

# **TOWN OF WATROUS**

**Auditor's Report**

**Summarized Financial Statements**

**December 31, 2022**

## MANAGEMENT'S RESPONSIBILITY

To the Ratepayers of  
**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. The preparation of the statements necessarily includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgments and estimates by management is required.

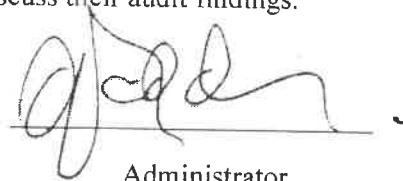
In discharging its responsibilities for the integrity and fair presentation of the financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately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

The Council is composed of elected officials who are not employees of the 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 Town's external auditors.

Jensen Stromberg Chartered Professional Accountants, 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 administration to discuss their audit findings.



Mayor



Administrator

**REPORT OF THE INDEPENDENT AUDITOR ON  
SUMMARY FINANCIAL STATEMENTS**

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

*Opinion*

The summary financial statements, which comprise the summary statement of financial position as at **December 31, 2022**, the summary statement of financial activities, summary statement of changes in net financial assets and summary statement of changes in financial position for the year then ended are derived from the audited financial statements of **Town of Watrous** as at **December 31, 2022**.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, on the basis described in Note 1.

*Summary Financial Statements*

The summary financial statements do not contain all the disclosures required by Canadian public sector accounting standards. Reading the summarized financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statement and auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

*The Audited Financial Statements and Our Report Thereon*

We expressed an unmodified audit opinion on the audited financial statements in our report dated May 31, 2023.

*Management's Responsibility for the Summarized Statements*

Management is responsible for the preparation of the summary financial statements on the basis described in Note 1.

*Auditor's Responsibility*

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

Saskatoon, Saskatchewan  
May 31, 2023

  
Chartered Professional Accountants

# TOWN OF WATROUS

Statement 1

## STATEMENT OF FINANCIAL POSITION

December 31, 2022  
with comparative figures for 2021

	<u>2022</u>	<u>2021</u>
<b><u>ASSETS</u></b>		
Financial assets:		
Cash and temporary investments	\$ 2,729,121	2,620,631
Taxes receivable - Municipal	95,138	96,692
Other accounts receivable	419,564	345,676
Assets held for sale	1,065,969	1,080,011
Long-term investments	-	-
Debt charges recoverable	-	-
Other	-	-
	4,309,792	4,143,010
<b><u>LIABILITIES</u></b>		
Bank indebtedness	-	-
Accounts payable	232,881	86,860
Accrued liabilities payable	22,467	27,166
Deposits	62,644	63,074
Deferred revenue	27,705	37,705
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Long-term debt	2,121,118	2,471,409
Lease obligations	-	-
	2,466,815	2,686,214
<b>NET FINANCIAL ASSETS (DEBT)</b>	1,842,977	1,456,796
Non-financial assets:		
Tangible capital assets	18,043,609	17,876,621
Prepaid and deferred charges	292	2,842
Stock and supplies	54,603	61,117
	18,098,504	17,940,580
Accumulated surplus	\$ 19,941,481	19,397,376

**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, 2022**  
with comparative figures for 2021

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>Revenues:</b>			
Taxes and other unconditional revenue	\$ 2,546,100	2,562,951	2,546,281
Fees and charges	1,297,500	1,290,158	1,342,309
Conditional grants	59,800	100,863	71,421
Tangible capital asset sales - gain (loss)	-	-	(20,897)
Land sales - gain (loss)	-	-	-
Investment income and commissions	20,000	68,652	17,777
Restructurings	-	-	-
Other revenues	294,500	298,833	311,448
<b>Total Revenues</b>	<u>4,217,900</u>	<u>4,321,457</u>	<u>4,268,339</u>
<b>Expenditures:</b>			
General government services	440,500	427,861	396,934
Protective services	279,000	245,903	237,735
Transportation services	946,100	963,420	810,393
Environmental and public health services	410,000	341,634	370,075
Planning and development services	65,200	67,994	46,776
Recreation and cultural services	937,100	874,221	880,707
Utility services	1,031,500	980,239	1,010,961
Restructurings	-	-	-
<b>Total Expenditures</b>	<u>4,109,400</u>	<u>3,901,272</u>	<u>3,753,581</u>
Surplus (deficit) of revenues over expenditures before other capital contributions	<u>108,500</u>	<u>420,185</u>	<u>514,758</u>
Provincial/Federal capital grants and contributions	<u>116,000</u>	<u>123,920</u>	<u>269,220</u>
Surplus (deficit) of revenues over expenditures	224,500	544,105	783,978
Accumulated surplus (deficit), beginning of year	<u>19,397,376</u>	<u>19,397,376</u>	<u>18,613,398</u>
Accumulated surplus (deficit), end of year	<u>\$ 19,621,876</u>	<u>19,941,481</u>	<u>19,397,376</u>

See accompanying notes to the financial statements.

# TOWN OF WATROUS

Statement 3

## STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2022  
with comparative figures for 2021

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>Surplus (deficit)</b>	\$ 224,500	544,105	783,978
(Acquisition) of tangible capital assets	(785,000)	(799,461)	(588,985)
Amortization of tangible capital assets	596,000	632,473	626,396
Proceeds on disposal of tangible capital assets	-	-	58,300
Loss (gain) on disposal of tangible capital assets	-	-	20,897
Transfer of assets/liabilities in restructuring transactions	-	-	-
<b>Surplus (deficit) of capital expenses over expenditures</b>	<u>(189,000)</u>	<u>(166,988)</u>	<u>116,608</u>
(Acquisition) of supplies inventories	-	-	(15,956)
(Acquisition) of prepaid expenses	-	-	(2,550)
Consumption of supplies inventories	-	6,515	3,590
Use of prepaid expenses	-	2,549	6,506
<b>Surplus (deficit) of expenses of other non-financial over expenditures</b>	<u>-</u>	<u>9,064</u>	<u>(8,410)</u>
<b>Increase (decrease) in Net Financial Assets</b>	35,500	386,181	892,176
<b>Net Financial Assets (Debt) - Beginning of the year</b>	<u>1,456,796</u>	<u>1,456,796</u>	<u>564,620</u>
<b>Net Financial Assets (Debt)- End of year</b>	<u>\$ 1,492,296</u>	<u>1,842,977</u>	<u>1,456,796</u>

See accompanying notes to the financial statements.

# TOWN OF WATROUS

Statement 4

## STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 2022  
with comparative figures for 2021

Cash provided by (used in) the following activities:	<u>2022</u>	<u>2021</u>
Operating:		
Surplus (deficit)	\$ 544,105	783,978
Amortization	632,472	626,396
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>20,897</u>
	1,176,577	1,431,271
Change in assets/liabilities		
Taxes receivable - Municipal	1,554	(9,987)
Other accounts receivable	(73,888)	82,444
Assets held for sale	14,042	(6,905)
Other financial assets	-	-
Accounts and accrued liabilities payable	141,324	(45,820)
Deposits	(429)	1,346
Deferred revenue	(10,001)	2,144
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Stock and supplies	6,514	(12,366)
Prepayments and deferred charges	2,550	3,956
Other	<u>-</u>	<u>-</u>
Net cash from operations	<u>1,258,243</u>	<u>1,446,083</u>
Capital:		
Cash used to acquire tangible capital assets	(799,461)	(588,985)
Proceeds on sale of tangible capital assets	-	58,300
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(799,461)</u>	<u>(530,685)</u>
Investing:		
Proceeds on disposal of investments	-	-
Acquisition in investment	<u>-</u>	<u>-</u>
Net cash from investing	<u>-</u>	<u>-</u>
Financing activities:		
Debt charges recovered	-	-
Proceeds from debt issues	-	-
Debt repayment	(350,292)	(338,660)
Other financing	<u>-</u>	<u>-</u>
Net cash used for financing	<u>(350,292)</u>	<u>(338,660)</u>
Increase (decrease) in cash resources	108,490	576,738
Cash and temporary investments, beginning of year	<u>2,620,631</u>	<u>2,043,893</u>
Cash and temporary investments, end of year	<u>\$ 2,729,121</u>	<u>2,620,631</u>

See accompanying notes to the financial statements.

# TOWN OF WATROUS

## NOTES TO THE SUMMARIZED FINANCIAL STATEMENTS

December 31, 2022

### 1. SUMMARY FINANCIAL STATEMENTS

The summary financial statements are derived from the audited financial statements, prepared in accordance with Canadian public sector accounting standards as at December 31, 2022 and December 31, 2021, and for the years then ended.

The preparation of these summary financial statements requires management to determine the information that needs to be reflected in them so that they are consistent in all material respects with, or represent a fair summary of, the audited financial statements.

Management prepared these summary financial statements using the following criteria:

- a) the summary financial statements include a statement for each statement included in the audited financial statements;
- b) information in the summary financial statements agrees with the related information in the related audited financial statements;
- c) major subtotals, totals and comparative information from the audited financial statements are included; and
- d) the summary financial statements contain the information from the audited financial statements dealing with matters that have a pervasive or otherwise significant effect on the summarized financial statements.

The audited financial statements of Town of Watrous are available upon request by contacting the Town.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements are prepared using the accrual basis of accounting using the accounting policies that are described in Note 1 to the Town's audited financial statements in accordance with the local government accounting standards established by the Public Sector Accounting Board. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts 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 period in which they become known.