

TOWN OF CUDWORTH

Auditor's Report

Financial Statements

December 31, 2021

MANAGEMENT'S RESPONSIBILITY

To the Ratepayers of
Town of Cudworth :

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

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of Town of Cudworth

Report on the Financial Statements

Opinion

We have audited the financial statements of **Town of Cudworth**, which comprise the statement of financial position as at **December 31, 2021** 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, 2021** 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
April 22, 2022


Chartered Professional Accountants

TOWN OF CUDWORTH

Statement 1

STATEMENT OF FINANCIAL POSITION

December 31, 2021
with comparative figures for 2020

	<u>2021</u>	<u>2020</u> (Restated) (Note 8)
<u>ASSETS</u>		
Financial assets:		
Cash and temporary investments (Note 2)	\$ 600,444	358,992
Taxes Receivable - Municipal (Note 3)	56,179	45,705
Other accounts receivable (Note 4)	422,201	361,602
Land for re-sale (Note 5)	26,179	36,079
Long-term investments	-	-
Debt charges recoverable	-	-
Other	-	-
Investment in Wheatland Rail Inc. (Note 6)	<u>136,316</u>	<u>114,872</u>
Total financial assets	1,241,319	917,250
<u>LIABILITIES</u>		
Bank indebtedness (Note 7)	-	-
Accounts payable	127,843	41,183
Accrued liabilities payable	-	-
Deposits	35,190	29,890
Deferred revenue	200	230
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Long-term debt (Note 9)	-	-
Lease obligations	<u>-</u>	<u>-</u>
Total liabilities	<u>163,233</u>	<u>71,303</u>
NET FINANCIAL ASSETS (DEBT)	1,078,086	845,947
Non-financial assets:		
Tangible capital assets (Schedule 6, 7)	4,663,127	4,637,234
Prepaid and deferred charges	31,408	29,465
Stock and supplies	<u>-</u>	<u>-</u>
Total non-financial assets	<u>4,694,535</u>	<u>4,666,699</u>
Accumulated Surplus (Deficit) (Schedule 8)	\$ <u>5,772,621</u>	<u>5,512,646</u>

Contingent liabilities (Note 10)

APPROVED ON BEHALF OF COUNCIL:

_____ Mayor

_____ Councillor

See accompanying notes to the financial statements.

TOWN OF CUDWORTH

Statement 2

STATEMENT OF FINANCIAL ACTIVITIES

Year ended December 31, 2021
with comparative figures for 2020

		<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u> (Restated) (Note 8)
Revenues:				
Taxes and other unconditional revenue	(Schedule 1)	\$ 835,224	834,809	883,230
Fees and charges	(Schedule 4, 5)	757,380	788,890	741,611
Conditional grants	(Schedule 4, 5)	23,218	27,147	140,783
Tangible capital asset sales - gain (loss)	(Schedule 4, 5)	-	4,954	(19,807)
Land sales - gain	(Schedule 4, 5)	(18,500)	(3,038)	(3,391)
Investment income and commissions	(Schedule 4, 5)	3,000	2,190	3,492
Restructurings	(Schedule 4, 5)	-	-	-
Other revenues (Wheatland Rail Inc.)	(Schedule 4, 5)	<u>-</u>	<u>21,444</u>	<u>31,642</u>
Total Revenues		1,600,322	1,676,396	1,777,560
Expenditures:				
General government services	(Schedule 3)	339,220	345,445	364,804
Protective services	(Schedule 3)	109,622	138,072	109,721
Transportation services	(Schedule 3)	272,385	340,991	341,659
Environmental and public health services	(Schedule 3)	110,498	101,031	103,428
Planning and development services	(Schedule 3)	10,000	11,762	11,873
Recreation and cultural services	(Schedule 3)	200,138	242,896	260,124
Utility services	(Schedule 3)	438,047	447,458	460,902
Restructurings	(Schedule 3)	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures		<u>1,479,910</u>	<u>1,627,655</u>	<u>1,652,511</u>
Surplus (deficit) of revenues over expenditures before other capital contributions		<u>120,412</u>	<u>48,741</u>	<u>125,049</u>
Provincial/Federal capital grants and contributions	(Schedule 4, 5)	<u>182,026</u>	<u>211,234</u>	<u>800,369</u>
Surplus (deficit) of revenues over expenditures		302,438	259,975	925,418
Accumulated surplus (deficit), beginning of year		<u>5,512,646</u>	<u>5,512,646</u>	<u>4,587,228</u>
Accumulated surplus (deficit), end of year		\$ <u>5,815,084</u>	<u>5,772,621</u>	<u>5,512,646</u>

See accompanying notes to the financial statements.

TOWN OF CUDWORTH

Statement 3

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u> (Restated) (Note 8)
Surplus (deficit)	\$ <u>302,438</u>	<u>259,975</u>	<u>925,418</u>
(Acquisition) of tangible capital assets	-	(253,995)	(1,023,884)
Amortization of tangible capital assets	-	228,101	218,833
Proceeds on disposal of tangible capital assets	-	4,955	11,000
Loss (gain) on disposal of tangible capital assets	-	(4,954)	19,807
Transfer of assets/liabilities in restructuring transactions	<u>-</u>	<u>-</u>	<u>-</u>
Surplus (deficit) of capital expenses over expenditures	<u>-</u>	<u>(25,893)</u>	<u>(774,244)</u>
(Acquisition) of supplies inventories	-	-	-
(Acquisition) of prepaid expenses	-	(2,415)	-
Consumption of supplies inventories	-	-	-
Use of prepaid expenses	<u>-</u>	<u>472</u>	<u>2,525</u>
Surplus (deficit) of expenses of other non-financial over expenditures	<u>-</u>	<u>(1,943)</u>	<u>2,525</u>
Increase (decrease) in Net Financial Assets	302,438	232,139	153,699
Net Financial Assets (Debt) - Beginning of the year	<u>845,947</u>	<u>845,947</u>	<u>692,248</u>
Net Financial Assets (Debt) - End of year	\$ <u>1,148,385</u>	<u>1,078,086</u>	<u>845,947</u>

See accompanying notes to the financial statements.

TOWN OF CUDWORTH

Statement 4

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u>	<u>2020</u> (Restated) (Note 8)
Cash provided by (used in) the following activities:		
Operating:		
Surplus (deficit)	\$ 259,975	925,418
Amortization	228,101	218,833
Loss (gain) on disposal of tangible capital assets	<u>(4,954)</u>	<u>19,807</u>
	483,122	1,164,058
Change in assets/liabilities		
Taxes receivable - Municipal	(10,474)	28,191
Other accounts receivable	(60,601)	(112,125)
Land for re-sale	9,901	24,024
Other financial assets	-	-
Accounts and accrued liabilities payable	86,661	(3,574)
Deposits	5,300	1,775
Deferred revenue	(30)	(1,365)
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Stock and supplies	-	-
Prepayments and deferred charges	(1,943)	2,525
Other	<u>-</u>	<u>-</u>
Net cash from operations	<u>511,936</u>	<u>1,103,509</u>
Capital:		
Acquisition of capital assets	(253,995)	(1,023,884)
Proceeds from the disposal of capital assets	4,955	11,000
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(249,040)</u>	<u>(1,012,884)</u>
Investing:		
Long-term investments	-	(31,642)
Investment in Wheatland Rail Inc.	<u>(21,444)</u>	<u>-</u>
Net cash used for investing	<u>(21,444)</u>	<u>(31,642)</u>
Financing activities:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	-	(84,934)
Other financing	<u>-</u>	<u>-</u>
Net cash used for financing	<u>-</u>	<u>(84,934)</u>
Increase (decrease) in cash resources	241,452	(25,951)
Cash and temporary investments, beginning of year	<u>358,992</u>	<u>384,943</u>
Cash and temporary investments, end of year (Note 2)	\$ <u>600,444</u>	<u>358,992</u>

See accompanying notes to the financial statements.

TOWN OF CUDWORTH

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the municipality are prepared by management in accordance with the local government accounting standards established by the Public Sector Accounting Board. 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 CUDWORTH
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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.

The investment in Wheatland Rail Inc. is accounted for on the modified equity basis.

(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 CUDWORTH

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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	5 to 20 years
<i>Infrastructure Assets</i>	
Water and sewer	40 years
Road network assets	15 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.

(n) **Landfill liability**

The Town of Cudworth does not maintain a waste disposal site. No amount has been recorded as an asset or liability.

TOWN OF CUDWORTH

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) **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.

The Town does not have any contaminated sites.

(p) **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.

(q) **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.

(r) **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.

TOWN OF CUDWORTH
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

2. CASH AND TEMPORARY INVESTMENTS

	<u>2021</u>	<u>2020</u>
Cash	\$ 552,808	311,534
Temporary investments	<u>47,636</u>	<u>47,458</u>
	<u>\$ 600,444</u>	<u>358,992</u>

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

TOWN OF CUDWORTH
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

3. TAXES AND GRANTS IN LIEU RECEIVABLE

	<u>2021</u>	<u>2020</u>
Municipal: - Current	\$ 37,458	21,894
- Arrears	<u>29,463</u>	<u>36,125</u>
	66,921	58,019
Less: allowance for uncollectibles	<u>(10,742)</u>	<u>(12,314)</u>
Total municipal taxes receivable	<u>56,179</u>	<u>45,705</u>
School: - Current	8,403	4,802
- Arrears	<u>1,959</u>	<u>3,590</u>
Total school taxes receivable	<u>10,362</u>	<u>8,392</u>
Other: - Current	-	-
- Arrears	<u>-</u>	<u>-</u>
Total other collections receivable	<u>-</u>	<u>-</u>
Total taxes and grants in lieu receivable	66,541	54,097
Deduct taxes receivable to be collected on behalf of other organizations	<u>(10,362)</u>	<u>(8,392)</u>
Total taxes receivable - Municipal	<u>\$ 56,179</u>	<u>45,705</u>

4. OTHER ACCOUNTS RECEIVABLE

	<u>2021</u>	<u>2020</u>
Federal government	\$ 40,600	77,918
Provincial government	232,788	147,344
Local government	19,767	15,904
Utility	109,901	105,797
Trade	19,127	14,581
Other	<u>18</u>	<u>58</u>
Total other accounts receivable	422,201	361,602
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Net other accounts receivable	<u>\$ 422,201</u>	<u>361,602</u>

TOWN OF CUDWORTH
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

5. LAND FOR RESALE

	<u>2021</u>	<u>2020</u>
Tax title property	\$ 3,031	26,509
Less: - allowance for market value adjustment	(1,333)	(20,374)
Less: due to other taxing authorities	<u>(219)</u>	<u>(2,660)</u>
Net tax title Property	<u>1,479</u>	<u>3,475</u>
Other land	32,604	32,604
Less: - allowance for market value adjustment	<u>(7,904)</u>	<u>-</u>
Net other land	<u>24,700</u>	<u>32,604</u>
Total land for resale	\$ <u>26,179</u>	<u>36,079</u>

TOWN OF CUDWORTH

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

6. WHEATLAND RAIL INC.

The Municipality and R.M. of Hoodoo No., R.M. of St. Louis and the Town of Wakaw (the "Shareholders") jointly own the Wheatland Rail Inc. (the "Corporation"), a short-line rail in northeast Saskatchewan incorporated provincially under the Business Corporations Act of Saskatchewan on March 3, 1999.

The following is 100% of the financial position and result of operations of the Corporation, a government business enterprise, of which 6.21% has been included in the statement of financial position of the Municipality using the modified equity method.

	2021 100%	2021 6.21%	2020 100%	2020 6.21%
Financial Position				
Financial Assets				
Cash	\$ 660,033	40,988	576,829	35,821
Accounts receivable	<u>69,562</u>	<u>4,320</u>	<u>68,562</u>	<u>4,258</u>
	<u>729,595</u>	<u>45,308</u>	<u>645,391</u>	<u>40,079</u>
Liabilities				
Accounts Payable	27,195	1,689	8,522	529
Goods and services tax payable	11,340	704	10,309	640
Long term debt	<u>78,358</u>	<u>4,866</u>	<u>135,501</u>	<u>8,415</u>
	<u>116,893</u>	<u>7,259</u>	<u>154,332</u>	<u>9,584</u>
Net Financial Assets	612,702	38,049	491,059	30,495
Non-financial Assets				
Tangible Capital Assets	1,232,614	76,545	1,189,901	73,893
Inventory	217,750	13,522	168,834	10,484
Prepaid and deferred charges	<u>9,631</u>	<u>598</u>	<u>-</u>	<u>-</u>
Accumulated Surplus	<u>\$ 2,072,697</u>	<u>128,714</u>	<u>1,849,794</u>	<u>114,872</u>
Operations				
Revenues	\$ 1,000,236	62,115	1,023,872	63,582
Expenses	<u>(654,933)</u>	<u>(40,671)</u>	<u>(514,338)</u>	<u>(31,940)</u>
Annual surplus (deficit)	345,303	21,444	509,534	31,642
Accumulated Surplus, opening	1,849,794	114,872	1,340,259	83,230
Dividends issued	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accumulated Surplus, closing	<u>\$ 2,195,097</u>	<u>136,316</u>	<u>1,849,793</u>	<u>114,872</u>

7. BANK INDEBTEDNESS

Credit Arrangements

At December 31, 2021, the Town had a line of credit totaling \$500,000, none of which was drawn.

TOWN OF CUDWORTH
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

8. CORRECTION OF AN ERROR

In prior years, the Municipality recorded investment in a government business enterprise as long-term investments recorded at cost to acquire shares in the corporation. During the year, it was determined that investments in government business enterprises must be recorded using the modified equity method.

As a result, the 2020 financial statements have been restated to reflect this correction as follows: Schedule 2 General Government other segmented revenue has increased by \$31,642, opening accumulated surplus has increased by \$28,034, long term investments have decreased by \$55,196, and investment in Wheatland Rail Inc. has increased by \$114,872.

9. LONG-TERM DEBT

The authorized debt limit for the Town is \$1,335,145. 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.

10. CONTINGENT LIABILITIES

The Town, together with a number of other rural and urban municipalities, is a member of the Regional Authority of Carlton Trail - Waste Management District ("REACT"). REACT is governed by the Department of Saskatchewan Environment and Resource Management and is responsible for the waste collection, landfill operations and future revenues as incurred. Future site restoration costs are recognized based on assumptions, engineering studies and estimates to the costs of future removal and site restoration. Changes to the underlying assumptions or legislative changes in the future could have a material impact on the statements. As these costs are not readily determinable, the Town has not provided for future site restoration costs.

11. 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 2021 was \$26,463 (2020 - \$26,513). 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 CUDWORTH
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

12. BUDGET

The Financial Plan (Budget) adopted by Council on June 3, 2021 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 net surplus approved by council includes amounts budgeted for capital purchases, transfers from reserves, or principle repayments of debt. As a result, the budget figures presented in the statements of operations and change in net financial assets include the following adjustments:

	<u>2021</u>
Budget net surplus	\$ 3,647
Add:	
Expenditures - capital projects	365,786
Transfer to reserves	50,000
Less:	
Transfer from reserves	<u>(116,995)</u>
Budget surplus per statement of operations	\$ <u>302,438</u>

TOWN OF CUDWORTH
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

13. 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 CUDWORTH

SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
TAXES			
General municipal tax levy	\$ 639,398	639,398	632,748
Abatements and adjustments	(30,000)	(28,961)	(27,272)
Discount on current year taxes	<u>(27,000)</u>	<u>(25,896)</u>	<u>(25,798)</u>
Net municipal taxes	582,398	584,541	579,678
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	12,000	9,790	11,240
Special tax levy	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Taxes	<u>594,398</u>	<u>594,331</u>	<u>590,918</u>
UNCONDITIONAL GRANTS			
Revenue sharing	184,646	184,646	186,310
Organized Hamlet	-	-	-
Other (Safe restart)	<u>-</u>	<u>-</u>	<u>48,558</u>
Total Unconditional Grants	<u>184,646</u>	<u>184,646</u>	<u>234,868</u>
GRANTS IN LIEU OF TAXES			
Federal	-	-	-
Provincial			
S.P.C. Electrical	-	-	-
Sask. Energy Gas	19,000	17,737	18,849
TransGas	-	-	-
Central Services	-	-	-
Sasktel	1,180	1,198	2,015
Other	<u>-</u>	<u>-</u>	<u>-</u>
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Other Government Transfers			
S.P.C. Surcharge	36,000	36,897	36,580
Sask Energy Surcharge	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Grants in Lieu of Taxes	<u>56,180</u>	<u>55,832</u>	<u>57,444</u>
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	<u>\$ 835,224</u>	<u>834,809</u>	<u>883,230</u>

See accompanying notes to the financial statements.

TOWN OF CUDWORTH

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u> (Restated) (Note 8)
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ -	-	-
Sales of supplies	230	576	197
Other (rental income and licenses & permits)	8,000	12,277	14,190
Total Fees and Charges	8,230	12,853	14,387
Tangible capital asset sales - gain (loss)	-	-	-
Land sales - gain	(18,500)	(3,038)	(3,391)
Investment income and commissions	3,000	2,190	3,492
Other Segmented Revenue (Wheatland Rail investment income)	-	21,444	31,642
Total other segmented revenue	(7,270)	33,449	46,130
Conditional Grants			
Federal - Student Employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	(7,270)	33,449	46,130
Capital			
Conditional Grants			
Canada Community-Building Fund	-	-	-
Provincial - Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total General Government Services	(7,270)	33,449	46,130
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other (equipment storage)	12,800	12,294	12,993
Total Fees and Charges	12,800	12,294	12,993
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue	-	-	-
Total other segmented revenue	12,800	12,294	12,993
Conditional Grants			
Federal - Student Employment	-	-	-
Local government-Operating	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	12,800	12,294	12,993
Capital			
Conditional Grants			
Canada Community-Building Fund	-	-	-
Provincial - Disaster Assistance	-	-	-
Local Government-Capital	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Protective Services	12,800	12,294	12,993

See accompanying notes to the financial statements.

TOWN OF CUDWORTH

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 500	315	-
Sale of gravel and supplies	-	-	-
Road maintenance and restoration agreements	7,700	7,700	7,700
Other	-	-	-
Total Fees and Charges	8,200	8,015	7,700
Tangible capital asset sales - gain (loss)	-	4,954	(19,807)
Other Segmented Revenue	-	-	-
Total other segmented revenue	8,200	12,969	(12,107)
Conditional Grants			
Primary Weight Corridor	-	-	-
Federal - Student Employment	-	-	-
Other (Municipal Economic Enhancement Program)	-	-	116,995
Total Conditional Grants	-	-	116,995
Total Operating	<u>8,200</u>	<u>12,969</u>	<u>104,888</u>
Capital			
Conditional Grants			
Canada Community-Building Fund	-	-	-
MREP (Heavy Haul, CTP, Municipal Bridges)	-	-	-
Provincial - Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Transportation Services	<u>8,200</u>	<u>12,969</u>	<u>104,888</u>
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Waste and Disposal Charges	26,000	22,439	23,170
Other	-	-	-
Total Fees and Charges	26,000	22,439	23,170
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue	-	-	-
Total other segmented revenue	26,000	22,439	23,170
Conditional Grants			
Federal - Student Employment	-	-	-
TAPD	-	-	-
Local government-Operating	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	<u>26,000</u>	<u>22,439</u>	<u>23,170</u>
Capital			
Conditional Grants			
Canada Community-Building Fund	-	-	-
TAPD	2,600	2,671	-
Provincial - Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	2,600	2,671	-
Restructuring Revenue	-	-	-
Total Environmental and Public Health Services Services	<u>28,600</u>	<u>25,110</u>	<u>23,170</u>

See accompanying notes to the financial statements.

TOWN OF CUDWORTH

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2021

with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
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 Segmented Revenue	-	-	-
Total other segmented revenue	-	-	-
Conditional Grants			
Federal - Student Employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
Canada Community-Building Fund	-	-	-
Provincial - Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Planning and Development Services	-	-	-
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other (recreation fees)	75,400	91,476	75,979
Total Fees and Charges	75,400	91,476	75,979
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue (Insurance proceeds)	-	-	-
Total other segmented revenue	75,400	91,476	75,979
Conditional Grants			
Student Employment	7,218	9,716	12,678
Local government-Operating	-	-	-
Donations	11,000	7,431	11,110
Other (Community Rink Affordability Grant)	5,000	10,000	-
Total Conditional Grants	23,218	27,147	23,788
Total Operating	98,618	118,623	99,767
Capital			
Conditional Grants			
Canada Community-Building Fund	-	-	-
Local Government-Capital	-	-	-
Provincial - Disaster Assistance	-	-	-
Other (donations)	31,400	24,403	15,696
Total Capital	31,400	24,403	15,696
Restructuring Revenue	-	-	-
Total Recreation and Cultural Services	130,018	143,026	115,463

See accompanying notes to the financial statements.

TOWN OF CUDWORTH

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2021

with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Water	\$ 380,000	394,722	371,381
Sewer	246,000	246,068	235,121
Other (connection fees)	750	1,023	880
Total Fees and Charges	626,750	641,813	607,382
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue	-	-	-
Total other segmented revenue	626,750	641,813	607,382
Conditional Grants			
Federal - Student Employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	<u>626,750</u>	<u>641,813</u>	<u>607,382</u>
Capital			
Conditional Grants			
Canada Community-Building Fund	48,026	99,186	48,026
New Building Canada Fund (SCF, NRP)	-	-	-
Clean Water and Wastewater Fund	-	-	-
Provincial - Disaster Assistance	100,000	84,974	736,647
Other	-	-	-
Total Capital	<u>148,026</u>	<u>184,160</u>	<u>784,673</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Services	<u>774,776</u>	<u>825,973</u>	<u>1,392,055</u>
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 947,124</u>	<u>1,052,821</u>	<u>1,694,699</u>
SUMMARY			
Total Other Segmented Revenue	\$ 741,880	814,440	753,547
Total Conditional Grants	23,218	27,147	140,783
Total Capital Grants and Contributions	182,026	211,234	800,369
Restructuring Revenue	-	-	-
TOTAL REVENUE BY FUNCTION	<u>\$ 947,124</u>	<u>1,052,821</u>	<u>1,694,699</u>

See accompanying notes to the financial statements.

TOWN OF CUDWORTH

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 47,480	51,646	46,377
Wages and benefits	156,634	158,247	153,062
Professional/Contractual services	103,806	103,276	107,200
Utilities	7,000	6,669	6,511
Maintenance, materials, and supplies	22,350	19,132	16,900
Grants and contributions	-operating 100	100	100
	-capital	-	-
Amortization	-	2,710	2,714
Interest	-	-	-
Allowance for uncollectibles	-	1,839	30,187
Other (elections)	1,850	1,826	1,753
General Government Services	<u>339,220</u>	<u>345,445</u>	<u>364,804</u>
Restructuring	-	-	-
Total General Government Services	<u>339,220</u>	<u>345,445</u>	<u>364,804</u>
PROTECTIVE SERVICES			
Police protection			
Wages and benefits	-	-	-
Professional/Contractual services	50,000	46,922	47,603
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-operating -	-	-
	-capital	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Fire protection			
Wages and benefits	-	-	-
Professional/Contractual services	18,112	21,554	17,900
Utilities	7,300	7,121	7,201
Maintenance, materials, and supplies	32,110	45,884	21,272
Grants and contributions	-operating -	-	-
	-capital	-	-
Amortization	2,100	16,591	15,745
Interest	-	-	-
Other	-	-	-
Protective Services	<u>109,622</u>	<u>138,072</u>	<u>109,721</u>
Restructuring	-	-	-
Total Protective Services	<u>109,622</u>	<u>138,072</u>	<u>109,721</u>
TRANSPORTATION SERVICES			
Wages and benefits	80,350	69,036	67,052
Professional/Contractual services	36,560	24,783	36,414
Utilities	28,000	26,048	27,179
Maintenance, materials, and supplies	114,500	75,630	73,355
Gravel	12,000	11,567	8,975
Grants and contributions	-operating -	-	-
	-capital	-	-
Amortization	-	132,952	127,709
Interest	-	-	-
Other (Lease)	975	975	975
Transportation Services	<u>272,385</u>	<u>340,991</u>	<u>341,659</u>
Restructuring	-	-	-
Total Transportation Services	<u>272,385</u>	<u>340,991</u>	<u>341,659</u>

See accompanying notes to the financial statements.

TOWN OF CUDWORTH

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
ENVIRONMENTAL SERVICES			
Wages and benefits	-	-	-
Contractual services	84,498	73,066	81,200
Utilities	-	-	-
Maintenance, materials, and supplies	1,000	987	250
Grants and contributions			
-operating			
Waste disposal	-	-	-
Public health	25,000	25,000	20,000
-capital			
Waste disposal	-	-	-
Public health	-	-	-
Amortization	-	1,978	1,978
Interest	-	-	-
Other	-	-	-
Environmental and Public Health Services	<u>110,498</u>	<u>101,031</u>	<u>103,428</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Environmental and Public Health Services	<u>110,498</u>	<u>101,031</u>	<u>103,428</u>
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	-	-	-
Contractual services	3,000	3,200	1,104
Maintenance, materials, and supplies	7,000	8,562	10,769
Grants and contributions			
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Planning and Development Services	<u>10,000</u>	<u>11,762</u>	<u>11,873</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Planning and Development Services	<u>10,000</u>	<u>11,762</u>	<u>11,873</u>
RECREATION AND CULTURAL SERVICES			
Wages and benefits	45,500	56,985	44,414
Contractual services	27,450	26,940	32,090
Utilities	51,900	43,867	48,134
Maintenance, materials, and supplies	60,750	40,335	64,322
Grants and contributions			
-operating	14,538	14,538	14,115
-capital	-	-	-
Amortization	-	60,231	57,049
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other	-	-	-
Recreation and Cultural Services	<u>200,138</u>	<u>242,896</u>	<u>260,124</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Recreation and Cultural Services	<u>200,138</u>	<u>242,896</u>	<u>260,124</u>

See accompanying notes to the financial statements.

TOWN OF CUDWORTH

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2021
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
UTILITY SERVICES			
Wages and benefits	140,947	138,897	137,666
Contractual services	262,300	260,309	264,252
Utilities	16,300	14,516	15,517
Maintenance, materials, and supplies	17,000	19,309	27,161
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	13,639	13,638
Interest	-	-	2,668
Allowance for uncollectibles	-	-	-
Other (training)	1,500	788	-
Utility Services	<u>438,047</u>	<u>447,458</u>	<u>460,902</u>
Restructuring	-	-	-
Total Utility Services	<u>438,047</u>	<u>447,458</u>	<u>460,902</u>
 TOTAL EXPENDITURES BY FUNCTION	 <u>\$ 1,479,910</u>	 <u>1,627,655</u>	 <u>1,652,511</u>

See accompanying notes to the financial statements.

TOWN OF CUDWORTH
SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
Year ended December 31, 2021

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	\$ 12,853	12,294	8,015	22,439	-	91,476	641,813	788,890
Tangible capital asset sales - Gain (loss)	-	-	4,954	-	-	-	-	4,954
Land sales - Gain (loss)	(3,038)	-	-	-	-	-	-	(3,038)
Investment income and commissions	2,190	-	-	-	-	-	-	2,190
Other revenues (Wheatland Rail Inc.)	21,444	-	-	-	-	-	-	21,444
Grants - Conditional	-	-	-	-	-	27,147	-	27,147
Grants - Capital	-	-	-	2,671	-	24,403	184,160	211,234
Restructurings	-	-	-	-	-	-	-	-
Total revenues	<u>33,449</u>	<u>12,294</u>	<u>12,969</u>	<u>25,110</u>	<u>-</u>	<u>143,026</u>	<u>825,973</u>	<u>1,052,821</u>
Expenses (Schedule 3)								
Wages & Benefits	209,893	-	69,036	-	-	56,985	138,897	474,811
Professional/Contractual Services	103,276	68,476	24,783	73,066	3,200	26,940	260,309	560,050
Utilities	6,669	7,121	26,048	-	-	43,867	14,516	98,221
Maintenance, materials and supplies	19,132	45,884	87,197	987	8,562	40,335	19,309	221,406
Grants and contributions	100	-	-	25,000	-	14,538	-	39,638
Amortization	2,710	16,591	132,952	1,978	-	60,231	13,639	228,101
Interest	-	-	-	-	-	-	-	-
Allowance for uncollectibles	1,839	-	-	-	-	-	-	1,839
Other	1,826	-	975	-	-	-	788	3,589
Restructurings	-	-	-	-	-	-	-	-
Total expenses	<u>345,445</u>	<u>138,072</u>	<u>340,991</u>	<u>101,031</u>	<u>11,762</u>	<u>242,896</u>	<u>447,458</u>	<u>1,627,655</u>
Surplus (deficit) by function	(311,996)	(125,778)	(328,022)	(75,921)	(11,762)	(99,870)	378,515	(574,834)
Taxation and other unconditional revenue (Schedule 1)								<u>834,809</u>
Net Surplus (Deficit)								<u>\$ 259,975</u>

See accompanying notes to the financial statements.

TOWN OF CUDWORTH
SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
Year ended December 31, 2020

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total (Restated) (Note 8)
Revenues (Schedule 2)								
Fees and charges	\$ 14,387	12,993	7,700	23,170	-	75,979	607,382	741,611
Tangible capital asset sales - Gain (loss)	-	-	(19,807)	-	-	-	-	(19,807)
Land sales - Gain (loss)	(3,391)	-	-	-	-	-	-	(3,391)
Investment income and commissions	3,492	-	-	-	-	-	-	3,492
Other revenues (Wheatland Rail Inc.)	31,642	-	-	-	-	-	-	31,642
Grants - Conditional	-	-	116,995	-	-	23,788	-	140,783
Grants - Capital	-	-	-	-	-	15,696	784,673	800,369
Restructurings	-	-	-	-	-	-	-	-
Total revenues	<u>46,130</u>	<u>12,993</u>	<u>104,888</u>	<u>23,170</u>	<u>-</u>	<u>115,463</u>	<u>1,392,055</u>	<u>1,694,699</u>
Expenses (Schedule 3)								
Wages & Benefits	199,439	-	67,052	-	-	44,414	137,666	448,571
Professional/Contractual Services	107,200	65,503	36,414	81,200	1,104	32,090	264,252	587,763
Utilities	6,511	7,201	27,179	-	-	48,134	15,517	104,542
Maintenance, materials and supplies	16,900	21,272	82,330	250	10,769	64,322	27,161	223,004
Grants and contributions	100	-	-	20,000	-	14,115	-	34,215
Amortization	2,714	15,745	127,709	1,978	-	57,049	13,638	218,833
Interest	-	-	-	-	-	-	2,668	2,668
Allowance for uncollectibles	30,187	-	-	-	-	-	-	30,187
Other	1,753	-	975	-	-	-	-	2,728
Restructurings	-	-	-	-	-	-	-	-
Total expenses	<u>364,804</u>	<u>109,721</u>	<u>341,659</u>	<u>103,428</u>	<u>11,873</u>	<u>260,124</u>	<u>460,902</u>	<u>1,652,511</u>
Surplus (deficit) by function	(318,674)	(96,728)	(236,771)	(80,258)	(11,873)	(144,661)	931,153	42,188
Taxation and other unconditional revenue (Schedule 1)								<u>883,230</u>
Net Surplus (Deficit)								<u>\$ 925,418</u>

See accompanying notes to the financial statements.

TOWN OF CUDWORTH
SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

Year ended December 31, 2021
with comparative figures for 2020

	2021							2020
	General Assets					Infrastructure Assets	General / Infrastructure Assets Under Construction	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets		Total
Asset cost								
Opening asset costs	\$ 56	-	2,750,167	34,187	820,397	5,151,959	-	8,756,766
Additions during the year	19,744	-	14,578	-	6,042	213,631	-	253,995
Disposals and write-downs during the year	-	-	-	-	(4,100)	-	-	(4,100)
Transfers (from) assets under construction	-	-	-	-	-	-	-	-
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
Closing asset costs	19,800	-	2,764,745	34,187	822,339	5,365,590	-	9,006,661
Accumulated amortization cost								
Opening accumulated amortization costs	-	-	1,172,096	34,184	424,215	2,489,037	-	4,119,532
Add: Amortization taken	-	-	66,985	-	55,842	105,274	-	228,101
Less: Accumulated amortization on disposals	-	-	-	-	(4,099)	-	-	(4,099)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	-	-	1,239,081	34,184	475,958	2,594,311	-	4,343,534
Net book value	\$ 19,800	-	1,525,664	3	346,381	2,771,279	-	4,663,127
1. Total contributed/donated assets received in 2021:			\$ -					
2. List of assets recognized at nominal value in 2021 are:								
-Infrastructure Assets			\$ -					
-Vehicles			\$ -					
-Machinery and Equipment			\$ -					
3. Amount of interest capitalized in 2021:			\$ -					

See accompanying notes to the financial statements.

TOWN OF CUDWORTH
SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION

Year ended December 31, 2021
with comparative figures for 2020

	2021							2020
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total
Asset cost								Total
Opening asset costs	\$ 79,573	277,868	4,499,853	182,986	-	2,013,415	1,703,071	8,756,766
Additions during the year	-	-	180,977	-	-	14,578	58,440	253,995
Disposals and write-downs during the year	-	-	(4,100)	-	-	-	-	(4,100)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
Closing asset costs	<u>79,573</u>	<u>277,868</u>	<u>4,676,730</u>	<u>182,986</u>	<u>-</u>	<u>2,027,993</u>	<u>1,761,511</u>	<u>9,006,661</u>
Accumulated amortization cost								
Opening accumulated amortization costs	43,718	126,240	2,458,655	116,703	-	821,974	552,242	4,119,532
Add: Amortization taken	2,710	16,591	132,952	1,978	-	60,231	13,639	228,101
Less: Accumulated amortization on disposals	-	-	(4,099)	-	-	-	-	(4,099)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	<u>46,428</u>	<u>142,831</u>	<u>2,587,508</u>	<u>118,681</u>	<u>-</u>	<u>882,205</u>	<u>565,881</u>	<u>4,343,534</u>
Net book value	<u>\$ 33,145</u>	<u>135,037</u>	<u>2,089,222</u>	<u>64,305</u>	<u>-</u>	<u>1,145,788</u>	<u>1,195,630</u>	<u>4,663,127</u>

See accompanying notes to the financial statements.

TOWN OF CUDWORTH
SCHEDULE OF ACCUMULATED SURPLUS
Year ended December 31, 2021

	<u>2020</u>	<u>Changes</u>	<u>2021</u>
	(Restated)		
	(Note 8)		
UNAPPROPRIATED SURPLUS	\$ <u>244,612</u>	<u>84,082</u>	<u>328,694</u>
APPROPRIATED RESERVES			
Reserve for machinery and equipment	629,400	150,000	779,400
Public reserve	-	-	-
Capital trust fund	-	-	-
Utility reserve	-	-	-
Other reserves	<u>1,400</u>	<u>-</u>	<u>1,400</u>
Total Appropriated	<u>630,800</u>	<u>150,000</u>	<u>780,800</u>
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	4,637,234	25,893	4,663,127
Less: Related debt	<u>-</u>	<u>-</u>	<u>-</u>
Net Investment in Tangible Capital Assets	<u>4,637,234</u>	<u>25,893</u>	<u>4,663,127</u>
Total Accumulated Surplus	\$ <u>5,512,646</u>	<u>259,975</u>	<u>5,772,621</u>

See accompanying notes to the financial statements.

TOWN OF CUDWORTH
SCHEDULE OF MILL RATES AND ASSESSMENTS

Year ended December 31, 2021
with comparative figures for 2020

	PROPERTY CLASS						Total
	<u>Agriculture</u>	<u>Residential</u>	<u>Residential Condominium</u>	<u>Seasonal Residential</u>	<u>Commercial & Industrial</u>	<u>Potash Mine(s)</u>	
Taxable Assessment	\$ 119,480	34,640,480	688,240	-	2,139,280	-	\$ 37,587,480
Regional Park Assessment							-
Total Assessment							\$ 37,587,480
Mill Rate Factor(s)	1.0000	0.9000	0.9000	-	1.7500		
Total Base/Minimum Tax (generated for each property class)	-	293,536	-	-	30,667		324,203
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ 1,658	561,658	8,596	-	67,486		639,398

MILL RATES:**MILLS**

Average Municipal*	17.011
Average School*	4.580
Potash Mill Rate	-
Uniform Municipal Mill Rate	13.628

* 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 CUDWORTH**SCHEDULE OF COUNCIL REMUNERATION**

Year ended December 31, 2021
with comparative figures for 2020

Position	Name	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Current				
Mayor	Scott Friesen	\$ 6,255	800	7,055
Councillor	Kelsey Eckel	6,159	-	6,159
Councillor	Roxanne Koenning	10,006	187	10,193
Councillor	Rick Wedewer	6,430	295	6,725
Councillor	Terry Medernach	5,865	-	5,865
Councillor	Gary Hleck	9,498	170	9,668
Councillor	Brittany Organ	4,488	-	4,488
Total		<u>\$ 48,701</u>	<u>1,452</u>	<u>50,153</u>

See accompanying notes to the financial statements.

TOWN OF CUDWORTH
SCHEDULE OF RESTRUCTURING
Year ended December 31, 2021

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 accompanying notes to the financial statements.