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## INDEPENDENT AUDITOR'S REPORT

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To the Council of the Resort Village of Cochin

### *Opinion*

We have audited the consolidated financial statements of the Resort Village of Cochin (the Organization), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations and accumulated surplus and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated 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 Consolidated 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 consolidated 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.

### *Emphasis of Matter*

We draw attention to Note 24 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2018 has been restated. The consolidated financial statements for the year ended December 31, 2018 (prior to the adjustments that were applied to restate certain comparative information explained in Note 24) were audited by Cogent Chartered Professional Accountants LLP who expressed an unmodified opinion on those consolidated financial statements on June 26, 2019. Our opinion is not modified in respect of this matter. The partners and staff of Cogent CPA LLP joined Grant Thornton LLP on November 1, 2019.

### *Other Matter*

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. Schedules 1, 2, 3, 7 and 10 are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.

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

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

In preparing the consolidated 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.

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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.
- 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

Saskatoon, Canada  
June 9, 2020

*Grant Thornton LLP*

Chartered Professional Accountants

**Consolidated Statement of Financial Position**  
**As at December 31, 2019**

**Statement 1**

	2019	2018 (Restated - see Note 24)
<b>FINANCIAL ASSETS</b>		
Cash and Temporary Investments (Note 2)	\$ 431,204	\$ 216,633
Taxes Receivable - Municipal (Note 3)	81,603	112,080
Other Accounts Receivable (Note 4)	54,733	113,683
Land for Resale (Note 5)	1,650	1,650
Long-Term Investments (Note 6)	-	-
Debt Charges Recoverable (Note 7)	-	-
Other	-	-
<b>Total financial assets</b>	<b>569,190</b>	<b>444,046</b>
<b>LIABILITIES</b>		
Bank indebtedness (Note 8)	-	-
Accounts Payable	29,654	15,881
Accrued Liabilities Payable	-	-
Deposits	100	8,826
Deferred Revenue (Note 9)	-	15,000
Accrued Landfill Costs (Note 10)	-	-
Liability for Contaminated Sites (Note 11)	-	-
Other Liabilities	-	-
Long-Term Debt (Note 12)	50,000	52,500
Lease Obligations (Note 13)	-	-
<b>Total liabilities</b>	<b>79,754</b>	<b>92,207</b>
<b>NET FINANCIAL ASSETS</b>	<b>489,436</b>	<b>351,839</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets(Schedule 6, 7)	1,590,134	1,624,093
Prepayments and Deferred Charges	2,622	2,622
Stock and Supplies	-	-
Other (Note 14)	-	-
<b>Total Non-Financial Assets</b>	<b>1,592,756</b>	<b>1,626,715</b>
<b>ACCUMULATED SURPLUS (Schedule 8)</b>	<b>\$ 2,082,192</b>	<b>\$ 1,978,554</b>

See notes to financial statements



**Consolidated Statement of Operations and Accumulated Surplus**  
**As at December 31, 2019**

**Statement 2**

	Budget	2019	2018 (Restated - see Note 24)
<b>REVENUES</b>			
Taxes and Other Unconditional Revenue (Schedule 1)	\$ 585,080	\$ 634,585	\$ 537,469
Fees and Charges (Schedule 4, 5)	144,500	426,062	400,080
Conditional Grants (Schedule 4, 5)	44,600	18,981	51,295
Tangible Capital Assets Sales - Gain (Loss) (Schedule 4, 5)	14,000	12,914	-
Land Sales - Gain (Loss) (Schedule 4, 5)	-	-	-
Investment Income and Commissions (Schedule 4, 5)	200	2,448	212
Restructurings (Schedule 4, 5)	-	-	-
Other Revenues (Schedule 4, 5)	19,000	50,447	53,198
<b>Total Revenues</b>	<b>807,380</b>	<b>1,145,437</b>	<b>1,042,254</b>
<b>EXPENSES</b>			
General Government Services (Schedule 3)	265,095	296,610	266,619
Protective Services (Schedule 3)	43,171	41,608	37,977
Transportation Services (Schedule 3)	215,031	225,720	239,431
Environmental and Public Health Services (Schedule 3)	24,969	35,339	29,432
Planning and Development Services (Schedule 3)	27,140	27,693	5,461
Recreation and Cultural Services (Schedule 3)	91,582	165,379	180,917
Utility Services (Schedule 3)	34,396	269,614	277,126
Restructurings (Schedule 3)	-	-	-
<b>Total Expenses</b>	<b>701,384</b>	<b>1,061,963</b>	<b>1,036,963</b>
<b>Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions</b>	<b>105,996</b>	<b>83,474</b>	<b>5,291</b>
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	9,850	20,164	10,293
<b>Surplus (Deficit) of Revenues over Expenses</b>	<b>115,846</b>	<b>103,638</b>	<b>15,584</b>
Accumulated Surplus (Deficit), Beginning of Year, Previously Reported	1,978,554	983,380	984,711
Prior Period Adjustment (Note 24)	-	995,174	978,259
Accumulated Surplus (Deficit), Beginning of Year, As Adjusted	-	1,978,554	1,962,970
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b>\$ 2,094,400</b>	<b>\$ 2,082,192</b>	<b>\$ 1,978,554</b>

See notes to financial statements

Consolidated Statement of Change in Net Financial Assets

As at December 31, 2019

Statement 3

	Budget 2019	2019	2018 (Restated - see Note 24)
<b>Surplus (Deficit)</b>	<b>\$ 103,151</b>	<b>\$ 103,638</b>	<b>\$ 15,584</b>
(Acquisition) of tangible capital assets	-	(99,509)	(34,975)
Amortization of tangible capital assets	31,791	88,082	97,517
Proceeds on disposal of tangible capital assets	-	58,301	-
Loss (gain) on the disposal of tangible capital assets	-	(12,914)	-
Transfer of assets/liabilities in restructuring transactions	-	-	-
<b>Surplus (Deficit) of capital expenses over expenditures</b>	<b>31,791</b>	<b>33,960</b>	<b>62,542</b>
(Acquisition) of supplies inventories	-	(135)	(135)
(Acquisition) of prepaid expense	-	(2,487)	(2,486)
Consumption of supplies inventory	-	135	100
Use of prepaid expense	-	2,486	2,274
<b>Surplus (Deficit) of expenses of other non-financial over expenditures</b>	<b>-</b>	<b>(1)</b>	<b>(247)</b>
<b>Increase/Decrease in Net Financial Assets</b>	<b>134,942</b>	<b>137,597</b>	<b>77,879</b>
<b>Net Financial Assets (Debt) - Beginning of Year</b>	<b>351,839</b>	<b>351,839</b>	<b>273,960</b>
<b>Net Financial Assets (Debt) - End of Year</b>	<b>\$ 486,781</b>	<b>\$ 489,436</b>	<b>\$ 351,839</b>

See notes to financial statements