



Councillor Blog

June 2023

Welcome back fellow residents of White City (and those reading from the surrounding area) for the June 2023 edition of the White City Councillor Blog. This month's blog will focus on audited financial statements.

What are audited financial statements?

Audited financial statements for municipal governments in Saskatchewan provide an overview of the financial health and activities of the municipality. These statements are prepared annually and undergo a rigorous examination process by independent auditors.

The purpose of auditing the financial statements is to ensure accuracy, reliability, and compliance with relevant accounting standards, regulations, and legal requirements. It helps promote accountability and transparency, giving citizens and stakeholders confidence in how their tax dollars are managed and allocated.

When preparing audited financial statements, municipalities follow a standardized accounting framework, such as the Public Sector Accounting Board (PSAB) standards in Canada. These standards provide guidelines on how financial information should be presented and disclosed.

Audited financial statements typically consist of several key components:

Statement of Financial Position (Balance Sheet)

This statement provides a snapshot of the municipality's financial position at a specific point in time. It shows the municipality's assets (such as cash, property, and investments), liabilities (such as loans and outstanding obligations), and the net financial position (the difference between assets and liabilities).

Statement of Operations (Income Statement)

This statement presents the municipality's revenues and expenses over a specific period, usually a fiscal year. It highlights the sources of revenue, such as property taxes, grants, and user fees, as well as the various expenses incurred, such as salaries, infrastructure maintenance, and services provided to the community.

Statement of Cash Flows

This statement tracks the cash inflows and outflows during the fiscal year. It categorizes cash flows into operating activities (day-to-day transactions), investing activities (acquiring or selling assets), and financing activities (borrowing or repaying debts). It provides insight into how the municipality manages its cash resources.

Notes to the Financial Statements

These accompanying notes provide additional details and explanations about specific items in the financial statements. They help readers better understand the municipality's accounting policies, significant financial transactions, and any contingencies or future obligations.

The audit process involves an independent auditor reviewing the financial statements and the underlying accounting records of the municipality. The auditor examines the accuracy, completeness, and fairness of the financial information. They assess the internal controls in place to safeguard assets and detect and prevent fraud or errors.

The audited financial statements are made available to the public. White City's audited financial statements can be found on our website: <https://whitecity.ca/p/audited-financial-statements>. These statements serve as an essential tool for citizens, investors, and other stakeholders to assess the financial performance, accountability, and stewardship of the municipality.

Turn the page for more info! →



What do the Town of White City’s 2022 Audited Financial Statements Tell Us?

The 2022 draft audited financial statements present a deficit of \$474.7K of revenues over expenses with the accumulated surplus totaling \$39.0M. The debt limit of the municipality is \$19.4M with the current long-term debt balance being \$11.1M.

Account	Increase (Decrease)	Description
Cash & Temporary Investments	677,393	This account reflects the actual cash balances in bank account. The changes in cash position are due to two changes in financial statements account classification. The increase is due to a difference in recording the last December cheque payments as accrued back to 2022. In addition, the \$3.1M Royal Bank of Canada Guaranteed Investment Certificates (GIC) and shares were classified as long-term investments.
Municipal Taxes Receivable	21,081	The increase in municipal taxes receivable is due to an increase of \$6.5K in outstanding municipal tax payments and \$14.5K in outstanding utility arrears transferred to municipal taxes.
Other Accounts Receivable	6,715,386	The increase is due to accounts receivable accruing \$4.0M in government payments to be received for the WCRM158 Wastewater Project, including grants and goods and services tax (GST) rebates, \$2.3M in connection fees from WCRM158 Wastewater Management Authority (Wastewater) Project. In addition, it also includes \$337.5K outstanding connection fees and \$236.6K outstanding from White City Investment for the development levy for Royal Park Phase 1A as of end of 2022.
Long-Term Investments	(10,003,036)	The decrease is due to the change of classification of all the payments made to Wastewater Project. \$6.2M was reclassified as other accounts receivable instead of long-term investments, while the remaining amount of \$5.0M was reclassified as capital projects.
Bank Indebtedness	(474,347)	The decrease is due to an accrued amount set up for cheque payments in January 2023 to cover December 2022 expenses. This accrual helps to remove the bank indebtedness.
Accounts Payable	1,161,577	The increase is due to \$1.1M of accrued December 2022 cheques paid in January 2023. In addition, the source deduction amounts for pay period December 16 to 31 were accrued to Accounts Payable.
Deposits	(88,771)	The decrease in deposits is mainly due to the \$84.5K McKenzie Point deposits recognized as an offset of Town's costs for work completed for the project.
Deferred Revenue	44,191	The increase is due to the development levy from Royal Park Phase 1A. In addition, the Canada Community-Building Fund (previously called Gas Tax Grant) in prior years has been classified as reserve in the Town's financial statements. This year, the auditor reclassified it as deferred revenue to align how this grant is recorded with other municipalities.
Long-Term Debt	3,440,366	The increase is due to the additional \$3.8M loan for Wastewater Phase 1B obtained in 2022. The principal payments paid to other loans offset the increase in long-term debt amounts for the Town.

If you have any questions, have a comment, want more information, or want to suggest a topic for a future blog please email townoffice@whitecity.ca or call 306-781-2355 – we look forward to hearing from you!

Mayor Brian Fergusson