

Annual Financial Statements

And Supporting Schedules

For The

Lac Des Iles Public Utility Commission

As at December 31, 2023

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.

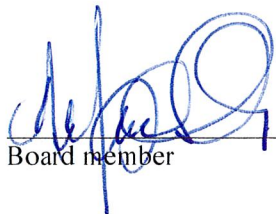
The integrity and reliability of Lac Des Iles Public Utility Commission's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that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

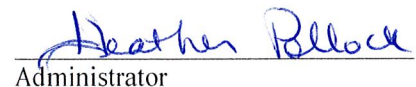
The financial statements have been audited on behalf of the members by HRO Chartered Professional Accountants, in accordance with Canadian public sector accounting standards.

August 2, 2024

Date



Board member



Administrator



ADDRESS:
1321 101ST STREET
NORTH BATTLEFORD, SK S9A 0Z9

PHONE: 306-445-6291
FAX: 306-445-3882
EMAIL: info@hrocpa.ca

INDEPENDENT AUDITOR'S REPORT

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 organization), which comprise the statement of financial position as at December 31, 2023, and the statements of operations and accumulated surplus, changes in net financial assets (debt) and cash flows 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 organization as at December 31, 2023, 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 organization 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

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LORALIE A. RAICHE, CPA, CA, CFP*

DALLAN D. OBERG, CPA, CA*

*DENOTES A PROFESSIONAL CORPORATION

www.hrocpa.ca



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 organization'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 organization'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 organization 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.

North Battleford, Saskatchewan
August 2, 2024

HRO

Chartered Professional Accountants

Lac Des Iles Public Utility Commission

Statement of Financial Position

As at December 31, 2023

Statement 1

	2023	2022
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	\$ 358,392	\$ 373,823
Taxes Receivable - Municipal		
Other Accounts Receivable (Note 3)	18,393	18,971
Assets Held for Sale		
Long-term Investments		
Debt Charges Recoverable		
Other (Specify)		
Total Financial Assets	376,785	392,794
LIABILITIES		
Bank Indebtedness		
Accounts Payable	9,036	13,718
Accrued Liabilities Payable		
Deposits		
Deferred Revenue	2,854	2,411
Liability for Contaminated Sites		
Other Liabilities		
Long Term Debt		
Lease Obligations		
Total Liabilities	11,890	16,129
NET FINANCIAL ASSETS (DEBT)	364,895	376,665
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 1)	82,306	34,602
Other		
Total Non-Financial Assets	82,306	34,602
Accumulated Surplus (Deficit) (Schedule 2)	\$ 447,201	\$ 411,267

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

Lac Des Iles Public Utility Commission
Statement of Operations
As at December 31, 2023

Statement 2

	2023 Budget	2023	2022
Revenues			
Fees and Charges	\$ 205,000	\$ 203,184	\$ 214,954
Conditional Grants			
Municipal contributions			
Tangible Capital Asset Sales - (Loss)			(5)
Investment Income and Commissions	1,810	9,666	1,800
Other Revenues			
Total Revenues	206,810	212,850	216,749
Expenses			
Board remuneration and travel	4,030	4,132	4,032
Wages and benefits	13,260	8,475	20,132
Professional/Contractual services	37,360	36,891	29,356
Utilities	10,260	13,128	10,254
Maintenance, materials and supplies	232,680	107,181	97,782
Amortization	4,610	7,109	4,614
Interest			
Total Expenses	302,200	176,916	166,170
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(95,390)	35,934	50,579
Provincial/Federal Capital Grants and Contributions			
Surplus (Deficit) of Revenues over Expenses	\$ (95,390)	35,934	50,579
Accumulated Surplus (Deficit), Beginning of Year		411,267	360,688
Accumulated Surplus (Deficit), End of Year		\$ 447,201	\$ 411,267

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

Lac Des Iles Public Utility Commission
Statement of Change in Net Financial Assets
As at December 31, 2023

Statement 3

	2023 Budget	2023	2022
Surplus (Deficit)	\$ (95,390)	\$ 35,934	\$ 50,579
(Acquisition) of tangible capital assets		(54,813)	
Amortization of tangible capital assets	4,610	7,109	4,614
Proceeds on disposal of tangible capital assets			
Loss (gain) on the disposal of tangible capital assets			5
Surplus (Deficit) of capital revenue over expenditures	4,610	(47,704)	4,619
(Acquisition) of supplies inventories			
(Acquisition) of prepaid expense			
Consumption of supplies inventories			
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures			
Increase (Decrease) in Net Financial Assets	\$ (90,780)	(11,770)	55,198
Net Financial Assets - Beginning of Year		376,665	321,467
Net Financial Assets (Debt) - End of Year		\$ 364,895	\$ 376,665

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, 2023

Statement 4

	2023	2022
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	\$ 35,934	\$ 50,579
Amortization	7,109	4,614
Loss (gain) on disposal of tangible capital assets		5
	<u>43,043</u>	<u>55,198</u>
Change in assets/liabilities		
Taxes Receivable - Municipal		
Other Receivables	578	(4,453)
Assets Held for Sale		
Other Financial Assets		
Accounts and Accrued Liabilities Payable	(4,682)	2,443
Deposits		
Deferred Revenue	443	825
Accrued Landfill costs		
Liability for Contaminated Sites		
Other Liabilities		
Stock and Supplies for Use		
Prepayments and Deferred Charges		
Other (Specify)		
Cash provided by (applied to) operating transactions	39,382	54,013
Capital:		
Acquisition of Tangible Capital Assets	(54,813)	
Proceeds on the Sale of Tangible Capital Assets		
Other Capital		
Cash provided by (applied to) applied to capital transactions	(54,813)	
Investing:		
Acquisition of Investments		
Proceeds on the Disposal of Investments		
Other Investments		
Cash provided by (applied to) investing transactions		
Financing:		
Debt Charges Recovered		
Proceeds from Long-Term Debt Issues		
Long-Term Debt Repayment		
Other Financing		
Cash provided by (applied to) financing transactions		
Change in Cash and Temporary Investments during the year	(15,431)	54,013
Cash and Temporary Investments - Beginning of Year	373,823	319,810
Cash and Temporary Investments - End of Year	\$ 358,392	\$ 373,823

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:

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.

- a) **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.

Entity

Lac Des Iles Public Utility Commission

- b) **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 will be recorded as deferred revenue until eligibility criteria or stipulations are met.

Earned government transfer amounts not received will be recorded as an account receivable.

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

- c) **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.
- d) **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.
- e) **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.
- f) **Financial Instruments:** Derivative and equity instruments that are quoted in an active market are carried at fair value. All other financial instruments are measured at cost/amortized cost; financial assets measured at amortized cost are recognized initially net of transaction costs with interest income recognized using the effective interest rate method. Impairment losses are recognized in the statement of operations when there is an other than temporary decline in value.

Interest and dividends attributable to financial instruments are reported in the statement of operations. Unrealized gains and losses are recognized in the statement of remeasurement gains and losses. When the investment is disposed of the accumulated gains or losses are reclassified to the statement of operations.

Measurement of Financial Instruments:

The municipalities financial assets and liabilities are measured as follows:

<u>Financial Statement line item</u>	<u>Measurement</u>
Cash & Cash Equivalents	Cost and amortized cost
Other Accounts Receivable	Cost and amortized cost
Accounts payable and accrued liabilities	Cost

- 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.

Measurement uncertainty impacts the following financial statement areas:

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Measurement financial instruments at fair value and recognition and measurement of impairment of financial instruments requires the use of significant management estimates.

- 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.

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
Leased capital assets	Lease term

- 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 *August 4, 2023*.

- k) **New Standards and Amendments to Standards:
Effective for Fiscal Years Beginning On or After April 1, 2023:**

PS 3160, Public private partnerships, a new standard establishing guidance on how to account for and report on partnerships between public and private sector entities. Specifically those in which the entity in the public sector procures infrastructure in conjunction with a private sector entity. In these scenarios the private sector entity must have obligations to design, build, acquire or improve existing infrastructure. Furthermore they must also finance the transaction past the point in which the asset is initially ready for use along with operating and/or maintaining such on an ongoing basis. The standard applies to 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 standard is mandatory for fiscal years beginning on or after April 1, 2023. Earlier adoption is permitted. The standard may be adopted retroactively or prospectively.

PSG-8, Purchased intangibles, provides guidance on accounting for and reporting on purchased intangibles. It provides clarity on the recognition criteria, along with instances of assets that would not meet the definition of such. The standard may be adopted retroactively or prospectively.

The extent of the impact on adoption of these future standards is not known at this time.

- l) **New Accounting Policies Adopted During the Year:**

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.

These measurements are to be applied prospectively with any difference between the fair value and the prior carrying value being recognized as an adjustment to accumulated remeasurement gains and losses at the beginning of the fiscal year. This standard was adopted in conjunction with PS 1201 - Financial Statement Presentation, PS 2601 - Foreign Currency Translation and PS 3041 - Portfolio Investments.

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.

Prospective application: During the year, the municipality adopted a new accounting policy with respect to Asset Retirement Obligations. The municipality now accounts for such transactions in accordance with PS 3280 Asset Retirement Obligations. Prior to this, the municipality did not account for these transactions. The adoption of this accounting policy has not impacted the municipality's financial statements.

Lac Des Iles Public Utility Commission
Notes to the Financial Statements
As at December 31, 2023

	2023	2022
2. Cash and Temporary Investments		
Cash	\$ 164,326	\$ 183,639
Temporary Investments	194,066	190,184
Restricted Cash		
Total Cash and Temporary Investments	\$ 358,392	\$ 373,823

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 3.25% to 5.1%.

3. Other Accounts Receivable

Federal government	\$ 8,757	\$ 3,612
Provincial government		
Local government	4,430	14,704
Utility	1,103	655
Trade		
Other (Accrued interest)	4,103	
Total Other Accounts Receivable	18,393	18,971
Less Allowance for Uncollectibles		
Net Other Accounts Receivable	\$ 18,393	\$ 18,971

Lac Des Iles Public Utility Commission
 Schedule of Tangible Capital Assets by Object
 As at December 31, 2023

Schedule 1

		2023					2022		
		General Assets				Infrastructure Assets	General/ Infrastructure Assets Under Construction	Total	Total
		Land	Land Improvements	Buildings	Operating Equipment	Computer Equipment	Linear assets		
Assets	Asset Cost								
	Opening Asset costs				\$ 46,137			\$ 46,137	\$ 47,241
	Additions during the year				14,999		39,814	54,813	
	Disposals and write-downs during the year								(1,104)
	Transfers (from) assets under construction								
	Closing Asset Costs				61,136		39,814	100,950	46,137
Amortization	Accumulated Amortization Cost								
	Opening Accumulated Amortization Costs				11,535			11,535	8,020
	Add: Amortization taken				6,114		995	7,109	4,614
	Less: Accumulated amortization on disposals								(1,099)
		Closing Accumulated Amortization Costs				17,649		995	18,644
	Net Book Value				\$ 43,487	\$	38,819	\$ 82,306	\$ 34,602

Lac Des Iles Public Utility Commission
 Schedule of Accumulated Surplus
 As at December 31, 2023

Schedule 2

	2022	Changes	2023
UNAPPROPRIATED SURPLUS	\$ 376,665	\$ (11,770)	\$ 364,895

APPROPRIATED RESERVES

Machinery and Equipment			
Public Reserve			
Capital Trust			
Utility			
Other (Specify)			
Total Appropriated			

NET INVESTMENT IN TANGIBLE CAPITAL ASSETS

Tangible capital assets (Schedule 1)	34,602	47,704	82,306
Less: Related debt			
Net Investment in Tangible Capital Assets	34,602	47,704	82,306

Total Accumulated Surplus	\$ 411,267	\$ 35,934	\$ 447,201
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