

TOWN OF WATROUS

Auditor's Report

Summarized Financial Statements

December 31, 2016



MANAGEMENT'S RESPONSIBILITY

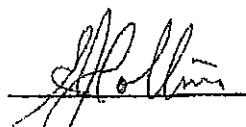
To the Ratepayers of the **Town of Watrous**:

Management is responsible for the preparation and presentation of the accompanying summarized financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

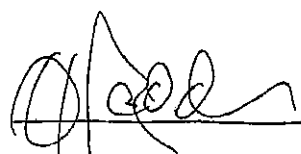
In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

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

Jensen Stromberg Chartered Accountants, an independent firm of Chartered 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 administration to discuss their audit findings.



Ed Collins, Mayor



Orm Redden, Administrator



CHARTERED PROFESSIONAL ACCOUNTANTS

Bill Jensen, C.P.A. Prof. Corp.
Jeff Stromberg, C.P.A. Prof. Corp.

REPORT OF THE INDEPENDENT AUDITOR ON
SUMMARIZED FINANCIAL STATEMENTS

To the **Mayor** and Council of **Town of Watrous**

The accompanying summarized statements of financial position, financial activities, changes in net financial assets and changes in financial position are derived from the complete financial statements of **Town of Watrous** as at **December 31, 2016** and for the year then ended on which we expressed an opinion without reservation in our report dated June 22, 2017.

These summarized financial statements do not contain all the disclosures required by Canadian public sector accounting standards. Reading the summarized financial statements, therefore, is not a substitute for reading the audited financial statement of **Town of Watrous**.

Management`s Responsibility for the Summarized Statements

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

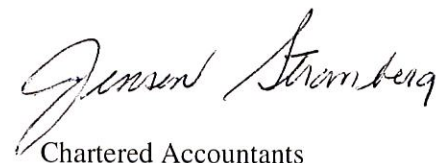
Auditor`s Responsibility

Our responsibility is to express an opinion on the summarized financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, ``Engagements to Report on Summary Financial Statements.``

Opinion

In our opinion, the summarized financial statements derived from the audited financial statements of **Town of Watrous** for the year ended **December 31, 2016** are a fair summary of those financial statements, in accordance with Canadian public sector accounting standards.

Saskatoon, Saskatchewan
June 22, 2017



Chartered Accountants

TOWN OF WATROUS

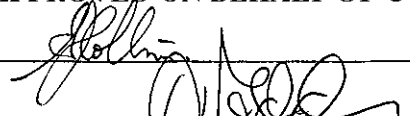
Statement 1

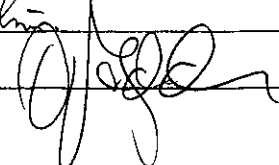
STATEMENT OF FINANCIAL POSITION

December 31, 2016
with comparative figures for 2015

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Financial assets:		
Cash and temporary investments	\$ 1,871,716	2,404,964
Taxes receivable - Municipal	90,365	84,195
Other accounts receivable	557,543	596,915
Land for re-sale	849,467	647,111
Long-term investments	-	-
Debt charges recoverable	-	-
Other	-	-
Total financial assets	3,369,091	3,733,185
<u>LIABILITIES</u>		
Bank indebtedness	-	-
Accounts payable	61,738	356,336
Accrued liabilities payable	47,367	50,653
Deposits	56,376	54,875
Deferred revenue	9,871	9,468
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Long-term debt	2,356,082	2,582,990
Lease obligations	17,695	35,188
Total liabilities	2,549,129	3,089,510
NET FINANCIAL ASSETS (DEBT)	819,962	643,675
Non-financial assets:		
Tangible capital assets	13,168,414	12,494,431
Prepaid and deferred charges	29,054	41,491
Stock and supplies	36,188	28,715
Total non-financial assets	13,233,656	12,564,637
Accumulated Surplus	\$14,053,618	13,208,312

APPROVED ON BEHALF OF COUNCIL:



Mayor


Councillor

See accompanying notes to the financial statements.

TOWN OF WATROUS

Statement 2

STATEMENT OF FINANCIAL ACTIVITIES

Year ended December 31, 2016
with comparative figures for 2015

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Revenues:			
Taxes and other unconditional revenue	\$ 2,228,200	2,239,205	2,148,019
Fees and charges	1,279,200	1,262,401	1,008,428
Conditional grants	187,800	140,911	261,229
Tangible capital asset sales - gain (loss)	40,000	(28,040)	-
Land sales - gain (loss)	-	-	-
Investment income and commissions	36,000	29,882	36,986
Other revenues	<u>284,300</u>	<u>234,814</u>	<u>130,086</u>
Total Revenues	4,055,500	3,879,173	3,584,748
Expenditures:			
General government services	366,800	348,870	338,820
Protective services	224,600	222,236	188,933
Transportation services	889,600	863,083	834,730
Environmental and public health services	395,900	337,157	447,622
Planning and development services	50,200	50,156	49,473
Recreation and cultural services	841,900	863,878	794,703
Utility services	<u>708,300</u>	<u>736,866</u>	<u>579,525</u>
Total Expenditures	<u>3,477,300</u>	<u>3,422,246</u>	<u>3,233,806</u>
Surplus (deficit) of revenues over expenditures before other capital contributions	<u>578,200</u>	<u>456,927</u>	<u>350,942</u>
Provincial/Federal capital grants and contributions	<u>130,900</u>	<u>388,379</u>	<u>967,867</u>
Surplus (deficit) of revenues over expenditures	709,100	845,306	1,318,809
Accumulated surplus (deficit), beginning of year	<u>13,208,312</u>	<u>13,208,312</u>	<u>11,889,503</u>
Accumulated surplus (deficit), end of year	<u>\$ 13,917,412</u>	<u>14,053,618</u>	<u>13,208,312</u>

See accompanying notes to the financial statements.

TOWN OF WATROUS

Statement 3

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2016
with comparative figures for 2015

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
Surplus (deficit)	\$ <u>709,100</u>	<u>845,306</u>	<u>1,318,809</u>
(Acquisition) of tangible capital assets	-	(1,143,310)	(3,032,667)
Amortization of tangible capital assets	-	391,537	434,034
Proceeds on disposal of tangible capital assets	-	49,750	-
Loss (gain) on disposal of tangible capital assets	<u>(40,000)</u>	<u>28,040</u>	<u>-</u>
Surplus (deficit) of capital expenses over expenditures	<u>(40,000)</u>	<u>(673,983)</u>	<u>(2,598,633)</u>
(Acquisition) of supplies inventories	-	(12,895)	(8,661)
(Acquisition) of prepaid expenses	-	(28,610)	(41,490)
Consumption of supplies inventories	-	5,422	11,615
Use of prepaid expenses	<u>-</u>	<u>41,047</u>	<u>43,338</u>
Surplus (deficit) of expenses of other non-financial over expenditures	<u>-</u>	<u>4,964</u>	<u>4,802</u>
Increase (decrease) in Net Financial Assets	669,100	176,287	(1,275,022)
Net Financial Assets (Debt) - Beginning of the year	<u>643,675</u>	<u>643,675</u>	<u>1,918,697</u>
Net Financial Assets (Debt)- End of year	\$ <u><u>1,312,775</u></u>	<u><u>819,962</u></u>	<u><u>643,675</u></u>

See accompanying notes to the financial statements.

TOWN OF WATROUS

Statement 4

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 2016
with comparative figures for 2015

Cash provided by (used in) the following activities:	<u>2016</u>	<u>2015</u>
Operating:		
Surplus (deficit)	\$ 845,306	1,318,809
Amortization	391,537	434,034
Loss (gain) on disposal of tangible capital assets	<u>28,040</u>	<u>-</u>
	1,264,883	1,752,843
Change in assets/liabilities		
Taxes receivable - Municipal	(6,170)	(5,646)
Other accounts receivable	39,371	(90,612)
Land for re-sale	(202,356)	(16,722)
Other financial assets	-	-
Accounts and accrued liabilities payable	(297,882)	274,415
Deposits	1,500	3,341
Deferred revenue	403	(355,073)
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Stock and supplies	(7,473)	2,954
Prepayments and deferred charges	12,437	1,847
Other	<u>-</u>	<u>-</u>
Net cash from operations	<u>804,713</u>	<u>1,567,347</u>
Capital:		
Aquisition of capital assets	(1,143,310)	(3,032,667)
Proceeds from the disposal of capital assets	49,750	-
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(1,093,560)</u>	<u>(3,032,667)</u>
Investing:		
Long-term investments	-	-
Other investments	<u>-</u>	<u>-</u>
Net cash from investing	<u>-</u>	<u>-</u>
Financing activities:		
Debt charges recovered	-	-
Long-term debt issued	-	1,200,000
Long-term debt repaid	(226,908)	(179,346)
Other financing	<u>(17,493)</u>	<u>(15,794)</u>
Net cash from (used for) financing	<u>(244,401)</u>	<u>1,004,860</u>
Increase (decrease) in cash resources	(533,248)	(460,460)
Cash and temporary investments, beginning of year	<u>2,404,964</u>	<u>2,865,424</u>
Cash and temporary investments, end of year	<u>\$ 1,871,716</u>	<u>2,404,964</u>

See accompanying notes to the financial statements.