

Annual Financial Statements

And Supporting Schedules

For The

Town of Hafford

For the year ended December 31, 2015

Management's Responsibility

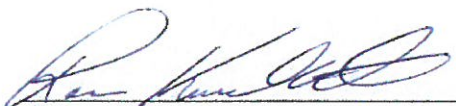
To the Ratepayers of the Town of Hafford:

Management is responsible for the preparation and presentation of the accompanying 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 municipality. 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.

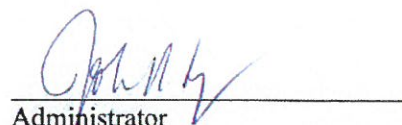
Holm Raiche Oberg Chartered Professional Accountants P.C. Ltd., an independent firm of chartered professional accountants, is appointed by Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and administration to discuss their audit findings.



Mayor

June 7/16

Date



Administrator



Holm Raiche Oberg
Chartered Professional Accountants P.C. Ltd.

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of Town of Hafford

Report on the Financial Statements

We have audited the accompanying financial statements of Town of Hafford, which comprise the statement of financial position as at December 31, 2015, and the statements of operations, change in net financial assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Town of Hafford as at December 31, 2015, and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The current year's supplementary information included in the schedules and appendices is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

North Battleford, Saskatchewan
June 7, 2016

Holm Raiche Oberg
Chartered Professional Accountants

Town of Hafford
Statement of Financial Position
As at December 31, 2015

Statement 1

	2015	2014
FINANCIAL ASSETS		<i>Re-stated</i>
Cash and Temporary Investments (Note 2)	\$ 138,086	\$ 191,250
Taxes Receivable - Municipal (Note 3)	18,334	19,032
Other Accounts Receivable (Note 4)	72,149	38,688
Land for Resale (Note 5)	10,767	21,137
Long-term Investments (Note 6)	579	100
Debt Charges Recoverable		
Other (Specify)		
Total Financial Assets	239,915	270,207

LIABILITIES

Bank Indebtedness (Note 7)		
Accounts Payable	35,087	23,143
Accrued Liabilities Payable		
Deposits	23,482	22,039
Deferred Revenue (Note 8)	26,514	18,398
Accrued Landfill Costs		
Liability for Contaminated Sites (Note 9)	31,000	31,000
Other Liabilities		
Long-term Debt (Note 10)	27,572	39,981
Lease Obligations		
Total Liabilities	143,655	134,561

NET FINANCIAL ASSETS (DEBT)	96,260	135,646
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Non-Financial Assets

Tangible Capital Assets (Schedule 6, 7)	640,792	594,871
Prepayments and Deferred Charges	26,506	23,819
Stock and Supplies		
Other		
Total Non-Financial Assets	667,298	618,690

Accumulated Surplus (Deficit) (Schedule 9)	\$ 763,558	\$ 754,336
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Town of Haiford
Statement of Operations
For the year ended December 31, 2015

Statement 2

	2015 Budget	2015	2014
Revenues			<i>Re-stated</i>
Taxes and Other Unconditional Revenue (Schedule 1)	\$ 318,210	\$ 322,142	\$ 317,358
Fees and Charges (Schedule 4, 5)	204,500	197,538	200,857
Conditional Grants (Schedule 4, 5)	47,690	60,704	38,990
Tangible Capital Asset Sales - Gain (Schedule 4, 5)		975	
Land Sales - Gain (Loss) (Schedule 4, 5)		(1,522)	
Investment Income and Commissions (Schedule 4, 5)	2,140	1,541	2,488
Other Revenues (Schedule 4, 5)	880	1,241	4,122
Total Revenues	573,420	582,619	563,815
Expenses			
General Government Services (Schedule 3)	131,500	136,225	131,968
Protective Services (Schedule 3)	38,290	44,675	49,070
Transportation Services (Schedule 3)	144,380	143,397	140,486
Environmental and Public Health Services (Schedule 3)	98,810	123,149	89,100
Planning and Development Services (Schedule 3)	3,640	1,882	2,528
Recreation and Cultural Services (Schedule 3)	37,600	43,233	53,887
Utility Services (Schedule 3)	118,620	103,386	101,935
Total Expenses	572,840	595,947	568,974
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	580	(13,328)	(5,159)
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	22,510	22,550	22,510
Surplus (Deficit) of Revenues over Expenses	\$ 23,090	9,222	17,351
Accumulated Surplus (Deficit), Beginning of Year		754,336	736,985
Accumulated Surplus (Deficit), End of Year		\$ 763,558	\$ 754,336

Town of Hafford

Statement of Change in Net Financial Assets

For the year ended December 31, 2015

Statement 3

	2015 Budget	2015	2014
			<i>Re-stated</i>
Surplus (Deficit)	\$ 23,090	\$ 9,222	\$ 17,351
(Acquisition) of tangible capital assets	(94,300)	(101,951)	(65,661)
Amortization of tangible capital assets		42,805	39,645
Proceeds on disposal of tangible capital assets	12,000	14,200	
Loss (gain) on the disposal of tangible capital assets		(975)	
Surplus (Deficit) of capital revenue over expenditures	(82,300)	(45,921)	(26,016)
(Acquisition) of supplies inventories			
(Acquisition) of prepaid expense		(2,687)	
Consumption of supplies inventories			
Use of prepaid expense			27
Surplus (Deficit) of expenses of other non-financial over expenditures		(2,687)	27
Increase (Decrease) in Net Financial Assets	\$ (59,210)	(39,386)	(8,638)
Net Financial Assets - Beginning of Year		135,646	144,284
Net Financial Assets - End of Year		\$ 96,260	\$ 135,646

Town of Haiford
Statement of Cash Flow
For the year ended December 31, 2015

Statement 4

Cash provided by (used for) the following activities

Operating:

	2015	2014
		<i>Re-stated</i>
Surplus (Deficit)	\$ 9,222	\$ 17,351
Amortization	42,805	39,645
Loss (gain) on disposal of tangible capital assets	(975)	
	<u>51,052</u>	<u>56,996</u>

Change in assets/liabilities

Taxes Receivable - Municipal	698	(14,584)
Other Receivables	(33,461)	9,026
Land for Resale	10,370	
Other Financial Assets		
Accounts and Accrued Liabilities Payable	11,944	(24,720)
Deposits	1,443	1,093
Deferred Revenue	8,116	(1,862)
Accrued Landfill costs		
Liability for Contaminated Sites		
Other Liabilities		
Stock and Supplies for Use		
Prepayments and Deferred Charges	(2,687)	27
Other (Specify)		

Net cash provided by (used for) operations	47,475	25,976
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Capital:

Acquisition of Tangible Capital Assets	(101,951)	(65,661)
Proceeds From the Disposal of Tangible Capital Assets	14,200	
Other Capital		

Net cash provided by (used for) capital	(87,751)	(65,661)
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Investing:

Long-term Investments	(479)	358
Other Investments		

Net cash provided by (used for) investing	(479)	358
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Financing:

Debt Charges Recovered		
Long-term Debt Issued		
Long-term Debt Repaid	(12,409)	(28,117)
Other Financing		

Cash provided by (used for) financing transactions	(12,409)	(28,117)
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Change in Cash and Temporary Investments during the year	(53,164)	(67,444)
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Cash and Temporary Investments - Beginning of Year	191,250	258,694
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Cash and Temporary Investments - End of Year	\$ 138,086	\$ 191,250
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Town of Hafford
Notes to the Financial Statements
For the year ended December 31, 2015

1. Significant Accounting Policies

The financial statements of the municipality are prepared by management in accordance with the local government accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Significant aspects of the accounting policies are as follows:

- a) **Basis of Accounting:** The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue 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.
- b) **Reporting Entity:** The financial statements consolidates the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources. Entities included in these financial statements are as follows:

Entity

Town of Hafford

- c) **Collection of Funds for Other Authorities:** Collection of funds by the municipality for the school board authorities are collected and remitted in accordance with relevant legislation. The amounts collected are disclosed in Note 3.
- d) **Government Transfers:** Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occurred, as long as:
 - a) the transfer is authorized;
 - b) eligibility criteria have been met; and
 - c) a reasonable estimate of the amount can be made.

Unearned government transfer amounts received but not earned will be recorded as deferred revenue.

Earned government transfer amounts not received will be recorded as an account receivable.

- e) **Deferred Revenue:** Fees and charges - certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.
- f) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- g) **Net-Financial Assets:** Net-financial assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.
- h) **Non-Financial Assets:** Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

Town of Hafford
Notes to the Financial Statements
For the year ended December 31, 2015

1. Significant Accounting Policies - continued

- i) **Appropriated Reserves:** Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 8.
- j) **Property Tax Revenue:** Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by council following the guidance of the Government of Saskatchewan. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.
- k) **Investments:** Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment. The long-term investments in the Saskatchewan Rural Municipalities - Self Insurance fund are accounted for on the equity basis.
- l) **Inventories:** Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.
- m) **Tangible Capital Assets:** All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
General Assets	
Land	Indefinite
Land Improvements	5 to 20 Yrs
Buildings	10 to 50 Yrs
Vehicles and Equipment	
Vehicles	5 to 10 Yrs
Machinery and Equipment	5 to 10 Yrs
Infrastructure Assets	
Water and Sewer	30 to 75 Yrs
Road Network Assets	30 to 75 Yrs

Government Contributions: Government contributions for the acquisition of tangible capital assets are reported as capital revenue and do not reduce the cost of the related asset.

Works of Art: Assets that have a historical or cultural significance, which include works of art, monuments and other cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with this property cannot be made.

Capitalization of Interest: The municipality does not capitalize interest incurred while a tangible capital asset is under construction.

- n) **Leases:** All leases are recorded on the financial statement as either a capital or operating lease. Any lease that transfers the majority of benefits and risk associated with the leased asset is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. Assets under capital leases are amortized on a straight-line basis, over their estimated useful lives. Any other lease not meeting the before mentioned criteria is classified as a operating lease and rental payments are expensed as incurred.

Town of Hafford
Notes to the Financial Statements
For the year ended December 31, 2015

1. Significant Accounting Policies - continued

- o) **Trust Funds:** Funds held in trust for others are neither included in the municipality's assets or equity. They are disclosed in Note 14.
- p) **Employee Benefit Plans:** Contributions to the municipality's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.
- q) **Liability for Contaminated Sites:** Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:
 - a) an environmental standard exists;
 - b) contamination exceeds the environmental standard;
 - c) The municipality:
 - i. is directly responsible; or
 - ii. accepts responsibility;
 - d) it is expected that future economic benefits will be given up; and
 - e) a reasonable estimate of the amount can be made.

- r) **Measurement Uncertainty:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount 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. Taxes receivable and accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Allowances are determined through an annual review of outstanding amounts.

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 operations in the periods in which they become known.

- s) **Basis of Segmentation:** The municipality has adopted the Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the purpose of specific borrowings.

The segments (functions) are as follows:

General Government: The general government segment provides for the administration of the municipality.

Protective Services: The protective services segment is comprised of expenses for police and fire protection.

Transportation Services: The transportation services segment is responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

Environmental and Public Health: The environmental segment provides waste disposal and other environmental services. The public health segment provides for expenses related to public health services in the municipality.

Planning and Development: The planning and development segment provides for neighborhood development and sustainability.

Recreation and Cultural: The recreation and cultural segment provides for community services through the provision of recreation and leisure services.

Utility Services: The utility services segment provides for delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

- t) **Land Sales:** Land sales are recognized in the financial statements as revenues in the period in which the contract is signed and the ability to collect is reasonably assured.
- u) **Land for Resale:** Land for resale is recorded at the lower of cost to prepare the land for sale and the market value of the land. Costs to prepare the land for sale include leveling, grading and utility service connections. The land is considered available for sale when all the land preparation is completed.
- v) **Tax Title Property:** Property acquired through the tax enforcement process and temporarily held is recorded at the lesser of the carrying amount (cost equal to the outstanding taxes including any applicable penalties up to the date of acquisition plus any costs necessary to maintain after acquisition) and the net recoverable amount. Impairment losses are not reversed in subsequent years, if net recoverable value subsequently increases.

Town of Hafford
Notes to the Financial Statements
For the year ended December 31, 2015

	2015	2014
2. Cash and Temporary Investments		
Cash	\$ 138,086	\$ 191,250
Temporary Investments		
Restricted Cash		
Total Cash and Temporary Investments	\$ 138,086	\$ 191,250

Cash and temporary investments include balances with banks, Credit Unions, term deposits, marketable securities and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

3. Taxes and Grants in Lieu Receivable

Municipal - Current	\$ 35,021	\$ 37,579
- Arrears	18,682	16,822
	53,703	54,401
- Less Allowance for Uncollectibles	(35,369)	(35,369)
Total Municipal Taxes Receivable	18,334	19,032

School - Current	6,572	6,545
- Arrears	2,686	2,134
Total School Taxes Receivable	9,258	8,679

Other		
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Total Taxes and Grants in Lieu Receivable 27,592 27,711

Deduct taxes receivable to be collected on behalf of other organizations (9,258) (8,679)

Total Taxes Receivable - Municipal \$ 18,334 \$ 19,032

4. Other Accounts Receivable

Federal government	\$ 980	\$ 7,202
Provincial government	1,816	1,619
Local government	11,052	8,446
Utility	22,660	20,317
Trade	51,467	16,930
Other		
Total Other Accounts Receivable	87,975	54,514

Less Allowance for Uncollectibles (15,826) (15,826)

Net Other Accounts Receivable \$ 72,149 \$ 38,688

5. Land for Resale

Tax Title Property	\$ 52,756	\$ 63,126
Allowance for Market Value Adjustment	(43,789)	(43,789)
Net Tax Title Property	8,967	19,337
Other Land	1,800	1,800
Allowance for Market Value Adjustment		
Net Other Land	1,800	1,800
Total Land for Resale	\$ 10,767	\$ 21,137

Town of Hafford

Notes to the Financial Statements

For the year ended December 31, 2015

6. Long-term Investments

	2015	2014
Hafford Co-operative Association Limited - equity	\$ 579	\$ 100
Total Long-term Investments	\$ 579	\$ 100

The Hafford Co-operative Association Limited - equity is accounted for on the cost basis.

7. Credit Facility Agreement

The municipality has a credit facility agreement with its financial institution that covers its long-term debt facilities referred to in Note 10, credit cards with a charge limit in the amount of \$3,000 and a revolving operating line of credit in the amount of \$40,000.

Interest on the line of credit is 5.1%. Security for the line of credit is the assignment of the municipality's municipal taxes receivable. There was no amount drawn on the line of credit as of December 31, 2015 and 2014.

8. Deferred Revenue

Prepaid cable fees	\$ 17,400	\$ 18,398
Prepaid insurance fees	9,114	
Total Deferred Revenue	\$ 26,514	\$ 18,398

9. Liability for Contaminated Sites

The municipality recognizes and estimates a liability of \$31,000 (2014 - \$31,000) for remediation of a contaminated site. The nature of the liability is the remediation of a former service station location.

10. Long-term Debt

a) The debt limit of the municipality is \$385,879. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the *Municipalities Act* section 161).

b) The Innovation Credit Union land purchase loan is secured by a general assignment of property taxes receivable. The loan is repayable in monthly instalments of \$881 including interest at 5.826%. The loan is due October, 2018.

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Total	Prior Year Principal
2015				\$ 8,691
2016	\$ 9,211	\$ 1,363	\$ 10,574	9,211
2017	9,762	811	10,573	9,762
Thereafter	8,599	233	8,832	8,599
Balance	27,572	2,407	29,979	36,263

c) The Innovation Credit Union fire truck loan

Future principal repayments are estimated as follows:

Year	Principal	Interest	Current Total	Prior Year Principal
2015				3,718
Balance				3,718

Total Long-term Debt	\$ 27,572	\$ 2,407	\$ 29,979	\$ 39,981
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Town of Hafford

Notes to the Financial Statements

For the year ended December 31, 2015

11. Pension Plan

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality's pension expense in 2015 was \$7,322 (2014 - \$8,971). The benefits accrued to the municipality's employees from MEPP are calculated using the following: Pensionable Years of Service, Highest Average Salary, and the plan accrual rate.

12. Comparative Figures

Prior year comparative figures have been restated to conform to the current year's presentation.

13. Budget Figures

Budget figures are reported for information purposes only and are not included in the scope of the external audit.

14. Trusts Administered by the Municipality

A summary of trust fund activity by the municipality during the year is as follows:

Planning For Growth

	2015	2014
Balance - Beginning of Year	\$ 4,192	\$ 11,283
Revenue (Specify)		
Interest revenue	40	59
Expenditure (Consulting fee)	(2,100)	(7,150)
Balance - End of Year	\$ 2,132	\$ 4,192

Town of Hafford

Schedule of Taxes and Other Unconditional Revenue

For the year ended December 31, 2015

Schedule 1

	2015 Budget	2015	2014
TAXES			
General municipal tax levy	\$ 197,290	\$ 202,539	\$ 197,295
Abatements and adjustments		(975)	
Discount on current year taxes	(6,580)	(6,647)	(6,583)
Net Municipal Taxes	190,710	194,917	190,712
Potash tax share			
Trailer license fees			
Penalties on tax arrears	5,360	5,422	4,373
Special tax levy			
Other (Specify)			
Total Taxes	196,070	200,339	195,085

UNCONDITIONAL GRANTS

Equalization (Revenue Sharing)	88,140	90,994	88,139
Other (Transit for Disabled, transfer site)	2,260	1,565	2,264
Total Unconditional Grants	90,400	92,559	90,403

GRANTS IN LIEU OF TAXES

Federal	4,430	3,467	4,427
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Provincial

S.P.C. Electrical			
SaskEnergy Gas			
Transgas			
SPMC - Municipal Share			
SaskTel			
Other (Specify)			

Local/Other

Housing Authority	6,480	6,482	6,480
C.P.R. Mainline			
Treaty Land Entitlement			
Other (Specify)			

Other Government Transfers

S.P.C. Surcharge	20,830	19,295	20,963
Sask Energy Surcharge			
Other (Specify)			

Total Grants in Lieu of Taxes	31,740	29,244	31,870
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TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 318,210	\$ 322,142	\$ 317,358
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Town of Hafford
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2015

Schedule 2 - 1

GENERAL GOVERNMENT SERVICES

2015 Budget	2015	2014
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Operating

Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 130	\$ 195	\$ 150
- Sales of supplies	340	376	848
- Other (Rentals, licenses, permits)	10,290	9,640	10,618
Total Fees and Charges	10,760	10,211	11,616
- Tangible capital asset sales - gain (loss)			
- Land sales - gain (loss)		(1,522)	
- Investment income and commissions	2,140	1,541	2,488
- Other (Specify)			
Total Other Segmented Revenue	12,900	10,230	14,104
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
Total Operating	12,900	10,230	14,104

Capital

Conditional Grants			
- Federal Gas Tax	22,510	22,550	22,510
- Canada/Sask Municipal Rural Infrastructure Fund			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	22,510	22,550	22,510
Total General Government Services	35,410	32,780	36,614

PROTECTIVE SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Other (Fire fees)	8,920		9,053
Total Fees and Charges	8,920		9,053
- Tangible capital asset sales - gain (loss)			
- Other (Cost recoveries)			3,245
Total Other Segmented Revenue	8,920		12,298
Conditional Grants			
- Student Employment			
- Local government			
- Other (Contributions)			12,300
Total Conditional Grants			12,300
Total Operating	8,920		24,598

Capital

Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Local government			
- Other (Specify)			
Total Capital			
Total Protective Services	8,920		24,598

Town of Haiford
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2015

Schedule 2 - 2

	2015 Budget	2015	2014
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work			
- Sales of supplies			
- Road Maintenance and Restoration Agreements			
- Frontage			
- Other (Specify)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)		975	
- Other (Specify)			
Total Other Segmented Revenue		975	
Conditional Grants			
- Primary Weight Corridor			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
Total Operating		975	
Capital			
Conditional Grants			
- Federal Gas Tax			
- Canada/Sask Municipal Rural Infrastructure Fund			
- Heavy Haul			
- Designated Municipal Roads and Bridges			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total Transportation Services		975	

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	65,800	67,257	54,567
- Other (Transit fees)	1,870	1,411	2,210
Total Fees and Charges	67,670	68,668	56,777
- Tangible capital asset sales - gain (loss)			
- Other (Housing Authority)	880	1,241	877
Total Other Segmented Revenue	68,550	69,909	57,654
Conditional Grants			
- Student Employment			
- Local government			
- Other (Recycling, Transit for Disabled)	2,460	1,430	2,464
Total Conditional Grants	2,460	1,430	2,464
Total Operating	71,010	71,339	60,118

Capital

Conditional Grants			
- Federal Gas Tax			
- Canada/Sask Municipal Rural Infrastructure Fund			
- Transit for Disabled			
- Provincial Disaster Assistance			
- Other (Specify)			

Total Capital

Total Environmental and Public Health Services	71,010	71,339	60,118
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Town of Hafford
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2015

Schedule 2 - 3

	2015 Budget	2015	2014
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges			
- Other (Specify)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
Total Operating			
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total Planning and Development Services			

RECREATION AND CULTURAL SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Other (Insurance, Community hall fees)	630	4,719	8,877
Total Fees and Charges	630	4,719	8,877
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	630	4,719	8,877
Conditional Grants			
- Student Employment			
- Local government			
- Donations	3,270	2,700	3,270
- Other (Rink grant)	41,960	56,574	20,956
Total Conditional Grants	45,230	59,274	24,226
Total Operating	45,860	63,993	33,103

Capital

Conditional Grants			
- Federal Gas Tax			
- Local government			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total Recreation and Cultural Services	45,860	63,993	33,103

Town of Hafford
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2015

Schedule 2 - 4

UTILITY SERVICES

Operating

	2015 Budget	2015	2014
Other Segmented Revenue			
Fees and Charges			
- Water	55,220	53,450	52,183
- Sewer	27,570	26,929	27,569
- Other (Cable)	33,730	33,561	34,782
Total Fees and Charges	116,520	113,940	114,534
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	116,520	113,940	114,534
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
Total Operating	116,520	113,940	114,534

Capital

Conditional Grants			
- Federal Gas Tax			
- Sask Water Corp.			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total Utility Services	116,520	113,940	114,534

TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 277,720	\$ 283,027	\$ 268,967
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SUMMARY

Total Other Segmented Revenue	\$ 207,520	\$ 199,773	\$ 207,467
Total Conditional Grants	47,690	60,704	38,990
Total Capital Grants and Contributions	22,510	22,550	22,510
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 277,720	\$ 283,027	\$ 268,967

Town of Hafford

Total Expenses by Function

For the year ended December 31, 2015

Schedule 3 - 1

	2015 Budget	2015	2014
GENERAL GOVERNMENT SERVICES			<i>Re-stated</i>
Council remuneration and travel	\$ 13,430	\$ 11,653	\$ 14,325
Wages and benefits	49,530	49,502	49,623
Professional/Contractual services	42,290	40,222	42,064
Utilities	8,290	8,884	8,292
Maintenance, materials and supplies	4,180	20,057	4,187
Grants and contributions - operating			
- capital	700	1,713	700
Amortization	3,080	4,194	3,076
Interest			
Allowance for uncollectibles	10,000		9,701
Other (Specify)			
Total Government Services	131,500	136,225	131,968

PROTECTIVE SERVICES

Police protection

Wages and benefits			
Professional/Contractual services	25,300	27,215	25,296
Utilities			
Maintenance, materials and supplies	710		712
Grants and contributions - operating			
- capital			
Other (Specify)			

Fire protections

Wages and benefits			
Professional/Contractual services	5,660	1,786	6,495
Utilities	(730)		2,520
Maintenance, material and supplies	870		866
Grants and contributions - operating	5,000	7,600	6,000
- capital			
Amortization	880	8,043	6,583
Interest	600	31	598
Other (Specify)			
Total Protective Services	38,290	44,675	49,070

TRANSPORTATION SERVICES

Wages and benefits	62,820	64,018	60,031
Professional/Contractual Services	23,210	9,101	22,058
Utilities	22,590	22,131	20,751
Maintenance, materials and supplies	20,200	31,830	20,689
Gravel			1,143
Grants and contributions - operating			
- capital			
Amortization	15,480	16,317	15,735
Interest	80		79
Other (Specify)			
Total Transportation Services	144,380	143,397	140,486

Town of Hafford

Total Expenses by Function

For the year ended December 31, 2015

Schedule 3 - 2

	2015 Budget	2015	2014
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
			<i>Re-stated</i>
Wages and benefits	8,010	7,992	8,008
Professional/Contractual services	76,390	77,198	76,689
Utilities	300		296
Maintenance, materials and supplies	1,690	5,543	1,691
Grants and contributions - operating			
o Waste disposal	10,000	30,000	
o Public Health			
- capital			
o Waste disposal			
o Public Health			
Amortization	2,420	2,416	2,416
Interest			
Other (Specify)			
Total Environmental and Public Health Services	98,810	123,149	89,100

PLANNING AND DEVELOPMENT SERVICES

Wages and benefits			
Professional/Contractual Services	1,270		155
Grants and contributions - operating			
- capital			
Amortization			
Interest	2,370	1,882	2,373
Other (Specify)			
Total Planning and Development Services	3,640	1,882	2,528

RECREATION AND CULTURAL SERVICES

Wages and benefits			
Professional/Contractual services	20,910	21,010	24,676
Utilities	2,540	2,336	2,121
Maintenance, materials and supplies	810	382	806
Grants and contributions - operating	12,070	17,500	21,584
- capital			
Amortization	1,270	1,430	1,430
Interest			
Allowance for uncollectibles			
Other (Library fee, donation)		575	3,270
Total Recreation and Cultural Services	37,600	43,233	53,887

Town of Hafford

Total Expenses by Function

For the year ended December 31, 2015

Schedule 3 - 3

	2015 Budget	2015	2014
UTILITY SERVICES			<i>Re-stated</i>
Wages and benefits	38,100	37,772	38,102
Professional/Contractual services	36,070	27,271	28,411
Utilities	16,590	13,003	16,040
Maintenance, materials and supplies	16,960	14,935	8,977
Grants and contributions - operating			
- capital			
Amortization	10,400	10,405	10,405
Interest			
Allowance for uncollectibles	500		
Other (Specify)			
Total Utility Services	118,620	103,386	101,935
TOTAL EXPENSES BY FUNCTION	\$ 572,840	\$ 595,947	\$ 568,974

Town of Hafford
Schedule of Segment Disclosure by Function
For the year ended December 31, 2015

Schedule 4

Revenues (Schedule 2)							
General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Cultural	Utility Services	Total
\$ 10,211	\$	\$ 975	\$ 68,668	\$	\$ 4,719	\$ 113,940	\$ 197,538
							975
(1,522)							(1,522)
1,541			1,241				1,541
			1,430		59,274		1,241
22,550							60,704
							22,550
32,780		975	71,339		63,993	113,940	283,027
Expenses (Schedule 3)							
Wages & Benefits		64,018	7,992			37,772	170,937
Professional/ Contractual Services	29,001	9,101	77,198		21,010	27,271	203,803
Utilities		22,131			2,336	13,003	46,354
Maintenance, Materials and Supplies		31,830	5,543		382	14,935	72,747
Grants and Contributions			30,000		17,500		56,813
Amortization	7,600	16,317	2,416		1,430	10,405	42,805
Interest	8,043			1,882			1,913
Allowance for Uncollectibles	31						
Other					575		575
136,225	44,675	143,397	123,149	1,882	43,233	103,386	595,947
\$ (103,445)	\$ (44,675)	\$ (142,422)	\$ (51,810)	\$ (1,882)	\$ 20,760	\$ 10,554	(312,920)
Taxation and Other Unconditional Revenue (Schedule 1)							
							322,142
Net Surplus (Deficit)							\$ 9,222

Schedule 5
*Re-siated*21

Town of Hafford
Schedule of Tangible Capital Assets by Object
For the year ended December 31, 2015

Schedule 6

2015

2014

Assets	General Assets						Infrastructure Assets		General/ Infrastructure Assets Under Construction	Total	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets					
Asset Cost											
Opening Asset costs	\$ 99,042		\$ 233,001	\$ 58,659	\$ 419,936	\$ 483,774				\$ 1,294,412	\$ 1,228,751
Additions during the year	14,149				83,192	4,610				101,951	65,661
Disposals and write-downs during the year					(39,329)					(39,329)	
Transfers (from) assets under construction											
Closing Asset Costs	113,191		233,001	58,659	463,799	488,384				1,357,034	1,294,412
Accumulated Amortization Cost											
Opening Accumulated Amortization Costs			186,446	34,245	241,380	237,470				699,541	659,896
Add: Amortization taken			5,238	3,166	20,363	14,038				42,805	39,645
Less: Accumulated amortization on disposals					(26,104)					(26,104)	
Closing Accumulated Amortization Costs			191,684	37,411	235,639	251,508				716,242	699,541
Net Book Value	\$ 113,191		\$ 41,317	\$ 21,248	\$ 228,160	\$ 236,876				\$ 640,792	\$ 594,871

1. Total contributed/donated assets received in 2015: \$ -

2. List of assets recognized at nominal value in 2015 are:

- Infrastructure Assets \$ -
- Vehicles \$ -
- Machinery and Equipment \$ -

Town of Hafford
Schedule of Tangible Capital Assets by Function
For the year ended December 31, 2015

Schedule 7

	2015						2014	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Cultural	Water & Sewer	Total
Asset Cost								
Opening Asset costs	\$ 93,510	\$ 124,247	\$ 376,519	\$ 65,145	\$ 84,601	\$ 89,851	\$ 460,539	\$ 1,228,751
Additions during the year	14,149		78,770				9,032	65,661
Disposals and write-downs during the year			(39,329)					(39,329)
Closing Asset Costs	107,659	124,247	415,960	65,145	84,601	89,851	469,571	1,294,412
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	71,095	37,254	166,325	47,732		74,109	303,026	659,896
Add: Amortization taken	4,194	8,043	16,317	2,416		1,430	10,405	39,645
Less: Accumulated amortization on disposals			(26,104)					(26,104)
Closing Accumulated Amortization Costs	75,289	45,297	156,538	50,148		75,539	313,431	699,541
Net Book Value	\$ 32,370	\$ 78,950	\$ 259,422	\$ 14,997	\$ 84,601	\$ 14,312	\$ 156,140	\$ 594,871

Town of Hafford
Schedule of Accumulated Surplus
For the year ended December 31, 2015

Schedule 8

	2014	Changes	2015
	<i>Re-stated</i>		
UNAPPROPRIATED SURPLUS	\$ 199,446	\$ (49,108)	\$ 150,338

APPROPRIATED RESERVES

Machinery and Equipment			
Public Reserve			
Capital Trust			
Utility			
Other (Specify)			
Total Appropriated			

NET INVESTMENT IN TANGIBLE CAPITAL ASSETS

Tangible capital assets (Schedule 6)	594,871	45,921	640,792
Less: Related debt	(39,981)	12,409	(27,572)
Net Investment in Tangible Capital Assets	554,890	58,330	613,220

Total Accumulated Surplus	\$ 754,336	\$ 9,222	\$ 763,558
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Schedule 9

PROPERTY CLASS						
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)
Taxable Assessment		\$ 7,112,350			\$ 967,600	
Regional Park Assessment						
Total Assessment						\$ 8,079,950
Mill Rate Factor(s)		1.000			1.000	
Total Base/Minimum Tax (generated for each property class)		54,800			12,400	
Total Municipal Tax Levy (include base and/or minimum tax and special levies)		\$ 173,932			\$ 28,607	\$ 202,539

MILL RATES:

Average Municipal*	25.0669
Average School*	5.4192
Potash Mill Rate	
Uniform Municipal Mill Rate	16.7500

* **Average Mill Rates** (multiply the total tax levy for each taxing authority by 1,000 and divide by the total assessment for the taxing authority.)

Town of Hafford
Schedule of Council Remuneration
For the year ended December 31, 2015
(Unaudited)

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Mayor	Ron Kowalchuk	\$ 2,901	\$ 203	\$ 3,104
Councillor	Ray Prysliak	250		250
Councillor	Margaret-Rose Uvrey	1,450		1,450
Councillor	Art Lacey			
Councillor	Sylvia Ruedger	1,411		1,411
Councillor		811		811
		1,511		1,511
Total		\$ 8,334	\$ 203	\$ 8,537

Town of Hafford
Schedule of Financial Statement Adjustments
As at December 31, 2015

Schedule 11

The municipality has restated its financial statements to conform to the guidelines set out in the Public Sector Accounting Board's 3260 Liability for Contaminated Sites guideline. This guideline requires municipalities to report a liability for the remediation of contaminated sites on their financial statements

In addition, the municipality has restated its financial statements in relation to prepaid insurance.

Effect of Change to 2014 Statement of Operations (Financial Activities)

2014 Accumulated Surplus/Deficit, beginning of year as previously reported	\$	748,660
Add: Prepaid insurance expense at beginning of year		19,325
Less: Liability for Contaminated Sites		(31,000)
Restated 2014 Accumulated Surplus/Deficit, beginning of year (Statement 2)	\$	736,985

Effect of Change to 2014 Statement of Operations (Financial Activities)

Previously reported 'Surplus (Deficit) of Revenue over Expenses'	\$	17,258
Add: Prepaid insurance expense at end of year		19,418
Less: Prepaid insurance expense at beginning of year		(19,325)
Restated Surplus (Deficit) of Revenue over Expenses (Statement 2)	\$	17,351

Effect of Change to 2014 Statement of Change in Net Assets

2014 Net Financial Assets - Beginning of Year, as previously report	\$	175,284
Less: Liability for Contaminated Sites		(31,000)
Restated 2014 Net Financial Assets - Beginning of Year (Statement 3)	\$	144,284

Effect of Change on 2014 Statement of Financial Position

2014 Accumulated Surplus/Deficit, end of year as previously reported	\$	765,918
Add: Increase in Prepayments and Deferred Charges		19,418
Less: Liability for Contaminated Sites		(31,000)
Restated 2014 Accumulated Surplus/Deficit (Statement 1)	\$	754,336