

**RURAL MUNICIPALITY OF KING GEORGE NO.
256**

Auditor's Report

Summarized Financial Statements

December 31, 2019

MANAGEMENT'S RESPONSIBILITY

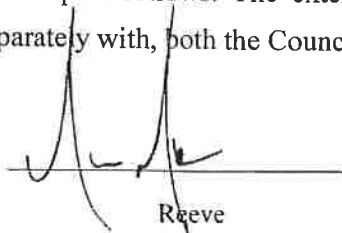
To the Ratepayers of
Rural Municipality of King George No. 256:

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.

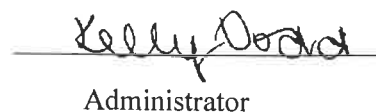
In discharging its responsibilities for the integrity and fair presentation of the financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately 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 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 the administration and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the Municipality'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.



Reeve



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 **Reeve** and Council of **Rural Municipality of King George No. 256**

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 **Rural Municipality of King George No. 256** 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 23, 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 23, 2020



Chartered Professional Accountants

RURAL MUNICIPALITY OF KING GEORGE NO. 256

Statement 1

STATEMENT OF FINANCIAL POSITION

December 31, 2019
with comparative figures for 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Financial assets:		
Cash and temporary investments	\$ 246,184	498,263
Taxes receivable - Municipal	75,648	44,598
Other accounts receivable	75,442	49,046
Land for re-sale	-	-
Long-term investments	61,616	56,760
Debt charges recoverable	-	-
Other	-	-
Total financial assets	458,890	648,667
<u>LIABILITIES</u>		
Bank indebtedness	-	-
Accounts payable	60,988	6,289
Accrued liabilities payable	-	-
Deposits	-	-
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Long-term debt	13,497	81,205
Lease obligations	-	-
Total liabilities	74,485	87,494
NET FINANCIAL ASSETS (DEBT)	384,405	561,173
Non-financial assets:		
Tangible capital assets	927,381	843,012
Prepaid and deferred charges	520	1,157
Stock and supplies	46,119	74,741
Total non-financial assets	974,020	918,910
Accumulated surplus	\$ 1,358,425	1,480,083

APPROVED ON BEHALF OF COUNCIL:

Reeve

Councillor

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF KING GEORGE NO. 256

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>
Revenues:			
Taxes and other unconditional revenue	\$ 685,609	678,806	671,990
Fees and charges	23,900	9,222	3,793
Conditional grants	17,000	16,300	16,300
Tangible capital asset sales - gain (loss)	68,000	51,679	-
Land sales - gain (loss)	-	-	-
Investment income and commissions	10,500	9,739	5,115
Restructurings	-	-	-
Other revenues	-	-	-
Total Revenues	805,009	765,746	697,198
Expenditures:			
General government services	162,700	169,019	163,673
Protective services	49,000	47,028	36,553
Transportation services	377,160	675,209	379,487
Environmental and public health services	12,300	12,235	11,118
Planning and development services	-	88	250
Recreation and cultural services	2,700	2,720	2,698
Utility services	5,700	8,365	3,397
Restructurings	-	-	-
Total Expenditures	609,560	914,664	597,176
Surplus (deficit) of revenues over expenditures before other capital contributions	195,449	(148,918)	100,022
Provincial/Federal capital grants and contributions	13,200	27,260	13,259
Surplus (deficit) of revenues over expenditures	208,649	(121,658)	113,281
Accumulated surplus (deficit), beginning of year	1,480,083	1,480,083	1,366,802
Accumulated surplus (deficit), end of year	\$ 1,688,732	1,358,425	1,480,083

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF KING GEORGE NO. 256

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>
Surplus (deficit)	\$ 208,649	(121,658)	113,281
(Acquisition) of tangible capital assets	(188,800)	(196,141)	-
Amortization of tangible capital assets	-	91,372	101,568
Proceeds on disposal of tangible capital assets	-	72,080	-
Loss (gain) on disposal of tangible capital assets	(68,000)	(51,679)	-
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (deficit) of capital expenses over expenditures	<u>(256,800)</u>	<u>(84,368)</u>	<u>101,568</u>
(Acquisition) of supplies inventories	-	-	(112,128)
(Acquisition) of prepaid expenses	-	-	(1,157)
Consumption of supplies inventories	-	28,622	47,093
Use of prepaid expenses	-	636	450
Surplus (deficit) of expenses of other non-financial over expenditures	<u>-</u>	<u>29,258</u>	<u>(65,742)</u>
Increase (decrease) in Net Financial Assets	(48,151)	(176,768)	149,107
Net Financial Assets (Debt) - Beginning of the year	<u>561,173</u>	<u>561,173</u>	<u>412,066</u>
Net Financial Assets (Debt)- End of year	<u>\$ 513,022</u>	<u>384,405</u>	<u>561,173</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF KING GEORGE NO. 256

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)	\$ (121,658)	113,281
Amortization	91,372	101,568
Loss (gain) on disposal of tangible capital assets	<u>(51,679)</u>	<u>-</u>
	(81,965)	214,849
Change in assets/liabilities		
Taxes receivable - Municipal	(31,049)	885
Other accounts receivable	(26,396)	24,781
Land for re-sale	-	-
Other financial assets	-	-
Accounts and accrued liabilities payable	54,697	3,401
Deposits	-	-
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Stock and supplies	28,622	(65,035)
Prepayments and deferred charges	637	(707)
Other	<u>-</u>	<u>-</u>
Net cash from (used for) operations	<u>(55,454)</u>	<u>178,174</u>
Capital:		
Acquisition of capital assets	(196,141)	-
Proceeds from the disposal of capital assets	72,080	-
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(124,061)</u>	<u>-</u>
Investing:		
Long-term investments	(4,856)	(1,077)
Other investments	<u>-</u>	<u>-</u>
Net cash used for investing	<u>(4,856)</u>	<u>(1,077)</u>
Financing activities:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	(67,708)	(65,503)
Other financing	<u>-</u>	<u>-</u>
Net cash used for financing	<u>(67,708)</u>	<u>(65,503)</u>
Increase (decrease) in cash resources	(252,079)	111,594
Cash and temporary investments, beginning of year	<u>498,263</u>	<u>386,669</u>
Cash and temporary investments, end of year	<u>\$ 246,184</u>	<u>498,263</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF KING GEORGE NO. 256

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 Rural Municipality of King George No. 256 are available upon request by contacting the Municipality.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements consolidate the assets, liabilities and flow of resources of the Municipality. The entity is comprised of all organizations owned or controlled by the Municipality 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 Municipality'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.