



Independent Auditors' Report

To the Council
Town of Kamsack

Opinion

We have audited the consolidated financial statements of Town of Kamsack, (the municipality), which comprise the consolidated Statement of Financial Position as at December 31, 2019 and the consolidated Statements of Operations, Changes in Net Financial Assets 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 consolidated financial position of the municipality as at December 31, 2019, and results of its operations and its consolidated 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 these 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 related 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.

Council is responsible for overseeing the municipality's financial reporting process.



Auditors' 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 auditors' 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.

Baker Tilly SK LLP

Baker Tilly SK LLP

Yorkton, SK
May 20, 2020

Town of Kamsack
Kamsack, Saskatchewan
Consolidated Statement of Financial Position as at December 31, 2019

Statement 1

	2019	2018
Assets		
Financial Assets		
Cash and temporary investments - note 2	1,195,073	1,080,239
Short-term investments	106,753	105,667
Taxes receivable - municipal - note 3	325,004	226,835
Other accounts receivable - note 4	218,285	253,037
Land for resale - note 5	353,645	340,645
Long-term investments - note 6	493,112	548,416
Total Financial Assets	2,691,872	2,554,839
Liabilities		
Accounts payable - note 8	113,115	84,237
Accrued liabilities	131,551	126,198
Utility deposits	92,765	94,491
Deferred revenue - note 9	135,416	15,165
Accrued landfill costs - note 10	70,216	66,330
Long-term debt - note 11	1,648,130	2,010,465
Lease obligations - note 12	536,854	
Total Liabilities	2,728,047	2,396,886
Net Financial Assets	(36,175)	157,953
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	12,085,939	11,894,425
Prepayments and deferred charges	1,187	4,935
Stock and supplies	55,291	57,383
Total Non-Financial Assets	12,142,417	11,956,743
Accumulated Surplus - schedule 8	\$ 12,106,242	\$ 12,114,696

Approved on behalf of the council:



Mayor



Councillor

Town of Kamsack
 Consolidated Statement of Operations
 For the year ended December 31, 2019

Statement 2

	2019 Budget [Note 1(t)]	2019 Actual	2018 Actual
Revenues			
Taxes and other unconditional revenue - schedule 1	2,306,737	2,350,598	2,300,774
Fees and charges - schedules 4 and 5	1,386,424	1,437,907	1,428,744
Conditional grants - schedules 4 and 5	191,268	160,546	258,346
Tangible capital asset sales - gain - schedules 4 and 5		37,015	5,000
Land sales - gain - schedules 4 and 5	5,500	1,000	
Investment income and commissions - schedules 4 and 5	20,000	23,693	21,427
Total Revenue	<u>3,909,929</u>	<u>4,010,759</u>	<u>4,014,291</u>
Expenses - schedule 3			
General government services	610,817	560,057	596,450
Protective services	376,219	333,220	322,393
Transportation services	1,060,879	1,064,187	1,061,361
Environmental and public health services	358,810	391,534	403,406
Planning and development services	10,250	8,929	7,685
Recreation and cultural services	530,326	546,330	565,210
Utilities services	1,185,299	1,155,039	1,176,901
Total Expenses	<u>4,132,600</u>	<u>4,059,296</u>	<u>4,133,406</u>
Surplus (Deficit) of Revenues over Expenses Before Other Capital Contributions	(222,671)	(48,537)	(119,115)
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	42,000	40,083	0
Surplus (Deficit) of Revenue over Expenses	(180,671)	(8,454)	(119,115)
Accumulated Surplus, Beginning of Year	<u>12,114,696</u>	<u>12,114,696</u>	<u>12,233,811</u>
Accumulated Surplus, End of Year	<u>\$ 11,934,025</u>	<u>\$ 12,106,242</u>	<u>\$ 12,114,696</u>

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Kamsack
 Consolidated Statement of Change in Net Financial Assets
 For the year ended December 31, 2019

Statement 3

	2019 Budget [Note 1(t)]	2019 Actual	2018 Actual
Surplus (Deficit)	(180,671)	(8,454)	(119,115)
(Acquisition) of tangible capital assets	(244,660)	(779,999)	(199,758)
Amortization of tangible capital assets	612,284	577,637	597,094
Proceeds on disposal of tangible capital assets		47,864	5,000
Loss (gain) on the disposal of tangible capital assets		(37,015)	(5,000)
Surplus (Deficit) of Capital Expenses over Expenditures	<u>367,624</u>	<u>(191,513)</u>	<u>397,336</u>
(Acquisition) of prepaid expense			1,228
Consumption of supplies inventory		2,092	21
Use of prepaid expense		<u>3,747</u>	<u>0</u>
Surplus of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>5,839</u>	<u>1,249</u>
Increase (Decrease) in Net Financial Assets	186,953	(194,128)	279,470
Net Financial Assets, beginning of year	<u>157,953</u>	<u>157,953</u>	<u>(121,517)</u>
Net Financial Assets, End of Year	<u>\$ 344,906</u>	<u>\$(36,175)</u>	<u>\$ 157,953</u>

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Kamsack
 Consolidated Statement of Cash Flow
 For the year ended December 31, 2019

Statement 4

	2019	2018
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus (Deficit)	(8,454)	(119,115)
Amortization	577,637	597,094
Loss (gain) on disposal of tangible capital assets	(37,015)	(5,000)
	532,168	472,979
Change in Assets/Liabilities		
Taxes receivable - municipal	(98,168)	(38,991)
Other receivables	34,752	50,727
Land for resale	(12,999)	(109)
Accounts payable	28,881	(64,092)
Accrued liabilities payable	5,349	15,275
Utility deposits	(1,726)	855
Deferred revenue	120,251	(2,731)
Other liabilities	3,886	3,690
Stock and supplies for use	2,092	21
Prepayments and deferred charges	3,748	1,228
Cash Provided by Operating Transactions	618,234	438,852
Capital:		
Acquisition of capital assets	(779,999)	(199,759)
Proceeds from the disposal of capital assets	47,864	5,000
Cash Applied to Capital Transactions	(732,135)	(194,759)
Investing:		
Long-term investments	54,217	(79,902)
Financing:		
Long-term debt issued	581,890	
Long-term debt repaid	(407,372)	(345,312)
Cash Provided by (Applied to) Financing Transactions	174,518	(345,312)
Change in Cash and Temporary Investments During the Year	114,834	(181,121)
Cash and temporary investments, beginning of year	1,080,239	1,261,360
Cash and Temporary Investments, End of Year	\$ 1,195,073	\$ 1,080,239

The notes to consolidated financial statements are an integral part of these consolidated financial statements.