

**Annual Financial Statements**

**And Supporting Schedules**

**For The**

**Lac Des Iles Public Utility Commission**

**As at December 31, 2021**

### Management's Responsibility for Financial Reporting

The financial statements of Lac Des Iles Public Utility Commission have been prepared in accordance with Canadian public sector accounting standards (PSAS). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.


The integrity and reliability of Lac Des Iles Public Utility Commission's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board of Directors is composed of elected officials, who are not employees of the Commission, and meets periodically with management to review significant accounting, reporting and internal control matters. The Board of Directors is also responsible for the approval of the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by HRO Chartered Professional Accountants, in accordance with Canadian public sector accounting standards.

June 17, 2022

Date

  
Board member  
Administrator



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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Lac Des Iles Public Utility Commission

### *Opinion*

We have audited the financial statements of Lac Des Iles Public Utility Commission (the Commission), which comprise the statement of financial position as at December 31, 2021, 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 Commission as at December 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

### *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 Commission in accordance with 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 the financial statements in accordance with PSAS, 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 Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

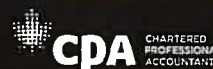
Those charged with governance are responsible for overseeing the Commission's financial reporting process.

(continues)

LORALIE A. RAICHE, CPA, CA, CFP®  
DALLAN D. OBERG, CPA, CA\*

\*DENOTES A PROFESSIONAL CORPORATION

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*Auditor's Responsibilities 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 Commission'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 Commission'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 Commission 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.

*HRO*

North Battleford, Saskatchewan  
June 17, 2022

Chartered Professional Accountants

**Lac Des Iles Public Utility Commission**  
**Statement of Financial Position**  
**As at December 31, 2021**

Statement 1

	2021	2020
<b>FINANCIAL ASSETS</b>		
Cash and Temporary Investments (Note 2)	\$ 319,810	\$ 254,108
Other Accounts Receivable (Note 3)	14,518	14,476
Land for Resale		
Long-term Investments		
Debt Charges Recoverable		
Other (Specify)		
<b>Total Financial Assets</b>	<b>334,328</b>	<b>268,584</b>
<b>LIABILITIES</b>		
Bank Indebtedness		
Accounts Payable	11,275	12,016
Accrued Liabilities Payable		
Deposits		
Deferred Revenue	1,586	312
Liability for Contaminated Sites		
Other Liabilities		
Long Term Debt		
Lease Obligations		
<b>Total Liabilities</b>	<b>12,861</b>	<b>12,328</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>321,467</b>	<b>256,256</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Schedule 1)	39,221	43,840
Other		
<b>Total Non-Financial Assets</b>	<b>39,221</b>	<b>43,840</b>
<b>Accumulated Surplus (Deficit) (Schedule 2)</b>	<b>\$ 360,688</b>	<b>\$ 300,096</b>

Lac Des Iles Public Utility Commission  
Statement of Operations  
As at December 31, 2021

Statement 2

	2021 Budget	2021	2020
<b>Revenues</b>			
Fees and Charges	\$ 197,660	\$ 205,016	\$ 199,084
Conditional Grants			
Municipal contributions			
Tangible Capital Asset Sales - Gain			
Investment Income and Commissions	4,010	684	2,390
Other Revenues			
<b>Total Revenues</b>	<b>201,670</b>	<b>205,700</b>	<b>201,474</b>
<b>Expenses</b>			
Board remuneration and travel	600	1,050	45
Wages and benefits	35,960	27,533	33,476
Professional/Contractual services	26,000	26,000	26,000
Utilities	12,330	9,850	9,916
Maintenance, materials and supplies	81,010	76,057	77,794
Amortization	2,320	4,618	2,315
Interest			
<b>Total Expenses</b>	<b>158,220</b>	<b>145,108</b>	<b>149,546</b>
<b>Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions</b>	<b>43,450</b>	<b>60,592</b>	<b>51,928</b>
Provincial/Federal Capital Grants and Contributions			
<b>Surplus (Deficit) of Revenues over Expenses</b>	<b>\$ 43,450</b>	<b>60,592</b>	<b>51,928</b>
<b>Accumulated Surplus (Deficit), Beginning of Year</b>		<b>300,096</b>	<b>248,168</b>
<b>Accumulated Surplus (Deficit), End of Year</b>		<b>\$ 360,688</b>	<b>\$ 300,096</b>

**Lac Des Iles Public Utility Commission**  
**Statement of Change in Net Financial Assets**  
**As at December 31, 2021**

Statement 3

	2021 Budget	2021	2020
<b>Surplus (Deficit)</b>	\$ 43,450	\$ 60,592	\$ 51,928
(Acquisition) of tangible capital assets			(46,137)
Amortization of tangible capital assets		4,619	2,315
Proceeds on disposal of tangible capital assets			
Loss (gain) on the disposal of tangible capital assets			
<b>Surplus (Deficit) of capital revenue over expenditures</b>		4,619	(43,822)
(Acquisition) of supplies inventories			
(Acquisition) of prepaid expense			
Consumption of supplies inventories			
Use of prepaid expense			
<b>Surplus (Deficit) of expenses of other non-financial over expenditures</b>			
<b>Increase (Decrease) in Net Financial Assets</b>	<b>\$ 43,450</b>	<b>65,211</b>	<b>8,106</b>
<b>Net Financial Assets - Beginning of Year</b>		<b>256,256</b>	<b>248,150</b>
<b>Net Financial Assets (Debt) - End of Year</b>	<b>\$</b>	<b>321,467</b>	<b>\$ 256,256</b>

*The accompanying notes and schedules are an integral part of these statements.*

**Lac Des Iles Public Utility Commission**  
**Statement of Cash Flow**  
**As at December 31, 2021**

Statement 4

**Cash provided by (used for) the following activities**

**Operating:**

Surplus (Deficit)	\$	60,592	\$	51,928
Amortization		4,619		2,315
		65,211		54,243

**Change in assets/liabilities**

Taxes Receivable - Municipal		
Other Receivables	(42)	(4,811)
Land for Resale		
Other Financial Assets		
Accounts and Accrued Liabilities Payable	(741)	2,894
Deposits		
Deferred Revenue	1,274	(104)
Accrued Landfill costs		
Liability for Contaminated Sites		
Other Liabilities		
Stock and Supplies for Use		
Prepayments and Deferred Charges		
Other (Specify)		

<b>Cash provided by (applied to) operating transactions</b>	<b>65,702</b>	<b>52,222</b>
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**Capital:**

Acquisition of Tangible Capital Assets		(46,137)
Proceeds From the Disposal of Tangible Capital Assets		
Other Capital		

<b>Cash provided by (applied to) applied to capital transactions</b>		<b>(46,137)</b>
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**Investing:**

Long-term Investments		
Other Investments		

<b>Cash provided by (applied to) investing transactions</b>		
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**Financing:**

Debt Charges Recovered		
Long-term Debt Issued		
Long-term Debt Repaid		
Other Financing		

<b>Cash provided by (applied to) financing transactions</b>		
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<b>Change in Cash and Temporary Investments during the year</b>	<b>65,702</b>	<b>6,085</b>
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<b>Cash and Temporary Investments - Beginning of Year</b>	<b>254,108</b>	<b>248,023</b>
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<b>Cash and Temporary Investments - End of Year</b>	<b>\$ 319,810</b>	<b>\$ 254,108</b>
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**Lac Des Iles Public Utility Commission**  
**Notes to the Financial Statements**  
**As at December 31, 2021**

**1. Significant Accounting Policies**

The financial statements of the Commission have been prepared by management in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada).

Significant aspects of the accounting policies adopted by the Commission are as follows:

- a) **Basis of Accounting:** The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting requires revenues to be recognized as they become available and measurable and 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 consolidates the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources.
  - c) **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 revenue in the period that the events giving rise to the transfer occur, providing:
    - a) the transfers are authorized;
    - b) any eligibility criteria have been met; and
    - c) 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 account receivable.
- d) **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.
  - e) **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.
  - f) **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.
  - g) **Measurement Uncertainty:** The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount 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. Taxes receivable and accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.
  - h) **Revenue recognition:** Revenue is recognized in the period that it is considered to have been earned, ultimate collection is reasonably assured and in the period when the related expenses are incurred or services performed.

**Lac Des Iles Public Utility Commission**  
**Notes to the Financial Statements**  
**As at December 31, 2021**

**1. Significant Accounting Policies - continued**

- i) **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 deflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The cost 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 Commission's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Computer equipment	3 years
Operating equipment	10 years

- j) **Budget Information:** Budget figures are reported for information purposes only and are not included in the scope of the external audit. The budget was approved by the Board on *June 18, 2021*.

- k) **New Standards and Amendments to Standards:**  
**Effective for Fiscal Years Beginning 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**, 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**, 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.

**Effective for Fiscal Years Beginning On or After April 1, 2023:**

**PS 3400, Revenue**, 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 extent of the impact on adoption of these future standards is not known at this time.

**Lac Des Iles Public Utility Commission**  
**Notes to the Financial Statements**  
**As at December 31, 2021**

**2. Cash and Temporary Investments**

	2021	2020
Cash	\$ 195,030	\$ 129,852
Temporary Investments	124,780	124,256
Restricted Cash		
<b>Total Cash and Temporary Investments</b>	<b>\$ 319,810</b>	<b>\$ 254,108</b>

Cash and temporary investments include balances with banks, Credit Unions, term deposits, marketable securities and short term investments with maturities of 12 months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash. Term deposits are earning interest of 0.2% to 0.45%.

**3. Other Accounts Receivable**

Federal government	\$ 4,431	\$ 6,665
Provincial government		
Local government	10,087	7,811
Utility		
Trade		
Other (Specify)		
<b>Total Other Accounts Receivable</b>	<b>14,518</b>	<b>14,476</b>

Less Allowance for Uncollectibles

<b>Net Other Accounts Receivable</b>	<b>\$ 14,518</b>	<b>\$ 14,476</b>
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As at December 31, 2021

## Schedule 1

	2021					2020				
	General Assets					General/Infrastructure Assets Under Construction				
	Land	Land Improvements	Buildings	Operating Equipment	Computer Equipment	Infrastructure Assets				
<b>Asset Cost</b>						Linear assets				
Opening Asset costs				\$ 46,137	\$ 1,104			\$ 47,241	\$ 1,104	
Additions during the year									46,137	
Disposals and write-downs during the year										
Transfers (from) assets under construction										
<b>Closing Asset Costs</b>				<b>46,137</b>	<b>1,104</b>			<b>47,241</b>		<b>47,241</b>
<b>Accumulated Amortization Cost</b>										
Opening Accumulated Amortization Costs				2,307	1,094			3,401	1,086	
Add: Amortization taken				4,614	5			4,619	2,315	
Less: Accumulated amortization on disposals										
<b>Closing Accumulated Amortization Costs</b>				<b>6,921</b>	<b>1,099</b>			<b>8,020</b>	<b>3,401</b>	<b>3,401</b>
<b>Net Book Value</b>				<b>\$ 39,216</b>	<b>\$ 5</b>			<b>\$ 39,221</b>	<b>\$ 43,840</b>	<b>\$ 43,840</b>

**Lac Des Iles Public Utility Commission**  
**Schedule of Accumulated Surplus**  
**As at December 31, 2021**

Schedule 2

	2020	Changes	2021
<b>UNAPPROPRIATED SURPLUS</b>	<b>\$ 256,256</b>	<b>\$ 65,211</b>	<b>\$ 321,467</b>
<b>APPROPRIATED RESERVES</b>			
Machinery and Equipment			
Public Reserve			
Capital Trust			
Utility			
Other (Specify)			
<b>Total Appropriated</b>			
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>			
Tangible capital assets (Schedule 1)	43,840	(4,619)	39,221
Less: Related debt			
<b>Net Investment in Tangible Capital Assets</b>	<b>43,840</b>	<b>(4,619)</b>	<b>39,221</b>
<b>Total Accumulated Surplus</b>	<b>\$ 300,096</b>	<b>\$ 60,592</b>	<b>\$ 360,688</b>