

# **TOWN OF KERROBERT**

**Auditor's Report**

**Summarized Financial Statements**

**December 31, 2019**

## MANAGEMENT'S RESPONSIBILITY

To the Ratepayers of  
**Town of Kerrobert:**


Management is responsible for the preparation and presentation of the accompanying summarized financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. 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 Council is composed of elected officials who are not employees of the Town. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities. The Council fulfils these responsibilities by reviewing the financial information prepared by the administration and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the Town's external auditors.

Jensen Stromberg Chartered Professional Accountants, an independent firm of Chartered Professional Accountants, is appointed by the Council 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 Council and administration to discuss their audit findings.

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Administrator



CHARTERED PROFESSIONAL ACCOUNTANTS

Bill Jensen, C.P.A. Prof. Corp.  
Jeff Stromberg, C.P.A. Prof. Corp.

## REPORT OF THE INDEPENDENT AUDITOR ON SUMMARY FINANCIAL STATEMENTS

To the Mayor and Council of Town of Kerrobert

### *Opinion*

The summary financial statements, which comprise the summary statement of financial position as at **December 31, 2019**, the summary statement of financial activities, summary statement of changes in net financial assets and summary statement of changes in financial position for the year then ended are derived from the audited financial statements of Town of Kerrobert as at **December 31, 2019**.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, on the basis described in Note 1.

### *Summary Financial Statements*

The summary financial statements do not contain all the disclosures required by Canadian public sector accounting standards. Reading the summarized financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statement and auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

### *The Audited Financial Statements and Our Report Thereon*

We expressed an unmodified audit opinion on the audited financial statements in our report dated June 24, 2020.


### *Management's Responsibility for the Summarized Statements*

Management is responsible for the preparation of the summary financial statements on the basis described in Note 1.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

Saskatoon, Saskatchewan  
June 24, 2020



Chartered Professional Accountants

# TOWN OF KERROBERT

Statement 1

## STATEMENT OF FINANCIAL POSITION

December 31, 2019  
with comparative figures for 2018

	<u>2019</u>	<u>2018</u>
<b><u>ASSETS</u></b>		
Financial assets:		
Cash and temporary investments	\$ 2,227,992	1,780,395
Taxes receivable - Municipal	458,958	677,980
Other accounts receivable	202,786	187,690
Land for re-sale	80,129	11,874
Long-term investments	-	-
Debt charges recoverable	-	-
Other	-	-
	<hr/>	<hr/>
Total financial assets	2,969,865	2,657,939
<b><u>LIABILITIES</u></b>		
Bank indebtedness	-	-
Accounts payable	191,664	103,266
Accrued liabilities payable	-	-
Deposits	6,400	900
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	75	-
Long-term debt	5,157,992	5,647,660
Lease obligations	-	-
	<hr/>	<hr/>
Total liabilities	5,356,131	5,751,826
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>(2,386,266)</b>	<b>(3,093,887)</b>
Non-financial assets:		
Tangible capital assets	13,025,196	12,736,923
Prepaid and deferred charges	20,012	21,780
Stock and supplies	141,123	144,428
	<hr/>	<hr/>
Total non-financial assets	13,186,331	12,903,131
Accumulated surplus	\$ <u>10,800,065</u>	<u>9,809,244</u>

**APPROVED ON BEHALF OF COUNCIL:**

\_\_\_\_\_ Mayor

\_\_\_\_\_ Councillor

See accompanying notes to the financial statements.

# TOWN OF KERROBERT

Statement 2

## STATEMENT OF FINANCIAL ACTIVITIES

Year ended December 31, 2019  
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>Revenues:</b>			
Taxes and other unconditional revenue	\$ 1,848,230	1,839,669	1,831,459
Fees and charges	1,493,030	1,550,272	1,478,819
Conditional grants	307,330	137,755	115,820
Tangible capital asset sales - gain (loss)	32,500	5,412	-
Land sales - gain (loss)	454,630	256,327	-
Investment income and commissions	20,030	48,183	33,280
Restructurings	-	-	-
Other revenues	<u>2,060</u>	<u>6,536</u>	<u>6,107</u>
<b>Total Revenues</b>	<b>4,157,810</b>	<b>3,844,154</b>	<b>3,465,485</b>
<b>Expenditures:</b>			
General government services	561,990	576,361	411,348
Protective services	175,500	233,317	186,546
Transportation services	370,320	421,178	443,669
Environmental and public health services	410,730	357,712	325,325
Planning and development services	59,920	39,579	30,818
Recreation and cultural services	646,530	717,748	665,394
Utility services	708,330	770,835	753,676
Restructurings	-	-	-
<b>Total Expenditures</b>	<b><u>2,933,320</u></b>	<b><u>3,116,730</u></b>	<b><u>2,816,776</u></b>
Surplus (deficit) of revenues over expenditures before other capital contributions	<u>1,224,490</u>	<u>727,424</u>	<u>648,709</u>
Provincial/Federal capital grants and contributions	<u>161,960</u>	<u>263,397</u>	<u>317,670</u>
Surplus (deficit) of revenues over expenditures	1,386,450	990,821	966,379
Accumulated surplus (deficit), beginning of year	<u>9,809,244</u>	<u>9,809,244</u>	<u>8,842,865</u>
Accumulated surplus (deficit), end of year	<b><u>\$ 11,195,694</u></b>	<b><u>10,800,065</u></b>	<b><u>9,809,244</u></b>

See accompanying notes to the financial statements.

# TOWN OF KERROBERT

Statement 3

## STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

**Year ended December 31, 2019**  
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>Surplus (deficit)</b>	\$ <u>1,386,450</u>	<u>990,821</u>	<u>966,379</u>
(Acquisition) of tangible capital assets	(1,021,250)	(630,237)	(415,617)
Amortization of tangible capital assets	-	326,876	297,887
Proceeds on disposal of tangible capital assets	-	20,500	-
Loss (gain) on disposal of tangible capital assets	(32,500)	(5,412)	-
Transfer of assets/liabilities in restructuring transactions	<u>-</u>	<u>-</u>	<u>-</u>
<b>Surplus (deficit) of capital expenses over expenditures</b>	<u>(1,053,750)</u>	<u>(288,273)</u>	<u>(117,730)</u>
(Acquisition) of supplies inventories	-	3,305	(24,820)
(Acquisition) of prepaid expenses	-	(20,012)	(21,780)
Consumption of supplies inventories	-	-	-
Use of prepaid expenses	<u>-</u>	<u>21,780</u>	<u>46,353</u>
<b>Surplus (deficit) of expenses of other non-financial over expenditures</b>	<u>(1,053,750)</u>	<u>5,073</u>	<u>(247)</u>
<b>Increase (decrease) in Net Financial Assets</b>	(721,050)	707,621	848,402
<b>Net Financial Assets (Debt) - Beginning of the year</b>	<u>(3,093,887)</u>	<u>(3,093,887)</u>	<u>(3,942,289)</u>
<b>Net Financial Assets (Debt)- End of year</b>	<u>\$ (3,814,937)</u>	<u>(2,386,266)</u>	<u>(3,093,887)</u>

See accompanying notes to the financial statements.

# TOWN OF KERROBERT

Statement 4

## STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 2019  
with comparative figures for 2018

Cash provided by (used in) the following activities:	<u>2019</u>	<u>2018</u>
Operating:		
Surplus (deficit)	\$ 990,821	966,379
Amortization	326,876	297,887
Loss (gain) on disposal of tangible capital assets	<u>(5,412)</u>	<u>-</u>
	1,312,285	1,264,266
Change in assets/liabilities		
Taxes receivable - Municipal	180,656	(107,692)
Other accounts receivable	23,271	22,464
Land for re-sale	(68,254)	10,748
Other financial assets	-	-
Accounts and accrued liabilities payable	88,396	(658,180)
Deposits	5,500	270
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	75	-
Stock and supplies	3,305	(24,820)
Prepayments and deferred charges	1,769	24,573
Other	<u>-</u>	<u>-</u>
Net cash from operations	<u>1,547,003</u>	<u>531,629</u>
Capital:		
Acquisition of capital assets	(630,237)	(415,617)
Proceeds from the disposal of capital assets	20,500	-
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(609,737)</u>	<u>(415,617)</u>
Investing:		
Long-term investments	-	-
Other investments	<u>-</u>	<u>-</u>
Net cash from investing	<u>-</u>	<u>-</u>
Financing activities:		
Debt charges recovered	-	-
Long-term debt issued	-	270,000
Long-term debt repaid	(489,669)	(571,027)
Other financing	<u>-</u>	<u>-</u>
Net cash used for financing	<u>(489,669)</u>	<u>(301,027)</u>
Increase (decrease) in cash resources	447,597	(185,015)
Cash and temporary investments, beginning of year	<u>1,780,395</u>	<u>1,965,410</u>
Cash and temporary investments, end of year	<u>\$ 2,227,992</u>	<u>1,780,395</u>

See accompanying notes to the financial statements.

# TOWN OF KERROBERT

## NOTES TO THE SUMMARIZED FINANCIAL STATEMENTS

December 31, 2019

### **1. SUMMARY FINANCIAL STATEMENTS**

The summary financial statements are derived from the audited financial statements, prepared in accordance with Canadian public sector accounting standards as at December 31, 2019 and December 31, 2018, and for the years then ended.

The preparation of these summary financial statements requires management to determine the information that needs to be reflected in them so that they are consistent in all material respects with, or represent a fair summary of, the audited financial statements.

Management prepared these summary financial statements using the following criteria:

- a) the summary financial statements include a statement for each statement included in the audited financial statements;
- b) information in the summary financial statements agrees with the related information in the related audited financial statements;
- c) major subtotals, totals and comparative information from the audited financial statements are included; and
- d) the summary financial statements contain the information from the audited financial statements dealing with matters that have a pervasive or otherwise significant effect on the summarized financial statements.

The audited financial statements of Town of Kerrobert are available upon request by contacting the Town.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements consolidate the assets, liabilities and flow of resources of the Town. The entity is comprised of all organizations owned or controlled by the Town and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

The financial statements are prepared using the accrual basis of accounting using the accounting policies that are described in Note 1 to the Town's audited financial statements in accordance with the local government accounting standards established by the Public Sector Accounting Board. The accrual basis of accounting recognizes revenues as they become available and measurable; 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.

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts 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. These estimates and assumptions are reviewed periodically and as adjustments become necessary, they are reported in earnings in the period in which they become known.