

# **TOWN OF KERROBERT**

**Auditor's Report**

**Summarized Financial Statements**

**December 31, 2021**

## MANAGEMENT'S RESPONSIBILITY

To the Ratepayers of  
**Town of Kerrobert:**

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 Town. 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 Town'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.

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Administrator



Bill Jensen, CPA, CA\*  
Tyler Olafson, CPA, CA\*  
Jared Udchic, CPA\*  
Dylan Peace, CPA\*

\*denotes professional corporation

## REPORT OF THE INDEPENDENT AUDITOR ON SUMMARY FINANCIAL STATEMENTS

To the **Mayor** and Council of **Town of Kerrobert**

### *Opinion*

The summary financial statements, which comprise the summary statement of financial position as at **December 31, 2021**, 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 **Town of Kerrobert** as at **December 31, 2021**.

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 April 13, 2022.

### *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."

A handwritten signature in cursive script that reads "Jensen Stromberg".

Saskatoon, Saskatchewan  
April 13, 2022

Chartered Professional Accountants

# TOWN OF KERROBERT

Statement 1

## STATEMENT OF FINANCIAL POSITION

**December 31, 2021**  
with comparative figures for 2020

	<u>2021</u>	<u>2020</u>
<b><u>ASSETS</u></b>		
Financial assets:		
Cash and temporary investments	\$ 2,874,117	4,565,033
Taxes receivable - Municipal	261,926	321,032
Other accounts receivable	240,566	179,369
Land for re-sale	184,135	93,134
Long-term investments	-	-
Debt charges recoverable	-	-
Other	-	-
	3,560,744	5,158,568
Total financial assets		
<b><u>LIABILITIES</u></b>		
Bank indebtedness	-	-
Accounts payable	2,173,998	441,595
Accrued liabilities payable	-	-
Deposits	6,100	100
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Long-term debt	4,003,762	4,657,458
Lease obligations	-	81,009
	6,183,860	5,180,162
Total liabilities		
<b>NET FINANCIAL ASSETS (DEBT)</b>	(2,623,116)	(21,594)
Non-financial assets:		
Tangible capital assets	19,119,129	11,847,606
Prepaid and deferred charges	3,832	5,594
Stock and supplies	132,771	141,511
	19,255,732	11,994,711
Total non-financial assets		
Accumulated surplus	\$ 16,632,616	11,973,117

**APPROVED ON BEHALF OF COUNCIL:**

  
 \_\_\_\_\_ Mayor  
  
 \_\_\_\_\_ Councillor

See accompanying notes to the financial statements.

# TOWN OF KERROBERT

Statement 2

## STATEMENT OF FINANCIAL ACTIVITIES

Year ended December 31, 2021  
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Revenues:			
Taxes and other unconditional revenue	\$ 1,911,390	1,895,119	1,870,765
Fees and charges	1,334,940	1,285,134	1,315,799
Conditional grants	158,400	213,945	199,986
Tangible capital asset sales - gain (loss)	-	-	(3,752)
Land sales - gain (loss)	-	-	197,004
Investment income and commissions	27,750	28,957	29,858
Restructurings	-	-	-
Other revenues	<u>4,150</u>	<u>63,413</u>	<u>4,060</u>
Total Revenues	<u>3,436,630</u>	<u>3,486,568</u>	<u>3,613,720</u>
Expenditures:			
General government services	447,170	416,495	539,455
Protective services	161,700	206,265	191,595
Transportation services	447,020	425,241	433,618
Environmental and public health services	345,970	370,801	335,007
Planning and development services	104,020	57,673	64,196
Recreation and cultural services	624,760	627,218	652,815
Utility services	589,540	686,705	675,851
Restructurings	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>2,720,180</u>	<u>2,790,398</u>	<u>2,892,537</u>
Surplus (deficit) of revenues over expenditures before other capital contributions	<u>716,450</u>	<u>696,170</u>	<u>721,183</u>
Provincial/Federal capital grants and contributions	<u>37,850</u>	<u>3,963,329</u>	<u>451,868</u>
Surplus (deficit) of revenues over expenditures	754,300	4,659,499	1,173,051
Accumulated surplus (deficit), beginning of year	<u>11,973,117</u>	<u>11,973,117</u>	<u>10,800,066</u>
Accumulated surplus (deficit), end of year	<u>\$ 12,727,417</u>	<u>16,632,616</u>	<u>11,973,117</u>

See accompanying notes to the financial statements.

# TOWN OF KERROBERT

Statement 3

## STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

**Year ended December 31, 2021**  
with comparative figures for 2020

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
<b>Surplus (deficit)</b>	\$ 754,300	4,659,499	1,173,051
(Acquisition) of tangible capital assets	(489,000)	(7,571,680)	(1,046,111)
Amortization of tangible capital assets	-	289,622	292,617
Proceeds on disposal of tangible capital assets	-	10,535	1,927,334
Loss (gain) on disposal of tangible capital assets	-	-	3,752
Transfer of assets/liabilities in restructuring transactions	<u>-</u>	<u>-</u>	<u>-</u>
<b>Surplus (deficit) of capital expenses over expenditures</b>	<u>(489,000)</u>	<u>(7,271,523)</u>	<u>1,177,592</u>
(Acquisition) of supplies inventories	-	-	(387)
(Acquisition) of prepaid expenses	-	-	(5,597)
Consumption of supplies inventories	-	8,741	-
Use of prepaid expenses	<u>-</u>	<u>1,761</u>	<u>20,012</u>
<b>Surplus (deficit) of expenses of other non-financial over expenditures</b>	<u>(489,000)</u>	<u>10,502</u>	<u>14,028</u>
<b>Increase (decrease) in Net Financial Assets</b>	(223,700)	(2,601,522)	2,364,671
<b>Net Financial Assets (Debt) - Beginning of the year</b>	<u>(21,594)</u>	<u>(21,594)</u>	<u>(2,386,265)</u>
<b>Net Financial Assets (Debt)- End of year</b>	<u>\$ (245,294)</u>	<u>(2,623,116)</u>	<u>(21,594)</u>

See accompanying notes to the financial statements.

# TOWN OF KERROBERT

Statement 4

## STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 2021  
with comparative figures for 2020

Cash provided by (used in) the following activities:	<u>2021</u>	<u>2020</u>
Operating:		
Surplus (deficit)	\$ 4,659,499	1,173,051
Amortization	289,622	292,617
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>3,752</u>
	4,949,121	1,469,420
Change in assets/liabilities		
Taxes receivable - Municipal	59,107	137,925
Other accounts receivable	(61,198)	23,417
Land for re-sale	(91,000)	(13,006)
Other financial assets	-	-
Accounts and accrued liabilities payable	1,732,401	249,931
Deposits	6,000	(6,300)
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	(75)
Stock and supplies	8,740	(387)
Prepayments and deferred charges	1,762	14,417
Other	<u>-</u>	<u>-</u>
Net cash from operations	<u>6,604,933</u>	<u>1,875,342</u>
Capital:		
Acquisition of capital assets	(7,571,680)	(1,046,111)
Proceeds from the disposal of capital assets	10,535	1,927,334
Other capital	<u>-</u>	<u>-</u>
Net cash from (used for) capital	<u>(7,561,145)</u>	<u>881,223</u>
Investing:		
Long-term investments	-	-
Other investments	<u>-</u>	<u>-</u>
Net cash from investing	<u>-</u>	<u>-</u>
Financing activities:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	(653,695)	(500,533)
Capital leases	<u>(81,009)</u>	<u>81,009</u>
Net cash used for financing	<u>(734,704)</u>	<u>(419,524)</u>
Increase (decrease) in cash resources	(1,690,916)	2,337,041
Cash and temporary investments, beginning of year	<u>4,565,033</u>	<u>2,227,992</u>
Cash and temporary investments, end of year	<u>\$ 2,874,117</u>	<u>4,565,033</u>

See accompanying notes to the financial statements.

# TOWN OF KERROBERT

## NOTES TO THE SUMMARIZED FINANCIAL STATEMENTS

December 31, 2021

### **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, 2021 and December 31, 2020, 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 Town of Kerrobert are available upon request by contacting the Town.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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