

TOWN OF COLONSAY
Consolidated Financial Statements
Year Ended December 31, 2018

Management's Responsibility

The municipality's management is responsible for the preparation and presentation of the accompanying consolidated 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 are required.

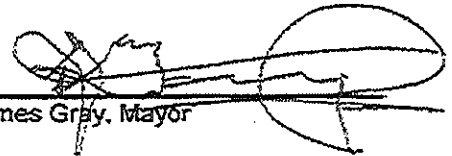
In discharging its responsibilities for the integrity and fair presentation of the consolidated financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and 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 consolidated financial statements.

The Council is composed of elected officials who are not employees of the municipality. 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 management and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the municipality's external auditors.

Cogent Chartered Professional Accountants LLP, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the consolidated 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 management to discuss their audit findings.



Maureen Moen, Administrator



Mr James Gray, Mayor

Colonsay, SK

Date: June 11, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Council of the Town of Colonsay

Opinion

We have audited the consolidated financial statements of the Town of Colonsay (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2018, and the 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 *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

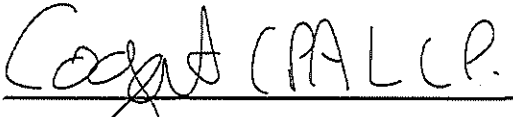
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not 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 consolidated 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 consolidated 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 Municipality'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 Municipality'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 consolidated 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 Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

Rosthern, SK
May 13, 2019



Chartered Professional Accountants

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TOWN OF COLONSAY
Consolidated Statement of Financial Position
As at December 31, 2018

Statement 1

	2018	2017
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	\$ 616,809	\$ 444,851
Taxes Receivable - Municipal (Note 3)	63,280	49,120
Other Accounts Receivable (Note 4)	43,848	84,282
Land for Resale (Note 5)	12,663	12,663
Long-Term Investments (Note 6)	-	-
Debt Charges Recoverable (Note 7)	-	-
Other	-	-
Total Financial Assets	736,600	590,916
LIABILITIES		
Bank indebtedness (Note 8)	-	-
Accounts Payable	10,909	16,879
Accrued Liabilities Payable	-	-
Deposits	22,490	21,825
Deferred Revenue (Note 9)	-	-
Accrued Landfill Costs (Note 10)	-	-
Liability for Contaminated Sites (Note 11)	-	-
Other Liabilities	-	-
Long term debt (Note 12)	-	-
Lease Obligations (Note 13)	-	-
Total Liabilities	33,399	38,704
NET FINANCIAL ASSETS	703,201	552,212
NON-FINANCIAL ASSETS		
Tangible Capital Assets(Schedule 6, 7)	2,545,039	2,648,618
Prepayments and Deferred Charges	1,394	1,193
Stock and Supplies	5,000	4,098
Other (Note 14)	-	-
Total Non-Financial Assets	2,551,433	2,653,909
ACCUMULATED SURPLUS (Schedule 8)	\$ 3,254,634	\$ 3,206,121

TOWN OF COLONSAY

**Consolidated Statement of Operations
Year Ended December 31, 2018**

Statement 2

	Budget	2018	2017
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	\$ 487,980	\$ 486,685	\$ 472,245
Fees and Charges (Schedule 4, 5)	217,620	212,659	415,133
Conditional Grants (Schedule 4, 5)	-	7,000	1,800
Tangible Capital Assets Sales - Gain (Loss) (Schedule 4, 5)	-	-	-
Land Sales - Gain (Loss) (Schedule 4, 5)	14,500	-	-
Investment Income and Commissions (Schedule 4, 5)	1,900	2,359	2,132
Other Revenues (Schedule 4, 5)	-	300,042	231,458
Total Revenues	722,000	1,008,745	1,122,768
EXPENSES			
General Government Services (Schedule 3)	147,415	140,735	139,596
Protective Services (Schedule 3)	57,705	53,974	67,991
Transportation Services (Schedule 3)	260,500	287,734	285,741
Environmental and Public Health Services (Schedule 3)	29,750	33,984	28,337
Planning and Development Services (Schedule 3)	-	-	-
Recreation and Cultural Services (Schedule 3)	32,030	303,180	310,197
Utility Services (Schedule 3)	129,310	170,963	150,019
Total Expenses	656,710	990,570	981,881
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	65,290	18,175	140,887
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	28,880	30,338	93,380
Surplus (Deficit) of Revenues over Expenses	94,170	48,513	234,267
Accumulated Surplus (Deficit), Beginning of Year	3,206,121	3,206,121	2,971,854
ACCUMULATED SURPLUS - END OF YEAR	\$ 3,300,291	\$ 3,254,634	\$ 3,206,121

TOWN OF COLONSAY

Consolidated Statement of Change in Net Financial Assets

Year Ended December 31, 2018

Statement 3

	Budget 2018	2018	2017
Surplus (Deficit)	\$ -	\$ 48,513	\$ 234,267
(Acquisition) of tangible capital assets	-	(33,109)	(338,389)
Amortization of tangible capital assets	-	136,688	116,523
Proceeds on disposal of tangible capital assets	-	-	-
Loss (gain) on the disposal of tangible capital assets	-	-	-
Surplus (Deficit) of capital expenses over expenditures	-	103,579	(221,866)
(Acquisition) of supplies inventories	-	(5,000)	(4,098)
(Acquisition) of prepaid expense	-	(1,394)	(1,193)
Consumption of supplies inventory	-	4,098	2,842
Use of prepaid expense	-	1,193	1,971
Surplus (Deficit) of expenses of other non-financial over expenditures	-	(1,103)	(478)
Increase/Decrease in Net Financial Assets	-	150,989	11,923
Net Financial Assets (Debt) - Beginning of Year	552,212	552,212	540,289
Net Financial Assets (Debt) - End of Year	\$ 552,212	\$ 703,201	\$ 552,212



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TOWN OF COLONSAY
Consolidated Statement of Cash Flow
Year Ended December 31, 2018

Statement 4

	2018	2017
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	\$ 48,513	\$ 234,267
Amortization	136,688	116,523
Loss (gain) on disposal of tangible capital assets	-	-
	<u>185,201</u>	<u>350,790</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	(14,161)	24,221
Other Receivables	40,434	(19,623)
Accounts Payable	(5,970)	(29,930)
Prepayments and Deferred Charges	(201)	778
Stock and Supplies	(902)	(1,256)
Deposits	665	665
	<u>19,865</u>	<u>(25,145)</u>
Cash provided by operating transactions	<u>205,066</u>	<u>325,645</u>
Capital:		
Acquisition of capital assets	(33,108)	(338,389)
Cash applied to capital transactions	<u>(33,108)</u>	<u>(338,389)</u>
Investing:		
Other investments	-	-
Cash provided by (applied to) investing transactions	<u>-</u>	<u>-</u>
Financing:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	-	-
Other financing	-	-
Cash provided by (applied to) financing transactions	<u>-</u>	<u>-</u>
Change in Cash and Temporary Investments during the year	171,958	(12,744)
Cash and Temporary Investments - Beginning of Year	<u>444,851</u>	<u>457,595</u>
Cash and Temporary Investments - End of Year (Note 2)	<u>\$ 616,809</u>	<u>\$ 444,851</u>

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