

TOWN OF OUTLOOK

Auditor's Report

Summarized Financial Statements

December 31, 2018

MANAGEMENT'S RESPONSIBILITY

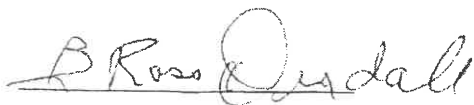
To the Ratepayers of
Town of Outlook :

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 and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

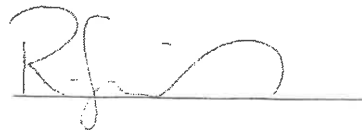
In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of 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 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.



Mayor



Administrator

Bill Jensen, C.P.A. Prof. Corp.
Jeff Stromberg, C.P.A. Prof. Corp.

**REPORT OF THE INDEPENDENT AUDITOR ON
SUMMARIZED FINANCIAL STATEMENTS**

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

Opinion

The summary financial statements, which comprise the summary statement of financial position as at **December 31, 2018**, 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 Outlook** as at **December 31, 2018**.

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 26, 2019.

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."

JENSEN STROMBERG

Saskatoon, Saskatchewan
June 26, 2019

Chartered Professional Accountants

TOWN OF OUTLOOK

Statement 1

STATEMENT OF FINANCIAL POSITION

December 31, 2018
with comparative figures for 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Financial assets:		
Cash and temporary investments	\$ 2,844,489	2,743,508
Taxes Receivable - Municipal	166,656	130,217
Other accounts receivable	520,939	673,869
Land for re-sale	765,856	853,225
Long-term investments	<u>500</u>	<u>500</u>
Total financial assets	4,298,440	4,401,319
<u>LIABILITIES</u>		
Bank indebtedness	-	-
Accounts payable	254,398	659,630
Accrued liabilities payable	-	-
Deposits	75,880	75,571
Deferred revenue	2,800	5,785
Accrued landfill costs	1,000,000	-
Liability for contaminated sites	-	-
Other liabilities	61,669	63,245
Long-term debt	1,660,443	1,353,850
Lease obligations	27,142	39,443
Amounts held in trust	<u>198,078</u>	<u>147,121</u>
Total liabilities	<u>3,280,410</u>	<u>2,344,645</u>
NET FINANCIAL ASSETS (DEBT)	1,018,030	2,056,674
Non-financial assets:		
Tangible capital assets	18,415,365	17,563,257
Prepaid and deferred charges	-	2,292
Stock and supplies	<u>25,776</u>	<u>34,139</u>
Total non-financial assets	<u>18,441,141</u>	<u>17,599,688</u>
Accumulated Surplus	<u>\$19,459,171</u>	<u>19,656,362</u>

APPROVED ON BEHALF OF COUNCIL:

_____ Mayor

_____ Councillor

See accompanying notes to the financial statements.

TOWN OF OUTLOOK

Statement 2

STATEMENT OF FINANCIAL ACTIVITIES

Year ended December 31, 2018
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Revenues:			
Taxes and other unconditional revenue	\$ 2,937,896	2,936,616	2,676,080
Fees and charges	1,583,335	1,676,354	1,753,982
Conditional grants	101,882	193,146	364,342
Tangible capital asset sales - gain (loss)	-	-	(22,237)
Land sales - gain	-	3,744	52,417
Investment income and commissions	22,660	36,075	37,917
Other revenues	-	2,125	40,692
Total Revenues	<u>4,645,773</u>	<u>4,848,060</u>	<u>4,903,193</u>
Expenditures:			
General government services	810,098	834,640	883,680
Protective services	350,496	315,349	348,710
Transportation services	993,708	835,251	771,864
Environmental and public health services	669,114	1,775,909	681,771
Planning and development services	37,629	18,385	118,579
Recreation and cultural services	736,994	680,620	754,187
Utility services	<u>858,095</u>	<u>719,761</u>	<u>592,936</u>
Total Expenditures	<u>4,456,134</u>	<u>5,179,915</u>	<u>4,151,727</u>
Surplus (deficit) of revenues over expenditures before other capital contributions	<u>189,639</u>	<u>(331,855)</u>	<u>751,466</u>
Provincial/Federal capital grants and contributions	<u>134,000</u>	<u>134,664</u>	<u>200,989</u>
Surplus (deficit) of revenues over expenditures	323,639	(197,191)	952,455
Accumulated surplus (deficit), beginning of year	<u>19,656,362</u>	<u>19,656,362</u>	<u>18,703,907</u>
Accumulated surplus (deficit), end of year	<u>\$ 19,980,001</u>	<u>19,459,171</u>	<u>19,656,362</u>

See accompanying notes to the financial statements.

TOWN OF OUTLOOK

Statement 3

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2018
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Surplus (deficit)	\$ 323,639	(197,191)	952,455
(Acquisition) of tangible capital assets	(1,190,875)	(1,458,462)	(3,145,303)
Amortization of tangible capital assets	615,660	603,354	540,219
Proceeds on disposal of tangible capital assets	-	3,000	3,600
Loss (gain) on disposal of tangible capital assets	-	-	22,237
Surplus (deficit) of capital expenses over expenditures	<u>(575,215)</u>	<u>(852,108)</u>	<u>(2,579,247)</u>
(Acquisition) of supplies inventories	-	(5)	(25,579)
(Acquisition) of prepaid expenses	-	-	(2,291)
Consumption of supplies inventories	-	8,368	-
Use of prepaid expenses	-	2,292	2,300
Surplus (deficit) of expenses of other non-financial over expenditures	<u>-</u>	<u>10,655</u>	<u>(25,570)</u>
Increase (decrease) in Net Financial Assets	(251,576)	(1,038,644)	(1,652,362)
Net Financial Assets (Debt) - Beginning of the year	<u>2,056,674</u>	<u>2,056,674</u>	<u>3,709,036</u>
Net Financial Assets (Debt)- End of year	\$ <u>1,805,098</u>	<u>1,018,030</u>	<u>2,056,674</u>

See accompanying notes to the financial statements.

TOWN OF OUTLOOK

Statement 4

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 2018
with comparative figures for 2017

Cash provided by (used in) the following activities:	<u>2018</u>	<u>2017</u>
Operating:		
Surplus (deficit)	\$ (197,191)	952,455
Amortization	603,354	540,219
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>22,237</u>
	406,163	1,514,911
Change in assets/liabilities		
Taxes receivable - Municipal	(36,439)	(6,240)
Other accounts receivable	152,929	(191,657)
Land for re-sale	87,369	32,781
Other financial assets	-	-
Accounts and accrued liabilities payable	594,769	503,531
Deposits	309	272
Deferred revenue	(2,985)	5,710
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	49,381	(11,847)
Stock and supplies	8,363	(25,579)
Prepayments and deferred charges	2,292	8
Other	<u>-</u>	<u>-</u>
Net cash from operations	<u>1,262,151</u>	<u>1,821,890</u>
Capital:		
Acquisition of capital assets	(1,458,462)	(3,145,303)
Proceeds from the disposal of capital assets	3,000	3,600
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(1,455,462)</u>	<u>(3,141,703)</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	500,000	1,353,850
Long-term debt repaid	(193,407)	-
Other financing	<u>(12,301)</u>	<u>(11,524)</u>
Net cash from financing	<u>294,292</u>	<u>1,342,326</u>
Increase (decrease) in cash resources	100,981	22,513
Cash and temporary investments, beginning of year	<u>2,743,508</u>	<u>2,720,995</u>
Cash and temporary investments, end of year	<u>\$ 2,844,489</u>	<u>2,743,508</u>

See accompanying notes to the financial statements.

TOWN OF OUTLOOK

NOTES TO THE SUMMARIZED FINANCIAL STATEMENTS

December 31, 2018

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, 2018 and December 31, 2017, 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 Outlook 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.