

CLIENT REPRESENTATIONS
Village of Mankota

de Jong & Associates
Chartered Professional Accountants, Prof. Corp.
Box 1967, Stn. Main
SWIFT CURRENT, SK.
S9H 4M7

Dear Sir:

Client Representation Letter - Audit Engagement

This representation letter is provided in connection with your audit of the financial statements of Village of Mankota for the period ended December 31, 2020, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards.

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

We have reviewed and approved the draft financial statements for Village of Mankota for the year ended December 31, 2020.

Approved on behalf of the Village of Mankota.

Donette Calvin
Mayor or designee's name

Donette Calvin
Mayor or designee's signature

April Williamson
CAO/Administrator's name

April Williamson
CAO/Administrator's signature

May 19/21
Date

We confirm, to the best of our knowledge and belief, as of the date noted above, the following representations made to you during your review.

1. Financial Statements

We have fulfilled our responsibilities as set out in the terms of the audit engagement dated December 8, 2020, for:

- a. Preparing and fairly presenting the financial statements in accordance with Canadian public sector accounting standards;
- b. Providing you with:
 - i. Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:
 - A. Accounting records, supporting data and other relevant documentation,
 - B. Minutes of meetings (such as shareholders, board of directors and audit committees) or summaries of actions taken for which minutes have not yet been prepared, and
 - C. Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;
 - ii. Additional information that you have requested from us for the purpose of the audit; and
 - iii. Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.
- c. Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and
- d. Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

2. Fraud and Non-Compliance

We have disclosed to you:

- a. All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:
 - i. Management;
 - ii. Employees who have significant roles in internal control; or
 - iii. Others where the fraud could have a material effect on the financial statements;
- b. All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;
- c. All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements;
- d. All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and
- e. The results of our risk assessments regarding possible fraud or error in the financial statements.

3. Related Parties

We confirm that no related-party relationships or transactions occurred during the period.

4. Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with Canadian public sector accounting standards. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the significant assumptions and measurement methods used by us in making accounting estimates, including those measured at fair value, are reasonable.

5. Subsequent Events

All events subsequent to the date of the financial statements and for which Canadian public sector accounting standards requires adjustment or disclosure, have been adjusted or disclosed.

6. Commitments and Contingencies

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

7. Adjustments

We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

8. Misstatements

The effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements, including the reasons why they were not corrected, is attached to this letter.

9. Completeness of information

We have responded fully to all inquiries made to us and have made available to you all financial records and related data and all minutes of the meetings of members, directors and committees of directors.

There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.

We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.

We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss.

10. Recognition, measurement and disclosure

We have disclosed to you, and the organization has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

The organization has satisfactory title to all assets, and there are no liens or encumbrances on the organization's assets.

Recognition, measurement and disclosure – continued from prior page.

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.

We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.

10. Environmental matters

There are no liabilities or contingencies arising from environmental matters that have not already been disclosed to you.

All liabilities or contingencies related to environmental matters have been recognized, measured and disclosed, as appropriate, in the financial statements.

The organization has considered the effect of environmental matters and the carrying value of the relevant assets is recognized, measured and disclosed, as appropriate, in the financial statements.

All commitments related to environmental matters have been measured and disclosed, as appropriate, in the financial statements.

- 12.** We have obtained all consents that are required under applicable privacy legislation for the collection, use, and disclosure to you of personal information.

Municipality of Mankota
 Consolidated Statement of Financial Position
 As at December 31, 2020

Statement 1

	2020	2019
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	10,095	8,405
Taxes Receivable - Municipal (Note 3)	45,990	27,746
Other Accounts Receivable (Note 4)	50,038	36,251
Land for Resale (Note 5)	2,973	2,973
Long-Term Investments (Note 6)	1,841	1,232
Debt Charges Recoverable (Note 7)	-	-
Other (Specify)	-	-
Total Financial Assets	110,937	76,607
LIABILITIES		
Bank Indebtedness (Note 8)	163,025	179,441
Accounts Payable	12,770	15,819
Accrued Liabilities Payable	1,181	2,019
Deposits	2,450	2,450
Deferred Revenue (Note 9)	5,133	-
Accrued Landfill Costs (Note 10)	-	-
Liability for Contaminated Sites (Note 11)	-	-
Other Liabilities	-	-
Long-Term Debt (Note 12)	415,317	467,559
Lease Obligations (Note 13)	-	-
Total Liabilities	599,876	667,288
NET FINANCIAL ASSETS (DEBT)	(488,939)	(590,681)
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	1,845,408	1,849,852
Prepayments and Deferred Charges	51	51
Stock and Supplies	-	-
Other (Note 14)	-	-
Total Non-Financial Assets	1,845,459	1,849,903
ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)	1,356,520	1,259,222

Municipality of Mankota

Consolidated Statement of Operations

As at December 31, 2020

Statement 2

	2020 Budget	2020	2019
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	322,940	338,208	342,541
Fees and Charges (Schedule 4, 5)	158,900	172,276	155,384
Conditional Grants (Schedule 4, 5)	-	-	-
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	-	-	-
Land Sales - Gain (Schedule 4, 5)	-	3,508	-
Investment Income and Commissions (Schedule 4, 5)	-	944	590
Restructurings (Schedule 4,5)	-	-	-
Other Revenues (Schedule 4, 5)	-	-	-
Total Revenues	481,840	514,936	498,515
EXPENSES			
General Government Services (Schedule 3)	191,190	125,970	179,658
Protective Services (Schedule 3)	12,650	13,132	14,937
Transportation Services (Schedule 3)	101,860	106,238	94,823
Environmental and Public Health Services (Schedule 3)	54,900	44,170	43,560
Planning and Development Services (Schedule 3)	-	-	-
Recreation and Cultural Services (Schedule 3)	7,400	5,800	6,492
Utility Services (Schedule 3)	128,990	169,935	140,352
Restructurings (Schedule 3)	-	-	-
Total Expenses	496,990	465,245	479,822
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(15,150)	49,691	18,693
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	15,000	47,606	26,071
Surplus (Deficit) of Revenues over Expenses	(150)	97,297	44,764
Accumulated Surplus (Deficit), Beginning of Year	1,259,222	1,259,222	1,214,458
Accumulated Surplus (Deficit), End of Year	1,259,072	1,356,519	1,259,222

Municipality of Mankota
 Consolidated Statement of Change in Net Financial Assets
 As at December 31, 2020

Statement 3

	2020 Budget	2020	2019
Surplus (Deficit)	(150)	97,297	44,764
(Acquisition) of tangible capital assets	-	(8,263)	(124,517)
Amortization of tangible capital assets	-	12,707	16,527
Proceeds on disposal of tangible capital assets	-	-	-
Loss (gain) on the disposal of tangible capital assets	-	-	-
Transfer of Assets/Liabilities in Restructuring Transactions	-	-	-
Surplus (Deficit) of capital expenses over expenditures	-	4,444	(107,990)
(Acquisition) of supplies inventories	-	-	-
(Acquisition) of prepaid expense	-	-	-
Consumption of supplies inventory	-	-	-
Use of prepaid expense	-	-	-
Surplus (Deficit) of expenses of other non-financial over expenditures	-	-	-
Increase/Decrease in Net Financial Assets	(150)	101,741	(63,226)
Net Financial Assets (Debt) - Beginning of Year	(590,681)	(590,681)	(527,455)
Net Financial Assets (Debt) - End of Year	(590,831)	(488,940)	(590,681)

Municipality of Mankota
Consolidated Statement of Cash Flow
As at December 31, 2020

Statement 4

	2020	2019
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	97,297	44,764
Amortization	12,707	16,527
Loss (gain) on disposal of tangible capital assets	-	-
	<u>110,004</u>	<u>61,291</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	(18,244)	25,946
Other Receivables	(13,787)	63,947
Land for Resale	-	-
Other Financial Assets	-	-
Accounts and Accrued Liabilities Payable	(3,886)	9,619
Deposits	-	(650)
Deferred Revenue	5,133	-
Accrued Landfill Costs	-	-
Liability for Contaminated Sites	-	-
Other Liabilities	-	-
Stock and Supplies	-	-
Prepayments and Deferred Charges	-	-
Other (Specify)	-	-
Cash provided by operating transactions	<u>79,220</u>	<u>160,153</u>
Capital:		
Acquisition of capital assets	(8,263)	(124,517)
Proceeds from the disposal of capital assets	-	-
Other capital	-	-
Cash applied to capital transactions	<u>(8,263)</u>	<u>(124,517)</u>
Investing:		
Long-term investments	(609)	4,813
Other investments	-	-
Cash provided by (applied to) investing transactions	<u>(609)</u>	<u>4,813</u>
Financing:		
Debt charges recovered	-	-
Long-term debt issued	-	200,000
Long-term debt repaid	(52,242)	(45,874)
Other financing	-	-
Cash provided by (applied to) financing transactions	<u>(52,242)</u>	<u>154,126</u>
Change in Cash and Temporary Investments during the year	<u>18,106</u>	<u>194,575</u>
Cash and Temporary Investments - Beginning of Year	<u>(171,036)</u>	<u>(365,611)</u>
Cash and Temporary Investments - End of Year	<u>(152,930)</u>	<u>(171,036)</u>