

# Scott Point Waterworks District

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## Financial Report for 2023 Annual General Meeting

### Overview of 2022

The financial position of Scott Point Waterworks District (SPWD) continues to be strong as our accumulated surplus increased from \$711,869 in 2021 to \$724,247 by the end of 2022.

### 2022 Financial Statements

Scott Point Waterworks District's Auditor, McLean, Lizotte, Wheadon and Company, has, once again, provided us with the opinion that *"the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS)."*

#### Financial position - See Statement of Financial Position (page 5)

- Cash and cash equivalents. At year-end 2022, we had \$33,745 combined in two bank accounts, one at the Bank of Montreal and the other at Island Savings. This was up from \$22,263 in 2021.
- Investments. Our three term deposits at Island Savings totaled \$60,874 at year end, compared to \$60,505 at end of 2021.
- Non-Financial Assets. Tangible capital assets declined slightly from \$635,609 in 2021 to \$621,989 at the end of 2022, due to depreciation.

#### Revenue - See Statement of Operations (page 6)

- Water toll revenue was \$69,936 up from \$59,617 in 2021 due to excess consumption at a few properties and the toll increase.
- Parcel tax revenue was \$33,660, up from \$30,650 in 2021.

#### Operating expenses - See Statement of Operations (page 6)

- Total operating expenses were \$91,587 in 2022, down from \$99,194 in 2021.
  - Amortization expense increased slightly to \$24,749 in 2022 from \$24,640 in 2021.
  - Laboratory Testing cost \$6,271 in 2022 up from \$5,692 in 2021, reflecting increased prices on sample tests.
  - Repair and maintenance expenses in 2022 were \$38,736 which was well below budget and the \$47,778 spent in 2021.
- Annual surplus was \$12,376 in 2022, an improvement from (8,614) in 2021.

#### Net financial assets - See Statement of Changes in Net Financial Assets (page 7)

- Net Financial Assets at year-end 2022 rose to \$102,258 in 2022 from \$72,486 in 2021 due to the increase in Cash and Cash Equivalents and a couple of Accounts Receivable outstanding at year-end.

## Internal Controls/Processes

Again in 2022, the Trustees were pleased with the operational reporting from our contracted operator and in our testing scheduling and reporting. We continued monthly water meter reading throughout the year (although invoicing remains every two months) to assist in early leakage detection and high water use notification. This diligence paid off as a few owners were able to respond to larger than usual water usage numbers when they were notified.

The District reviewed the financial controls policy (which is posted on the website) and concluded the policy continues to provide effective protections to ensure accurate reporting of the financial results.

Our customer issue and complaint notification and management process continues as implemented eight years ago.

## 2023 Budget

The 2023 budget approved by the Trustees is shown overleaf. It was prepared as part of the rolling 10 year planning process. See <http://www.scottpointwaterworks.com/governance/10-year-plan/>. The 10 year plan takes into account the need continue plant updates and to replenish our reserves following the Project Blend expenditures so that we can respond to short notice issues in the future.

Highlights of the 2023 budget include:

- **Water tolls.** Water tolls will increase 5% from 2022 levels due to increased operating costs, particularly an increase in hourly charge-out rate from our contract operator.
- **Annual parcel tax.** The Parcel Tax will remain at \$550.
- **Maintenance.** In addition to the work completed most years, 2023 maintenance will include the following non-routine items:

Abandon Well 2	2,000
Reservoir paint repair	3,000
Well 3, Filter Clean+Refill	1,200
Pull well 3 pump and clean screens	1,500
PLC regular upgrade	2,000
Total non-routine	9,700

- **Annual surplus/(deficit).** An annual operating surplus of \$10,274 is anticipated given revenue and expense projections.
- **Acquisition of tangible capital assets.** The 2023 budget includes:

Treatment Plants	Well 3 Upgrades	11,500
Water Distribution	Reset 4 meters	2,060
	New Meters	3,000
	Prepare for trucked water contingency	1,500
Water Tower & Tanks	Tank Flow meter	6,000
Minor Items per Plan		2,884
		26,944

## Operations Budget 2023

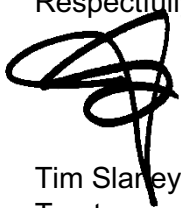
	2021	2022	2022	2023
REVENUE	Audited	Budget	Audited	Budget
Toll Revenue	59,617	59,477	69,936	71,920
Parcel Tax	30,650	33,550	33,660	33,660
Interest Income	313	243	369	383
Other income				
<b>TOTAL REVENUE</b>	<b>90,580</b>	<b>93,270</b>	<b>103,965</b>	<b>105,963</b>
<b>EXPENSES</b>				
Amortization	24,640	24,000	24,749	24,000
Office, Book keeping, & Billing	2,812	2,884	2,761	2,496
Insurance	7,016	7,815	8,178	9,365
Audit	5,000	5,150	5,000	5,250
Utilities	5,906	6,290	5,542	6,180
Consulting				
Lab Testing	5,692	5,863	6,271	6,535
Maintenance	47,778	45,626	38,736	41,495
Water License Fee	350	360	350	368
<b>TOTAL OPERATING EXPENSE</b>	<b>99,194</b>	<b>97,988</b>	<b>91,587</b>	<b>95,689</b>
<b>ANNUAL SURPLUS/DEFECIT</b>	<b>(8,614)</b>	<b>(4,718)</b>	<b>12,378</b>	<b>10,274</b>
<b>CAPITAL EXPENDITURES</b>				
Acquisition of tangible Capital Assets	9,721	21,700	7,355	26,944
Amortization of tangible Assets	24,640	24,000	24,749	24,000
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>6,305</b>	<b>(2,418)</b>	<b>29,772</b>	<b>7,330</b>

\* see <http://www.scottpointwaterworks.com/governance/10-year-plan/>

### Renewal of Auditors

The District conducted an evaluation after the completion of the audit report, and continues to be pleased with the work performed by the auditor. I move that McLean, Lizotte, Wheadon and Company be reappointed as the auditor for the 2023 financial year.

Respectfully submitted,



Tim Slarney,  
Trustee and Financial Officer