

MUNICIPAL FINANCIAL INFORMATION RETURN

For the Year Ending December 31, 2019

Municipality Name: Town of Bassano

CERTIFICATION

The information contained in this Financial Information Return is presented fairly to the best of my knowledge.



Signature of Duly Authorized Signing Officer

Amanda Davis

Print Name

Mar. 9, 2020

Date



KPMG LLP
500, 400 - 4th Avenue South
Lethbridge AB T1J 4E1
Canada
Tel 403-380-5700
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INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of Council of the City of the Town of Bassano

Opinion

We have audited the municipal financial information return of the Town of Bassano (the Entity) as at and for the year ended December 31, 2019.

In our opinion, the accompanying municipal financial information return as at and for the year ended December 31, 2019 of the Entity is prepared, in all material respects, in accordance with the financial reporting provisions of Section 277 of the Alberta Municipal Government Act and the accounting principles described in the Financial Information Return Manual for December 31, 2019 prepared by Alberta Municipal Affairs.

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 "***Auditors' Responsibilities for the Audit of the Municipal Financial Information Return***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the municipal financial information return 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.



Emphasis of Matter – Financial Reporting Framework

We draw attention to fact that the municipal financial information return has been prepared in accordance with the financial reporting provisions included in Section 277 of the Alberta Municipal Government Act and the accounting principles described in the Municipal Financial Information Return Manual prepared by Alberta Municipal Affairs, which describe the basis of accounting.

The municipal financial information return is prepared to assist the Entity to meet the requirements of Alberta Municipal Affairs and is to be used primarily for statistical purposes.

As a result, the municipal financial information return may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Other Matter – Restriction on Use

Our report is intended solely for the Mayor and Members of Council of the Entity and Alberta Municipal Affairs, and should not be used by other parties.

Other Matter – General Purpose Financial Statements

The Entity has prepared general purpose financial statements as at and for the year ended December 31, 2019 in accordance with Canadian public sector accounting standards on which we issued an auditors' report addressed to the Mayor and Members of Council of the Entity dated March 9, 2020.

Responsibilities of Management and Those Charged with Governance for the Municipal Financial Information Return

Management is responsible for the preparation of the municipal financial information return in accordance with the financial reporting provisions of Section 277 of the Alberta Municipal Government Act and the Financial Information Return Manual for December 31, 2019 prepared by Alberta Municipal Affairs, and for such internal control as management determines is necessary to enable the preparation of a municipal financial information return that is free from material misstatement, whether due to fraud or error.

In preparing the municipal financial information return, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Municipal Financial Information Return

Our objectives are to obtain reasonable assurance about whether the municipal financial information return as a whole is 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 the municipal financial information return.

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 municipal financial information return, 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to the material uncertainty in our auditors' report. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Lethbridge, Canada

March 9, 2020

FINANCIAL POSITION

Schedule 9A

	Total 1
Assets	0010
Cash and Temporary Investments	0020 6,259,177
Taxes and Grants in Place of Taxes Receivable	0030
. Current	0040 120,009
. Arrears	0050 90,948
. Allowance	0060 -10,000
Receivable From Other Governments	0070
Loans Receivable	0080
Trade and Other Receivables	0090 260,760
Debt Charges Recoverable	0095
Inventories Held for Resale	0130
. Land	0140 70,748
. Other	0150
Long Term Investments	0170
. Federal Government	0180
. Provincial Government	0190
. Local Governments	0200
. Other	0210 843,543
Other Current Assets	0230
Other Long Term Assets	0240
Total Financial Assets	0250
	0260 7,635,185
Liabilities	0270
Temporary Loans Payable	0280
Payable To Other Governments	0290
Accounts Payable & Accrued Liabilities	0300 86,436
Deposit Liabilities	0310 45,125
Deferred Revenue	0340 1,024,946
Long Term Debt	0350 519,897
Other Current Liabilities	0360
Other Long Term Liabilities	0370
Total Liabilities	0380
	0390 1,676,404
Net Financial Assets (Net Debt)	0395 5,958,781
Non Financial Assets	
Tangible Capital Assets.....	0400 10,861,969
Inventory for Consumption.....	0410
Prepaid Expenses	0420 21,461
Other.....	0430 73,478
Total Non-Financial Assets	0440 10,956,908
Accumulated Surplus	0450 16,915,689

CHANGE IN ACCUMULATED SURPLUS

Schedule 9B

	Unrestricted	Restricted	Equity in TCA	Total
	1	2	3	4
Accumulated Surplus - Beginning of Year	0500 1,453,936	4,513,080	10,510,707	16,477,723
Net Revenue (Expense)	0505 437,966			437,966
Funds Designated For Future Use	0511 -646,463	646,463		
Restricted Funds - Used for Operations	0512			
Restricted Funds - Used for TCA	0513			
Current Year Funds Used for TCA	0514 -166,308		166,308	
Donated and Contributed TCA	0516			
Disposals of TCA	0517			
Annual Amortization Expense	0518 433,784		-433,784	
Long Term Debt - Issued	0519			
Long Term Debt - Repaid	0521 -98,841		98,841	
Capital Debt - Used for TCA	0522			
	0523			
Other Adjustments	0524			
Accumulated Surplus - End of Year	0525 1,414,074	5,159,543	10,342,072	16,915,689

FINANCIAL ACTIVITIES BY FUNCTION

Schedule 9C

	Revenue 1	Expense 2
Total General	0700 1,349,425	
Function	0710	1150
General Government	0720	1160
Council and Other Legislative	0730	1170
General Administration	0740	1180
Other General Government.....	0750 546,067	1190 574,510
Protective Services	0760	1200
Police	0770	1210
Fire	0780	1220
Disaster and Emergency Measures	0790	1230
Ambulance and First Aid	0800	1240
Bylaws Enforcement	0810	1250
Other Protective Services.....	0820 73,947	1260 184,275
Transportation	0830	1270
Common and Equipment Pool	0840	1280
Roads, Streets, Walks, Lighting	0850	1290
Airport	0860	1300
Public Transit	0870	1310
Storm Sewers and Drainage	0880	1320
Other Transportation	0890 8,003	1330 518,721
Environmental Use and Protection	0900	1340
Water Supply and Distribution	0910	1350
Wastewater Treatment and Disposal	0920	1360
Waste Management	0930	1370
Other Environmental Use and Protection	0940 802,057	1380 724,535
Public Health and Welfare	0950	1390
Family and Community Support	0960	1400
Day Care	0970	1410
Cemeteries and Crematoriums	0980	1420
Other Public Health and Welfare	0990 103,043	1430 127,245
Planning and Development	1000	1440
Land Use Planning, Zoning and Development	1010	1450
Economic/Agricultural Development	1020	1460
Subdivision Land and Development	1030	1470
Public Housing Operations	1040	1480
Land, Housing and Building Rentals	1050	1490
Other Planning and Development.....	1060 18,682	1500 60,078
Recreation and Culture	1070	1510
Recreation Boards	1080	1520
Parks and Recreation	1090	1530
Culture: Libraries, Museums, Halls	1100	1540
Convention Centres	1110	1550
Other Recreation and Culture.....	1120 204,787	1560 478,681
Other Utilities	1125	1565
Gas	1126	1566
Electric	1127	1567
Other	1130	1570
Total Revenue/Expense	1140 3,106,011	1580 2,668,045
Net Revenue/Expense		1590 437,966

FINANCIAL ACTIVITIES BY TYPE / OBJECT

Schedule 9D

Total

1

Revenues	1700	
Taxation and Grants in Place	1710	
Property (Net Municipal)	1720	1,349,425
Business	1730	
Business Revitalization Zone	1740	
Special	1750	
Well Drilling	1760	
Local Improvement	1770	
Sales To Other Governments	1790	
Sales and User Charges	1800	981,648
Penalties and Costs on Taxes	1810	53,192
Licenses and Permits	1820	25,577
Fines	1830	
Franchise and Concession Contracts	1840	263,815
Returns on Investments	1850	120,782
Rentals	1860	36,815
Insurance Proceeds	1870	
Net Gain on Sale of Tangible Capital Assets	1880	3,500
Contributed and Donated Assets	1885	
Federal Government Unconditional Transfers	1890	
Federal Government Conditional Transfers	1900	
Provincial Government Unconditional Transfers	1910	
Provincial Government Conditional Transfers	1920	181,152
Local Government Transfers	1930	85,408
Transfers From Local Boards and Agencies	1940	
Developer Agreements and Levies	1960	
Other Revenues	1970	4,697
Total Revenue	1980	3,106,011
Expenses	1990	
Salaries, Wages, and Benefits	2000	622,207
Contracted and General Services	2010	1,070,152
Purchases from Other Governments	2020	
Materials, Goods, Supplies, and Utilities	2030	411,896
Provision For Allowances	2040	
Transfers to Other Governments	2050	
Transfers to Local Boards and Agencies	2060	70,739
Transfers to Individuals and Organizations	2070	
Bank Charges and Short Term Interest	2080	
Interest on Operating Long Term Debt	2090	
Interest on Capital Long Term Debt	2100	33,653
Amortization of Tangible Capital Assets	2110	433,784
Net Loss on Sale of Tangible Capital Assets	2125	
Write Down of Tangible Capital Assets	2127	
Other Expenditures	2130	25,614
Total Expenses	2140	2,668,045
Net Revenue (Expense)	2150	437,966

REVENUE AND EXPENSE SUPPLEMENTARY DETAIL

Schedule 9E

		Revenue		Expenses	
		Sales and User Charges	Provincial Capital Transfers	Annual Amortization Expense	Capital Long Term Debt Interest Expense
		1	2	3	4
General Government	2200				
Council and Other Legislative	2210				
General Administration	2220	8,528	29,161	13,065	
Other General Government.....	2230				
Protective Services	2240				
Police	2250				
Fire	2260	69,681		12,560	
Disaster and Emergency Measures	2270				
Ambulance and First Aid	2280				
Bylaws Enforcement	2290	4,266			
Other Protective Services.....	2300				
Transportation	2310				
Common and Equipment Pool	2320				
Roads, Streets, Walks, Lighting	2330	3,773		152,279	
Airport	2340	4,230		18,774	
Public Transit	2350				
Storm Sewers and Drainage	2360				
Other Transportation	2370				
Environmental Use and Protection	2380				
Water Supply and Distribution	2390	424,776		132,551	33,653
Wastewater Treatment and Disposal	2400	122,084	129,146	34,575	
Waste Management	2410	126,051		3,217	
Other Environmental Use and Protection	2420				
Public Health and Welfare	2430				
Family and Community Support	2440	1,242	51,979		
Day Care	2450				
Cemeteries and Crematoriums	2460	8,257		604	
Other Public Health and Welfare	2470	8,136	33,429		
Planning and Development	2480				
Land Use Planning, Zoning and Development	2490				
Economic/Agricultural Development	2500				
Subdivision Land and Development	2510				
Public Housing Operations	2520				
Land, Housing and Building Rentals	2530				
Other Planning and Development.....	2540		18,682		
Recreation and Culture	2550				
Recreation Boards	2560				
Parks and Recreation	2570	180,715	4,163	54,457	
Culture: Libraries, Museums, Halls	2580	16,903		11,702	
Convention Centres	2590	3,006			
Other Recreation and Culture.....	2600				
Other Utilities	2605				
Gas	2606				
Electric	2607				
Other	2610				
Total	2620	981,648	266,560	433,784	33,653

TANGIBLE CAPITAL ASSETS SUPPLEMENTARY DETAIL

Schedule 9F

		Tangible Capital Assets		Capital Long Term Debt	
		Purchased	Donated or Contributed	Principal Additions	Principal Reductions
		1	2	3	4
General Government	2700				
Council and Other Legislative	2710				
General Administration	2720				
Other General Government	2730				
Protective Services	2740				
Police	2750				
Fire	2760				
Disaster and Emergency Measures	2770				
Ambulance and First Aid	2780				
Bylaws Enforcement	2790				
Other Protective Services	2800				
Transportation	2810				
Common and Equipment Pool	2820				
Roads, Streets, Walks, Lighting	2830	23,754			
Airport	2840				
Public Transit	2850				
Storm Sewers and Drainage	2860				
Other Transportation	2870				
Environmental Use and Protection	2880				
Water Supply and Distribution	2890	13,407			98,841
Wastewater Treatment and Disposal	2900	129,147			
Waste Management	2910				
Other Environmental Use and Protection	2920				
Public Health and Welfare	2930				
Family and Community Support	2940				
Day Care	2950				
Cemeteries and Crematoriums	2960				
Other Public Health and Welfare	2970				
Planning and Development	2980				
Land Use Planning, Zoning and Development	2990				
Economic/Agricultural Development	3000				
Subdivision Land and Development	3010				
Public Housing Operations	3020				
Land, Housing and Building Rentals	3030				
Other Planning and Development	3040				
Recreation and Culture	3050				
Recreation Boards	3060				
Parks and Recreation	3070				
Culture: Libraries, Museums, Halls	3080				
Convention Centres	3090				
Other Recreation and Culture	3100				
Other Utilities	3105				
Gas	3106				
Electric	3107				
Other	3110				
Total	3120	166,308			98,841

CHANGE IN TANGIBLE CAPITAL ASSETS

Schedule 9G

		Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
		1	2	3	4
Tangible Capital Assets - Cost					
Engineered Structures	3200				
Roadway Systems	3201	7,128,223			7,128,223
Light Rail Transit Systems	3202				
Water Systems	3203	6,489,219	13,407		6,502,626
Wastewater Systems	3204	2,705,412			2,705,412
Storm Systems	3205				
Fibre Optics	3206				
Electricity Systems	3207				
Gas Distribution Systems	3208				
Total Engineered Structures	3210	16,322,854	13,407		16,336,261
Construction In Progress	3219	269,824	129,147		398,971
Buildings	3220	5,464,517			5,464,517
Machinery and Equipment	3230	665,047	23,754	18,100	670,701
Land	3240	153,301			153,301
Land Improvements	3245				
Vehicles	3250	434,459			434,459
Total Capital Property Cost	3260	23,310,002	166,308	18,100	23,458,210
Accumulated Amortization					
Engineered Structures	3270				
Roadway Systems	3271	5,577,637	137,896		5,715,533
Light Rail Transit Systems	3272				
Water Systems	3273	3,167,855	132,551		3,300,406
Wastewater Systems	3274	631,599	34,575		666,174
Storm Systems	3275				
Fibre Optics	3276				
Electricity Systems	3277				
Gas Distribution Systems	3278				
Engineered Structures	3280	9,377,091	305,022		9,682,113
Buildings	3290	2,138,718	85,291		2,224,009
Machinery and Equipment	3300	387,567	25,759	18,100	395,226
Land	3310				
Land Improvements	3315				
Vehicles	3320	277,181	17,712		294,893
Total Accumulated Amortization	3330	12,180,557	433,784	18,100	12,596,241
Net Book Value of Capital Property	3340	11,129,445			10,861,969
Capital Long Term Debt (Net)	3350	618,738			519,897
Equity in Tangible Capital Assets	3400	10,510,707			10,342,072

LONG TERM DEBT SUPPORT

Schedule 9H

	Operating Purposes 1	Capital Purposes 2	Total 3
Long Term Debt Support 3405			
Supported by General Tax Levies 3410		519,897	519,897
Supported by Special Levies 3420			
Supported by Utility Rates 3430			
Other 3440			
Total Long Term Debt Principal Balance 3450		519,897	519,897

LONG TERM DEBT SOURCES

Schedule 9I

	Operating Purposes 1	Capital Purposes 2	Total 3
Alberta Capital Finance Authority 3500		519,897	519,897
Canada Mortgage and Housing Corporation 3520			
Mortgage Borrowing 3600			
Other 3610			
Total Long Term Debt Principal Balance 3620		519,897	519,897

FUTURE LONG TERM DEBT REPAYMENTS

Schedule 9J

	Operating Purposes 1	Capital Purposes 2	Total 3
Principal Repayments by Year 3700			
Current + 1 3710		104,517	104,517
Current + 2 3720		110,519	110,519
Current + 3 3730		116,864	116,864
Current + 4 3740		123,575	123,575
Current + 5 3750		64,422	64,422
Thereafter 3760			
Total Principal 3770		519,897	519,897
Interest by Year 3780			
Current + 1 3790		27,978	27,978
Current + 2 3800		21,976	21,976
Current + 3 3810		15,631	15,631
Current + 4 3820		8,920	8,920
Current + 5 3830		1,825	1,825
Thereafter 3840			
Total Interest 3850		76,330	76,330

PROPERTY TAXES AND GRANTS IN PLACE

Schedule 9K

	Property Taxes 1	Grants - in Place 2	Total 3
Property Taxes	3900		
Residential Land and Improvements	3910	1,664,216	1,664,216
Non-Residential	3920		
Land and improvements (Excluding M & E).....	3935	12,667	12,667
Machinery and Equipment	3950		
Linear Property	3960	25,914	25,914
Railway	3970		
Farm Land	3980		
Adjustments to Property Taxes	3990		
Total Property Taxes and Grants In Place	4000	1,690,130	1,702,797
Requisition Transfers		4010	
Education			
Residential/Farm Land		4031	314,403
Non-Residential		4035	12,840
Seniors Lodges		4090	25,918
Other		4100	211
Adjustments to Requisition Transfers		4110	
Total Requisition Transfers		4120	353,372
Net Municipal Property Taxes and Grants In Place		4130	1,349,425

GRANTS IN PLACE OF TAXES

Schedule 9L

	Property Taxes 1	Business Taxes 2	Other Taxes 3	Total 4
Federal Government	4200	12,667		12,667
Provincial Government	4210			
Local Government	4220			
Other	4230			
Total	4240	12,667		12,667

DEBT LIMIT

Schedule 9AA

		1
Debt Limit	5700	4,465,299
Total Debt	5710	-519,897
Debt Service Limit	5720	744,217
Total Debt Service Costs	5730	-132,495

Enter prior year Line 3450 Column 2 balance here:

618,738

EDIT LIST - PLEASE REVIEW AND CORRECT ANY ERRORS NOTED BELOW

Please ensure the correct breakdown of Non-Residential Property taxes has been recorded under line 3920

Please ensure the correct breakdown of Non-Residential Property taxes has been recorded under line 3920

TOWN OF BASSANO
502 – 2ND AVENUE
PO BOX 299
BASSANO, ALBERTA T0J 0B0

KPMG LLP
500, 400-4th Avenue South
Lethbridge, AB
T1J 4E1

March 9, 2020

Ladies and Gentlemen:

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the municipal financial information return of Town of Bassano ("the Entity") as at and for the period ended December 31, 2019.

General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in **Attachment I** to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Responsibilities:

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated January 24, 2020, including for:
 - a) the preparation of the municipal financial information return and believe that the municipal financial information return has been prepared in accordance with the financial reporting provisions of Section 277 of the Alberta Municipal Government Act and the accounting principles described in the Financial Information Return Manual for December 31, 2019 prepared by Alberta Municipal Affairs.
 - b) providing you with all information of which we are aware that is relevant to the preparation of the municipal financial information return ("relevant information"), such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties;
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, Council and committees of the Council that may affect the financial statements. All significant actions are included in such summaries.
 - c) providing you with unrestricted access to such relevant information.
 - d) providing you with complete responses to all enquiries made by you during the engagement.
 - e) providing you with additional information that you may request from us for the purpose of the engagement.

- f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
- g) such internal control as we determined is necessary to enable the preparation of the municipal financial information return that is free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the municipal financial information return.
- i) ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the entity, did not intervene in the work the internal auditors performed for you.

Internal control over financial reporting:

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

Fraud & non-compliance with laws and regulations:

- 3) We have disclosed to you:
 - a) the results of our assessment of the risk that the municipal financial information return may be materially misstated as a result of fraud.
 - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
 - management;
 - employees who have significant roles in internal control over financial reporting; or
 - otherswhere such fraud or suspected fraud could have a material effect on the municipal financial information return.
 - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
 - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing the municipal financial information return.
 - e) all known actual or possible litigation and claims whose effects should be considered when preparing the municipal financial information return.

Subsequent events:

- 4) All events subsequent to the date of the municipal financial information return and for which the relevant financial reporting framework requires adjustment in the municipal financial information return have been adjusted or disclosed.

Related parties:

- 5) We have disclosed to you the identity of the Entity's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

Estimates:

- 8) Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

Going concern:

- 9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 10) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

Misstatements:

- 11) The effects of the uncorrected misstatements described in **Attachment II** are immaterial, both individually and in the aggregate, to the commission financial information return as a whole.
- 12) We approve the corrected misstatements identified by you during the audit described in **Attachment II**.

Non-SEC registrants or non-reporting issuers:

- 13) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Municipal ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 14) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Yours very truly,

Mrs. Amanda Davis, Chief Administrative Officer

Attachment I – Definitions

Materiality

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the municipal financial information return. Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both.

Fraud & error

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive municipal financial information return users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in municipal financial information return, including the omission of an amount or a disclosure.

Attachment II

Summary of corrected misstatements (continued)

#	Account #	Account Name	Description/ Identified During	Error Type	Amount DR (CR)	Income Effect DR (CR)	Balance Sheet Effect			Cash Flow Effect			Statement of Comprehensive Income - Debit (Credit)	
							Equity at period end	Current Assets	Non- Current Assets	Current Liabilities	Non- Current Liabilities	Operating Activities		Investing Activities
6	1-00-00- 510-00	TAXES - PENALTIES & COSTS	To record 2019 penalties. Client posted in January 2020 rather than December 2019. (CLIENT TO POST THIS ENTRY AS DECEMBER 31, 2019 AND THEN REVERSE THE ENTRY ON JANUARY 1, 2020 ENTRY).	N/A	\$ (34,242)	\$ (34,242)	\$ (34,242)	\$ -	\$ -	\$ -	\$ -	\$ -		
	3-00-00- 211-00	TAXES - RECEIVABLE CURRENT			34,242			34,242			(34,242)			
7	3-00-00- 211-00	TAXES - RECEIVABLE CURRENT	(TAX ROLL ENTRY) - To record the acquisition of Roll#12.00, Lot 19, Block 7, Plan 38727	N/A	(150)			(150)			150			
	3-00-00- 212-00	TAXES - RECEIVABLE - ARRARAS			(10,464)			(10,464)			10,464			
	3-65-00- 370-00	LAND INVENTORY			10,614			10,614			(10,614)			
8	1-63-00- 4-63-00- 120-00- 2-63-00- 120-00	TSF FROM ECD GRANT FUNDS GENERAL ECD GRANT FUNDS TSF TO ECD GRANT FUNDS	To correct client entry to record closing of ECD savings account.	N/A	14,360 (14,242) (118)		14,360 (14,242) (118)				(14,360) 14,242 118			
9	4-64-00- 275-00	DEFERRED REVENUE - PLANNING & DEVELOPMENT INTEREST - ON LLLP GRANT	To adjust LLLP deferred revenue to actual and correct client entry to record interest on LLLP savings account.	N/A	(318)						318			
	1-00-00- 555-00	RESERVE - LLLP GRANT FUNDS			318						(318)			
	4-64-00- 120-00	RESERVE - LLLP GRANT FUNDS			310						(310)			
	2-64-00- 120-00	TSF TO LLLP GRANT FUNDS			(310)						310			
10	1-63-00- 280-00	DEFERRED REVENUE - SEWER- PROV. GRANT	To adjust recognize grant revenue for 2019. Client misstates accounts incurred and adjust MSJ - capital FGIF and BMTG deferred revenue accounts to actual.	N/A	105,146								105,146	

Attachment II
Summary of corrected misstatements (continued)

#	Account #	Account Name	Description/ Identified During	Error Type	Amount DR (CR)	Income Effect DR (CR)	Balance Sheet Effect			Cash Flow Effect			Statement of Comprehensive Income - Debit (Credit)
							Equity at period end	Current Assets	Non- Current Assets	Current Liabilities	Non- Current Liabilities	Operating Activities	
					\$	\$	\$	\$	\$	\$	\$	\$	
	4-32-00- 281-00	DEFERRED REVENUE - ROADS - PROV. GRANT			24,000						(24,000)		
	1-42-00- 840-00	SEWER - PROVINCIAL COND GRANT			(129,146)	(129,146)					129,146		
	4-32-00- 278-00	DEFER REVENUE - MSI - CAPITAL			7						(7)		
	4-32-00- 279-00	DEFERRED REVENUE RESERVOIR GAS TAX REFUND			(7)						7		
	4-32-00- 275-00	DEFERRED REVENUE - BASIC MUN TSP GRANT											
11	3-66-00- 570-01	IMPAIRMENT OF LAND HELD FOR RESALE	To record disposition of Plan 1511466 Block 1, Lot 2 and transfer of net proceeds to land and development reserve. Also, to clear out remaining balance of tax sale trust from prior year.	N/A	94,921		94,921				(94,921)		
	3-66-00- 570-00	LAND INVENTORY			(244,921)		(244,921)				244,921		
	1-66-00- 400-00	LAND - SALES			150,000	150,000					(150,000)		
	4-64-00- 710-01	RESERVE - LAND & DEVELOPMENT			(134,379)		(134,379)				134,379		
	4-00-00- 910-00	ACCUMULATED SURPLUS- OPERATING			134,379						(134,379)		
12	2-32-00- 520-00	P.W. - EQUIP REPAIR /MAINT.	To adjust client entry to record the purchase of Kubota mower and trade- in of JD Mower.	N/A	(20,254)	(20,254)					20,254		
	7-72-00- 630-00	T.C.A. RECREATION EQUIP.			(18,100)		(18,100)					18,100	
	7-72-00- 627-00	ACCUM. AMORT. RECREATION EQUIP.			18,100		18,100					(18,100)	
	7-32-00- 630-00	T.C.A. ROADS EQUIP.			23,754		23,754				(23,754)		

Attachment II

Summary of corrected misstatements (continued)

#	Account #	Account Name	Description/ Identified During	Error Type	Amount DR (CR)	Income Statement DR (CR) Impact effect	Balance Sheet Effect				Cash Flow Effect		Statement of Comprehensive Income - (Debit) (Credit)
							Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Operating Activities	Investing Activities	
					\$ (3,500)	\$ (3,500)	\$	\$	\$	\$	\$	\$	
13	5-72-00-500-00 710-00 2-42-00-765-00 2-42-00-710-00 2-42-00-765-00 1-42-00-520-00 2-42-00-765-00 4-42-00-710-00 2-42-00-765-00 1-42-00-520-00 1-42-00-520-00 4-42-00-710-00 2-42-00-765-00 1-00-00-554-05 4-32-00-280-00	GAIN/LOSS ON SALE OF EQUIPMENT RESERVE - SEWAGE TREATMENT SEWER - TSF TO RESERVES RESERVE - SEWAGE TREATMENT UPGRADING SEWER - TSF TO RESERVES RESERVE - SEWAGE TREATMENT UPGRADING SEWER - TSF TO RESERVES RESERVE - SEWAGE TREATMENT UPGRADE RES. TSF FROM SEWAGE TREATMENT UPGRADE RES. RESERVE - SEWAGE TREATMENT UPGRADING SEWER - TSF TO RESERVES INTEREST - SEWAGE TREATMENT RESERVE DEFERRED REVENUE - SEWER - RESERVE	To correct sewage treatment reserve entries.	N/A	(11,344)	(11,344)							
					\$ (3,500)	\$ (3,500)	\$	\$	\$	\$	\$	\$	
14	4-51-00-120-00 4-23-00-715-00	RESERVE - FCSS RESERVES - FIRE COMMITTEE	To record transfer of Fire surplus to Fire reserve and transfer of FCSS deficit out of FCSS reserve.	N/A	2,024	2,024							
					(1,088)	(1,088)							

Attachment II

Summary of corrected misstatements (continued)

#	Account #	Account Name	Description/ Identified During	Error Type	Amount DR (CR)	Income Effect DR (CR)	Balance Sheet Effect				Cash Flow Effect			Statement of Comprehensive Income (Debit (Credit))
							Equity at period end	Current Assets	Non- Current Assets	Current Liabilities	Non- Current Liabilities	Operating Activities	Investing Activities	
	4005-00- 910-00	ACCUMULATED SURPLUS- OPERATING			\$ (936)	\$	\$	\$	\$	\$	\$	\$	\$	
15	241-00- 250-00	WATER - REPAIR/MAINTENAN	To capitalize the upgrade of the bulk water filling station.	N/A	(13,407)	(13,407)					13,407			
	741-00- 615-00	T.C.A. ENG-WATER RES & TREATMT			13,407			13,407					(13,407)	
16	7-12-00- 640-00	ACCU. AMORT. - BLDG. ADMIN	To record current year amortization provision (PART 1).	N/A	(12,267)			(12,267)			12,267			
	7-32-00- 640-00	ACCU. AMORT. BLDG. ROADS			(1,849)			(1,849)			1,849			
	7-72-00- 640-00	ACC. AMORT. BLDGS.			(53,324)			(53,324)			53,324			
	7-32-00- 925-00	ACCU. AMORT. ENG. ROADS			(118,476)			(118,476)			118,476			
	628-00- 628-00	ACC. AMORT. ENG. ROADS			(1,253)			(1,253)			1,253			
	7-41-00- 628-00	ACC. AMORT. ENG- WATER RES & TREATMENT			(111,110)			(111,110)			111,110			
	7-41-00- 628-01	ACCU. AMORT. DISTRIBUTION WATER			(21,441)			(21,441)			21,441			
	7-42-00- 628-00	ACC. AMORT. SEWER TREAT.			(9,656)			(9,656)			9,656			
	7-42-00- 628-01	ACC. AMORT. SEWER DISTRIBUTION			(18,307)			(18,307)			18,307			
	7-42-00- 628-01	ACC. AMORT. SEWER DISTRIBUTION			(5,750)			(5,750)			5,750			
	7-42-00- 628-01	ACC. AMORT. SEWER DISTRIBUTION			(862)			(862)			862			
	7-12-00- 627-00	DISTRIBUTION ACCU. AMORT. ADMIN. EQUIP.			(797)			(797)			797			

Attachment II
Summary of corrected misstatements (continued)

#	Account #	Account Name	Description/ Identified Duffing	Error Type	Amount DR (CR)	Income Effect DR (CR)	Balance Sheet Effect			Cash Flow Effect			Statement of Comprehensive Income - Debit (Credit)
							Equity at period end	Current Assets	Non- Current Assets	Current Liabilities	Non- Current Liabilities	Operating Activities	
18	243-00- 800-00- 570-01- 3-65-00- 570-03- 2-66-00- 763-00	GARBARAGE AMORTIZATION DEFERRED LAND HELD FOR RESALE Allowance on Non- Financial land Inventory IMPAIRMENT OF LAND HELD FOR RESALE	To record allowances on land for sale.	N/A	\$ (10,614)	\$ 3,217	\$ -	\$ (10,614)	\$ -	\$ -	\$ -	\$ -	\$ -
19	4-12-00- 260-00- 3-12-00- 3-65-00-	AP - GST GST - REBATE REVENUE REVENUE	To combine 4th quarter GST balances into one account.	N/A	\$ 5,185	\$ -	\$ (5,185)	\$ -	\$ 5,185	\$ -	\$ -	\$ -	\$ -
20	3-65-00- 570-00- 3-65-00- 610-00- 3-65-00- 570-02-	LAND INVENTORY SUB. WIP LAND INVENTORY Non-financial land Inventory RESERVE - FGSS	To allocate financial and non-financial land inventory to individual accounts.	N/A	\$ (11,381)	\$ -	\$ (11,381)	\$ -	\$ 11,381	\$ -	\$ -	\$ -	\$ -
21	4-51-00- 120-00-	RESERVE - FGSS	To combine FGSS reserve accounts (balance in 4-51-00-270-00 represents reserve balance, not deferred revenue).	N/A	\$ (11,901)	\$ (11,901)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	4-51-00- 270-00- 528-00- 522-00-	DEFERRED REVENUE BYLAW - BUSINESS LICENSE	PART 1 of 4. To correct year end error posted to account 4-00-00- 271-00	N/A	\$ (470)	\$ (470)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	2-23-00- 510-00- 2-41-00- 120-00-	FIRE - GOODS & SUPPLIES WATER - CONTRACT SERVICES			\$ (848)	\$ (848)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	2-41-00- 250-00-	WATER - REPAIR/MAINTENAN CE			\$ (1,972)	\$ (1,972)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	3-12-00- 260-00-	GST - REBATE REVENUE			\$ (345)	\$ -	\$ (345)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Attachment II

Summary of corrected misstatements (continued)

#	Account #	Account Name	Descriptor/ Identified During	Error Type	Amount DR (CR)	Income Effect DR (CR)	Balance Sheet Effect			Cash Flow Effect			Statement of Comprehen sive Income - Debit (Credit)
							Equity at period end	Current Assets	Non- Current Assets	Current Liabilities	Non- Current Liabilities	Operating Activities	
4-00-00-	271-00-	AP - YEAR END CLOSING			\$ (13,119)	\$	\$	\$	\$	\$	\$	\$	
24	2-51-00-	FCSS - GENERAL GOODS & SUPPLIES	PART 3 of 4: To correct year end accrual posted to account 4-00-00- 271-00	N/A	51	51	51		(13,119)		(51)		
	510-00	FCSS - COMMUNITY CHRISTMAS			206	206	206				(206)		
	2-72-00-	POOL - FREIGHT, INTERNET, PHONE			65	65	65				(65)		
2-72-00-	250-00-	POOL - REPAIR/MAINTENAN CE			2,275	2,275	2,275				(2,275)		
2-72-00-	540-00	POOL - UTILITIES			226	226	226				(226)		
2-72-01-	250-00	PARKS & REC - REPAIR/MAINTENAN CE			210	210	210				(210)		
2-72-01-	510-00	PARKS & REC - GOODS & SUPPLIES			13	13	13				(13)		
2-72-01-	540-00	T.V. TOWER - UTILITIES			141	141	141				(141)		
2-72-01-	541-00	CAMPGROUND - UTILITIES			156	156	156				(156)		
2-74-00-	210-00	HALL - FREIGHT, INTERNET, PHONE			66	66	66				(66)		
2-74-00-	540-00	HALL - UTILITIES			1,623	1,623	1,623				(1,623)		
2-74-00-	545-00	DROP-IN CENTRE - UTILITIES			565	565	565				(565)		
3-12-00-	285-00	AR - AUMA UTILITIES & PHONE			9,689			9,689					
3-51-00-	270-00	AR - FCSS, MEALS ON WHEELS			734			734					
4-00-00-	230-00	FEDERAL PAYROLLS DEDUCTIONS			8,049				8,049				
4-12-00-	255-00	AP - RSP STAFF			800				800				

Attachment II

Summary of corrected misstatements (continued)

#	Account #	Account Name	Description/ Identified During	Error Type	Amount DR (CR)	Income Effect DR (CR)	Balance Sheet Effect				Cash Flow Effect			Statement of Comprehensive Income Net Income Debit (Credit)
							Equity at period end	Current Assets	Non- Current Assets	Current Liabilities	Non- Current Liabilities	Operating Activities	Investing Activities	
	2-72-00- 710-00	TSFTO RECREATION & CULTURE RESERVE			\$ (66,239)	\$	\$ (66,239)	\$	\$	\$	\$ 66,239	\$	\$	
	4-00-00- 910-00	ACCUMULATED SURPLUS- OPERATING			513,020		513,020	-	-	-	(513,020)	-	-	
28	4-00-00- 910-00	ACCUMULATED SURPLUS- OPERATING	To adjust equity in tangible capital assets to actual.	N/A	(168,635)		(168,635)	-	-	-	168,635	-	-	
	8-00-00- 800-00	OPERATING CAPITAL SURPLUS			168,635		168,635	-	-	-	(168,635)	-	-	
29	2-51-00- 2-62-00- 110-00	FCSS - SALARIES COMM. WORKER - SALARIES	To reallocate shared wage between FCSS and Community Worker.	N/A	2,422 (2,422)	2,422 (2,422)					2,422 (2,422)			
Total effect of corrected misstatements						552,011	(46,916)	(61,413)	(69,115)	137,358	13,617	(13,617)		