran	5460	U				
To adjust capital purchases from expenses.								
2	12/31/2019	Inspection Receivables	1360	C, 3	1,086.22	678.30		Factual
2	12/31/2019	General Government Service	4180	C, 3		407.92		
2	12/31/2019	Interest/Tax Penalties	4400	C, 3				
To adjust inspection receivables to revenue.								
3	12/31/2019	Prepaid Insurance	1510	L, 2				Factual
3	12/31/2019	Insurance - Gen	5090	L, 2	3,985.36	3,985.36		
To adjust prepaid expense to actual.								
4	12/31/2019	Land improvements - accum. amortiza	1602	U, 2		323.25		
4	12/31/2019	Buildings - Accum Amortization	1604	U, 2	1604	2,903.25		
4	12/31/2019	Operating Equip. - Accum Amort	1606	U, 2	1606	1,033.50		
4	12/31/2019	Transportation Vehicles - Acc. Amort	1608	U, 2	1608	1,429.00		
4	12/31/2019	Infrastructure Assets - Accum Amort	1610	U, 2	1610	1,270.56		
4	12/31/2019	Protect. Services - Amortization	5301	U, 2		625.00		
4	12/31/2019	Trans. Services - Amortization	5480	U, 2		1,033.50		
4	12/31/2019	Trans. Services - Amortization	5480	U, 2		1,429.00		
4	12/31/2019	Trans. Services - Amortization	5480	U, 2		323.25		
4	12/31/2019	Rec/Culture Services - Amortization	5696	U, 2		2,278.25		
4	12/31/2019	Utilities - Amortization	5830	U, 2		1,270.56		
To record 2019 amortization.								
5	12/31/2019	Resort Villages Rec.	1350	BB, 3		738.15		Factual
5	12/31/2019	Resort Villages Rec.	1350	BB, 3	32.86			
5	12/31/2019	Office Supplies - Gen	5110	BB, 3	738.15			
5	12/31/2019	Office Supplies - Gen	5110	BB, 3		32.86		
To record payable to Echo Bay for Muniisoft program and to clear FY closing balance paid.								
					33,924.77	33,924.77		
Net Income (Loss)					20,903.19			



Grant Thornton

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Reporting

Resort Village of Big Shell

For the year ended December 31, 2019

Report to Council
Audit strategy and results

Purpose of report and scope

The purpose of this report dated **May 25, 2020** is to engage in an open dialogue with you regarding our audit of the financial statements of Resort Village of Big Shell (the "Municipality") for the year ended December 31, 2019. This communication will assist you in understanding our overall audit strategy and results. The information in this document is intended solely for the information and use of council and should not be distributed to other parties.

The purpose of our audit, our responsibilities and your responsibilities were communicated to you in our signed engagement letter dated December 11, 2019.

We were engaged to provide the following deliverables:

- Financial statements and independent auditor's report

Audit approach

Our audit approach involves identifying and assessing risks of material misstatement of the financial statements, whether due to fraud or error. Misstatements, including omissions, are material if they could reasonably be expected to influence the economic decisions made by users based on the financial statements. Ultimately, materiality is a measure of the significance of items to financial statement users, taking both quantitative and qualitative considerations into account. Without this concept, auditors would need to verify every transaction, which would not generally be practical, useful or cost effective. We apply a materiality threshold as a basis for focusing our audit work and, ultimately, to determine what matters will be brought to your attention and what adjustments need to be made to the financial statements.

The greater the risk of material misstatement associated with an area of the financial statements, the greater the audit emphasis placed on it in terms of verification. Where the nature of a risk is such that it requires special audit consideration, it is classified as a significant risk.

Due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements may not be detected and this is particularly true in relation to fraud. The primary responsibility for the prevention and detection of fraud rests with you.

Audit results

Area of focus

Matter, response and findings

Significant risk: fraud via management override of internal control

Per the Canadian auditing standards, this is a presumed significant risk. The risk relates to management's ability to override the controls surrounding financial reporting in order to report improved financial results, manipulate particular financial statement areas, or perpetrate other financial fraud.

Our audit procedures included testing journal entries, testing and analyzing significant accounting estimates for evidence of management bias, and reviewing significant transactions outside the normal course of business. Our audit procedures did not uncover any significant issues.

Significant risk: fraud in revenue recognition

Per the Canadian auditing standards, there is a presumed significant risk of fraud in revenue recognition. The risk is presumed to apply because past history indicates that, in financial statement frauds, revenue is an area that is commonly manipulated.

Our audit procedures included testing revenue-related journal entries, determining that revenue recognition policies were reasonable based on the accounting standards followed by the Municipality, and were consistently applied. Our audit procedures did not uncover any significant issues.

Accounting practices

As part of our audit, we considered the Municipality's significant accounting practices, including accounting policies, accounting estimates and financial statement disclosures. The accounting practices applied are consistent with those applied in the prior year and appear to be appropriate based on the Municipality's circumstances.

COVID-19

The COVID-19 virus became widespread in January 2020 and the magnitude of its impact increased thereafter. Management has determined that it is unknown to what extent the events of COVID-19 will impact the Resort Village, however they could play a significant factor on the community in their ability to pay and service their taxes, as well as the utilization of taxes held by Resort Village. The Resort Village has determined that the events of COVID-19 are non-adjusting subsequent events and has included the appropriate disclosures in the consolidated financial statements.

We are required to report to you all significant findings from our audit, including - identified or suspected fraud, non-compliance with laws or regulations, unreasonable requests by management not to send confirmation requests, major adjustments to opening balances, related party matters, going concern issues and significant audit difficulties encountered]. Our audit did not identify any significant findings other than those included in the table above.

Uncorrected misstatements

Description	[Increase (Decrease) OR Debit (Credit)] Balance sheet		Income effect	
	Assets	Liabilities	Opening / Closing] equity	Earnings
Prepaid adjustment	\$ 112	\$ xxx	\$ xxx	\$ (112)
Trough purchase	663	xxx	xxx	(663)
Unrecorded payable	xxx	(561)	xxx	561
Total uncorrected misstatements	\$ 775	\$ (561)	\$ xxx	\$ (214)

[Increase (Decrease) OR Debit (Credit)] Balance sheet

Income effect

Percentage of financial statement amounts 0.25% (3.92)% xx% (0.07)%

Our audit identified the unaudited non-trivial misstatements noted in the table above, which have not been adjusted because you consider them to be immaterial, both individually and in aggregate.

Other matters

Internal control

We obtain an understanding of internal control over financial reporting to the extent necessary to plan the audit and to determine the nature, timing and extent of our work. If we become aware of a deficiency in your internal control over financial reporting, the auditing standards require us to communicate to Council those deficiencies we consider significant. However, a financial statement audit is not designed to provide assurance on internal control.

Please refer to Appendix A – Internal Control Deficiencies for a detailed explanation of the following internal control observations noted during our audit:

- Segregation of accounting duties
- Formal assessment of business risk
- Internal control evaluations

Independence

We have a rigorous process where we continually monitor and maintain our independence. We have determined that the following information regarding our independence should be brought to your attention:

A self-review threat exists in relation to the audit due to the fact that, in addition to performing the audit engagement, we draft the financial statements and propose journal entries. This threat is mitigated by ensuring that you understand, take responsibility for and approve the financial statements and journal entries.

Technical updates

Section PS 3400 Revenues

New Section PS 3400 Revenue establishes standards on how to account for and report on revenue. It does not apply to revenues for which specific standards already exist, such as government transfers, tax revenue or restricted revenues. The Section distinguishes between revenue that arises from transactions that include performance obligations (i.e., exchange transactions) and transactions that do not have performance obligations (i.e., non-exchange transactions). The main features of the new Section are:

Performance obligations are defined as enforceable promises to provide specific goods or services to a specific payer

Revenue from transactions with performance obligations will be recognized when (or as) the performance obligation is satisfied by providing the promised goods or services to the payer

Revenue from transactions with no performance obligations will be recognized when a public sector entity has the authority to claim or retain the revenue and identifies a past transaction or event that gives rise to an asset.

Effective date : **Fiscal years beginning on or after April 1, 2022.**

Section PS 3450 Financial Instruments, Section PS 1201 Financial statement presentation, PS 3041 Portfolio investments, and PS 3280 Asset retirement obligations

PS 3450 Financial Instruments is a new Section that establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. Some highlights of the requirements include:

a public sector entity should recognize a financial asset or a financial liability on its statement of financial position when it becomes a party to the contractual provisions of the instrument

financial instruments within the scope of the Section are assigned to one of two measurement categories: fair value, or cost / amortized cost

almost all derivatives are measured at fair value

fair value measurement is required for portfolio investments in equity instruments that are quoted in an active market

other financial assets and financial liabilities are generally measured at cost or amortized cost

until an item is derecognized, gains and losses arising due to fair value remeasurement are reported in the statement of remeasurement gains and losses

when the public sector entity defines and implements a risk management or investment strategy to manage and evaluate the performance of a group of financial assets, financial liabilities or both on a fair value basis, the entity may elect to include these items in the fair value category

additional disclosures with respect to financial instruments will be required, including the nature and extent of risks arising from a public sector entity's financial instrument.

PS 1201 *Financial statement presentation* revises and replaces Section PS 1200 *Financial statement presentation*. The main amendment to this Section is the addition of the statement of remeasurement gains and losses.

PS 3041 *Portfolio investments* revises and replaces Section PS 3040 *Portfolio investments*.

Section PS 3280 Asset retirement obligations

New Section PS 3280 *Asset Retirement Obligations* establishes standards on how to account for and report a liability for asset retirement obligations. An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset.

Asset retirement costs associated with a tangible capital asset increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic manner, while asset retirement costs associated with an asset no longer in productive use are expensed. Measurement of the liability for an asset retirement obligation should result in the best estimate of the amount required to retire a tangible capital asset at the financial statement date. A present value technique is often the best method to estimate the liability. Subsequent measurement of the liability can result in either a change in the carrying amount of the related tangible capital asset, or an expense, depending on the nature of the remeasurement or whether the asset remains in productive use.

As a result of the issuance of Section PS 3280, the Public Sector Accounting Board (PSAB) approved the withdrawal of Section PS 3270 *Solid waste landfill closure and post-closure liability* as asset retirement obligations associated with landfills will be within the scope of PS 3280. PS 3280 does not address costs related to remediation of contaminated sites, which will continue to be addressed in Section PS 3260 *Liability for contaminated sites*. Some consequential amendments have been made to PS 3260 to conform with PS 3280 and further clarify the scope of each standard.

Effective date: Fiscal years beginning on or after April 1, 2021.

Appendix A - Internal control deficiencies

A deficiency in internal control exists where the design, implementation, operation or absence of a control means that internal controls are unable to prevent, or detect and correct, misstatements in the [consolidated] financial statements on a timely basis. The Canadian Auditing Standards require that, where we identify internal control deficiencies during an audit, we assess their importance and severity and communicate them to management and those charged with governance, as appropriate. Deficiencies that are of sufficient importance to merit the attention of those charged with governance are described as "significant deficiencies".

The matters reported below are limited to those deficiencies we identified during the audit that we considered to be of sufficient importance to communicate. Had we performed more extensive procedures on internal control, including procedures subsequent to [date], we might have identified more deficiencies or reached different conclusions about the deficiencies reported.

Significant deficiencies

Our audit identified the following significant deficiencies in internal control:

Significant deficiency	Description	Management's response
Lack of segregation of duties in the accounting function	There is currently a lack of segregation of duties within the municipality. The administrator has total access to and control over all the municipality's record-keeping. If duties are not separated between multiple employees, there is an increased risk that the administrator could make unintentional errors or fraudulent entries and that these mis-postings could go undetected.	We recommend that Council consider introducing new controls to improve their oversight of the functions of the administrator. Such controls could include reviewing the bank reconciliation or reviewing journal entries on a monthly basis.

Other deficiencies

Our audit identified the following other deficiencies in internal control:

Deficiency	Description	Management's response
Lack of formal assessment of business risks	It was noted that the municipality does not have a formal risk assessment process but rather an ad hoc process exists.	Management along with Council should regularly discuss potential business risks, identify when a risk may be significant to the operations and ultimately implement a relevant internal control to mitigate the specific significant risk.
Lack of formal internal control evaluations	It was noted that the municipality does not have a formal process to evaluate internal controls.	Management along with Council should regularly select, develop, and perform ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning. Then management should evaluate and communicate internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the Council, as appropriate

**Appendix B – Draft
Management Representation
Letter**

Management Representation Letter

[Audit report date]

Grant Thornton LLP

#4 - 130 Robin Crescent

Saskatoon, SK

S7L 6M7

Dear Sir/Madam:

We are providing this letter in connection with your audit of the financial statements of Resort Village of Big Shell ("the Municipality") as of December 31, 2019, and for the year then ended, for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of Resort Village of Big Shell in accordance with [applicable financial reporting framework].

We acknowledge that we have fulfilled our responsibilities for the preparation of the financial statements in accordance with [applicable financial reporting framework] and for the design and implementation of internal controls to prevent and detect fraud and error. We have assessed the risk that the financial statements may be materially misstated as a result of fraud, and have determined such risk to be low. Further, we acknowledge that your examination was planned and conducted in accordance with Canadian generally accepted auditing standards (GAAS) so as to enable you to express an opinion on the financial statements. We understand that while your work includes an examination of the accounting system, internal controls and related data to the extent you considered necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose, fraud, shortages, errors and other irregularities, should any exist.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

We confirm, to the best of our knowledge and belief, as of [Audit report date], the following representations made to you during your audit.

Financial statements

- 1 The financial statements referred to above present fairly, in all material respects, the financial position of the Municipality as at December 31, 2019 and the results of its operations and its cash flows for the year then ended in accordance with [applicable financial reporting framework], as agreed to in the terms of the audit engagement.

Completeness of information

- 2 We have made available to you all financial records and related data and all minutes of the meetings of council, as agreed in the terms of the audit engagement. Summaries of actions of recent meetings for which minutes have not yet been prepared have been provided to you. All significant council actions are included in the summaries.

- 3 We have provided you with unrestricted access to persons within the Municipality from whom you determined it necessary to obtain audit evidence.
- 4 There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements. The adjusting journal entries which have been proposed by you are approved by us and will be recorded on the books of the Municipality.
- 5 There were no restatements made to correct a material misstatement in the prior period financial statements that affect the comparative information.
- 6 We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.
- 7 We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss.
- 8 We have disclosed to you all known deficiencies in the design or operation of internal control over financial reporting of which we are aware.
- 9 We have identified to you all known related parties and related party transactions, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements guarantees, non-monetary transactions and transactions for no consideration.
- 10 You provided a non-audit service by assisting us with drafting the financial statements and related notes. In connection with this non-audit service, we confirm that we have made all management decisions and performed all management functions, have the knowledge to evaluate the accuracy and completeness of the financial statements, and accept responsibility for such financial statements.

Fraud and error

- 11 We have no knowledge of fraud or suspected fraud affecting the Municipality involving management, employees who have significant roles in internal control, or others, where the fraud could have a non-trivial effect on the financial statements.
- 12 We have no knowledge of any allegations of fraud or suspected fraud affecting the Municipality's financial statements communicated by employees, former employees, analysts, regulators or others.
- 13 We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- 14 We believe that the effects of the uncorrected financial statement misstatements summarized in the accompanying schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. See Schedule A below for a Schedule of Passed Adjusting Journal Entries.

Recognition, measurement and disclosure

- 15 We believe that the significant assumptions used by us in making accounting estimates, including those used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements, are reasonable and appropriate in the circumstances.
- 16 We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities, both financial and non-financial, reflected in the financial statements.
- 17 All related party transactions have been appropriately measured and disclosed in the financial statements.
- 18 The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
- 19 Any business combination that occurred during the year has been properly accounted for with appropriate consideration of amounts that should be allocated to goodwill and other intangible assets.
- 20 Any goodwill or intangibles on the books of the Municipality are evaluated whenever events or changes in circumstances indicate the carrying amount may not be recoverable to determine whether or not they have been impaired, and an appropriate loss provision is provided in the accounts where there has been a permanent impairment.
- 21 All outstanding and possible claims, whether or not they have been discussed with legal counsel, have been disclosed to you and are appropriately reflected in the financial statements.
- 22 All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
- 23 All "off-balance sheet" financial instruments have been properly recorded or disclosed in the financial statements.
- 24 With respect to environmental matters:
- a) at year end, there were no liabilities or contingencies that have not already been disclosed to you;
 - b) liabilities or contingencies have been recognized, measured and disclosed, as appropriate, in the financial statements; and
 - c) commitments have been measured and disclosed, as appropriate, in the financial statements.
- 25 The Municipality has satisfactory title to (or lease interest in) all assets, and there are no liens or encumbrances on the Municipality's assets nor has any been pledged as collateral.
- 26 We have disclosed to you, and the Municipality has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

27 The Goods and Services Tax (GST) transactions recorded by the Municipality are in accordance with the federal and provincial regulations. The GST liability/receivable amounts recorded by the Municipality are considered complete.

28 Employee future benefit costs, assets, and obligations have been determined, accounted for and disclosed in accordance with the requirements of Section 3461 *Employee Future Benefits* or Section 3462 *Employee Future Benefit* of the Chartered Professional Accountants of Canada (CPA Canada) Handbook Part II – Accounting.

29 There have been no events subsequent to the balance sheet date up to the date hereof that would require recognition or disclosure in the financial statements. Further, there have been no events subsequent to the date of the comparative financial statements that would require adjustment of those financial statements and related notes.

Other

30 We have considered whether or not events have occurred or conditions exist which may cast significant doubt on the Municipality's ability to continue as a going concern and have concluded that no such events or conditions are evident.

31 We understand that the Canadian Auditing Standards require you to perform certain procedures with respect to Other Information. To enable you to complete this work, we will provide you with the final version of our annual report, as soon as it is available and before it is issued by us.

Yours very truly,

Tara Buecker, Administrator

To be Rev

Schedule A – Schedule of Passed Adjusting Entries

Resort Village of Big Shell
 Year End: December 31, 2019
 Schedule of Unadjusted Errors

DELS

Prepared by	Reviewed by	Manager	Partner
SM			
5/15/2020			

Refno	Description	Assets	Liabilities	Equity	Income	Expenses	Annotation
Unrecorded - factual							
UR1	To adjust prepaids to actual	112.43	0.00	0.00	0.00	(112.43)	
UR2	To capitalize rough purchase	562.50	0.00	0.00	0.00	(562.50)	
UR3	To adjust AP to actual	0.00	(561.08)	0.00	0.00	561.08	
		<u>774.93</u>	<u>(561.08)</u>	<u>0.00</u>	<u>0.00</u>	<u>(213.95)</u>	
	Understated(Overstated)	<u>774.93</u>	<u>(561.08)</u>	<u>0.00</u>	<u>0.00</u>	<u>(213.95)</u>	