

R.M. OF HOODOO NO. 401

Auditor's Report

Summarized Financial Statements

December 31, 2019

MANAGEMENT'S RESPONSIBILITY


To the Ratepayers of
R.M. of Hoodoo No. 401 :

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 **R.M. of Hoodoo No. 401**

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 **R.M. of Hoodoo No. 401** 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 August 14, 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
August 14, 2020

Chartered Professional Accountants

R.M. OF HOODOO NO. 401

Statement 1

STATEMENT OF FINANCIAL POSITION

December 31, 2019
with comparative figures for 2018

	<u>2019</u>	<u>2018</u> (Restated)
<u>ASSETS</u>		
Financial assets:		
Cash and temporary investments	\$ 1,710,492	1,321,368
Taxes receivable - Municipal	243,602	249,190
Other accounts receivable	401,340	376,340
Land for re-sale	1,272	1,463
Long-term investments	700,816	713,094
Debt charges recoverable	-	-
Other	-	-
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Total financial assets	3,057,522	2,661,455
<u>LIABILITIES</u>		
Bank indebtedness	-	-
Accounts payable	302,281	199,595
Accrued liabilities payable	92,783	10,636
Deposits	119,839	119,339
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Long-term debt	624,637	662,912
Gravel agreement payable	750,000	-
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Total liabilities	1,889,540	992,482
NET FINANCIAL ASSETS (DEBT)	1,167,982	1,668,973
Non-financial assets:		
Tangible capital assets	6,062,354	5,815,566
Prepaid and deferred charges	-	5,957
Stock and supplies	1,152,748	208,076
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Total non-financial assets	7,215,102	6,029,599
Accumulated Surplus (Deficit)	\$ 8,383,084	7,698,572

APPROVED ON BEHALF OF COUNCIL:

_____ Reeve

_____ Councillor

See accompanying notes to the financial statements.

R.M. OF HOODOO NO. 401**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> (Restated)
Revenues:			
Taxes and other unconditional revenue	\$ 2,640,155	2,521,755	2,294,851
Fees and charges	686,370	791,708	798,685
Conditional grants	4,000	6,155	11,067
Tangible capital asset sales - gain (loss)	-	-	-
Land sales - gain (loss)	-	-	-
Investment income and commissions	12,480	27,171	24,305
Restructurings	-	-	-
Other revenue (loss) - Wheatland Rail Inc.	-	(23,861)	5,522
Total Revenues	<u>3,343,005</u>	<u>3,322,928</u>	<u>3,134,430</u>
Expenditures:			
General government services	579,950	581,319	407,827
Protective services	239,700	331,259	297,937
Transportation services	1,632,780	1,332,418	1,574,978
Environmental and public health services	178,960	130,795	78,311
Planning and development services	96,500	80,386	80,794
Recreation and cultural services	50,600	49,991	26,278
Utility services	243,855	227,160	1,347,606
Restructurings	-	-	-
Total Expenditures	<u>3,022,345</u>	<u>2,733,328</u>	<u>3,813,731</u>
Surplus (deficit) of revenues over expenditures before other capital contributions	<u>320,660</u>	<u>589,600</u>	<u>(679,301)</u>
Provincial/Federal capital grants and contributions	<u>439,136</u>	<u>94,912</u>	<u>59,137</u>
Surplus (deficit) of revenues over expenditures	759,796	684,512	(620,164)
Accumulated surplus (deficit), beginning of year	<u>7,698,572</u>	<u>7,698,572</u>	<u>8,318,736</u>
Accumulated surplus (deficit), end of year	<u>\$ 8,458,368</u>	<u>8,383,084</u>	<u>7,698,572</u>

See accompanying notes to the financial statements.

R.M. OF HOODOO NO. 401**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> (Restated)
Surplus (deficit)	\$ <u>759,796</u>	<u>684,512</u>	<u>(620,164)</u>
(Acquisition) of tangible capital assets	(737,000)	(573,652)	(1,589,320)
Amortization of tangible capital assets	249,780	326,864	261,812
Proceeds on disposal of tangible capital assets	-	-	-
Loss (gain) on disposal of tangible capital assets	-	-	-
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (deficit) of capital expenses over expenditures	<u>(487,220)</u>	<u>(246,788)</u>	<u>(1,327,508)</u>
(Acquisition) of supplies inventories	-	(1,152,747)	(208,076)
(Acquisition) of prepaid expenses	-	-	(13,289)
Consumption of supplies inventories	-	208,076	1,339,576
Use of prepaid expenses	-	5,956	16,336
Surplus (deficit) of expenses of other non-financial over expenditures	<u>-</u>	<u>(938,715)</u>	<u>1,134,547</u>
Increase (decrease) in Net Financial Assets	<u>272,576</u>	<u>(500,991)</u>	<u>(813,125)</u>
Net Financial Assets (Debt) - Beginning of the year	<u>1,668,973</u>	<u>1,668,973</u>	<u>2,482,098</u>
Net Financial Assets (Debt)- End of year	\$ <u><u>1,941,549</u></u>	<u><u>1,167,982</u></u>	<u><u>1,668,973</u></u>

See accompanying notes to the financial statements.

R.M. OF HOODOO NO. 401**Statement 4****STATEMENT OF CHANGES IN FINANCIAL POSITION**

Year ended December 31, 2019
with comparative figures for 2018

	<u>2019</u>	<u>2018</u> (Restated)
Cash provided by (used in) the following activities:		
Operating:		
Surplus (deficit)	\$ 684,512	(620,164)
Amortization	326,864	261,812
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>-</u>
	1,011,376	(358,352)
Change in assets/liabilities		
Taxes receivable - Municipal	5,589	13,870
Other accounts receivable	(25,001)	(124,681)
Land for re-sale	191	(1,420)
Other financial assets	-	-
Accounts and accrued liabilities payable	934,832	140,513
Deposits	500	(21,893)
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Stock and supplies	(944,671)	1,131,500
Prepayments and deferred charges	5,957	3,046
Other	<u>-</u>	<u>-</u>
Net cash from operations	<u>988,773</u>	<u>782,583</u>
Capital:		
Acquisition of capital assets	(573,652)	(1,589,320)
Proceeds from the disposal of capital assets	-	-
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(573,652)</u>	<u>(1,589,320)</u>
Investing:		
Long-term investments	12,278	(9,969)
Other investments	<u>-</u>	<u>-</u>
Net cash from (used for) investing	<u>12,278</u>	<u>(9,969)</u>
Financing activities:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	(38,275)	(37,088)
Other financing	<u>-</u>	<u>-</u>
Net cash used for financing	<u>(38,275)</u>	<u>(37,088)</u>
Increase (decrease) in cash resources	389,124	(853,794)
Cash and temporary investments, beginning of year	<u>1,321,368</u>	<u>2,175,162</u>
Cash and temporary investments, end of year	<u>\$ 1,710,492</u>	<u>1,321,368</u>

See accompanying notes to the financial statements.

R.M. OF HOODOO NO. 401

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 R.M. of Hoodoo No. 401 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.