

TOWN OF COLONSAY
Consolidated Financial Statements
Year Ended December 31, 2019

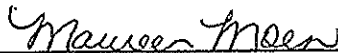
Management's Responsibility

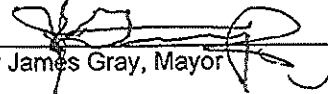
The municipality's management is responsible for the preparation and presentation of the accompanying consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles 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.

Grant Thornton 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: August 20, 2020

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, 2019, and the consolidated statements of operations and accumulated surplus and cash flows 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, 2019, and the results of its operations and its cash flows 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.

Other Matter

Supplemental Information

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. Schedules 1, 2, 3, 7, 9 and 10 are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.

Predecessor auditor

The consolidated financial statements of the Town of Colonsay for the year ended December 31, 2018, were audited by Cogent Chartered Professional Accountants LLP who expressed an unmodified opinion on those consolidated statements on May 13, 2019. The partners and staff of Cogent Chartered Professional Accountants LLP joined Grant Thornton LLP subsequent to that on November 1, 2019.

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.

Saskatoon, Canada
August 27, 2020

Grant Thornton LLP

Chartered Professional Accountants

TOWN OF COLONSAY
Consolidated Statement of Financial Position
As at December 31, 2019
Statement 1

	2019	2018
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	\$ 447,883	\$ 616,809
Taxes Receivable - Municipal (Note 3)	77,724	63,280
Other Accounts Receivable (Note 4)	72,510	43,848
Land for Resale (Note 5)	12,663	12,663
Long-Term Investments (Note 6)	-	-
Debt Charges Recoverable (Note 7)	-	-
Other	-	-
Total financial assets	610,780	736,600
LIABILITIES		
Bank indebtedness (Note 8)	-	-
Accounts Payable	9,525	10,909
Accrued Liabilities Payable	-	-
Deposits	22,785	22,490
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	32,310	33,399
NET FINANCIAL ASSETS	578,470	703,201
NON-FINANCIAL ASSETS		
Tangible Capital Assets(Schedule 6, 7)	2,721,473	2,545,039
Prepayments and Deferred Charges	1,630	1,394
Stock and Supplies	5,498	5,000
Other (Note 14)	-	-
Total Non-Financial Assets	2,728,601	2,551,433
ACCUMULATED SURPLUS (Schedule 8)	\$ 3,307,071	\$ 3,254,634

See notes to financial statements

TOWN OF COLONSAY

Consolidated Statement of Operations and Accumulated Surplus

As at December 31, 2019

Statement 2

	Budget	2019	2018
REVENUES OTHER THAN PROVINCIAL/FEDERAL CAPITAL GRANTS AND CONTRIBUTIONS			
Taxes and Other Unconditional Revenue (Schedule 1)	\$ 486,500	\$ 497,020	\$ 486,685
Fees and Charges (Schedule 4, 5)	232,170	233,883	212,658
Conditional Grants (Schedule 4, 5)	1,000	1,200	7,000
Tangible Capital Assets Sales - Gain (Loss) (Schedule 4, 5)	-	-	-
Land Sales - Gain (Loss) (Schedule 4, 5)	14,500	14,500	-
Investment Income and Commissions (Schedule 4, 5)	2,500	5,279	2,359
Restructurings (Schedule 4, 5)	-	-	-
Other Revenues (Schedule 4, 5)	-	242,894	300,042
Total Revenues other than Provincial/Federal Capital Grants and Contributions	736,670	994,776	1,008,744
EXPENSES			
General Government Services (Schedule 3)	160,170	152,428	140,735
Protective Services (Schedule 3)	74,220	51,731	53,974
Transportation Services (Schedule 3)	274,460	244,949	287,734
Environmental and Public Health Services (Schedule 3)	29,910	28,646	33,984
Planning and Development Services (Schedule 3)	-	-	-
Recreation and Cultural Services (Schedule 3)	54,340	345,029	303,180
Utility Services (Schedule 3)	174,790	188,587	170,963
Restructurings (Schedule 3)	-	-	-
Total Expenses	767,890	1,011,370	990,570
Surplus (Deficit) of Revenues over Expenses before Provincial/Federal Capital Grants and Contributions	(31,220)	(16,594)	18,174
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	31,280	69,031	30,338
Surplus (Deficit) of Revenues over Expenses	60	52,437	48,512
Accumulated Surplus (Deficit), Beginning of Year	3,254,634	3,254,634	3,206,122
ACCUMULATED SURPLUS - END OF YEAR	\$ 3,254,694	\$ 3,307,071	\$ 3,254,634

See notes to financial statements

TOWN OF COLONSAY

Consolidated Statement of Change in Net Financial Assets

As at December 31, 2019

Statement 3

	Budget 2019	2019	2018
Surplus (Deficit)	\$ 60	\$ 52,437	\$ 48,512
(Acquisition) of tangible capital assets	-	(312,543)	(33,109)
Amortization of tangible capital assets	136,120	136,108	136,688
Proceeds on disposal of tangible capital assets	-	-	-
Loss (gain) on the disposal of tangible capital assets	-	-	-
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (Deficit) of capital expenses over expenditures	136,120	(176,435)	103,579
(Acquisition) of supplies inventories	-	(5,498)	(5,000)
(Acquisition) of prepaid expense	-	(1,630)	(1,396)
Consumption of supplies inventory	-	5,000	4,098
Use of prepaid expense	-	1,395	1,193
Surplus (Deficit) of expenses of other non-financial over expenditures	-	(733)	(1,105)
Increase/Decrease in Net Financial Assets	136,180	(124,731)	150,986
Net Financial Assets (Debt) - Beginning of Year	703,201	703,201	552,215
Net Financial Assets (Debt) - End of Year	\$ 839,381	\$ 578,470	\$ 703,201

TOWN OF COLONSAY
Consolidated Statement of Cash Flows
As at December 31, 2019
Statement 4

Cash provided by (used for) the following activities

	2019	2018
Operating:		
Surplus (Deficit)	\$ 52,437	\$ 48,512
Amortization	136,108	136,688
Loss (gain) on disposal of tangible capital assets	-	-
	<u>188,545</u>	<u>185,200</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	(14,444)	(14,161)
Other Receivables	(28,662)	40,434
Accounts Payable	(1,384)	(5,970)
Deposits	295	665
Stock and Supplies	(498)	(902)
Prepayments and Deferred Charges	(235)	(200)
	<u>(44,928)</u>	<u>19,866</u>
Cash provided by operating transactions	<u>143,617</u>	<u>205,066</u>
Capital:		
Acquisition of capital assets	(312,543)	(33,108)
Cash applied to capital transactions	<u>(312,543)</u>	<u>(33,108)</u>
Investing:		
Other	-	-
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	(168,926)	171,958
Cash and Temporary Investments - Beginning of Year	<u>616,809</u>	<u>444,851</u>
Cash and Temporary Investments - End of Year (Note 2)	<u>\$ 447,883</u>	<u>\$ 616,809</u>

See notes to financial statements