

**Annual Financial Statements  
And Supporting Schedules  
For The  
Town of Hafford  
For the year ended December 31, 2016**

### 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.

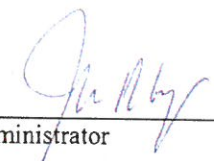
In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records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

May 10/17  
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, 2016, 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, 2016, 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  
May 10, 2017

*Holm Raiche Oberg*  
Chartered Professional Accountant

**Town of Hafford**  
**Statement of Financial Position**  
**As at December 31, 2016**

Statement 1

**FINANCIAL ASSETS**

	2016	2015
Cash and Temporary Investments (Note 2)	\$ 120,977	\$ 138,086
Taxes Receivable - Municipal (Note 3)	8,484	18,334
Other Accounts Receivable (Note 4)	73,521	72,149
Land for Resale (Note 5)	5,172	10,767
Long-term Investments (Note 6)	334	579
Debt Charges Recoverable		
Other (Specify)		
<b>Total Financial Assets</b>	<b>208,488</b>	<b>239,915</b>

**LIABILITIES**

Bank Indebtedness (Note 7)		
Accounts Payable	44,127	35,087
Accrued Liabilities Payable		
Deposits	25,944	23,482
Deferred Revenue (Note 8)	10,443	26,514
Accrued Landfill Costs		
Liability for Contaminated Sites (Note 9)	31,000	31,000
Other Liabilities		
Long-term Debt (Note 10)	18,360	27,572
Lease Obligations		
<b>Total Liabilities</b>	<b>129,874</b>	<b>143,655</b>

**NET FINANCIAL ASSETS**

**78,614** **96,260**

**NON-FINANCIAL ASSETS**

Tangible Capital Assets (Schedule 6, 7)	715,205	640,792
Prepayments and Deferred Charges	5,663	26,506
Stock and Supplies		
Other		
<b>Total Non-Financial Assets</b>	<b>720,868</b>	<b>667,298</b>

**Accumulated Surplus (Deficit) (Schedule 8)**

**\$ 799,482** **\$ 763,558**

**Town of Hafford**  
**Statement of Operations**  
**For the year ended December 31, 2016**

Statement 2

<b>Revenues</b>	<b>2016 Budget</b>	<b>2016</b>	<b>2015</b>
Taxes and Other Unconditional Revenue (Schedule 1)	\$ 325,670	\$ 325,355	\$ 322,142
Fees and Charges (Schedule 4, 5)	202,290	253,130	197,538
Conditional Grants (Schedule 4, 5)	8,610	19,863	60,704
Tangible Capital Asset Sales - Gain (Schedule 4, 5)		(996)	975
Land Sales - (Loss) gain (Schedule 4, 5)			(1,522)
Investment Income and Commissions (Schedule 4, 5)	1,580	949	1,541
Other Revenues (Schedule 4, 5)	1,300	1,586	1,241
<b>Total Revenues</b>	<b>539,450</b>	<b>599,887</b>	<b>582,619</b>
<b>Expenses</b>			
General Government Services (Schedule 3)	131,220	116,969	136,225
Protective Services (Schedule 3)	38,880	72,709	44,675
Transportation Services (Schedule 3)	197,220	145,745	143,397
Environmental and Public Health Services (Schedule 3)	88,910	96,988	123,149
Planning and Development Services (Schedule 3)	1,980	2,043	1,882
Recreation and Cultural Services (Schedule 3)	33,610	27,416	43,233
Utility Services (Schedule 3)	126,120	125,198	103,386
<b>Total Expenses</b>	<b>617,940</b>	<b>587,068</b>	<b>595,947</b>
<b>Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions</b>	<b>(78,490)</b>	<b>12,819</b>	<b>(13,328)</b>
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	43,680	23,105	22,550
<b>Surplus (Deficit) of Revenues over Expenses</b>	<b>\$ (34,810)</b>	<b>35,924</b>	<b>9,222</b>
<b>Accumulated Surplus (Deficit), Beginning of Year</b>		<b>763,558</b>	<b>754,336</b>
<b>Accumulated Surplus (Deficit), End of Year</b>	<b>\$</b>	<b>799,482</b>	<b>\$ 763,558</b>



Town of Hafford

Statement of Change in Net Financial Assets

For the year ended December 31, 2016

Statement 3

	2016 Budget	2016	2015
<b>Surplus (Deficit)</b>	\$ (34,810)	\$ 35,924	\$ 9,222
(Acquisition) of tangible capital assets	(11,100)	(121,563)	(101,951)
Amortization of tangible capital assets		47,150	42,805
Proceeds on disposal of tangible capital assets	1,390		14,200
Gain on the disposal of tangible capital assets			(975)
<b>Surplus (Deficit) of capital revenue over expenditures</b>	<b>(9,710)</b>	<b>(74,413)</b>	<b>(45,921)</b>
(Acquisition) of supplies inventories			(2,687)
(Acquisition) of prepaid expense			
Consumption of supplies inventories			
Use of prepaid expense		20,843	
<b>Surplus (Deficit) of expenses of other non-financial over expenditures</b>		<b>20,843</b>	<b>(2,687)</b>
<b>Increase (Decrease) in Net Financial Assets</b>	<b>\$ (44,520)</b>	<b>(17,646)</b>	<b>(39,386)</b>
<b>Net Financial Assets - Beginning of Year</b>		<b>96,260</b>	<b>135,646</b>
<b>Net Financial Assets - End of Year</b>		<b>\$ 78,614</b>	<b>\$ 96,260</b>

**Town of Hafford**  
**Statement of Cash Flow**  
**For the year ended December 31, 2016**

Statement 4

**Cash provided by (used for) the following activities**

**Operating:**

Surplus (Deficit)

Amortization

Gain on disposal of tangible capital assets

2016	2015
\$ 35,924	\$ 9,222
47,150	42,805
	(975)
83,074	51,052

Change in assets/liabilities

Taxes Receivable - Municipal	9,850	698
Other Receivables	(1,372)	(33,461)
Land for Resale	5,595	10,370
Other Financial Assets		
Accounts and Accrued Liabilities Payable	9,040	11,944
Deposits	2,462	1,443
Deferred Revenue	(16,071)	8,116
Accrued Landfill costs		
Liability for Contaminated Sites		
Other Liabilities		
Stock and Supplies for Use		
Prepayments and Deferred Charges	20,843	(2,687)
Other (Specify)		
<b>Net cash provided by (used for) operations</b>	<b>113,421</b>	<b>47,475</b>

**Capital:**

Acquisition of Tangible Capital Assets	(121,563)	(101,951)
Proceeds From the Disposal of Tangible Capital Assets		14,200
Other Capital		
<b>Net cash provided by (used for) capital</b>	<b>(121,563)</b>	<b>(87,751)</b>

**Investing:**

Long-term Investments	245	(479)
Other Investments		
<b>Net cash provided by (used for) investing</b>	<b>245</b>	<b>(479)</b>

**Financing:**

Debt Charges Recovered		
Long-term Debt Issued		
Long-term Debt Repaid	(9,212)	(12,409)
Other Financing		
<b>Cash provided by (used for) financing transactions</b>	<b>(9,212)</b>	<b>(12,409)</b>

**Change in Cash and Temporary Investments during the year**

(17,109) (53,164)

**Cash and Temporary Investments - Beginning of Year**

138,086 191,250

**Cash and Temporary Investments - End of Year**

\$ 120,977 \$ 138,086

**Town of Hafford**

**Notes to the Financial Statements**

**For the year ended December 31, 2016**

**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 Accounting Standards Oversight Council. 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.



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 Association of Rural Municipalities - Self Insurance Fund and Property Insurance Fund are accounted for on the equity basis. The long-term investments in Co-operative Equities is recorded at cost.
- 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>
<b>General Assets</b>	
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
<b>Infrastructure Assets</b>	
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.

1. Significant Accounting Policies - continued

- o) **Landfill Liability:** The municipality does not maintain a waste disposal site.
- p) **Trust Funds:** Funds held in trust for others are neither included in the municipality's assets or equity. They are disclosed in Note 14.
- q) **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.
- r) **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.

- s) **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 earnings in the periods in which they become known.

- t) **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.

- u) **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.
- v) **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.
- w) **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, 2016

2. Cash and Temporary Investments

	2016	2015
Cash		
Temporary Investments	\$ 120,977	\$ 138,086
Restricted Cash		
<b>Total Cash and Temporary Investments</b>	<b>\$ 120,977</b>	<b>\$ 138,086</b>

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	\$ 27,666	\$ 35,021
- Arrears	19,451	18,682
- Less Allowance for Uncollectibles	47,117	53,703
Total Municipal Taxes Receivable	(35,369)	(35,369)
	11,748	18,334

School - Current	5,781	6,572
- Arrears	2,920	2,686
Total School Taxes Receivable	8,701	9,258

Other		
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Total Taxes and Grants in Lieu Receivable	20,449	27,592
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Deduct taxes receivable to be collected on behalf of other organizations	(11,965)	(9,258)
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<b>Total Taxes Receivable - Municipal</b>	<b>\$ 8,484</b>	<b>\$ 18,334</b>
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4. Other Accounts Receivable

Federal government	\$ 5,420	\$ 980
Provincial government	1,781	1,816
Local government	10,913	11,052
Utility	42,369	22,660
Trade	28,864	51,467
Other		
Total Other Accounts Receivable	89,347	87,975

Less Allowance for Uncollectibles	(15,826)	(15,826)
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<b>Net Other Accounts Receivable</b>	<b>\$ 73,521</b>	<b>\$ 72,149</b>
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5. Land for Resale

Tax Title Property	\$ 47,161	\$ 52,756
Allowance for Market Value Adjustment	(43,789)	(43,789)
Net Tax Title Property	3,372	8,967

Other Land	1,800	1,800
Allowance for Market Value Adjustment		
Net Other Land	1,800	1,800

<b>Total Land for Resale</b>	<b>\$ 5,172</b>	<b>\$ 10,767</b>
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Town of Hafford

Notes to the Financial Statements

For the year ended December 31, 2016

6. Long-term Investments

	2016	2015
Hafford Co-operative Association Limited - equity	\$ 334	\$ 579
<b>Total Long-term Investments</b>	<b>\$ 334</b>	<b>\$ 579</b>

The long-term investment is recorded at cost.

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, 2016 and 2015.

8. Deferred Revenue

Prepaid cable fees	\$ 10,443	\$ 17,400
Prepaid insurance fees		9,114
<b>Total Deferred Revenue</b>	<b>\$ 10,443</b>	<b>\$ 26,514</b>

9. Liability for Contaminated Sites

The municipality recognizes and estimates a liability of \$31,000 (2015 - \$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 \$395,237. 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(1)).

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
2016				\$ 9,211
2017	\$ 9,762	\$ 812	\$ 10,574	9,762
2018	8,598	234	8,832	8,599
<b>Balance</b>	<b>18,360</b>	<b>1,046</b>	<b>19,406</b>	<b>27,572</b>
<b>Total Long-term Debt</b>	<b>\$ 18,360</b>	<b>\$ 1,046</b>	<b>\$ 19,406</b>	<b>\$ 27,572</b>

**Town of Hafford**

**Notes to the Financial Statements**

**For the year ended December 31, 2016**

**11. Contingent Liabilities**

The municipality is contingently liable for its proportionate share of 16 To 43 Waste Management Corporation's loan with the Innovation Credit Union. The total loan balance outstanding at December 31, 2016 is \$1,250,000 (2015 - \$nil), of which the Town has guaranteed an amount of \$262,914 (\$2015 - \$nil). The loan is in good standing as of December 31, 2016.

**12. 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 2016 was \$8,947 (2015 - \$7,322). 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.

**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*

Balance - Beginning of Year	\$ 2,132	\$ 4,192
Revenue (Interest)	12	40
Expenditure (Consulting fees)		(2,100)
<b>Balance - End of Year</b>	<b>\$ 2,144</b>	<b>\$ 2,132</b>



**Town of Hafford**

**Schedule of Taxes and Other Unconditional Revenue**

**For the year ended December 31, 2016**

Schedule 1

	2016 Budget	2016	2015
<b>TAXES</b>			
General municipal tax levy	\$ 202,670	\$ 202,780	\$ 202,539
Abatements and adjustments		(893)	(975)
Discount on current year taxes	(7,000)	(6,492)	(6,647)
<b>Net Municipal Taxes</b>	<b>195,670</b>	<b>195,395</b>	<b>194,917</b>
Potash tax share			
Trailer license fees			
Penalties on tax arrears	5,690	5,523	5,422
Special tax levy			
Other (Specify)			
<b>Total Taxes</b>	<b>201,360</b>	<b>200,918</b>	<b>200,339</b>

**UNCONDITIONAL GRANTS**

Revenue Sharing	93,120	93,117	90,994
Organized Hamlet			1,565
<b>Total Unconditional Grants</b>	<b>93,120</b>	<b>93,117</b>	<b>92,559</b>

**GRANTS IN LIEU OF TAXES**

Federal	4,430	5,506	3,467
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
Central Services			
SaskTel			
Other (Specify)			
Local/Other			
Housing Authority	6,500	6,482	6,482
C.P.R. Mainline			
Treaty Land Entitlement			
Other (Specify)			
Other Government Transfers			
S.P.C. Surcharge	20,260	19,332	19,295
Sask Energy Surcharge			
Other (Specify)			
<b>Total Grants in Lieu of Taxes</b>	<b>31,190</b>	<b>31,320</b>	<b>29,244</b>

<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<b>\$ 325,670</b>	<b>\$ 325,355</b>	<b>\$ 322,142</b>
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**Town of Hafford**

**Schedule of Operating and Capital Revenue by Function**

**For the year ended December 31, 2016**

Schedule 2 - 1

**GENERAL GOVERNMENT SERVICES**

**Operating**

	2016 Budget	2016	2015
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 200	\$ 880	\$ 195
- Sales of supplies	390	869	376
- Other (Rentals, licenses, permits)	9,660	10,979	9,640
Total Fees and Charges	10,250	12,728	10,211
- Tangible capital asset sales - gain (loss)		(996)	(1,522)
- Land sales - gain		949	1,541
- Investment income and commissions	1,580		
- Other (Specify)			
Total Other Segmented Revenue	11,830	12,681	10,230
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
<b>Total Operating</b>	<b>11,830</b>	<b>12,681</b>	<b>10,230</b>

**Capital**

Conditional Grants			
- Federal Gas Tax	23,680	23,105	22,550
- Provincial Disaster Assistance			
- Other (Specify)			
<b>Total Capital</b>	<b>23,680</b>	<b>23,105</b>	<b>22,550</b>
<b>Total General Government Services</b>	<b>35,510</b>	<b>35,786</b>	<b>32,780</b>

**PROTECTIVE SERVICES**

**Operating**

Other Segmented Revenue			
Fees and Charges		35,553	
- Other (Cost recovery, fines)		2,306	
Total Fees and Charges		37,859	
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue		37,859	
Conditional Grants			
- Student Employment			
- Local government			
- Other (Specify)			
Total Conditional Grants			
<b>Total Operating</b>		<b>37,859</b>	

**Capital**

Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Local government			
- Other (Specify)			
<b>Total Capital</b>			
<b>Total Protective Services</b>		<b>37,859</b>	

**Town of Hafford**  
**Schedule of Operating and Capital Revenue by Function**  
**For the year ended December 31, 2016**

Schedule 2 - 2

**TRANSPORTATION SERVICES**

**2016 Budget**

**2016**

**2015**

**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)			
- Other (Specify)			975
Total Other Segmented Revenue			975
Conditional Grants			
- MREP (CTP)			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
<b>Total Operating</b>			975

**Capital**

Conditional Grants			
- Federal Gas Tax			
- MREP (Heavy Haul, CTP, Municipal Bridges)			
- Provincial Disaster Assistance			
- Other (Specify)			
<b>Total Capital</b>			
<b>Total Transportation Services</b>			975

**ENVIRONMENTAL AND PUBLIC HEALTH SERVICES**

**Operating**

Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	70,620	69,761	67,257
- Other (Transit fees, cemetery fees)	1,480	1,748	1,411
Total Fees and Charges	72,100	71,509	68,668
- Tangible capital asset sales - gain (loss)			
- Other (Housing Authority)	1,300	1,586	1,241
Total Other Segmented Revenue	73,400	73,095	69,909
Conditional Grants			
- Student Employment			
- TAPD			
- Local government			
- Other (Recycling, Transit for Disabled)	1,500	1,335	1,430
Total Conditional Grants	1,500	1,335	1,430
<b>Total Operating</b>	74,900	74,430	71,339

**Capital**

Conditional Grants			
- Federal Gas Tax			
- TAPD			
- Provincial Disaster Assistance			
- Other (Specify)			
<b>Total Capital</b>			
<b>Total Environmental and Public Health Services</b>	74,900	74,430	71,339

**Town of Hafford**  
**Schedule of Operating and Capital Revenue by Function**  
**For the year ended December 31, 2016**

Schedule 2 - 3

**PLANNING AND DEVELOPMENT SERVICES**

**2016 Budget**

**2016**

**2015**

**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			
<b>Total Operating</b>			

**Capital**

Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other (Specify)			
<b>Total Capital</b>			
<b>Total Planning and Development Services</b>			

**RECREATION AND CULTURAL SERVICES**

**Operating**

Other Segmented Revenue			
Fees and Charges			
- Other (Insurance, Community hall fees)	1,520	10,911	4,719
Total Fees and Charges	1,520	10,911	4,719
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	1,520	10,911	4,719
Conditional Grants			
- Student Employment	5,000	3,318	
- Local government	2,000	10,683	
- Donations	110	4,527	2,700
- Other (Rink grant)			56,574
Total Conditional Grants	7,110	18,528	59,274
<b>Total Operating</b>	8,630	29,439	63,993

**Capital**

Conditional Grants			
- Federal Gas Tax			
- Local government	20,000		
- Provincial Disaster Assistance			
- Other (Specify)			
<b>Total Capital</b>	20,000		
<b>Total Recreation and Cultural Services</b>	28,630	29,439	63,993

Town of Hafford  
Schedule of Operating and Capital Revenue by Function  
For the year ended December 31, 2016

Schedule 2 - 4

**UTILITY SERVICES**

**Operating**

	2016 Budget	2016	2015
Other Segmented Revenue			
Fees and Charges			
- Water	56,140	55,669	53,450
- Sewer	28,270	26,887	26,929
- Other (Cable)	34,010	37,567	33,561
Total Fees and Charges	118,420	120,123	113,940
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	118,420	120,123	113,940
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
<b>Total Operating</b>	118,420	120,123	113,940

**Capital**

Conditional Grants			
- Federal Gas Tax			
- New Building Canada Fund (SCF, NRP)			
- Clean Water Wastewater Fund			
- Provincial Disaster Assistance			
- Other (Specify)			
<b>Total Capital</b>			
<b>Total Utility Services</b>	118,420	120,123	113,940

<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>\$ 257,460</b>	<b>\$ 297,637</b>	<b>\$ 283,027</b>
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**SUMMARY**

Total Other Segmented Revenue	\$ 205,170	\$ 254,669	\$ 199,773
Total Conditional Grants	8,610	19,863	60,704
Total Capital Grants and Contributions	43,680	23,105	22,550
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>\$ 257,460</b>	<b>\$ 297,637</b>	<b>\$ 283,027</b>



**Town of Hafford**

**Total Expenses by Function**

**For the year ended December 31, 2016**

Schedule 3 - 1

**GENERAL GOVERNMENT SERVICES**

	2016 Budget	2016	2015
Council remuneration and travel	\$ 12,230	\$ 9,592	\$ 11,653
Wages and benefits	54,550	52,431	49,502
Professional/Contractual services	35,210	35,368	40,222
Utilities	9,330	8,949	8,884
Maintenance, materials and supplies	4,400	5,534	20,057
Grants and contributions - operating		2,273	
- capital	700		1,713
Amortization	4,800	2,822	4,194
Interest			
Allowance for uncollectibles	10,000		
Other (Specify)			
<b>Total Government Services</b>	<b>131,220</b>	<b>116,969</b>	<b>136,225</b>

**PROTECTIVE SERVICES**

**Police protection**

Wages and benefits			
Professional/Contractual services	28,580	27,705	27,215
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Other (Specify)			

**Fire protections**

Wages and benefits			
Professional/Contractual services	1,870	1,690	1,786
Utilities		215	
Maintenance, material and supplies	970	30,781	
Grants and contributions - operating	5,000	4,275	7,600
- capital			
Amortization	2,460	8,043	8,043
Interest			31
Other (Specify)			
<b>Total Protective Services</b>	<b>38,880</b>	<b>72,709</b>	<b>44,675</b>

**TRANSPORTATION SERVICES**

Wages and benefits	63,170	57,694	64,018
Professional/Contractual Services	62,320	12,602	9,101
Utilities	22,520	24,051	22,131
Maintenance, materials and supplies	27,410	28,002	31,830
Gravel		2,233	
Grants and contributions - operating			
- capital			
Amortization	21,800	21,163	16,317
Interest			
Other (Specify)			
<b>Total Transportation Services</b>	<b>197,220</b>	<b>145,745</b>	<b>143,397</b>

Town of Hafford

Total Expenses by Function

For the year ended December 31, 2016

Schedule 3 - 2

**ENVIRONMENTAL AND PUBLIC HEALTH SERVICES**

	2016 Budget	2016	2015
Wages and benefits	8,060	8,186	7,992
Professional/Contractual services	77,970	85,967	77,198
Utilities			
Maintenance, materials and supplies		419	5,543
Grants and contributions - operating			
o Waste disposal	340		30,000
o Public Health			
- capital			
o Waste disposal			
o Public Health			
Amortization	2,540	2,416	2,416
Interest			
Other (Specify)			
<b>Total Environmental and Public Health Services</b>	<b>88,910</b>	<b>96,988</b>	<b>123,149</b>

**PLANNING AND DEVELOPMENT SERVICES**

Wages and benefits			
Professional/Contractual Services		680	
Grants and contributions - operating			
- capital			
Amortization			
Interest	1,980	1,363	1,882
Other (Specify)			
<b>Total Planning and Development Services</b>	<b>1,980</b>	<b>2,043</b>	<b>1,882</b>

**RECREATION AND CULTURAL SERVICES**

Wages and benefits			
Professional/Contractual services	23,360	14,043	21,010
Utilities	2,450	2,345	2,336
Maintenance, materials and supplies	870	332	382
Grants and contributions - operating	5,000	6,348	17,500
- capital			
Amortization	1,330	1,271	1,430
Interest			
Allowance for uncollectibles			
Other (Library fee, donation)	600	3,077	575
<b>Total Recreation and Cultural Services</b>	<b>33,610</b>	<b>27,416</b>	<b>43,233</b>

**For the year ended December 31, 2016**

## UTILITY SERVICES

	2016 Budget	2016	2015
<b>UTILITY SERVICES</b>			
Wages and benefits	39,660	38,443	37,772
Professional/Contractual services	48,360	44,080	27,271
Utilities	13,650	11,198	13,003
Maintenance, materials and supplies	11,730	20,042	14,935
Grants and contributions - operating - capital			
Amortization	12,220	11,435	10,405
Interest			
Allowance for uncollectibles	500		
Other (Specify)			
<b>Total Utility Services</b>	<b>126,120</b>	<b>125,198</b>	<b>103,386</b>
<b>TOTAL EXPENSES BY FUNCTION</b>			
	\$ 617,940	\$ 587,068	\$ 595,947

Town of Hafford  
Schedule of Segment Disclosure by Function  
For the year ended December 31, 2016

Schedule 4

Revenues (Schedule 2)									
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Cultural	Utility Services	Total	
Fees and Charges	\$ 12,728	\$ 37,859	\$	\$ 71,509	\$	\$ 10,911	\$ 120,123	\$ 253,130	
Tangible Capital Asset Sales - Gain	(996)							(996)	
Land Sales - Gain (loss)	949			1,586				949	
Investment Income and Commissions				1,335		18,528		1,586	
Other Revenues								19,863	
Grants - Conditional	23,105							23,105	
- Capital									
<b>Total Revenues</b>	<b>35,786</b>	<b>37,859</b>		<b>74,430</b>		<b>29,439</b>	<b>120,123</b>	<b>297,637</b>	
Expenses (Schedule 3)									
Wages & Benefits	62,023		57,694	8,186			38,443	166,346	
Professional/ Contractual Services	35,368	29,395	12,602	85,967	680	14,043	44,080	222,135	
Utilities	8,949	215	24,051			2,345	11,198	46,758	
Maintenance, Materials and Supplies	5,534	30,781	30,235	419		332	20,042	87,343	
Grants and Contributions	2,273	4,275				6,348		12,896	
Amortization	2,822	8,043	21,163	2,416	1,363	1,271	11,435	47,150	
Interest								1,363	
Allowance for Uncollectibles									
Other						3,077		3,077	
<b>Total Expenses</b>	<b>116,969</b>	<b>72,709</b>	<b>145,745</b>	<b>96,988</b>	<b>2,043</b>	<b>27,416</b>	<b>125,198</b>	<b>587,068</b>	
<b>Surplus (Deficit) by Function</b>	<b>\$ (81,183)</b>	<b>\$ (34,850)</b>	<b>\$ (145,745)</b>	<b>\$ (22,558)</b>	<b>\$ (2,043)</b>	<b>\$ 2,023</b>	<b>\$ (5,075)</b>	<b>(289,431)</b>	
Taxation and Other Unconditional Revenue (Schedule 1)									
								<u>325,355</u>	
<b>Net Surplus (Deficit)</b>								<u>\$ 35,924</u>	

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

Schedule 5

Revenues (Schedule 2)							
General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Cultural	Utility Services	Total
\$ 10,211	\$	\$	\$ 68,668	\$	\$ 4,719	\$ 113,940	\$ 197,538
		975					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	7,600		30,000		17,500		56,813
Amortization	8,043	16,317	2,416		1,430	10,405	42,805
Interest	31			1,882			1,913
Allowance for Uncollectibles							
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)
Surplus (Deficit) by Function							



Town of Hafford  
Schedule of Tangible Capital Assets by Object  
For the year ended December 31, 2016

Schedule 6

2016

2015

Asset Cost	General Assets					Infrastructure Assets	General/ Infrastructure Assets Under Construction	Total	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment				
Opening Asset costs	\$ 113,191		\$ 233,001	\$ 58,659	\$ 463,799	\$ 488,384		\$ 1,357,034	\$ 1,294,412
Additions during the year					54,563	67,000		121,563	101,951
Disposals and write-downs during the year									(39,329)
Transfers (from) assets under construction									
<b>Closing Asset Costs</b>	<b>113,191</b>		<b>233,001</b>	<b>58,659</b>	<b>518,362</b>	<b>555,384</b>		<b>1,478,597</b>	<b>1,357,034</b>
<b>Accumulated Amortization Cost</b>									
Opening Accumulated Amortization Costs			191,684	37,411	235,639	251,508		716,242	699,541
Add: Amortization taken			3,989		28,832	14,329		47,150	42,805
Less: Accumulated amortization on disposals									(26,104)
<b>Closing Accumulated Amortization Costs</b>			<b>195,673</b>	<b>37,411</b>	<b>264,471</b>	<b>265,837</b>		<b>763,392</b>	<b>716,242</b>
<b>Net Book Value</b>	<b>\$ 113,191</b>		<b>\$ 37,328</b>	<b>\$ 21,248</b>	<b>\$ 253,891</b>	<b>\$ 289,547</b>		<b>\$ 715,205</b>	<b>\$ 640,792</b>

1. Total contributed/donated assets received in 2016: \$ -

2. List of assets recognized at nominal value in 2016 are:

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

Town of Hafford  
Schedule of Tangible Capital Assets by Function  
For the year ended December 31, 2016

Schedule 7

	2016						2015	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Cultural	Water & Sewer	Total
<b>Asset Cost</b>								
Opening Asset costs	\$ 107,659	\$ 124,247	\$ 415,960	\$ 65,145	\$ 84,601	\$ 89,851	\$ 469,571	\$ 1,357,034
Additions during the year	10,989		67,000	43,574				121,563
Disposals and write-downs during the year								(39,329)
<b>Closing Asset Costs</b>	<b>118,648</b>	<b>124,247</b>	<b>482,960</b>	<b>108,719</b>	<b>84,601</b>	<b>89,851</b>	<b>469,571</b>	<b>1,357,034</b>
<b>Accumulated Amortization Cost</b>								
Opening Accumulated Amortization Costs	75,289	45,297	156,538	50,148		75,539	313,431	699,541
Add: Amortization taken	2,822	8,043	21,163	2,416		1,271	11,435	42,805
Less: Accumulated amortization on disposals								(26,104)
<b>Closing Accumulated Amortization Costs</b>	<b>78,111</b>	<b>53,340</b>	<b>177,701</b>	<b>52,564</b>		<b>76,810</b>	<b>324,866</b>	<b>716,242</b>
<b>Net Book Value</b>	<b>\$ 40,537</b>	<b>\$ 70,907</b>	<b>\$ 305,259</b>	<b>\$ 56,155</b>	<b>\$ 84,601</b>	<b>\$ 13,041</b>	<b>\$ 144,705</b>	<b>\$ 640,792</b>

Town of Hafford  
Schedule of Accumulated Surplus  
For the year ended December 31, 2016

Schedule 8

	2015	Changes	2016
<b>UNAPPROPRIATED SURPLUS</b>	\$ 150,338	\$ (47,701)	\$ 102,637

**APPROPRIATED RESERVES**

Machinery and Equipment			
Public Reserve			
Capital Trust			
Utility			
Other (Specify)			
<b>Total Appropriated</b>			

**NET INVESTMENT IN TANGIBLE CAPITAL ASSETS**

Tangible capital assets (Schedule 6)	640,792	74,413	715,205
Less: Related debt	(27,572)	9,212	(18,360)
<b>Net Investment in Tangible Capital Assets</b>	<b>613,220</b>	<b>83,625</b>	<b>696,845</b>

<b>Total Accumulated Surplus</b>	<b>\$ 763,558</b>	<b>\$ 35,924</b>	<b>\$ 799,482</b>
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Town of Hafford

Schedule of Mill Rates and Assessments  
For the year ended December 31, 2016

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment		\$ 7,207,200			\$ 970,700		\$ 8,177,900
Regional Park Assessment							
Total Assessment							
Mill Rate Factor(s)					1		8,177,900
Total Base/Minimum Tax (generated for each property class)							
Total Municipal Tax Levy (include base and/or minimum tax and special levies)		55,400			10,400		65,800
		\$ 176,121			\$ 26,659		\$ 202,780

MILL RATES:

	MILLS
Average Municipal*	24.7961
Average School*	5.4158
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, 2016**  
*(Unaudited)*

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Mayor	Ron Kowalchuk	\$ 2,265	\$ 150	\$ 2,415
Councillor	Russ MacNutt	1,300		1,300
Councillor	Margaret-Rose Uvery	1,100		1,100
Councillor	Sylvia Ruedger	1,000		1,000
Councillor	Victoria Moses	1,025		1,025
Councillor	Robyn Paulow	500		500
Councillor	Joan Matechuk	300	110	410
Councillor	Bonnie Sendeki	325		325
<b>Total</b>		<b>\$ 7,815</b>	<b>\$ 260</b>	<b>\$ 8,075</b>