

# **TOWN OF WATROUS**

**Auditor's Report**

**Financial Statements**

**December 31, 2020**

## MANAGEMENT'S RESPONSIBILITY

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

Management is responsible for the preparation and presentation of the accompanying 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.

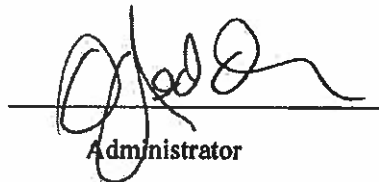
In discharging its responsibilities for the integrity and fair presentation of the financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately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



CHARTERED PROFESSIONAL ACCOUNTANTS

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

## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of Town of Watrous

### *Report on the Financial Statements*

#### *Opinion*

We have audited the financial statements of **Town of Watrous**, which comprise the statement of financial position as at **December 31, 2020** and the statements of financial activities, changes in net financial assets, and changes in financial position 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 Town as at **December 31, 2020** and its financial performance and 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 Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these 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 Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and the use of the going concern basis of accounting unless management either intends to liquidate the Town or cease operations, or has no realistic alternative but to do so.

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

#### *Auditor's Responsibility 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 Town'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 Town'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 Town 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, Saskatchewan  
June 7, 2021

  
Chartered Professional Accountants

# TOWN OF WATROUS

Statement 1

## STATEMENT OF FINANCIAL POSITION

December 31, 2020  
with comparative figures for 2019

	<u>2020</u>	<u>2019</u>
<b><u>ASSETS</u></b>		
Financial assets:		
Cash and temporary investments (Note 2)	\$ 2,043,893	1,566,592
Taxes receivable - Municipal (Note 3)	86,704	130,377
Other accounts receivable (Note 4)	428,120	654,535
Land for re-sale (Note 5)	1,073,106	1,136,498
Long-term investments	-	-
Debt charges recoverable	-	-
Other	-	-
	<hr/>	<hr/>
Total financial assets	3,631,823	3,488,002
<b><u>LIABILITIES</u></b>		
Bank indebtedness (Note 6)	-	-
Accounts payable	128,267	245,419
Accrued liabilities payable	31,577	35,837
Deposits	61,728	60,361
Deferred revenue	35,561	13,700
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Long-term debt (Note 7)	2,810,069	3,137,115
Lease obligations	-	-
	<hr/>	<hr/>
Total liabilities	3,067,202	3,492,432
<b>NET FINANCIAL ASSETS (DEBT)</b>	564,621	(4,430)
Non-financial assets:		
Tangible capital assets (Schedule 6, 7)	17,993,230	17,853,833
Prepaid and deferred charges	6,798	5,229
Stock and supplies	48,751	53,683
	<hr/>	<hr/>
Total non-financial assets	18,048,779	17,912,745
Accumulated surplus (Schedule 8)	\$ 18,613,400	17,908,315

### 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, 2020  
with comparative figures for 2019

		<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>Revenues:</b>				
Taxes and other unconditional revenue	(Schedule 1)	\$ 2,511,100	2,633,118	2,463,116
Fees and charges	(Schedule 4, 5)	1,247,200	1,173,520	1,199,858
Conditional grants	(Schedule 4, 5)	51,000	66,175	57,501
Tangible capital asset sales - gain (loss)	(Schedule 4, 5)	-	-	(4,157)
Land sales - gain (loss)	(Schedule 4, 5)	-	-	-
Investment income and commissions	(Schedule 4, 5)	27,500	22,059	35,284
Restructurings	(Schedule 4, 5)	-	-	-
Other revenues	(Schedule 4, 5)	<u>294,000</u>	<u>295,395</u>	<u>294,179</u>
<b>Total Revenues</b>		<b>4,130,800</b>	<b>4,190,267</b>	<b>4,045,781</b>
<b>Expenditures:</b>				
General government services	(Schedule 3)	412,300	385,152	430,104
Protective services	(Schedule 3)	214,500	219,095	231,683
Transportation services	(Schedule 3)	831,600	991,076	855,954
Environmental and public health services	(Schedule 3)	378,500	358,175	395,930
Planning and development services	(Schedule 3)	69,500	46,648	63,960
Recreation and cultural services	(Schedule 3)	781,300	975,803	888,047
Utility services	(Schedule 3)	753,500	923,917	1,007,920
Restructurings	(Schedule 3)	-	-	-
<b>Total Expenditures</b>		<b><u>3,441,200</u></b>	<b><u>3,899,866</u></b>	<b><u>3,873,598</u></b>
<b>Surplus (deficit) of revenues over expenditures before other capital contributions</b>		<b><u>689,600</u></b>	<b><u>290,401</u></b>	<b><u>172,183</u></b>
Provincial/Federal capital grants and contributions	(Schedule 4, 5)	<u>122,000</u>	<u>414,684</u>	<u>283,411</u>
<b>Surplus (deficit) of revenues over expenditures</b>		<b>811,600</b>	<b>705,085</b>	<b>455,594</b>
<b>Accumulated surplus (deficit), beginning of year</b>		<b><u>17,908,315</u></b>	<b><u>17,908,315</u></b>	<b><u>17,452,721</u></b>
<b>Accumulated surplus (deficit), end of year</b>		<b><u>\$ 18,719,915</u></b>	<b><u>18,613,400</u></b>	<b><u>17,908,315</u></b>

See accompanying notes to the financial statements.

# TOWN OF WATROUS

Statement 3

## STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2020  
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>Surplus (deficit)</b>	\$ 811,600	705,085	455,594
(Acquisition) of tangible capital assets	(355,000)	(739,341)	(835,475)
Amortization of tangible capital assets	-	599,944	594,892
Proceeds on disposal of tangible capital assets	-	-	48,242
Loss (gain) on disposal of tangible capital assets	-	-	4,157
Transfer of assets/liabilities in restructuring transactions	-	-	-
<b>Surplus (deficit) of capital expenses over expenditures</b>	<u>(355,000)</u>	<u>(139,397)</u>	<u>(188,184)</u>
(Acquisition) of supplies inventories	-	(11,674)	(11,596)
(Acquisition) of prepaid expenses	-	(6,507)	(4,940)
Consumption of supplies inventories	-	16,607	12,136
Use of prepaid expenses	-	4,937	7,206
<b>Surplus (deficit) of expenses of other non-financial over expenditures</b>	<u>(355,000)</u>	<u>3,363</u>	<u>2,806</u>
<b>Increase (decrease) in Net Financial Assets</b>	101,600	569,051	270,216
<b>Net Financial Assets (Debt) - Beginning of the year</b>	<u>(4,430)</u>	<u>(4,430)</u>	<u>(274,646)</u>
<b>Net Financial Assets (Debt)- End of year</b>	<u>\$ 97,170</u>	<u>564,621</u>	<u>(4,430)</u>

See accompanying notes to the financial statements.

# TOWN OF WATROUS

**Statement 4**

## STATEMENT OF CHANGES IN FINANCIAL POSITION

**Year ended December 31, 2020**  
with comparative figures for 2019

<b>Cash provided by (used in) the following activities:</b>	<b><u>2020</u></b>	<b><u>2019</u></b>
<b>Operating:</b>		
Surplus (deficit)	\$ 705,085	455,594
Amortization	599,944	594,892
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>4,157</u>
	1,305,029	1,054,643
<b>Change in assets/liabilities</b>		
Taxes receivable - Municipal	43,672	(34,310)
Other accounts receivable	226,415	352,761
Land for re-sale	63,392	(4,444)
Other financial assets	-	-
Accounts and accrued liabilities payable	(121,411)	(94,475)
Deposits	1,367	188
Deferred revenue	21,861	941
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Stock and supplies	4,932	540
Prepayments and deferred charges	(1,569)	2,268
Other	<u>-</u>	<u>-</u>
<b>Net cash from operations</b>	<b><u>1,543,688</u></b>	<b><u>1,278,112</u></b>
<b>Capital:</b>		
Acquisition of capital assets	(739,341)	(835,475)
Proceeds from the disposal of capital assets	-	48,242
Other capital	<u>-</u>	<u>-</u>
<b>Net cash used for capital</b>	<b><u>(739,341)</u></b>	<b><u>(787,233)</u></b>
<b>Investing:</b>		
Long-term investments	-	-
Other investments	<u>-</u>	<u>-</u>
<b>Net cash from investing</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Financing activities:</b>		
Debt charges recovered	-	-
Long-term debt issued	-	700,000
Long-term debt repaid	(327,046)	(278,593)
Other financing	<u>-</u>	<u>-</u>
<b>Net cash from (used for) financing</b>	<b><u>(327,046)</u></b>	<b><u>421,407</u></b>
<b>Increase (decrease) in cash resources</b>	<b>477,301</b>	<b>912,286</b>
<b>Cash and temporary investments, beginning of year</b>	<b><u>1,566,592</u></b>	<b><u>654,306</u></b>
<b>Cash and temporary investments, end of year (Note 2)</b>	<b><u>\$ 2,043,893</u></b>	<b><u>1,566,592</u></b>

See accompanying notes to the financial statements.



**TOWN OF WATROUS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. 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.

**(b) Reporting Entity**

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.

**(c) Collection of funds for other authorities**

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

**(d) Government Transfers**

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

- a) the transfer is authorized;
- b) eligibility criteria have been met by the recipient; and
- c) a reasonable estimate of the amount can be made

Unearned government transfer amounts received but not earned will be recorded as deferred revenue. Earned government transfer amounts not received will be recorded as an amount receivable.

**(e) Deferred Revenue - Fees and Charges**

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

**(f) Local Improvement Charges**

Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.

**TOWN OF WATROUS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(g) 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.

**(h) 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.

**(i) Appropriated Reserves**

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

**(j) Property Tax Revenue**

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

**(k) Investments**

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment.

Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment.

**(l) 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 of the inventory in the ordinary course of business.

**TOWN OF WATROUS**  
**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(m) 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 the contribution. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The costs of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The Town's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land improvements	15 years
Buildings	40 years
Vehicles and equipment	
Vehicles	10 years
Machinery & Equipment	10 to 20 years
<i>Infrastructure Assets</i>	
Infrastructure assets	30 to 75 years
Water and sewer	15 to 75 years
Road network assets	10 to 40 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 Town 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 the majority of benefits and risk associated with the leased asset is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. Assets under capital leases are amortized on a straight line basis, over their estimated useful lives (lease term). Any other lease not meeting the before-mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

**TOWN OF WATROUS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(n) Employee benefit plans**

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

**(o) Measurement Uncertainty**

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.

**(p) Basis of Segmentation/Segment Report**

The Town follows the Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Town 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 borrowing.

These segments (functions) are as follows:

**General Government:** The general government segment provides for the administration of the Town.

**Protective Services:** Protective services is comprised of expenses for Police and Fire protection.

**Transportation Services:** The transportation services segment is 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 Town.

**Planning and Development:** The planning and development segment provides for neighbourhood development and sustainability.

**Recreation and Culture:** The recreation and culture segment provides for community services through the provision of recreation and leisure services.

**Utility Services:** The utility services segment provides for the delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

**TOWN OF WATROUS**  
**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2020

**2. CASH AND TEMPORARY INVESTMENTS**

	<u>2020</u>	<u>2019</u>
Cash	\$ 2,043,893	1,566,592
Temporary investments	<u>-</u>	<u>-</u>
	<u>\$ 2,043,893</u>	<u>1,566,592</u>

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

**3. TAXES AND GRANTS IN LIEU RECEIVABLE**

	<u>2020</u>	<u>2019</u>
Municipal: - Current	\$ 71,637	109,334
- Arrears	<u>15,067</u>	<u>21,043</u>
	86,704	130,377
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Total municipal taxes receivable	<u>86,704</u>	<u>130,377</u>
School: - Current	21,166	36,275
- Arrears	<u>3,472</u>	<u>6,547</u>
Total school taxes receivable	<u>24,638</u>	<u>42,822</u>
Other: - Current	-	-
- Arrears	<u>-</u>	<u>-</u>
Total other collections receivable	<u>-</u>	<u>-</u>
Total taxes and grants in lieu receivable	111,342	173,199
Deduct taxes receivable to be collected on behalf of other organizations	<u>(24,638)</u>	<u>(42,822)</u>
Total taxes receivable - Municipal	<u>\$ 86,704</u>	<u>130,377</u>

**4. OTHER ACCOUNTS RECEIVABLE**

	<u>2020</u>	<u>2019</u>
Federal government	\$ 20,644	89,637
Provincial government	15,743	51,907
Local government	-	-
Utility	175,631	164,205
Trade	30,505	42,472
Local improvement levy	86,885	127,602
Other (Service agreements)	<u>100,000</u>	<u>180,000</u>
Total other accounts receivable	429,408	655,823
Less: allowance for uncollectibles	<u>(1,288)</u>	<u>(1,288)</u>
Net other accounts receivable	<u>\$ 428,120</u>	<u>654,535</u>

**TOWN OF WATROUS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**5. LAND FOR RESALE**

	<u>2020</u>	<u>2019</u>
Tax title property	\$ 56,919	56,919
Less: - allowance for market value adjustment	(29,713)	(29,713)
- due to other taxing authorities	(1,889)	(1,889)
Net tax title Property	25,317	25,317
Other land	1,047,789	1,111,181
Less: - allowance for market value adjustment	-	-
Net other land	1,047,789	1,111,181
Total land for resale	\$ 1,073,106	1,136,498

**6. BANK INDEBTEDNESS**

**Credit Arrangements**

At December 31, 2020, the Town had a line of credit totaling \$1,000,000, none of which was drawn at year-end (2019 - \$32,741). The line of credit is authorized through a municipal borrowing resolution.

**TOWN OF WATROUS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**7. LONG-TERM DEBT**

a) The authorized debt limit for the Town is \$2,763,671. The authorized debt limit for a Town is the total amount of the Town's own source revenues for the preceding year (the *Municipalities Act* section 161(1)). The incremental debt above the debt limit authorized in the *Municipalities Act* is approved by the Saskatchewan Municipal Board.

b) Debenture debt:

	<u>2020</u>	<u>2019</u>
Sask Finance debenture, repayable in annual payments of \$71,039 including interest at 3.05%.	\$ 705,017	753,086
Sask Finance debenture, repayable in annual payments of \$112,340 including interest at 5.00%.	650,040	726,075
Sask Finance debenture, repayable in annual payments of \$57,372 including interest at 2.70%.	<u>661,528</u>	<u>700,000</u>
	<u>\$ 2,016,585</u>	<u>2,179,161</u>

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Total
2021	\$ 168,884	71,866	240,750
2022	175,453	65,297	240,750
2023	182,298	58,454	240,752
2024	189,428	51,322	240,750
2025	196,858	43,891	240,749
Thereafter	<u>1,103,664</u>	<u>134,634</u>	<u>1,238,298</u>
Balance	<u>\$ 2,016,585</u>	<u>425,464</u>	<u>2,442,049</u>

**TOWN OF WATROUS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**7. LONG-TERM DEBT (CONTINUED)**

c) Bank loans:

	<u>2020</u>	<u>2019</u>
Affinity Credit Union loan, repayable in quarterly payments of \$34,382 including interest at 2.99%.	\$ 644,932	762,711
Royal Bank of Canada loan, repayable in annual payments of \$26,577 including interest at 3.37%.	98,231	120,865
Royal Bank of Canada loan, repayable in annual payments of \$27,045 including interest at 3.63%.	<u>50,321</u>	<u>74,378</u>
	<u>\$ 793,484</u>	<u>957,954</u>

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Total
2021	\$ 169,778	23,171	192,949
2022	174,883	17,809	192,692
2023	154,088	12,284	166,372
2024	158,057	7,479	165,536
2025	136,678	2,553	139,231
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>
Balance	<u>\$ 793,484</u>	<u>63,296</u>	<u>856,780</u>

**8. PENSION PLAN**

Employees of the Town participate in 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. During the year, Police contributed 12.5% to the plan, and all other members contributed at 9%. The Town matches all employees' contributions to the plan.

Pension expense for the year included the Salaries, Wages and Benefits expenses was \$76,577 (2019 - \$78,456). 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.

Based on the latest information available (December 31, 2020 Audited Financial Statements) the Municipal Employees Pension Plan had a surplus in the net assets available for benefits of \$838,900,000. This is based on the most recent actuarial valuation, completed December 31, 2019. The Town's portion of this is not readily determinable.



**TOWN OF WATROUS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**9. COMMITMENTS**

In 1994, the Town entered into Letters of Understanding with landowners affected by seepage from the Town's lagoon in prior years. These letters commit the Town to lease these properties for 33 years with annual lease payments of \$10,300 commencing in 1995.

The Town also entered into long-term easement agreements related to properties used as well sites (Well #5 and Well #6) and for related water distribution. The agreements require annual payments by the Town of \$1,000 and \$1,505, respectively.

In 2017, the Town entered into an agreement to participate in a regional landfill operated through REACT Waste Management District. Included in accounts payable is \$58,900 (2019 - \$117,800) relating to an initial construction levy. The Town will also be liable for an annual levy for regular operations.

**10. BUDGET**

The Financial Plan (Budget) was adopted by Council on April 6, 2020. The budget was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget did not include amortization expense.

**TOWN OF WATROUS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2020**

**11. RECENT ACCOUNTING PRONOUNCEMENTS**

A number of new and amended standards have been issued that may impact the Town:

**Standards Effective On Or After April 1, 2022:**

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

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

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

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

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

**Standards Effective On Or After April 1, 2023:**

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

The Town continues to assess the impacts of the above accounting standards. The extent of impact resulting from the adoption of these standards is not known at this time.

## TOWN OF WATROUS

## SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES

Year ended December 31, 2020  
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>TAXES</b>			
General municipal tax levy	\$ 1,860,000	1,860,811	1,840,697
Abatements and adjustments	(14,000)	(13,913)	(13,829)
Discount on current year taxes	<u>(74,000)</u>	<u>(74,418)</u>	<u>(70,129)</u>
<b>Net municipal taxes</b>	1,772,000	1,772,480	1,756,739
Potash tax share	45,000	47,216	50,008
Trailer license fees	12,000	12,026	11,940
Penalties on tax arrears	26,000	25,587	24,366
Special tax levy	-	-	-
Other	-	-	-
<b>Total Taxes</b>	<u>1,855,000</u>	<u>1,857,309</u>	<u>1,843,053</u>
<b>UNCONDITIONAL GRANTS</b>			
Revenue sharing	430,000	432,175	389,699
Organized Hamlet	-	-	-
Other (Safe Restart)	<u>-</u>	<u>113,343</u>	<u>-</u>
<b>Total Unconditional Grants</b>	<u>430,000</u>	<u>545,518</u>	<u>389,699</u>
<b>GRANTS IN LIEU OF TAXES</b>			
Federal	12,000	11,890	12,376
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
TransGas	-	-	-
Provincial - Central Services	-	-	-
Sasktel	4,700	4,763	4,763
Other	8,400	8,504	8,456
Local/Other			
Housing Authority	41,000	41,356	41,356
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other	-	-	-
Other Government Transfers			
S.P.C. Surcharge	115,000	117,895	115,272
SaskEnergy Surcharge	45,000	45,883	48,141
Other	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Grants in Lieu of Taxes</b>	<u>226,100</u>	<u>230,291</u>	<u>230,364</u>
<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<u>\$ 2,511,100</u>	<u>2,633,118</u>	<u>2,463,116</u>

See accompanying notes to the financial statements.

## TOWN OF WATROUS

## SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020  
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Land rentals	\$ 14,000	14,433	14,074
Sales of supplies	2,500	6,872	2,125
Other (Licenses, permits)	<u>9,700</u>	<u>8,160</u>	<u>9,304</u>
Total Fees and Charges	26,200	29,465	25,503
Tangible capital asset sales - gain (loss)	-	-	-
Land sales - gain (loss)	-	-	-
Investment income and commissions	27,500	22,059	35,284
Other	<u>1,000</u>	<u>1,235</u>	<u>750</u>
Total other segmented revenue	<u>54,700</u>	<u>52,759</u>	<u>61,537</u>
Conditional Grants			
Student employment	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Conditional Grants	-	-	-
<b>Total Operating</b>	<u>54,700</u>	<u>52,759</u>	<u>61,537</u>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Capital</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Restructuring Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total General Government Services</b>	<u>54,700</u>	<u>52,759</u>	<u>61,537</u>
<b>PROTECTIVE SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Other (Policing and fire fees)	<u>22,500</u>	<u>10,328</u>	<u>30,177</u>
Total Fees and Charges	22,500	10,328	30,177
Tangible capital asset sales - gain (loss)	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total other segmented revenue	<u>22,500</u>	<u>10,328</u>	<u>30,177</u>
Conditional Grants			
Student employment	-	-	-
Local government	-	-	-
Other (Donations)	<u>-</u>	<u>465</u>	<u>-</u>
Total Conditional Grants	-	465	-
<b>Total Operating</b>	<u>22,500</u>	<u>10,793</u>	<u>30,177</u>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Local government	-	-	-
Other (Donations)	<u>-</u>	<u>2,000</u>	<u>300</u>
<b>Total Capital</b>	<u>-</u>	<u>2,000</u>	<u>300</u>
<b>Restructuring Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Protective Services</b>	<u>22,500</u>	<u>12,793</u>	<u>30,477</u>

See accompanying notes to the financial statements.

## TOWN OF WATROUS

## SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020  
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 5,000	5,967	5,474
Sales of supplies	10,000	6,450	13,026
Road maintenance and restoration agreements	-	-	-
Other	-	-	-
Total Fees and Charges	<u>15,000</u>	<u>12,417</u>	<u>18,500</u>
Tangible capital asset sales - gain (loss)	-	-	(4,157)
Other	-	-	-
Total other segmented revenue	<u>15,000</u>	<u>12,417</u>	<u>14,343</u>
Conditional Grants			
Primary Weight Corridor	-	-	-
Student employment	-	-	-
Other (UHCP)	10,500	10,794	10,794
Total Conditional Grants	<u>10,500</u>	<u>10,794</u>	<u>10,794</u>
<b>Total Operating</b>	<u>25,500</u>	<u>23,211</u>	<u>25,137</u>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Other (Municipal Economic Enhancement Program)	-	273,084	-
<b>Total Capital</b>	<u>-</u>	<u>273,084</u>	<u>-</u>
<b>Restructuring Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Transportation Services</b>	<u>25,500</u>	<u>296,295</u>	<u>25,137</u>
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Medical clinic revenues	180,000	180,354	169,911
Waste and disposal fees	36,500	37,827	36,736
Cemetery fees	15,000	12,180	11,305
Other (Mobility van)	4,000	2,000	3,902
Total Fees and Charges	<u>235,500</u>	<u>232,361</u>	<u>221,854</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other (Sask Housing surplus)	3,000	3,968	3,142
Total other segmented revenue	<u>238,500</u>	<u>236,329</u>	<u>224,996</u>
Conditional Grants			
Student employment	-	-	-
TAPD	-	-	-
Local government	-	-	-
Other (Transit)	1,000	1,360	959
Total Conditional Grants	<u>1,000</u>	<u>1,360</u>	<u>959</u>
<b>Total Operating</b>	<u>239,500</u>	<u>237,689</u>	<u>225,955</u>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
Transit Assistance for People with Disabilities (TAPD)	-	-	37,106
Provincial Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	<u>-</u>	<u>-</u>	<u>37,106</u>
<b>Restructuring Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Environmental and Public Health Services Services</b>	<u>239,500</u>	<u>237,689</u>	<u>263,061</u>

See accompanying notes to the financial statements.

## TOWN OF WATROUS

## SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020  
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Land inventory net gain (net loss)	\$ -	(2,894)	(7,318)
Development charges	-	-	-
Other	-	-	600
Total Fees and Charges	-	(2,894)	(6,718)
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	(2,894)	(6,718)
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	<b>-</b>	<b>(2,894)</b>	<b>(6,718)</b>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Restructuring Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Planning and Development Services</b>	<b>-</b>	<b>(2,894)</b>	<b>(6,718)</b>
<b>RECREATION AND CULTURAL SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Rentals	44,500	18,147	49,677
Recreation fees	123,000	85,598	128,143
Other	-	-	-
Total Fees and Charges	167,500	103,745	177,820
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	167,500	103,745	177,820
Conditional Grants			
Student employment	4,000	15,848	6,052
Local government	13,500	14,183	13,931
Donations	3,000	3,586	6,610
Other (Sask Lotteries)	19,000	19,939	19,155
Total Conditional Grants	39,500	53,556	45,748
<b>Total Operating</b>	<b>207,000</b>	<b>157,301</b>	<b>223,568</b>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
Local government	-	-	-
Provincial Disaster Assistance	-	-	-
Other (Donations)	10,000	27,500	15,800
<b>Total Capital</b>	<b>10,000</b>	<b>27,500</b>	<b>15,800</b>
<b>Restructuring Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Recreation and Cultural Services</b>	<b>217,000</b>	<b>184,801</b>	<b>239,368</b>

See accompanying notes to the financial statements.

## TOWN OF WATROUS

## SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2020  
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Water	\$ 515,000	520,917	482,314
Sewer	265,000	267,082	250,248
Other (Connection fees)	500	99	160
Total Fees and Charges	<u>780,500</u>	<u>788,098</u>	<u>732,722</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other (Water and sewer infrastructure levy)	290,000	290,192	290,287
Total other segmented revenue	<u>1,070,500</u>	<u>1,078,290</u>	<u>1,023,009</u>
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Operating</b>	<u>1,070,500</u>	<u>1,078,290</u>	<u>1,023,009</u>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	112,000	112,100	230,205
New Building Canada Fund (SCF, NRP)	-	-	-
Clean Water and Wastewater Fund (CWWF)	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	<u>112,000</u>	<u>112,100</u>	<u>230,205</u>
<b>Restructuring Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Utility Services</b>	<u>1,182,500</u>	<u>1,190,390</u>	<u>1,253,214</u>
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<u>\$ 1,741,700</u>	<u>1,971,833</u>	<u>1,866,076</u>
<b>SUMMARY</b>			
Total Other Segmented Revenue	\$ 1,568,700	1,490,974	1,525,164
Total Conditional Grants	51,000	66,175	57,501
Total Capital Grants and Contributions	122,000	414,684	283,411
Restructuring Revenue	-	-	-
<b>TOTAL REVENUE BY FUNCTION</b>	<u>\$ 1,741,700</u>	<u>1,971,833</u>	<u>1,866,076</u>

See accompanying notes to the financial statements.

**TOWN OF WATROUS**  
**TOTAL EXPENSES BY FUNCTION**

Year ended December 31, 2020  
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	\$ 40,000	40,429	43,175
Wages and benefits	221,800	219,343	215,425
Professional/Contractual services	118,000	97,313	114,256
Utilities	8,000	6,436	7,382
Maintenance, materials, and supplies	13,500	14,783	14,065
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	877	-
Interest	-	-	-
Allowance for uncollectibles	-	-	28,087
Other	11,000	5,971	7,714
<b>General Government Services</b>	<u>412,300</u>	<u>385,152</u>	<u>430,104</u>
<b>Restructuring</b>	-	-	-
<b>Total General Government Services</b>	<u>412,300</u>	<u>385,152</u>	<u>430,104</u>
<b>PROTECTIVE SERVICES</b>			
<b>Police protection</b>			
Wages and benefits	-	-	-
Professional/Contractual services	145,000	147,932	142,790
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
<b>Fire protection</b>			
Wages and benefits	26,000	19,907	26,835
Professional/Contractual services	25,500	21,313	12,303
Utilities	10,000	7,024	10,375
Maintenance, materials, and supplies	8,000	4,541	3,666
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	18,378	35,714
Interest	-	-	-
Other	-	-	-
<b>Protective Services</b>	<u>214,500</u>	<u>219,095</u>	<u>231,683</u>
<b>Restructuring</b>	-	-	-
<b>Total Protective Services</b>	<u>214,500</u>	<u>219,095</u>	<u>231,683</u>
<b>TRANSPORTATION SERVICES</b>			
Wages and benefits	351,000	330,217	299,733
Professional/Contractual services	301,100	313,978	242,171
Utilities	47,500	49,142	46,646
Maintenance, materials, and supplies	105,500	109,335	92,248
Gravel	20,000	16,399	17,833
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	165,576	149,340
Interest	6,500	6,429	7,983
Other	-	-	-
<b>Transportation Services</b>	<u>831,600</u>	<u>991,076</u>	<u>855,954</u>
<b>Restructuring</b>	-	-	-
<b>Total Transportation Services</b>	<u>831,600</u>	<u>991,076</u>	<u>855,954</u>

See accompanying notes to the financial statements.



## TOWN OF WATROUS

## TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2020  
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Wages and benefits	\$ 289,000	266,676	301,813
Professional/Contractual services	70,000	65,102	65,464
Utilities	-	-	-
Maintenance, materials, and supplies	8,500	3,516	10,153
Grants and contributions			
-operating			
Waste disposal	-	-	-
Public health	4,000	1,418	3,267
-capital			
Waste disposal	-	-	-
Public health	-	-	-
Amortization	-	13,873	8,733
Interest	-	-	-
Other (REACT tags)	7,000	7,590	6,500
<b>Environmental and Public Health Services</b>	<u>378,500</u>	<u>358,175</u>	<u>395,930</u>
<b>Restructuring</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Environmental and Public Health Services</b>	<u>378,500</u>	<u>358,175</u>	<u>395,930</u>
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
Wages and benefits	-	-	-
Professional/Contractual services	2,500	1,778	1,288
Utilities	2,000	231	488
Grants and contributions			
-operating	65,000	44,639	62,184
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
<b>Planning and Development Services</b>	<u>69,500</u>	<u>46,648</u>	<u>63,960</u>
<b>Restructuring</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Planning and Development Services</b>	<u>69,500</u>	<u>46,648</u>	<u>63,960</u>
<b>RECREATION AND CULTURAL SERVICES</b>			
Wages and benefits	280,700	300,361	330,383
Professional/Contractual services	167,700	205,378	143,025
Utilities	87,000	78,202	82,280
Maintenance, materials, and supplies	166,500	175,674	118,681
Grants and contributions			
-operating	46,400	54,937	46,470
-capital	-	-	-
Amortization	-	128,115	127,283
Interest	33,000	33,136	39,925
Allowance for uncollectibles	-	-	-
Other	-	-	-
<b>Recreation and Cultural Services</b>	<u>781,300</u>	<u>975,803</u>	<u>888,047</u>
<b>Restructuring</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Recreation and Cultural Services</b>	<u>781,300</u>	<u>975,803</u>	<u>888,047</u>

See accompanying notes to the financial statements.

**TOWN OF WATROUS**  
**TOTAL EXPENSES BY FUNCTION**

Year ended December 31, 2020  
with comparative figures for 2019

	<u>2020</u> <u>Budget</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>UTILITY SERVICES</b>			
Wages and benefits	\$ 263,000	255,042	258,849
Professional/Contractual services	230,000	149,939	239,940
Utilities	101,500	104,804	99,099
Maintenance, materials, and supplies	91,000	77,231	89,537
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	273,125	273,822
Interest	67,000	62,829	45,726
Allowance for uncollectibles	-	-	-
Other (RM property tax)	<u>1,000</u>	<u>947</u>	<u>947</u>
Utility Services	<u>753,500</u>	<u>923,917</u>	<u>1,007,920</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Utility Services</b>	<u>753,500</u>	<u>923,917</u>	<u>1,007,920</u>
<b>TOTAL EXPENDITURES BY FUNCTION</b>	<b>\$ <u>3,441,200</u></b>	<b><u>3,899,866</u></b>	<b><u>3,873,598</u></b>

See accompanying notes to the financial statements.

# TOWN OF WATROUS

### SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2020

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and charges	\$ 29,465	10,328	12,417	232,361	(2,894)	103,745	788,098	1,173,520
Tangible capital asset sales - Gain (loss)	-	-	-	-	-	-	-	-
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	22,059	-	-	-	-	-	-	22,059
Other revenues	1,235	-	-	3,968	-	-	290,192	295,395
Grants - Conditional	-	465	10,794	1,360	-	53,556	-	66,175
Grants - Capital	-	2,000	273,084	-	-	27,500	112,100	414,684
Restructurings	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>52,759</u>	<u>12,793</u>	<u>296,295</u>	<u>237,689</u>	<u>(2,894)</u>	<u>184,801</u>	<u>1,190,390</u>	<u>1,971,833</u>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	259,772	19,907	330,217	266,676	-	300,361	255,042	1,431,975
Professional/Contractual Services	97,313	169,245	313,978	65,102	1,778	205,378	149,939	1,002,733
Utilities	6,436	7,024	49,142	-	231	78,202	104,804	245,839
Maintenance, materials and supplies	14,783	4,541	125,734	3,516	-	175,674	77,231	401,479
Grants and contributions	-	-	-	1,418	44,639	54,937	-	100,994
Amortization	877	18,378	165,576	13,873	-	128,115	273,125	599,944
Interest	-	-	6,429	-	-	33,136	62,829	102,394
Allowance for uncollectibles	-	-	-	-	-	-	-	-
Other	5,971	-	-	7,590	-	-	947	14,508
Restructurings	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<u>385,152</u>	<u>219,095</u>	<u>991,076</u>	<u>358,175</u>	<u>46,648</u>	<u>975,803</u>	<u>923,917</u>	<u>3,899,866</u>
<b>Surplus (deficit) by function</b>	(332,393)	(206,302)	(694,781)	(120,486)	(49,542)	(791,002)	266,473	(1,928,033)
Taxation and other unconditional revenue (Schedule 1)								<u>2,633,118</u>
<b>Net Surplus (Deficit)</b>								<u>\$ 705,085</u>

See accompanying notes to the financial statements.

# TOWN OF WATROUS

### SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2019

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and charges	\$ 25,503	30,177	18,500	221,854	(6,718)	177,820	732,722	1,199,858
Tangible capital asset sales - Gain (loss)	-	-	(4,157)	-	-	-	-	(4,157)
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	35,284	-	-	-	-	-	-	35,284
Other revenues	750	-	-	3,142	-	-	290,287	294,179
Grants - Conditional	-	-	10,794	959	-	45,748	-	57,501
Grants - Capital	-	300	-	37,106	-	15,800	230,205	283,411
Restructurings	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>61,537</u>	<u>30,477</u>	<u>25,137</u>	<u>263,061</u>	<u>(6,718)</u>	<u>239,368</u>	<u>1,253,214</u>	<u>1,866,076</u>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	258,600	26,835	299,733	301,813	-	330,383	258,849	1,476,213
Professional/Contractual Services	114,256	155,093	242,171	65,464	1,288	143,025	239,940	961,237
Utilities	7,382	10,375	46,646	-	488	82,280	99,099	246,270
Maintenance, materials and supplies	14,065	3,666	110,081	10,153	-	118,681	89,537	346,183
Grants and contributions	-	-	-	3,267	62,184	46,470	-	111,921
Amortization	-	35,714	149,340	8,733	-	127,283	273,822	594,892
Interest	-	-	7,983	-	-	39,925	45,726	93,634
Allowance for uncollectibles	28,087	-	-	-	-	-	-	28,087
Other	7,714	-	-	6,500	-	-	947	15,161
Restructurings	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<u>430,104</u>	<u>231,683</u>	<u>855,954</u>	<u>395,930</u>	<u>63,960</u>	<u>888,047</u>	<u>1,007,920</u>	<u>3,873,598</u>
<b>Surplus (deficit) by function</b>	(368,567)	(201,206)	(830,817)	(132,869)	(70,678)	(648,679)	245,294	(2,007,522)
Taxation and other unconditional revenue (Schedule 1)								<u>2,463,116</u>
<b>Net Surplus (Deficit)</b>								<u>\$ 455,594</u>

See accompanying notes to the financial statements.

## TOWN OF WATROUS

## SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

Year ended December 31, 2020  
with comparative figures for 2019

	2020							2019	
	General Assets					Infrastructure Assets	General / Infrastructure Assets Under Construction	Total	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
<b>Asset cost</b>									
Opening asset costs	\$ 50,078	242,235	6,760,634	734,284	1,210,479	18,420,233	197,427	27,615,370	26,842,498
Additions during the year	24,000	-	-	74,200	33,941	438,838	168,362	739,341	835,476
Disposals and write-downs during the year	-	-	-	-	-	(3,931)	-	(3,931)	(62,604)
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
<b>Closing asset costs</b>	<u>74,078</u>	<u>242,235</u>	<u>6,760,634</u>	<u>808,484</u>	<u>1,244,420</u>	<u>18,855,140</u>	<u>365,789</u>	<u>28,350,780</u>	<u>27,615,370</u>
<b>Accumulated amortization cost</b>									
Opening accumulated amortization costs	-	136,438	3,288,023	445,790	312,276	5,579,010	-	9,761,537	9,176,850
Add: Amortization taken	-	12,948	145,003	29,471	57,526	354,996	-	599,944	594,892
Less: Accumulated amortization on disposals	-	-	-	-	-	(3,931)	-	(3,931)	(10,205)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
<b>Closing accumulated amortization costs</b>	<u>-</u>	<u>149,386</u>	<u>3,433,026</u>	<u>475,261</u>	<u>369,802</u>	<u>5,930,075</u>	<u>-</u>	<u>10,357,550</u>	<u>9,761,537</u>
<b>Net book value</b>	<u>\$ 74,078</u>	<u>92,849</u>	<u>3,327,608</u>	<u>333,223</u>	<u>874,618</u>	<u>12,925,065</u>	<u>365,789</u>	<u>17,993,230</u>	<u>17,853,833</u>

1. Total contributed/donated assets received in 2020: \$ -

2. List of assets recognized at nominal value in 2020 are:

-Infrastructure Assets \$ -

-Vehicles \$ -

-Machinery and Equipment \$ -

3. Amount of interest capitalized in 2020: \$ -

See accompanying notes to the financial statements.

**TOWN OF WATROUS**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION**

Year ended December 31, 2020  
with comparative figures for 2019

	2020							2019	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
<b>Asset cost</b>									
Opening asset costs	\$ 8,776	697,160	7,172,451	184,325	-	5,237,969	14,314,689	27,615,370	26,842,498
Additions during the year	-	-	344,141	24,000	-	-	371,200	739,341	835,476
Disposals and write-downs during the year	-	-	-	-	-	-	(3,931)	(3,931)	(62,604)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
<b>Closing asset costs</b>	<u>8,776</u>	<u>697,160</u>	<u>7,516,592</u>	<u>208,325</u>	<u>-</u>	<u>5,237,969</u>	<u>14,681,958</u>	<u>28,350,780</u>	<u>27,615,370</u>
<b>Accumulated amortization cost</b>									
Opening accumulated amortization costs	-	302,768	3,812,029	15,486	-	2,174,159	3,457,095	9,761,537	9,176,850
Add: Amortization taken	877	18,378	165,576	13,873	-	128,115	273,125	599,944	594,892
Less: Accumulated amortization on disposals	-	-	-	-	-	-	(3,931)	(3,931)	(10,205)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
<b>Closing accumulated amortization costs</b>	<u>877</u>	<u>321,146</u>	<u>3,977,605</u>	<u>29,359</u>	<u>-</u>	<u>2,302,274</u>	<u>3,726,289</u>	<u>10,357,550</u>	<u>9,761,537</u>
<b>Net book value</b>	<u>\$ 7,899</u>	<u>376,014</u>	<u>3,538,987</u>	<u>178,966</u>	<u>-</u>	<u>2,935,695</u>	<u>10,955,669</u>	<u>17,993,230</u>	<u>17,853,833</u>

See accompanying notes to the financial statements.

**TOWN OF WATROUS**  
**SCHEDULE OF ACCUMULATED SURPLUS**  
**Year ended December 31, 2020**

	<u>2019</u>	<u>Changes</u>	<u>2020</u>
<b>UNAPPROPRIATED SURPLUS</b>	\$ <u>1,556,338</u>	<u>61,952</u>	<u>1,618,290</u>
<b>APPROPRIATED RESERVES</b>			
Machinery and equipment	-	-	-
Public reserve	-	-	-
Capital trust	136,000	56,300	192,300
Utility	-	150,000	150,000
Public Health & Welfare	658,631	(23,403)	635,228
Other	<u>840,628</u>	<u>(6,207)</u>	<u>834,421</u>
<b>Total Appropriated</b>	<u>1,635,259</u>	<u>176,690</u>	<u>1,811,949</u>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>			
Tangible capital assets (Schedule 6)	17,853,833	139,397	17,993,230
Less: Related debt	<u>(3,137,115)</u>	<u>327,046</u>	<u>(2,810,069)</u>
<b>Net Investment in Tangible Capital Assets</b>	<u>14,716,718</u>	<u>466,443</u>	<u>15,183,161</u>
<b>Total Accumulated Surplus</b>	\$ <u>17,908,315</u>	<u>705,085</u>	<u>18,613,400</u>

See accompanying notes to the financial statements.



**TOWN OF WATROUS**  
**SCHEDULE OF MILL RATES AND ASSESSMENTS**

Year ended December 31, 2020  
 with comparative figures for 2019

	<b>PROPERTY CLASS</b>						<b>Total</b>
	<b><u>Agriculture</u></b>	<b><u>Residential</u></b>	<b><u>Residential Condominium</u></b>	<b><u>Seasonal Residential</u></b>	<b><u>Commercial &amp; Industrial</u></b>	<b><u>Potash Mine(s)</u></b>	
<b>Taxable Assessment</b>	\$ 1,051,655	136,986,560	-	-	31,299,766	-	\$ 169,337,981
<b>Regional Park Assessment</b>							-
<b>Total Assessment</b>							\$ 169,337,981
<b>Mill Rate Factor(s)</b>	1.0000	1.0000	1.0000	1.0000	1.4760		
<b>Total Base/Minimum Tax</b> (generated for each property class)	<u>7.526</u>	<u>837,555</u>	<u>-</u>	<u>-</u>	<u>125,868</u>		
<b>Total Municipal Tax Levy</b> (include base and/or minimum tax and special levies)	<u>\$ 12,606</u>	<u>1,499,199</u>	<u>-</u>	<u>-</u>	<u>349,006</u>		

<b><u>MILL RATES:</u></b>	<b><u>MILLS</u></b>
Average Municipal*	10.989
Average School*	4.501
Potash Mill Rate	-
Uniform Municipal Mill Rate	4.830

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

See accompanying notes to the financial statements.



**TOWN OF WATROUS****SCHEDULE OF COUNCIL REMUNERATION**

**Year ended December 31, 2020**  
with comparative figures for 2019

<b>Position</b>	<b>Name</b>	<b>Remuneration</b>	<b>Reimbursed Costs</b>	<b>Total</b>
Mayor	John Gunderson	\$ 6,225	1,020	7,245
Former Mayor	Ed Collins	6,563	691	7,254
Councillor	Gary Bergen	5,700	-	5,700
Councillor	Jean Margetts	4,800	-	4,800
Councillor	Juanita Allin	638	-	638
Councillor	Taylor Engele	563	-	563
Councillor	Lane Manson	638	-	638
Former Councillor	Jody Lewis	5,025	270	5,295
Former Councillor	Neil McDonald	4,838	-	4,838
Former Councillor	Pat Isherwood	5,438	871	6,309
<b>Total</b>		<u>\$ 40,428</u>	<u>2,852</u>	<u>43,280</u>

See accompanying notes to the financial statements.

**TOWN OF WATROUS**  
**SCHEDULE OF RESTRUCTURING**  
**Year ended December 31, 2020**

**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	-
	<hr/>
<b>Total Net Carrying Amount Received (Transferred)</b>	<b>\$ <u>-</u></b>

See accompanying notes to the financial statements.