

Pinnacle Business Solutions
Chartered Professional Accountants P.C. Ltd.

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INDEPENDENT AUDITORS' REPORT

To the Members of Rural Municipality of Parkdale No 498

Opinion

We have audited the financial statements of Rural Municipality of Parkdale No 498 (the Organization), which comprise the statement of financial position as at December 31, 2019, and the statements of operations and annual surplus (deficit), changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the 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 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 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.

Independent Auditors' Report to the Members of Rural Municipality of Parkdale No 498 (continued)

- 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 Organization'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 Organization'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 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 Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

Meadow Lake, Saskatchewan
August 12, 2020

Pinnacle Business Solutions
Chartered Professional Accountants

Rural Municipality of Parkdale No. 498
 Consolidated Statement of Financial Position
 As at December 31, 2019

Statement 1

	2019	2018
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	\$ 2,220,460	\$ 1,897,591
Taxes Receivable - Municipal (Note 3)	117,347	109,341
Other Accounts Receivable (Note 4)	95,390	94,702
Land for Resale (Note 5)	4,424	4,424
Long-Term Investments (Note 6)	75,601	60,985
Debt Charges Recoverable (Note 7)		
Other (Specify)		8,592
Total Financial Assets	2,513,222	2,175,635
LIABILITIES		
Bank Indebtedness (Note 8)		
Accounts Payable	271,326	29,609
Accrued Liabilities Payable		
Deposits	11,928	9,968
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	283,254	39,577
NET FINANCIAL ASSETS (DEBT)	\$ 2,229,968	\$ 2,136,058
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	\$ 4,559,843	\$ 4,756,133
Prepayments and Deferred Charges	1,246	375
Stock and Supplies	35,203	84,957
Other (Note 14)		
Total Non-Financial Assets	4,596,292	4,841,485
ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)	\$ 6,826,260	\$ 6,977,543

Rural Municipality of Parkdale No. 498
 Consolidated Statement of Operations
 As at December 31, 2019

Statement 2

	2019 Budget	2019	2018
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	\$ 1,690,176	\$ 1,629,387	\$ 1,656,877
Fees and Charges (Schedule 4, 5)	192,813	165,460	148,926
Conditional Grants (Schedule 4, 5)	4,007	5,426	12,948
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	(2,000)	(6,320)	(49,600)
Land Sales - Gain (Schedule 4, 5)			
Investment Income and Commissions (Schedule 4, 5)	15,882	52,663	21,488
Restructurings (Schedule 4, 5)			
Other Revenues (Schedule 4, 5)	17,440	1,874	1,850
Total Revenues	1,918,318	1,848,490	1,792,489
EXPENSES			
General Government Services (Schedule 3)	1,645,114	330,339	238,908
Protective Services (Schedule 3)	56,458	61,476	46,197
Transportation Services (Schedule 3)	1,073,275	1,278,402	1,064,505
Environmental and Public Health Services (Schedule 3)	172,563	169,327	168,853
Planning and Development Services (Schedule 3)	11,250	8,758	7,646
Recreation and Cultural Services (Schedule 3)	98,891	75,664	82,151
Utility Services (Schedule 3)		4,008	
Restructurings (Schedule 3)		150,090	
Total Expenses	3,857,551	2,077,974	1,608,260
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(1,139,233)	(229,484)	184,229
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	37,600	78,201	54,314
Surplus (Deficit) of Revenues over Expenses	(1,101,633)	(151,283)	238,543
Accumulated Surplus (Deficit), Beginning of Year	6,977,543	6,977,543	6,739,000
Accumulated Surplus (Deficit), End of Year	\$ 5,875,910	\$ 6,826,260	\$ 6,977,543

Rural Municipality of Parkdale No. 498
 Consolidated Statement of Cash Flow
 As at December 31, 2019

Statement 4

	2019	2018
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	\$ (151,283)	\$ 238,543
Amortization	258,450	253,916
Loss (gain) on disposal of tangible capital assets	6,320	45,982
	<u>113,487</u>	<u>538,441</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	(8,006)	2,325
Other Receivables	(688)	31,260
Land for Resale		2,758
Other Financial Assets	8,592	5,728
Accounts and Accrued Liabilities Payable	241,717	(5,342)
Deposits	1,960	(6,252)
Deferred Revenue		
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Stock and Supplies	49,754	(15,834)
Prepayments and Deferred Charges	(871)	28
Other (Specify)		(1,456)
Cash provided by operating transactions	405,945	551,656
Capital:		
Acquisition of capital assets	(81,460)	(611,442)
Proceeds from the disposal of capital assets	13,000	108,000
Other capital		
Cash applied to capital transactions	(68,460)	(503,442)
Investing:		
Long-term investments	(14,616)	(2,849)
Other investments		
Cash provided by (applied to) investing transactions	(14,616)	(2,849)
Financing:		
Debt charges recovered		
Long-term debt issued		
Long-term debt repaid		
Other financing		
Cash provided by (applied to) financing transactions		
Change in Cash and Temporary Investments during the year	322,869	45,365
Cash and Temporary Investments - Beginning of Year	1,897,591	1,852,226
Cash and Temporary Investments - End of Year	\$ 2,220,460	\$ 1,897,591