

# **TOWN OF WATROUS**

**Auditor's Report**

**Financial Statements**

**December 31, 2021**

## MANAGEMENT'S RESPONSIBILITY

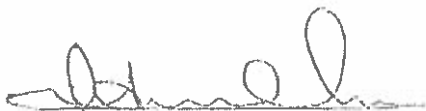
To the Ratepayers of  
**Town of Watrous:**

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

## 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, 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*

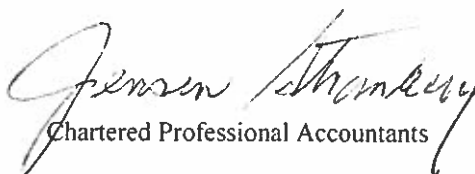
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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  
June 6, 2022

  
Chartered Professional Accountants

**TOWN OF WATROUS**  
**STATEMENT OF FINANCIAL POSITION**

**Statement 1**

**December 31, 2021**  
with comparative figures for 2020

	<b><u>2021</u></b>	<b><u>2020</u></b>
	<b><u>ASSETS</u></b>	
Financial assets:		
Cash and temporary investments (Note 2)	\$ 2,620,631	2,043,893
Taxes receivable - Municipal (Note 3)	96,692	86,704
Other accounts receivable (Note 4)	345,676	428,120
Land for re-sale (Note 5)	1,080,011	1,073,106
Long-term investments	-	-
Debt charges recoverable	-	-
Other	-	-
Total financial assets	4,143,010	3,631,823
	<b><u>LIABILITIES</u></b>	
Bank indebtedness (Note 6)	-	-
Accounts payable	86,860	128,268
Accrued liabilities payable	27,166	31,577
Deposits	63,074	61,728
Deferred revenue	37,705	35,561
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Long-term debt (Note 7)	2,471,409	2,810,069
Lease obligations	-	-
Total liabilities	2,686,214	3,067,203
<b>NET FINANCIAL ASSETS (DEBT)</b>	1,456,796	564,620
Non-financial assets:		
Tangible capital assets (Schedule 6, 7)	17,876,621	17,993,229
Prepaid and deferred charges	2,842	6,798
Stock and supplies	61,117	48,751
Total non-financial assets	17,940,580	18,048,778
Accumulated surplus (Schedule 8)	\$ 19,397,376	18,613,398

**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, 2021**  
with comparative figures for 2020

		<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Revenues:				
Taxes and other unconditional revenue	(Schedule 1)	\$ 2,545,600	2,546,281	2,633,118
Fees and charges	(Schedule 4, 5)	1,333,200	1,342,309	1,173,519
Conditional grants	(Schedule 4, 5)	67,300	71,421	66,175
Tangible capital asset sales - gain (loss)	(Schedule 4, 5)	-	(20,897)	-
Land sales - gain (loss)	(Schedule 4, 5)	-	-	-
Investment income and commissions	(Schedule 4, 5)	19,000	17,777	22,059
Restructurings	(Schedule 4, 5)	-	-	-
Other revenues	(Schedule 4, 5)	<u>294,000</u>	<u>311,448</u>	<u>295,395</u>
Total Revenues		4,259,100	4,268,339	4,190,266
Expenditures:				
General government services	(Schedule 3)	417,200	396,934	385,154
Protective services	(Schedule 3)	254,900	237,735	219,095
Transportation services	(Schedule 3)	1,023,900	810,393	991,076
Environmental and public health services	(Schedule 3)	390,100	370,075	358,175
Planning and development services	(Schedule 3)	57,200	46,776	46,648
Recreation and cultural services	(Schedule 3)	954,000	880,707	975,803
Utility services	(Schedule 3)	1,007,500	1,010,961	923,917
Restructurings	(Schedule 3)	-	-	-
Total Expenditures		<u>4,104,800</u>	<u>3,753,581</u>	<u>3,899,868</u>
Surplus (deficit) of revenues over expenditures before other capital contributions		<u>154,300</u>	<u>514,758</u>	<u>290,398</u>
Provincial/Federal capital grants and contributions	(Schedule 4, 5)	<u>112,000</u>	<u>269,220</u>	<u>414,684</u>
Surplus (deficit) of revenues over expenditures		266,300	783,978	705,082
Accumulated surplus (deficit), beginning of year		<u>18,613,398</u>	<u>18,613,398</u>	<u>17,908,316</u>
Accumulated surplus (deficit), end of year		<u>\$ 18,879,698</u>	<u>19,397,376</u>	<u>18,613,398</u>

See accompanying notes to the financial statements.

# TOWN OF WATROUS

**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>
<b>Surplus (deficit)</b>	\$ 266,300	783,978	705,082
(Acquisition) of tangible capital assets	(680,000)	(588,985)	(739,341)
Amortization of tangible capital assets	596,000	626,396	599,944
Proceeds on disposal of tangible capital assets	-	58,300	-
Loss (gain) on disposal of tangible capital assets	-	20,897	-
Transfer of assets/liabilities in restructuring transactions	-	-	-
<b>Surplus (deficit) of capital expenses over expenditures</b>	<u>(84,000)</u>	<u>116,608</u>	<u>(139,397)</u>
(Acquisition) of supplies inventories	-	(15,955)	(11,675)
(Acquisition) of prepaid expenses	-	(2,551)	(6,506)
Consumption of supplies inventories	-	3,590	16,607
Use of prepaid expenses	-	6,506	4,937
<b>Surplus (deficit) of expenses of other non-financial over expenditures</b>	<u>(84,000)</u>	<u>(8,410)</u>	<u>3,363</u>
<b>Increase (decrease) in Net Financial Assets</b>	98,300	892,176	569,048
<b>Net Financial Assets (Debt) - Beginning of the year</b>	<u>564,620</u>	<u>564,620</u>	<u>(4,428)</u>
<b>Net Financial Assets (Debt)- End of year</b>	\$ <u>662,920</u>	<u>1,456,796</u>	<u>564,620</u>

See accompanying notes to the financial statements.

# TOWN OF WATROUS

Statement 4

## STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 2021  
with comparative figures for 2020

Cash provided by (used in) the following activities:	<u>2021</u>	<u>2020</u>
Operating:		
Surplus (deficit)	\$ 783,978	705,082
Amortization	626,396	599,944
Loss (gain) on disposal of tangible capital assets	<u>20,897</u>	<u>-</u>
	1,431,271	1,305,026
Change in assets/liabilities		
Taxes receivable - Municipal	(9,987)	43,672
Other accounts receivable	82,444	226,415
Land for re-sale	(6,905)	63,392
Other financial assets	-	-
Accounts and accrued liabilities payable	(45,820)	(121,408)
Deposits	1,346	1,367
Deferred revenue	2,144	21,861
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Stock and supplies	(12,366)	4,932
Prepayments and deferred charges	3,956	(1,569)
Other	<u>-</u>	<u>-</u>
Net cash from operations	<u>1,446,083</u>	<u>1,543,688</u>
Capital:		
Acquisition of capital assets	(588,985)	(739,341)
Proceeds from the disposal of capital assets	58,300	-
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(530,685)</u>	<u>(739,341)</u>
Investing:		
Long-term investments	-	-
Other investments	<u>-</u>	<u>-</u>
Net cash from investing	<u>-</u>	<u>-</u>
Financing activities:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	(338,660)	(327,046)
Other financing	<u>-</u>	<u>-</u>
Net cash used for financing	<u>(338,660)</u>	<u>(327,046)</u>
Increase (decrease) in cash resources	576,738	477,301
Cash and temporary investments, beginning of year	<u>2,043,893</u>	<u>1,566,592</u>
Cash and temporary investments, end of year (Note 2)	<u>\$ 2,620,631</u>	<u>2,043,893</u>

See accompanying notes to the financial statements.



**TOWN OF WATROUS**  
**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 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, 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) Budget**

Budget information is presented on a basis consistent with that used for actual results (accrual basis). The budget was approved by Town Council on March 22, 2021.

**(l) 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.

**(m) 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, 2021**

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

**(n) 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	
Water and sewer	15 to 60 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.

**TOWN OF WATROUS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

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

**(o) 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.

**(p) 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.

**(q) 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, 2021**

**2. CASH AND TEMPORARY INVESTMENTS**

	<u>2021</u>	<u>2020</u>
Cash	\$ 2,620,631	2,043,893
Temporary investments	<u>-</u>	<u>-</u>
	<u>\$ 2,620,631</u>	<u>2,043,893</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>2021</u>	<u>2020</u>
Municipal: - Current	\$ 78,220	71,637
- Arrears	<u>18,472</u>	<u>15,067</u>
	96,692	86,704
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Total municipal taxes receivable	<u>96,692</u>	<u>86,704</u>
School: - Current	25,805	21,166
- Arrears	<u>3,800</u>	<u>3,472</u>
Total school taxes receivable	<u>29,605</u>	<u>24,638</u>
Other: - Current	-	-
- Arrears	<u>-</u>	<u>-</u>
Total other collections receivable	<u>-</u>	<u>-</u>
Total taxes and grants in lieu receivable	126,297	111,342
Deduct taxes receivable to be collected on behalf of other organizations	<u>(29,605)</u>	<u>(24,638)</u>
Total taxes receivable - Municipal	<u>\$ 96,692</u>	<u>86,704</u>

**4. OTHER ACCOUNTS RECEIVABLE**

	<u>2021</u>	<u>2020</u>
Federal government	\$ 33,426	20,644
Provincial government	10,794	15,743
Local government	-	-
Utility	170,819	175,631
Trade	38,623	30,505
Local improvement levy	53,302	86,885
Other (Service agreements)	<u>40,000</u>	<u>100,000</u>
Total other accounts receivable	346,964	429,408
Less: allowance for uncollectibles	<u>(1,288)</u>	<u>(1,288)</u>
Net other accounts receivable	<u>\$ 345,676</u>	<u>428,120</u>

**TOWN OF WATROUS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

**5. LAND FOR RESALE**

	<u>2021</u>	<u>2020</u>
Tax title property	\$ 56,919	56,919
Less: - allowance for market value adjustment	(29,713)	(29,713)
- due to other taxing authorities	<u>(1,889)</u>	<u>(1,889)</u>
Net tax title Property	<u>25,317</u>	<u>25,317</u>
Other land	1,054,694	1,047,789
Less: - allowance for market value adjustment	<u>-</u>	<u>-</u>
Net other land	<u>1,054,694</u>	<u>1,047,789</u>
Total land for resale	<u>\$ 1,080,011</u>	<u>1,073,106</u>

**6. BANK INDEBTEDNESS**

**Credit Arrangements**

At December 31, 2021, the Town had a line of credit totaling \$1,000,000, none of which was drawn at year-end (2020 - \$NIL). The line of credit is authorized through a municipal borrowing resolution.

**TOWN OF WATROUS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

**7. LONG-TERM DEBT**

a) The authorized debt limit for the Town is \$2,740,541. 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>2021</u>	<u>2020</u>
Sask Finance debenture, repayable in annual payments of \$71,039 including interest at 3.05%.	\$ 655,481	705,017
Sask Finance debenture, repayable in annual payments of \$112,340 including interest at 5.00%.	570,202	650,040
Sask Finance debenture, repayable in annual payments of \$57,372 including interest at 2.70%.	<u>622,018</u>	<u>661,528</u>
	<u>\$ 1,847,701</u>	<u>2,016,585</u>

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Total
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
2026	204,600	36,149	240,749
Thereafter	<u>899,064</u>	<u>98,484</u>	<u>997,548</u>
Balance	<u>\$ 1,847,701</u>	<u>353,597</u>	<u>2,201,298</u>

**TOWN OF WATROUS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

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

c) Bank loans:

	<u>2021</u>	<u>2020</u>
Affinity Credit Union loan, repayable in quarterly payments of \$34,382 including interest at 2.99%.	\$ 523,531	644,932
Royal Bank of Canada loan, repayable in annual payments of \$26,577 including interest at 3.37%.	74,742	98,231
Royal Bank of Canada loan, repayable in annual payments of \$27,045 including interest at 3.63%.	<u>25,435</u>	<u>50,321</u>
	<u>\$ 623,708</u>	<u>793,484</u>

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Total
2022	\$ 174,863	17,808	192,671
2023	154,088	12,284	166,372
2024	158,011	7,479	165,490
2025	136,746	2,555	139,301
2026	-	-	-
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>
Balance	<u>\$ 623,708</u>	<u>40,126</u>	<u>663,834</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 \$75,809 (2020 - \$76,577). 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, 2021 Audited Financial Statements) the Municipal Employees Pension Plan had a surplus in the net assets available for benefits of \$1,144,386,000. This is based on the most recent actuarial valuation, completed December 31, 2020. The Town's portion of this is not readily determinable.



**TOWN OF WATROUS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

**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 \$NIL (2020 - \$58,900) relating to an initial construction levy. The Town will also be liable for an annual levy for regular operations.

**TOWN OF WATROUS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

**10. 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, 2021  
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
<b>TAXES</b>			
General municipal tax levy	\$ 1,890,000	1,890,022	1,860,811
Abatements and adjustments	(14,000)	(10,795)	(13,913)
Discount on current year taxes	<u>(75,000)</u>	<u>(69,522)</u>	<u>(74,418)</u>
<b>Net municipal taxes</b>	1,801,000	1,809,705	1,772,480
Potash tax share	50,000	45,368	47,216
Trailer license fees	12,000	11,743	12,026
Penalties on tax arrears	22,000	21,995	25,587
Special tax levy	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Taxes</b>	<u>1,885,000</u>	<u>1,888,811</u>	<u>1,857,309</u>
<b>UNCONDITIONAL GRANTS</b>			
Revenue sharing	435,000	428,291	432,175
Organized Hamlet	-	-	-
Other (Safe Restart)	<u>-</u>	<u>-</u>	<u>113,343</u>
<b>Total Unconditional Grants</b>	<u>435,000</u>	<u>428,291</u>	<u>545,518</u>
<b>GRANTS IN LIEU OF TAXES</b>			
Federal	12,000	11,906	11,890
Provincial			
S.P.C. Electrical	-	2,240	-
SaskEnergy Gas	-	-	-
TransGas	-	-	-
Central Services	-	-	-
Sasktel	4,800	4,770	4,763
Other	5,800	5,809	8,504
Local/Other			
Housing Authority	42,000	44,011	41,356
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other	-	-	-
Other Government Transfers			
S.P.C. Surcharge	116,000	116,350	117,895
SaskEnergy Surcharge	45,000	44,093	45,883
Other	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Grants in Lieu of Taxes</b>	<u>225,600</u>	<u>229,179</u>	<u>230,291</u>
<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<u>\$ 2,545,600</u>	<u>2,546,281</u>	<u>2,633,118</u>

See accompanying notes to the financial statements.

## TOWN OF WATROUS

## 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>
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Land rentals	\$ 15,000	18,977	14,433
Sales of supplies	27,500	1,487	6,872
Other (Licenses, permits)	8,700	9,431	8,160
Total Fees and Charges	51,200	29,895	29,465
Tangible capital asset sales - gain (loss)	-	-	-
Land sales - gain (loss)	-	-	-
Investment income and commissions	19,000	17,777	22,059
Other	1,000	14,078	1,235
Total other segmented revenue	71,200	61,750	52,759
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	<u>71,200</u>	<u>61,750</u>	<u>52,759</u>
<b>Capital</b>			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
<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>71,200</u>	<u>61,750</u>	<u>52,759</u>
<b>PROTECTIVE SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Other (Policing and fire fees)	20,000	14,530	10,328
Total Fees and Charges	20,000	14,530	10,328
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	20,000	14,530	10,328
Conditional Grants			
Student employment	-	-	-
Local government	-	-	-
Other (Donations)	4,000	3,265	465
Total Conditional Grants	4,000	3,265	465
<b>Total Operating</b>	<u>24,000</u>	<u>17,795</u>	<u>10,793</u>
<b>Capital</b>			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Provincial Disaster Assistance	-	-	-
Local government	-	-	-
Other (Donations)	-	36,205	2,000
<b>Total Capital</b>	<u>-</u>	<u>36,205</u>	<u>2,000</u>
<b>Restructuring Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Protective Services</b>	<u>24,000</u>	<u>54,000</u>	<u>12,793</u>

See accompanying notes to the financial statements.

## TOWN OF WATROUS

## 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>
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 5,000	7,323	5,967
Sales of supplies	10,000	12,825	6,450
Road maintenance and restoration agreements	-	-	-
Other	-	-	-
Total Fees and Charges	15,000	20,148	12,417
Tangible capital asset sales - gain (loss)	-	(20,897)	-
Other	-	-	-
Total other segmented revenue	15,000	(749)	12,417
Conditional Grants			
Primary Weight Corridor	-	-	-
Student employment	-	-	-
Other (UHCP)	15,500	10,794	10,794
Total Conditional Grants	15,500	10,794	10,794
<b>Total Operating</b>	<b>30,500</b>	<b>10,045</b>	<b>23,211</b>
<b>Capital</b>			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Provincial Disaster Assistance	-	-	-
Other (Municipal Economic Enhancement Program)	-	-	273,084
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>273,084</b>
<b>Restructuring Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Transportation Services</b>	<b>30,500</b>	<b>10,045</b>	<b>296,295</b>
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Medical clinic revenues	180,000	180,376	180,354
Waste and disposal fees	37,000	37,435	37,827
Cemetery fees	12,000	18,570	12,180
Other (Mobility van)	4,000	1,496	2,000
Total Fees and Charges	233,000	237,877	232,361
Tangible capital asset sales - gain (loss)	-	-	-
Other (Sask Housing surplus)	3,000	6,122	3,968
Total other segmented revenue	236,000	243,999	236,329
Conditional Grants			
Student employment	-	-	-
TAPD	-	-	-
Local government	-	-	-
Other (Transit and REACT)	1,000	5,466	1,360
Total Conditional Grants	1,000	5,466	1,360
<b>Total Operating</b>	<b>237,000</b>	<b>249,465</b>	<b>237,689</b>
<b>Capital</b>			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Transit Assistance for People with Disabilities (TAPD)	-	-	-
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 Environmental and Public Health Services Services</b>	<b>237,000</b>	<b>249,465</b>	<b>237,689</b>

See accompanying notes to the financial statements.

## TOWN OF WATROUS

## 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>
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Land inventory net gain (net loss)	\$ 75.000	89.027	(2.894)
Development charges	-	-	-
Other	-	-	-
Total Fees and Charges	75.000	89.027	(2.894)
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	75.000	89.027	(2.894)
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	<b>75.000</b>	<b>89.027</b>	<b>(2.894)</b>
<b>Capital</b>			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
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>75.000</b>	<b>89.027</b>	<b>(2.894)</b>
<b>RECREATION AND CULTURAL SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Rentals	6,000	15,628	2,865
Recreation fees	151.500	123,770	100,879
Other	-	-	-
Total Fees and Charges	157,500	139,398	103,744
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	157,500	139,398	103,744
Conditional Grants			
Student employment	7,500	9,621	15,848
Local government	16,300	19,142	14,183
Donations	3,000	3,978	3,586
Other (Sask Lotteries)	20,000	19,155	19,939
Total Conditional Grants	46,800	51,896	53,556
<b>Total Operating</b>	<b>204,300</b>	<b>191,294</b>	<b>157,300</b>
<b>Capital</b>			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Local government	-	-	-
Provincial Disaster Assistance	-	-	-
Other (Donations)	-	1,500	27,500
<b>Total Capital</b>	<b>-</b>	<b>1,500</b>	<b>27,500</b>
<b>Restructuring Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Recreation and Cultural Services</b>	<b>204,300</b>	<b>192,794</b>	<b>184,800</b>

See accompanying notes to the financial statements.

## TOWN OF WATROUS

## 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>
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Water	\$ 516,000	539,635	520,917
Sewer	265,000	271,479	267,082
Other (Connection fees)	500	320	99
Total Fees and Charges	781,500	811,434	788,098
Tangible capital asset sales - gain (loss)	-	-	-
Other (Water and sewer infrastructure levy)	290,000	291,248	290,192
Total other segmented revenue	1,071,500	1,102,682	1,078,290
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	1,071,500	1,102,682	1,078,290
<b>Capital</b>			
Conditional Grants			
Canada Community-Building Fund (CCBF)	112,000	231,515	112,100
New Building Canada Fund (SCF, NRP)	-	-	-
Clean Water and Wastewater Fund (CWWF)	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	112,000	231,515	112,100
<b>Restructuring Revenue</b>	-	-	-
<b>Total Utility Services</b>	1,183,500	1,334,197	1,190,390
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	\$ 1,825,500	1,991,278	1,971,832
<b>SUMMARY</b>			
Total Other Segmented Revenue	\$ 1,646,200	1,650,637	1,490,973
Total Conditional Grants	67,300	71,421	66,175
Total Capital Grants and Contributions	112,000	269,220	414,684
Restructuring Revenue	-	-	-
<b>TOTAL REVENUE BY FUNCTION</b>	\$ 1,825,500	1,991,278	1,971,832

See accompanying notes to the financial statements.

## TOWN OF WATROUS

## 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>
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	\$ 40,000	43,425	40,429
Wages and benefits	234,900	218,764	219,343
Professional/Contractual services	113,300	107,667	97,315
Utilities	7,500	7,696	6,436
Maintenance, materials, and supplies	14,000	14,458	14,783
Grants and contributions -operating	-	-	-
-capital	-	-	-
Amortization	-	877	877
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other	7,500	4,047	5,971
<b>General Government Services</b>	<u>417,200</u>	<u>396,934</u>	<u>385,154</u>
<b>Restructuring</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total General Government Services</b>	<u>417,200</u>	<u>396,934</u>	<u>385,154</u>
<b>PROTECTIVE SERVICES</b>			
<b>Police protection</b>			
Wages and benefits	-	-	-
Professional/Contractual services	150,000	151,902	147,932
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions -operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
<b>Fire protection</b>			
Wages and benefits	24,000	23,305	19,907
Professional/Contractual services	22,900	16,866	21,313
Utilities	8,000	8,676	7,024
Maintenance, materials, and supplies	15,000	18,608	4,541
Grants and contributions -operating	-	-	-
-capital	-	-	-
Amortization	35,000	18,378	18,378
Interest	-	-	-
Other	-	-	-
<b>Protective Services</b>	<u>254,900</u>	<u>237,735</u>	<u>219,095</u>
<b>Restructuring</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Protective Services</b>	<u>254,900</u>	<u>237,735</u>	<u>219,095</u>
<b>TRANSPORTATION SERVICES</b>			
Wages and benefits	374,500	316,135	330,217
Professional/Contractual services	276,700	149,325	313,978
Utilities	51,500	45,775	49,142
Maintenance, materials, and supplies	136,000	118,366	109,335
Gravel	30,000	9,534	16,399
Grants and contributions -operating	-	-	-
-capital	-	-	-
Amortization	150,000	166,531	165,576
Interest	5,200	4,727	6,429
Other	-	-	-
<b>Transportation Services</b>	<u>1,023,900</u>	<u>810,393</u>	<u>991,076</u>
<b>Restructuring</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Transportation Services</b>	<u>1,023,900</u>	<u>810,393</u>	<u>991,076</u>

See accompanying notes to the financial statements.



## TOWN OF WATROUS

## 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>
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Wages and benefits	\$ 288,400	264,358	266,676
Professional/Contractual services	78,200	73,531	65,102
Utilities	-	-	-
Maintenance, materials, and supplies	6,000	4,578	3,516
Grants and contributions			
-operating			
Waste disposal	-	-	-
Public health	1,500	6,180	1,418
-capital			
Waste disposal	-	-	-
Public health	-	-	-
Amortization	9,000	13,873	13,873
Interest	-	-	-
Other (REACT tags)	7,000	7,555	7,590
<b>Environmental and Public Health Services</b>	<u>390,100</u>	<u>370,075</u>	<u>358,175</u>
<b>Restructuring</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Environmental and Public Health Services</b>	<u>390,100</u>	<u>370,075</u>	<u>358,175</u>
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
Wages and benefits	-	-	-
Professional/Contractual services	1,200	1,573	1,778
Utilities	1,000	441	231
Grants and contributions			
-operating	55,000	44,762	44,639
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
<b>Planning and Development Services</b>	<u>57,200</u>	<u>46,776</u>	<u>46,648</u>
<b>Restructuring</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Planning and Development Services</b>	<u>57,200</u>	<u>46,776</u>	<u>46,648</u>
<b>RECREATION AND CULTURAL SERVICES</b>			
Wages and benefits	277,500	302,423	300,361
Professional/Contractual services	213,400	164,080	205,378
Utilities	84,000	69,008	78,202
Maintenance, materials, and supplies	177,500	139,388	175,674
Grants and contributions			
-operating	45,400	48,518	54,937
-capital	-	-	-
Amortization	127,000	128,115	128,115
Interest	29,200	29,175	33,136
Allowance for uncollectibles	-	-	-
Other	-	-	-
<b>Recreation and Cultural Services</b>	<u>954,000</u>	<u>880,707</u>	<u>975,803</u>
<b>Restructuring</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Recreation and Cultural Services</b>	<u>954,000</u>	<u>880,707</u>	<u>975,803</u>

See accompanying notes to the financial statements.

**TOWN OF WATROUS****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>
<b>UTILITY SERVICES</b>			
Wages and benefits	\$ 272,000	271,786	255,042
Professional Contractual services	184,900	182,014	149,939
Utilities	103,500	95,808	104,804
Maintenance, materials, and supplies	113,500	104,947	77,231
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	275,000	298,622	273,125
Interest	57,600	56,727	62,829
Allowance for uncollectibles	-	-	-
Other (RM property tax)	1,000	1,057	947
Utility Services	<u>1,007,500</u>	<u>1,010,961</u>	<u>923,917</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Services	<u>1,007,500</u>	<u>1,010,961</u>	<u>923,917</u>
 <b>TOTAL EXPENDITURES BY FUNCTION</b>	 <u>\$ 4,104,800</u>	 <u>3,753,581</u>	 <u>3,899,868</u>

See accompanying notes to the financial statements.

# TOWN OF WATROUS

## 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
<b>Revenues (Schedule 2)</b>								
Fees and charges	\$ 29,895	14,530	20,148	237,877	89,027	139,398	811,434	1,342,309
Tangible capital asset sales - Gain (loss)	-	-	(20,897)	-	-	-	-	(20,897)
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	17,777	-	-	-	-	-	-	17,777
Other revenues	14,078	-	-	6,122	-	-	291,248	311,448
Grants - Conditional	-	3,265	10,794	5,466	-	51,896	-	71,421
Grants - Capital	-	36,205	-	-	-	1,500	231,515	269,220
Restructurings	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>61,750</u>	<u>54,000</u>	<u>10,045</u>	<u>249,465</u>	<u>89,027</u>	<u>192,794</u>	<u>1,334,197</u>	<u>1,991,278</u>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	262,189	23,305	316,135	264,358	-	302,423	271,786	1,440,196
Professional/Contractual Services	107,667	168,768	149,325	73,531	1,573	164,080	182,014	846,958
Utilities	7,696	8,676	45,775	-	441	69,008	95,808	227,404
Maintenance, materials and supplies	14,458	18,608	127,900	4,578	-	139,388	104,947	409,879
Grants and contributions	-	-	-	6,180	44,762	48,518	-	99,460
Amortization	877	18,378	166,531	13,873	-	128,115	298,622	626,396
Interest	-	-	4,727	-	-	29,175	56,727	90,629
Allowance for uncollectibles	-	-	-	-	-	-	-	-
Other	4,047	-	-	7,555	-	-	1,057	12,659
Restructurings	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<u>396,934</u>	<u>237,735</u>	<u>810,393</u>	<u>370,075</u>	<u>46,776</u>	<u>880,707</u>	<u>1,010,961</u>	<u>3,753,581</u>
<b>Surplus (deficit) by function</b>	(335,184)	(183,735)	(800,348)	(120,610)	42,251	(687,913)	323,236	(1,762,303)
Taxation and other unconditional revenue (Schedule 1)								<u>2,546,281</u>
<b>Net Surplus (Deficit)</b>								<u>\$ 783,978</u>

See accompanying notes to the financial statements.

## TOWN OF WATROUS

## Schedule 5

## 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)	103,744	788,098	1,173,519
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>184,800</u>	<u>1,190,390</u>	<u>1,971,832</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	97,315	169,245	313,978	65,102	1,778	205,378	149,939	1,002,735
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	-	-	-	14,508
Restructurings	-	-	-	-	-	-	947	-
<b>Total expenses</b>	<u>385,154</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>3,899,868</u>
<b>Surplus (deficit) by function</b>	(332,395)	(206,302)	(694,781)	(120,486)	(49,542)	(791,003)	266,473	(1,928,036)
Taxation and other unconditional revenue (Schedule 1)								<u>2,633,118</u>
<b>Net Surplus (Deficit)</b>								<u>\$ 705,082</u>

See accompanying notes to the financial statements.

# TOWN OF WATROUS

## 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
<b>Asset cost</b>								
Opening asset costs	\$ 74,078	242,235	6,760,634	808,484	1,244,420	18,855,140	365,788	28,350,779
Additions during the year	-	-	103,441	-	230,345	255,199	-	588,985
Disposals and write-downs during the year	-	-	-	-	(105,596)	-	-	(105,596)
Transfers (from) assets under construction	-	-	-	-	-	303,633	(303,633)	-
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
<b>Closing asset costs</b>	<u>74,078</u>	<u>242,235</u>	<u>6,864,075</u>	<u>808,484</u>	<u>1,369,169</u>	<u>19,413,972</u>	<u>62,155</u>	<u>28,834,168</u>
<b>Accumulated amortization cost</b>								
Opening accumulated amortization costs	-	149,386	3,433,026	475,261	369,802	5,930,075	-	10,357,550
Add: Amortization taken	-	12,948	145,003	36,890	48,960	382,595	-	626,396
Less: Accumulated amortization on disposals	-	-	-	-	(26,399)	-	-	(26,399)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
<b>Closing accumulated amortization costs</b>	<u>-</u>	<u>162,334</u>	<u>3,578,029</u>	<u>512,151</u>	<u>392,363</u>	<u>6,312,670</u>	<u>-</u>	<u>10,957,547</u>
<b>Net book value</b>	<u>\$ 74,078</u>	<u>79,901</u>	<u>3,286,046</u>	<u>296,333</u>	<u>976,806</u>	<u>13,101,302</u>	<u>62,155</u>	<u>17,876,621</u>

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 WATROUS

## 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
<b>Asset cost</b>								<b>Total</b>
Opening asset costs	\$ 8,776	697,160	7,516,592	208,325	-	5,367,904	14,552,022	28,350,779
Additions during the year	-	39,957	233,650	103,441	-	-	211,937	588,985
Disposals and write-downs during the year	-	-	(105,596)	-	-	-	-	(105,596)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
<b>Closing asset costs</b>	<u>8,776</u>	<u>737,117</u>	<u>7,644,646</u>	<u>311,766</u>	<u>-</u>	<u>5,367,904</u>	<u>14,763,959</u>	<u>28,834,168</u>
<b>Accumulated amortization cost</b>								
Opening accumulated amortization costs	877	321,146	3,977,605	29,359	-	2,302,274	3,726,289	10,357,550
Add: Amortization taken	877	18,378	166,531	13,873	-	128,115	298,622	626,396
Less: Accumulated amortization on disposals	-	-	(26,399)	-	-	-	-	(26,399)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
<b>Closing accumulated amortization costs</b>	<u>1,754</u>	<u>339,524</u>	<u>4,117,737</u>	<u>43,232</u>	<u>-</u>	<u>2,430,389</u>	<u>4,024,911</u>	<u>10,957,547</u>
<b>Net book value</b>	<u>\$ 7,022</u>	<u>397,593</u>	<u>3,526,909</u>	<u>268,534</u>	<u>-</u>	<u>2,937,515</u>	<u>10,739,048</u>	<u>17,876,621</u>

See accompanying notes to the financial statements.

**TOWN OF WATROUS**  
**SCHEDULE OF ACCUMULATED SURPLUS**  
Year ended December 31, 2021

	<u>2020</u>	<u>Changes</u>	<u>2021</u>
<b>UNAPPROPRIATED SURPLUS</b>	\$ <u>1,618,290</u>	<u>245,199</u>	<u>1,863,489</u>
<b>APPROPRIATED RESERVES</b>			
Machinery and equipment	-	-	-
Public reserve	22,200	-	22,200
Capital trust	192,300	43,700	236,000
Utility	150,000	200,000	350,000
Other:			
Protective Services - fire department	4,375	2,000	6,375
Transportation - streets	-	200,000	200,000
Envrionmental Health - recycle centre/transfer station	10,000	-	10,000
Public Health & Welfare	667,969	-	667,969
Public Health & Welfare - other	635,228	(136,492)	498,736
Recreation and Culture - arena	73,213	5,689	78,902
Recreation and Culture - other	56,663	1,830	58,493
<b>Total Appropriated</b>	<u>1,811,948</u>	<u>316,727</u>	<u>2,128,675</u>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>			
Tangible capital assets (Schedule 6)	17,993,229	(116,608)	17,876,621
Less: Related debt	<u>(2,810,069)</u>	<u>338,660</u>	<u>(2,471,409)</u>
<b>Net Investment in Tangible Capital Assets</b>	<u>15,183,160</u>	<u>222,052</u>	<u>15,405,212</u>
<b>Total Accumulated Surplus</b>	\$ <u>18,613,398</u>	<u>783,978</u>	<u>19,397,376</u>

See accompanying notes to the financial statements.

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

Year ended December 31, 2021  
 with comparative figures for 2020

	<b>PROPERTY CLASS</b>						<b>Total</b>
	<u>Agriculture</u>	<u>Residential</u>	<u>Residential Condominium</u>	<u>Seasonal Residential</u>	<u>Commercial &amp; Industrial</u>	<u>Potash Mine(s)</u>	
<b>Taxable Assessment</b>	\$ 1,310,760	133,002,880	-	-	30,267,650	-	\$ 164,581,290
<b>Regional Park Assessment</b>							-
<b>Total Assessment</b>							\$ 164,581,290
<b>Mill Rate Factor(s)</b>	1.0000	1.0000	1.0000	1.0000	1.5600		
<b>Total Base/Minimum Tax</b> (generated for each property class)	<u>8,156</u>	<u>871,886</u>	<u>-</u>	<u>-</u>	<u>133,185</u>		<u>1,013,227</u>
<b>Total Municipal Tax Levy</b> (include base and/or minimum tax and special levies)	<u>\$ 14,487</u>	<u>1,514,290</u>	<u>-</u>	<u>-</u>	<u>361,245</u>		<u>1,890,022</u>

**MILL RATES:**

	<u>MILLS</u>
<b>Average Municipal*</b>	11.484
<b>Average School*</b>	4.856
<b>Potash Mill Rate</b>	-
<b>Uniform Municipal Mill Rate</b>	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, 2021**  
with comparative figures for 2020

<b>Position</b>	<b>Name</b>	<b><u>Remuneration</u></b>	<b><u>Reimbursed Costs</u></b>	<b><u>Total</u></b>
Mayor	John Gunderson	\$ 8,925	1,543	10,468
Councillor	Juanita Allin	6,150	257	6,407
Councillor	Gary Bergen	5,775	257	6,032
Councillor	Taylor Engele	5,550	257	5,807
Councillor	Jody Lewis	4,650	257	4,907
Councillor	Lane Manson	6,525	257	6,782
Councillor	Jean Margetts	<u>5,850</u>	<u>257</u>	<u>6,107</u>
Total		<u>\$ 43,425</u>	<u>3,085</u>	<u>46,510</u>

See accompanying notes to the financial statements.

**TOWN OF WATROUS**  
**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	-
<b>Total Net Carrying Amount Received (Transferred)</b>	<b>\$ -</b>

See accompanying notes to the financial statements.