

**Interlake Regional Water Board**

**FINANCIAL INFORMATION**

**Year Ended December 31, 2024**

# Interlake Regional Water Board

Cochin, Saskatchewan

December 31, 2024

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## **Management's Responsibility**

The organization's management is responsible for the preparation and presentation of the accompanying financial statements in accordance with Canadian public sector accounting standards (PSAS). 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 board is composed of appointed officials who are not employees of the organization. The board is responsible for overseeing management in the performance of its financial reporting responsibilities. The board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with external auditors. The board is also responsible for recommending the appointment of the organization's external auditors.

Baker Tilly SK LLP, an independent firm of chartered professional accountants, is appointed by the board 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 board and management to discuss their audit findings.

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**Chairperson**

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**Administrator**

## Independent Auditors' Report

To the Board of Directors  
Interlake Regional Water Board

### *Opinion*

We have audited the financial statements of Interlake Regional Water Board, (the organization), which comprise the Statement of Financial Position as at December 31, 2024 and the Statements of Operations, Change in Net Financial Assets and Cash Flow 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, 2024, and results of its operations and its cash flow 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 Auditors' Responsibilities for the Audit of the financial statements section of our report. We are independent of the organization 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 the 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 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.

The Board of Directors is responsible for overseeing the organization's financial reporting process.



### *Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

**Baker Tilly SK LLP**

Saskatoon, SK  
June 17, 2025

**Interlake Regional Water Board**  
 Cochin, Saskatchewan  
 Statement of Financial Position as at December 31, 2024

Statement 1

	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
<b>Financial Assets</b>		
Cash and cash equivalents	159,036	133,980
Accounts receivable - note 3	194,303	110,293
Investments - note 4	2,000	
<b>Total Financial Assets</b>	<b>355,339</b>	<b>244,273</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities - note 5	9,901	9,901
Deferred revenue - note 6	3,910	4,797
<b>Total Liabilities</b>	<b>13,811</b>	<b>14,698</b>
<b>Net Financial Assets</b>	<b>341,528</b>	<b>229,575</b>
<b>Non-Financial Assets</b>		
Tangible capital assets - note 7	1,467,814	1,570,916
Prepaid expenses	9,040	8,215
<b>Total Non-Financial Assets</b>	<b>1,476,854</b>	<b>1,579,131</b>
<b>Accumulated Surplus</b>	<b>\$ 1,818,382</b>	<b>\$ 1,808,706</b>

Approved on behalf of the board:

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Chairperson

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Administrator

*The notes to financial information are an integral  
 part of this financial information.*

**Interlake Regional Water Board**Statement of Operations  
For the year ended December 31, 2024

Statement 2

	<b>2024 Budget (Note 2(i))</b>	<b>2024 Actual</b>	<b>2023 Actual</b>
<b>Revenues</b>			
Water service fee	326,350	296,679	245,150
Water usage fees	102,630	93,298	114,841
Infrastructure levy	60,190	54,722	47,886
Water connections	11,070		
Bulk water	15,740	14,305	16,646
Interest	21,330	19,406	14,807
<b>Total Revenue</b>	<u>537,310</u>	<u>478,410</u>	<u>439,330</u>
<b>Expenses</b>			
Amortization	117,910	107,211	107,195
Administration contract	55,000	54,365	54,691
Foreman contract	138,000	109,990	23,107
Insurance	15,610	14,514	13,586
Interest and bank charges	2,800	2,541	3,050
Office supplies	40,840	18,779	13,027
Plant operations		63,482	182,697
Professional fees	12,200	9,324	10,905
Repairs and maintenance	5,930	4,367	7,545
Supplies	50,730	52,264	46,394
Utilities	35,050	31,897	32,953
<b>Total Expenses</b>	<u>474,070</u>	<u>468,734</u>	<u>495,150</u>
<b>Surplus (Deficit) of Revenue over Expenses</b>	63,240	9,676	( 55,820)
<b>Accumulated Surplus, Beginning of Year</b>	<u>1,808,706</u>	<u>1,808,706</u>	<u>1,864,526</u>
<b>Accumulated Surplus, End of Year</b>	<u>\$ 1,871,946</u>	<u>\$ 1,818,382</u>	<u>\$ 1,808,706</u>

*The notes to financial information are an integral  
part of this financial information.*

**Interlake Regional Water Board**  
Statement of Change in Net Financial Assets  
For the year ended December 31, 2024

Statement 3

	<b>2024 Budget (Note 2(i))</b>	<b>2024 Actual</b>	<b>2023 Actual</b>
<b>Surplus (Deficit)</b>	<u>63,240</u>	<u>9,676</u>	<u>( 55,820)</u>
(Acquisition) of tangible capital assets		( 4,111)	( 6,349)
Amortization of tangible capital assets		<u>107,211</u>	<u>107,195</u>
<b>Surplus of Capital Expenses over Expenditures</b>	<u>0</u>	<u>103,100</u>	<u>100,846</u>
(Acquisition) of prepaid expense		( 9,040)	( 8,215)
Use of prepaid expense		<u>8,217</u>	<u>7,518</u>
<b>Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures</b>	<u>0</u>	<u>( 823)</u>	<u>( 697)</u>
<b>Increase in Net Financial Assets</b>	63,240	111,953	44,329
Net Financial Assets, beginning of year	<u>229,575</u>	<u>229,575</u>	<u>185,246</u>
<b>Net Financial Assets, End of Year</b>	<u>\$ 292,815</u>	<u>\$ 341,528</u>	<u>\$ 229,575</u>

*The notes to financial information are an integral part of this financial information.*

**Interlake Regional Water Board**Statement of Cash Flow  
For the year ended December 31, 2024

Statement 4

	2024	2023
<b>Cash Provided by (used for) the Following Activities</b>		
<b>Operating:</b>		
<b>Surplus (Deficit)</b>	9,676	( 55,820)
Amortization	<u>107,211</u>	<u>107,195</u>
	116,887	51,375
<b>Change in Assets/Liabilities</b>		
Accounts receivable	( 84,008)	( 1,532)
Accounts payable and accrued liabilities		1,391
Deferred revenue	( 888)	284
Prepaid expenses	<u>( 824)</u>	<u>( 698)</u>
<b>Cash Provided by Operating Transactions</b>	<u>31,167</u>	<u>50,820</u>
<b>Capital:</b>		
Acquisition of capital assets	<u>( 4,111)</u>	<u>( 6,349)</u>
<b>Investing:</b>		
Purchase of investments	<u>( 2,000)</u>	<u>0</u>
<b>Change in Cash and Cash Equivalents During the Year</b>	25,056	44,471
Cash and cash equivalents, beginning of year	<u>133,980</u>	<u>89,509</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 159,036</u>	<u>\$ 133,980</u>

*The notes to financial information are an integral  
part of this financial information.*

# Interlake Regional Water Board

Notes to Financial Information  
For the year ended December 31, 2024

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## 1. Nature of Operations

The organization was incorporated on June 12, 2008 as a Public Utility Board under the Municipalities Act in the Province of Saskatchewan. The organization is operated by its two member municipalities, the Rural Municipality of Meota No. 468 and the Resort Village of Cochin. The organization's objective is to build, maintain and operate a water distribution system for the member municipalities' residents.

## 2. Significant Accounting Policies

The financial statements of the organization are 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 municipality 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) 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 are 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:

- (i) the transfers are authorized;
- (ii) any eligibility criteria have been met; and
- (iii) a 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 amount 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.

# Interlake Regional Water Board

Notes to Financial Information  
For the year ended December 31, 2024

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## 2. Significant Accounting Policies - continued

### (e) Non-financial assets

Tangible capital and other non-financial assets are accounted for as assets by the organization and can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the organization unless they are sold.

### (f) Financial instruments

Derivative and equity instruments (or other portfolio investments) 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. If there are any unrealized gains and losses, they 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 municipality's financial assets and liabilities are measured as follows:

<u>Financial statement line item</u>	<u>Measurement</u>
Cash and cash equivalents	cost or amortized cost
Investments	cost or amortized cost
Accounts receivable	cost or amortized cost
Accounts payable and accrued liabilities	cost or amortized cost

### (g) Tangible capital assets

All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. 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 organization's tangible capital asset useful lives are estimated as follows:

#### General Assets

Land	Indefinite
Land improvements - cost	15 years
Buildings - cost	25 years
Machinery and equipment	10-25 years

#### Infrastructure Assets

Wells	25 years
Water lines	50 years

### (h) 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.

## Interlake Regional Water Board

Notes to Financial Information  
For the year ended December 31, 2024

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### 2. Significant Accounting Policies - continued

(i) Capitalization of interest

The organization does not capitalize interest incurred while a tangible capital asset is under construction.

(j) Revenue

Water and sewer revenue is based on a quarterly flat rate charge plus a charge based upon consumption.

Utility revenue is recognized in the period in which the service has been provided.

Connection fees are recognized when the services are completed and collection is reasonably assured.

Interest revenue is recognized in the period to which it relates.

All other revenue is recorded when received, or receivable, collection is likely, and the amount can be reasonably determined.

(k) 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. 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.

The liability associated with asset retirement obligations are measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date, the discount rate and inflation.

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

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

(l) Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by the organization on February 27, 2024.

## Interlake Regional Water Board

Notes to Financial Information  
For the year ended December 31, 2024

### 2. Significant Accounting Policies - continued

#### (m) New accounting policies adopted during the year

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. This section may be applied retroactively or prospectively. This section has been applied prospectively.

PSG-8, Purchased intangibles, provides guidance on accounting for and reporting on purchased intangible capital assets. It provides clarity on the recognition criteria, along with instances of assets that would not meet the definition of such. Application may be made either retroactively or prospectively in accordance with PS 2120 Accounting Changes. This section has been applied prospectively.

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 may be applied either retroactively (with or without prior period restatement) or prospectively. This section has been applied prospectively.

	<b>2024</b>	<b>2023</b>
<b>3. Accounts Receivable</b>		
Resort Village of Cochin	347	347
Utility	143,298	81,161
GST receivable	28,872	16,637
Local improvement levies	<u>21,786</u>	<u>12,148</u>
<b>Net Accounts Receivable</b>	<b><u>\$ 194,303</u></b>	<b><u>\$ 110,293</u></b>
<b>4. Investments</b>		
Description - Bank of Montreal GIC		
Measurement basis - amortized cost		
Significant terms - 3.4%, maturing November 14, 2025	<u>\$ 2,000</u>	<u>\$ 0</u>
<b>5. Accounts Payable and Accrued Liabilities</b>		
Accounts payable are comprised of the following items:		
Accrued accounting fees	8,702	8,702
Accrued utilities	<u>1,199</u>	<u>1,199</u>
	<b><u>\$ 9,901</u></b>	<b><u>\$ 9,901</u></b>

## Interlake Regional Water Board

Notes to Financial Information  
For the year ended December 31, 2024

		2024		2023
<b>6. Deferred Revenue</b>				
Water/utility		\$ 3,910		\$ 4,797
<b>7. Tangible Capital Assets</b>				
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value 2024</b>	<b>Net Book Value 2023</b>
Land	72,662		72,662	72,662
Wells	152,309	103,567	48,742	54,835
Water lines	762,758	244,082	518,676	533,932
Buildings	2,010,364	1,279,457	730,907	811,321
Machinery and equipment	122,020	29,303	92,717	98,166
Computer equipment	15,356	11,246	4,110	
Fences	5,980	5,980		
	<u>\$ 3,141,449</u>	<u>\$ 1,673,635</u>	<u>\$ 1,467,814</u>	<u>\$ 1,570,916</u>

### 8. Related Parties

The financial statements include transactions with related parties. The organization is related to the Rural Municipality of Meota No. 468, and the Resort Village of Cochin as they are the founding members of the organization and are responsible for appointing board members.

Transactions with these related parties are in the normal course of operations and are settled on normal trade terms.

### 9. Commitments

Interlake Regional Water Board has entered into a contract with RSQ Water Plant Services as the operating contractor beginning February 2024 with monthly payments of \$11,500 plus GST.