
TOWN OF HAFFORD
Financial Statements
Year Ended December 31, 2020

TOWN OF HAFFORD
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Year Ended December 31, 2020

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Management's Responsibility for Financial Reporting

The financial statements of Town of Hafford have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Town of Hafford's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Council is responsible for ensuring that management fulfills its responsibility for financial reporting. These responsibilities are fulfilled by the Council through the review the financial information prepared by management and discussion of relevant matters with the external auditors. The Council is responsible for the engagement or re-appointment of the external auditor.

Elizabeth M. Torrens CPA Professional Corporation, an independent auditor, has been appointed by the Municipal Council to audit and express an opinion on the Municipality's financial statements. The external auditor has full and free access to Council and management. The Independent Auditor's Report is addressed to the Council and appears on the following page.


Victoria Moses, Mayor


Jennifer Ernst, CAO

Hafford Saskatchewan
August 25, 2021

INDEPENDENT AUDITOR'S REPORT

To the Council of Town of Hafford

Opinion

I have audited the financial statements of Town of Hafford (the Town), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, comprehensive income and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Town in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with those requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to Note 12 of the financial statements, which describes the subsequent event of 16 to 43 Waste Management Corporation, of which the Town is a participating community. My procedures with respect to the events subsequent to December 31, 2020 are restricted solely to that note to the financial statements. My opinion is not modified in respect of this matter.

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

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

In preparing the financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Independent Auditor's Report to the Council of Town of Hafford (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Borden, Saskatchewan
August 25, 2021

ELIZABETH M TORRENS CPA PROFESSIONAL CORPORATION

TOWN OF HAFFORD
Statement of Financial Position
December 31, 2020

	2020	2019
FINANCIAL ASSETS		
Municipal taxes receivable <i>(Note 3)</i>	\$ 80,151	\$ 55,846
Other receivables <i>(Note 4)</i>	65,415	71,741
Loans receivable	21,000	-
Land for resale <i>(Note 5)</i>	12,400	12,913
Long term investments <i>(Note 6)</i>	2,355	2,268
	<u>181,321</u>	<u>142,768</u>
LIABILITIES		
Cash <i>(Note 2)</i>	7,478	42,666
Accounts payable	24,844	67,913
Utility deposits	17,797	32,344
Current portion of long term debt	9,330	-
Tax liabilities	31,000	31,000
Long term debt <i>(Note 9.)</i>	9,010	27,175
Total collection liability	(281)	-
	<u>99,178</u>	<u>201,098</u>
NET FINANCIAL ASSETS	<u>82,143</u>	<u>(58,330)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Net of accumulated amortization)</i> <i>(Schedule 6 and 7)</i>	894,248	942,881
Prepaid expenses	94	8,926
	<u>894,342</u>	<u>951,807</u>
ACCUMULATED SURPLUS <i>(Schedule 8)</i>	<u>\$ 976,485</u>	<u>\$ 893,477</u>

ON BEHALF OF THE COUNCIL

Mayor

Councillor

The accompanying notes are an integral part of these financial statements.

TOWN OF HAFFORD
Statement of Operations
Year Ended December 31, 2020

	<i>(Budget)</i>	2020	2019
REVENUES			
Taxes and other unconditional revenue <i>(Schedule 1)</i>	\$ 450,939	\$ 449,763	\$ 372,752
Fees and charges <i>(Schedule 4 and 5)</i>	207,905	268,046	224,486
Conditional grants <i>(Schedule 4 and 5)</i>	76,027	79,820	13,991
Gain (loss) on sale of tangible capital assets <i>(Schedule 4 and 5)</i>	-	999	300
Land sales - gain	(4,400)	-	-
Investment income and commissions <i>(Schedule 4 and 5)</i>	660	665	679
Other revenue	1,000	1,201	1,341
	732,131	800,494	613,549
EXPENSES			
General government services <i>(Schedule 3)</i>	168,950	181,840	186,991
Protective services <i>(Schedule 3)</i>	43,675	52,598	55,370
Transportation services <i>(Schedule 3)</i>	207,350	187,205	167,475
Environmental and public health services <i>(Schedule 3)</i>	91,555	97,557	97,403
Recreation and culture services <i>(Schedule 3)</i>	24,520	21,854	16,660
Planning and development services <i>(Schedule 3)</i>	430	575	415
Utility services <i>(Schedule 3)</i>	228,395	211,877	164,391
	764,875	753,506	688,705
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER CAPITAL CONTRIBUTIONS	(32,744)	46,988	(75,156)
Capital grants and contributions <i>(Schedule 4 and 5)</i>	36,020	36,020	58,266
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	3,276	83,008	(16,890)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	893,477	893,477	910,367
ACCUMULATED SURPLUS, END OF YEAR <i>(Schedule 8)</i>	\$ 896,753	\$ 976,485	\$ 893,477

The accompanying notes are an integral part of these financial statements.

TOWN OF HAFFORD
Statement of Changes in Net Financial Assets
Year Ended December 31, 2020

	<i>(Budget)</i>	2020	2019
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 3,276	\$ 83,008	\$ (16,890)
Acquisition of tangible capital assets	-	(34,827)	(37,465)
Amortization of tangible capital assets	87,750	76,483	68,500
Proceeds on disposal of tangible capital assets	-	999	300
(Gain) loss on disposal of tangible capital assets	-	5,978	(300)
	<u>87,750</u>	<u>48,633</u>	<u>31,035</u>
Use (Acquisition) of prepaid assets	-	8,832	(7,819)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	91,026	140,473	6,326
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>(58,330)</u>	<u>(58,330)</u>	<u>(64,656)</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 32,696</u>	<u>\$ 82,143</u>	<u>\$ (58,330)</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF HAFFORD
Statement of Cash Flows
Year Ended December 31, 2020

	2020	2019
NET INFLOW OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenues over expenses	\$ 83,008	\$ (16,890)
Non-cash items included in excess of revenues over expenses:		
Amortization of tangible capital assets	76,483	68,749
Loss (gain) on disposal of assets	5,978	(300)
	<u>165,469</u>	<u>51,559</u>
Changes in non-cash working capital:		
Municipal taxes receivable	(24,305)	(4,054)
Other receivables	6,326	(3,296)
Loans receivable	(21,000)	-
Land for resale	513	4,518
Accounts payable	(43,069)	23,560
Utility deposits	(14,547)	(2,416)
Collection liability	281	-
Prepaid expense	8,834	(7,816)
Deferred revenue	-	(3,744)
Other liabilities	(567)	(4,735)
	<u>(87,534)</u>	<u>2,017</u>
	<u>77,935</u>	<u>53,576</u>
CAPITAL		
Acquisition of tangible capital assets	(34,827)	(37,465)
Proceeds on disposal of tangible capital assets	999	300
	<u>(33,828)</u>	<u>(37,165)</u>
INVESTING		
Long-term investments	(87)	(138)
FINANCING ACTIVITY		
Repayment of long term debt	(8,832)	(21,445)
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	35,188	(5,172)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	(42,666)	(37,494)
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 2)	\$ (7,478)	\$ (42,666)

The accompanying notes are an integral part of these financial statements.

TOWN OF HAFFORD
Notes to Financial Statements
Year Ended December 31, 2020

1. SUMMARY OF 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 Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies are as follows:

Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable, based upon receipt of goods or services and / or the legal obligation to pay.

Collection of funds for other authorities

Collection of funds by the Municipality for the school board and municipal hail authorities are collected and remitted in accordance with relevant legislation.

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 occur, providing:

- a. the transfers are authorized;
- b. any eligibility criteria have been met; and
- c. reasonable estimates of the amounts can be made.

Unearned government transfer amounts received will be recorded as deferred revenue.

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

Deferred revenue

Certain user chargers and fees are collected for which the related services have yet to be preformed. Revenue is recognized in the period that the related expenses are incurred or services preformed.

Local improvement charges

Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.

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.

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TOWN OF HAFFORD
Notes to Financial Statements
Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Non-financial assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Municipality because they can be used to provide municipal services in future periods. These assets do not normally provide resources to discharge the liabilities of the Municipality unless they are sold.

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.

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.

Investments

Portfolio investments are valued at 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 investment in the Saskatchewan Rural Municipalities Self Insurance fund is accounted for on an equity basis.

Inventory

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.

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TOWN OF HAFFORD
Notes to Financial Statements
Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets

Tangible capital assets 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.

Tangible capital assets are amortized over their estimated useful lives, less any residual value, on a straight-line basis at the following rates:

Land improvements	15 years
Buildings	40 years
Machinery and equipment	5 to 20 years
Transportation vehicles	10 years
Roads	15 to 40 years

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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

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 cannot be made.

The municipality does capitalize interest incurred while a tangible capital asset is under construction.

All leases are recorded on the consolidated financial statements as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risk associated with the leased asset is classified as a capital lease and recorded as tangible capital assets. 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 based on the asset category. Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

Landfill closure and post-closure liability

The Town is a participating community of 16 to 43 Waste Management Corporation.

The Town is proportionally liability for its share of loans and liabilities of the Corporation. These amounts are disclosed in Note 10 and 12.

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.

Liability for Contaminates Sites

(continues)

TOWN OF HAFFORD
Notes to Financial Statements
Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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:
 - is directly responsible; or
 - 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

Measurement uncertainty

The preparation of financial statements in conformity with the Canadian public sector accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants 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 revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Accounts receivable are stated after an evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

The measurement of materials and supplies are based on estimates of volume and quality.

Tangible capital asset opening cost have been estimated where actual costs were not available. Amortization is based on the estimated useful life.

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.

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TOWN OF HAFFORD
Notes to Financial Statements
Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of segmentation

Municipal services have been segmented by grouping activities that have similar service objectives. Revenues that are directly related to the costs of the segment have been attributed to each segment. Interest is allocated to segments based on the purpose of the specific borrowings.

The segments are as follows:

General government services provides for the administration of the Municipality.

Protective services is comprised of expenses for police and fire protection.

Transportation services are responsible for the delivery of public works services related to the development and maintenance of roadway systems.

Environmental and public health services provides for waste disposal and other environmental service, as well as expenses related to public health services provided within the Municipality.

Planning and development services provides for neighbourhood development and sustainability.

Recreation and culture services provides for recreation and leisure services throughout the Municipality.

Budget Information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council.

2. CASH AND TEMPORARY INVESTMENTS

	<u>2020</u>	<u>2019</u>
Cash	\$ (75,215)	\$ (43,068)
Temporary investments	67,737	402
	<u>\$ (7,478)</u>	<u>\$ (42,666)</u>

Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of one year or less.

The Town has a credit facility with its financial institution that covers long-term debt facilities referred to in Note 9, a revolving operating line of credit in the amount of \$150,000. Interest on the line of credit is 4.7% and is secured by the assignment of the Town's municipal taxes receivable.

TOWN OF HAFFORD
Notes to Financial Statements
Year Ended December 31, 2020

3. TAXES AND GRANTS IN LIEU OF TAXES RECEIVABLES

	2020	2019
Current taxes	\$ 49,868	\$ 49,973
Arrears taxes	30,283	48,829
Subtotal	80,151	98,802
Allowance for uncollectibles	-	(42,956)
Total municipal taxes receivable	80,151	55,846
Current school taxes	7,473	8,330
Arrears school taxes	6,205	7,512
Total school taxes receivable	13,678	15,842
Total taxes and grants in lieu receivable	93,829	71,688
Taxes receivable to be collected on behalf of other organizations	(13,678)	(15,842)
	\$ 80,151	\$ 55,846

4. OTHER ACCOUNTS RECEIVABLE

	2020	2019
Trade	\$ 2,337	\$ 41,473
Goods and Services Tax	13,295	(3,382)
Utility	49,783	39,494
	65,415	77,585
Allowance for doubtful accounts	-	(5,844)
	\$ 65,415	\$ 71,741

5. LAND FOR RESALE

	2020	2019
Tax title property	\$ 67,577	\$ 54,902
Allowance for market value adjustment	(56,977)	(43,789)
Subtotal	10,600	11,113
Other land	1,800	1,800
	\$ 12,400	\$ 12,913

TOWN OF HAFFORD
Notes to Financial Statements
Year Ended December 31, 2020

6. LONG TERM INVESTMENTS

	<u>2020</u>	<u>2019</u>
Credit Union member shares	\$ 1,732	\$ 1,645
Hafford Co-operative Association Limited - equity	623	623
	<u>\$ 2,355</u>	<u>\$ 2,268</u>

7. DEFERRED REVENUE

	<u>2020</u>	<u>2019</u>
Prepaid cable fees	\$ -	\$ 12,651

8. LIABILITY FOR CONTAMINATED SITE

The Town recognizes and estimates a liability for remediation of a contaminated former service station location.

	<u>2020</u>	<u>2019</u>
Accrued remediation liability	\$ 31,000	\$ 31,000

TOWN OF HAFFORD
Notes to Financial Statements
Year Ended December 31, 2020

9. LONG TERM DEBT

	2020	2019
CAT Finning loan bearing interest at 5.5% per annum, repayable in monthly blended payments of \$842. The loan matures on November 30, 2022 and is secured by the compact track loader.	\$ 18,344	\$ 27,175
Amounts payable within one year	(9,330)	-
	<u>\$ 9,014</u>	<u>\$ 27,175</u>

Principal repayment terms are approximately:

2021	\$ 9,330
2022	9,014
	<u>\$ 18,344</u>

The debt limit of the Municipality is \$519,721 [2019 - \$461,894]. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceeding year (*Municipalities Act section 161*).

10. CONTINGENT LIABILITY

The following contingent liability amounts are estimates based on the audited financial statements of 16 to 43 Waste Management Corporation as at December 31, 2020.

The Town is contingently liable for its proportionate share of 16 to 43 Waste Management Corporation's loan with Innovation Credit Union. The total loan balance outstanding at December 31, 2020 is \$1,089,904 [2019 - \$1,157,863] of which the Town has guaranteed an amount of \$228,880 [2019 - \$262,914]. The loan is in good standing as of December 31, 2020.

The Town has signed a guarantee on behalf of 16 to 43 Waste Management Corporation's loan with Innovation Credit Union. The total loan balance is \$210,457 [2019 - \$250,000], of which the Town is contingently liable for its proportionate share of \$44,196.

Further potential liability amounts related to 16 to 43 Waste Management Corporation are disclosed in Note 12.

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 2020 was \$13,352 [2019 - \$13,236]. 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. SUBSEQUENT EVENTS

The following events occurred subsequent to the fiscal year end:

(continues)

TOWN OF HAFFORD
Notes to Financial Statements
Year Ended December 31, 2020

12. SUBSEQUENT EVENTS *(continued)*

16 to 43 Waste Management Corporation

During the 2021 year, the Board of 16 to 43 Waste Management Corporation unanimously agreed to sell the business as it was no longer considered viable with the possibility of ceasing operations prior to any sale.

As the Town is a participating community with 16 to 43 Waste Management, the Town is contingently liable for its proportionate share of all liabilities should operations cease prior to any sale. The total net outstanding liabilities as at December 31, 2020 is \$239,846, of which the Town is contingently liable for its proportionate share of \$50,368.

Further liability amounts related to 16 to 43 Waste Management Corporation liabilities are found in Note 10.

13. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

14. BUDGET FIGURES

Budget figures are reported for information purposes only and are unaudited.

TOWN OF HAFFORD
Schedule of Taxes and Other Unconditional Revenue *(Schedule 1)*
Year Ended December 31, 2020

	<i>(Budget)</i>	2020	2019
TAXES			
General municipal tax levy	\$ 279,070	\$ 280,233	\$ 236,935
Abatements and adjustments	(500)	(654)	(1,696)
Discount on current year taxes	(6,600)	(8,398)	(6,592)
	271,970	271,181	228,647
Penalties on tax arrears	17,500	17,321	17,197
	289,470	288,502	245,844
	-	-	
UNCONDITIONAL GRANTS			
Equalization	94,160	94,168	85,069
Safe restart grant	24,279	24,279	-
	118,439	118,447	85,069
GRANTS IN LIEU OF TAXES			
Federal	4,650	4,799	3,954
Provincial			
Local and Other			
Other (Specify)	6,250	6,549	5,573
Other Government Transfers			
SPC surcharge	22,340	22,157	21,693
SaskEnergy surcharge	9,790	9,309	10,619
	43,030	42,814	41,839
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 450,939	\$ 449,763	\$ 372,752

The accompanying notes are an integral part of these financial statements.

TOWN OF HAFFORD
Schedule of Operating and Capital Revenue by Function *(Schedule 2)*
Year Ended December 31, 2020

	<i>(Budget)</i>	2020	2019
GENERAL GOVERNMENT SERVICES			
OPERATING			
Segmented Revenue			
Custom work	9,375	6,009	14,223
Rental	7,800	7,825	5,300
Permits	120	-	146
Adjustment of allowances	-	47,423	-
	17,295	61,257	19,669
Investment income and commissions	660	665	679
Other	-	-	97
	17,955	61,922	
Conditional Grants			
Other (PFG Grant)	-	2,453	-
	\$ 17,955	\$ 64,375	\$ 20,445
PROTECTIVE SERVICES			
OPERATING			
Segmented Revenue			
Fees	\$ -	\$ -	\$ 10,014
Fines	300	365	100
	300	365	10,114
Conditional Grants			
Local government	8,500	8,500	5,500
	\$ 8,800	\$ 8,865	\$ 15,614

(continues)

The accompanying notes are an integral part of these financial statements.

TOWN OF HAFFORD
Schedule of Operating and Capital Revenue by Function (continued)
(Schedule 2)
Year Ended December 31, 2020

	<i>(Budget)</i>	2020	2019
TRANSPORTATION SERVICES			
OPERATING			
Segmented Revenue			
Custom work	350	500	348
Sale of supplies	50	-	120
	400	500	468
Gain (loss) on disposal of tangible capital assets	-	999	300
	400	1,499	768
Conditional Grants			
Student employment	5,000	6,339	3,097
CAPITAL			
Conditional Grants			
Gas tax	36,020	36,020	57,614
	\$ 41,420	\$ 43,858	\$ 61,479
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
OPERATING			
Segmented Revenue			
Waste and disposal fees	\$ 80,000	\$ 86,493	\$ 77,735
Transit fees	300	248	722
	80,300	86,741	78,457
Housing authority	1,000	1,201	1,244
	81,300	87,942	79,701
Conditional Grants			
Transit grant	210	209	472
CAPITAL			
Conditional Grants			
Local government	-	-	652
	\$ 81,510	\$ 88,151	\$ 80,825

(continues)

The accompanying notes are an integral part of these financial statements.

TOWN OF HAFFORD
Schedule of Operating and Capital Revenue by Function *(continued)*
(Schedule 2)
Year Ended December 31, 2020

	<i>(Budget)</i>	2020	2019
PLANNING AND DEVELOPMENT			
OPERATING			
Segmented Revenue			
Maintenance and development charges	\$ 1,500	\$ 619	\$ 1,870
RECREATION AND CULTURE SERVICES			
OPERATING			
Segmented Revenue			
Fees and charges	\$ 510	\$ 325	\$ 481
Conditional Grants			
Sask. Lotteries	3,820	3,822	4,922
	\$ 4,330	\$ 4,147	\$ 5,403
UTILITY SERVICES			
OPERATING			
Segmented Revenue			
Water	\$ 56,600	\$ 65,057	\$ 56,064
Sewer	28,500	27,527	27,363
Cable	22,500	25,655	30,000
	107,600	118,239	113,427
Conditional Grants			
Municipal Economic Enhancement Program	58,497	58,497	-
	\$ 166,097	\$ 176,736	\$ 113,427
TOTAL OPERATING AND CAPITAL REVENUE	\$ 321,612	\$ 386,751	\$ 299,063
Total Segmented Revenue	\$ 209,565	\$ 270,911	\$ 226,806
Total Conditional Grants	76,027	79,820	13,991
Total Capital Grants and Contributions	36,020	36,020	58,266
TOTAL OPERATING AND CAPITAL REVENUE	\$ 321,612	\$ 386,751	\$ 299,063

The accompanying notes are an integral part of these financial statements.

TOWN OF HAFFORD
Schedule of Expenses by Function
Year Ended December 31, 2020

(Schedule 3)

	(Budget)	2020	2019
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 15,510	\$ 14,840	\$ 17,566
Wages and benefits	67,080	59,234	67,815
Professional and contractual services	64,670	63,654	61,717
Utilities	6,640	5,844	6,453
Maintenance, materials and supplies	6,480	7,328	12,261
Operating grants and contributions	50	-	4,272
Amortization	2,520	4,848	2,513
Interest	1,600	2,372	1,666
Other (Specify)	-	-	(485)
Allowance for doubtful accounts	-	133	8,782
Write down of tax title property	4,400	23,586	4,432
	<u>\$ 168,950</u>	<u>\$ 181,839</u>	<u>\$ 186,992</u>
PROTECTIVE SERVICES			
Police Protection			
Professional and contractual services	\$ 31,000	\$ 31,689	\$ 30,587
Utilities	500	1,483	422
	<u>31,500</u>	<u>33,172</u>	<u>31,009</u>
Fire Protection			
Professional and contractual services	2,795	2,325	9,171
Utilities	-	-	1,145
Operating grants and contributions	8,500	8,500	5,500
Maintenance, materials and supplies	-	58	3
Amortization	880	8,542	8,542
	<u>12,175</u>	<u>19,425</u>	<u>24,361</u>
	<u>\$ 43,675</u>	<u>\$ 52,597</u>	<u>\$ 55,370</u>
TRANSPORTATION SERVICES			
Wages and benefits	70,180	77,577	87,055
Professional and contractual services	12,790	20,306	6,622
Utilities	20,900	19,974	20,294
Maintenance, materials and supplies	39,560	35,765	26,228
Amortization	61,720	32,250	25,091
Other	100	-	101
Interest	2,100	1,333	2,085
	<u>\$ 207,350</u>	<u>\$ 187,205</u>	<u>\$ 167,476</u>

(continues)

The accompanying notes are an integral part of these financial statements.

TOWN OF HAFFORD
Schedule of Expenses by Function *(continued)* **(Schedule 3)**
Year Ended December 31, 2020

	<i>(Budget)</i>	2020	2019
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	\$ 935	\$ 944	\$ 862
Professional and contractual services	85,910	83,606	84,107
Utilities	1,620	1,839	696
Maintenance, materials and supplies	670	38	608
Amortization	2,420	11,129	11,129
	<u>\$ 91,555</u>	<u>\$ 97,556</u>	<u>\$ 97,402</u>
PLANNING AND DEVELOPMENT SERVICES			
Professional and contractual services	\$ 430	\$ 575	\$ 415
RECREATION AND CULTURE SERVICES			
Professional and contractual services	\$ 16,430	\$ 12,932	\$ 11,721
Utilities	2,180	3,280	2,151
Maintenance, materials and supplies	260	640	1,358
Operating grants and contributions	4,220	4,172	-
Amortization	1,430	830	1,430
	<u>\$ 24,520</u>	<u>\$ 21,854</u>	<u>\$ 16,660</u>
UTILITY SERVICES			
Wages and benefits	\$ 79,505	\$ 91,353	\$ 67,859
Professional and contractual services	34,810	61,558	43,320
Utilities	12,790	12,465	11,961
Maintenance, materials and supplies	82,510	27,619	21,206
Amortization	18,780	18,885	20,044
	<u>\$ 228,395</u>	<u>\$ 211,880</u>	<u>\$ 164,390</u>
TOTAL EXPENSES	<u>\$ 764,875</u>	<u>\$ 753,506</u>	<u>\$ 688,705</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF HAFFORD
Schedule of Segment Disclosure by Function
Year Ended December 31, 2020 (Schedule 4)

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Utility Services	Total
REVENUE								
Fees and charges	\$ 61,255	\$ 365	\$ 500	\$ 86,741	\$ 619	\$ 325	\$ 118,239	\$ 268,044
Gain (loss) on sale of assets	-	-	999	-	-	-	-	999
Investment and commisssion	665	-	-	-	-	-	-	665
Other	-	-	-	1,201	-	-	-	1,201
Conditional grants	2,453	8,500	6,339	209	-	3,822	58,497	79,820
Capital grants	-	-	36,020	-	-	-	-	36,020
	64,373	8,865	43,858	88,151	619	4,147	176,736	386,749
EXPENSES								
Wages and benefits	74,073	-	77,577	944	-	-	91,353	243,947
Professional services	63,654	34,014	20,306	83,606	575	12,932	61,558	276,645
Utilities	5,844	1,483	19,974	1,839	-	3,280	12,465	44,866
Maintenance, materials and supplies	7,328	58	35,765	38	-	640	27,618	71,447
Grants and contributions	-	8,500	-	-	-	4,172	-	12,672
Amortization	4,848	8,542	32,250	11,129	-	830	18,883	76,482
Interest	2,372	-	1,339	-	-	-	-	3,711
Other	23,715	-	-	-	-	-	-	23,715
	181,834	52,597	187,211	97,556	575	21,854	211,877	753,504
INCOME (LOSS) FROM OPERATIONS	(117,461)	(43,732)	(143,353)	(9,405)	44	(17,707)	(35,141)	(366,755)
Taxation and other unconditional revenue								
								449,763
NET SURPLUS								\$ 83,008

The accompanying notes are an integral part of these financial statements.

TOWN OF HAFFORD
Schedule of Segment Disclosure by Function
Year Ended December 31, 2019
(Schedule 5)

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Utility Services	Total
REVENUE								
Fees and charges	\$ 19,669	\$ 10,114	\$ 468	\$ 78,457	\$ 1,870	\$ 481	\$ 113,427	\$ 224,486
Gain (loss) on sale of assets	-	-	300	-	-	-	-	300
Investment and commission	679	-	-	-	-	-	-	679
Other	97	-	-	1,244	-	-	-	1,341
Conditional grants	-	5,500	3,097	472	-	4,922	-	13,991
Capital grants	-	-	57,614	652	-	-	-	58,266
	20,445	15,614	61,479	80,825	1,870	5,403	113,427	299,063
EXPENSES								
Wages and benefits	85,382	-	87,055	862	-	-	67,859	241,158
Professional services	61,717	39,758	6,622	84,107	415	11,721	43,320	247,660
Utilities	6,453	1,567	20,294	696	-	2,151	11,961	43,122
Maintenance, materials and supplies	12,261	3	26,228	608	-	1,358	21,206	61,664
Grants and contributions	4,272	5,500	-	-	-	-	-	9,772
Amortization	2,513	8,542	25,091	11,129	-	1,430	20,045	68,750
Interest	1,666	-	2,085	-	-	-	-	3,751
Other	3,945	-	101	-	-	-	-	4,046
Allowance	8,782	-	-	-	-	-	-	8,782
	186,991	55,370	167,476	97,402	415	16,660	164,391	688,705
INCOME (LOSS) FROM OPERATIONS	(166,546)	(39,756)	(105,997)	(16,577)	1,455	(11,257)	(50,964)	(389,642)
Taxation and other unconditional revenue								
								372,752
NET SURPLUS								\$ (16,890)

The accompanying notes are an integral part of these financial statements.

TOWN OF HAFFORD
Schedule of Tangible Capital Assets by Object
Year Ended December 31, 2020
(Schedule 6)

		General Assets				Infrastructure Assets		
		Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	
ASSET COST								
Cost, beginning of year	\$	110,191	\$ -	\$ 245,772	\$ 63,659	\$ 599,007	\$ 861,999	\$ 1,843,163
Additions	-	-	-	-	4,200	3,947	26,680	37,465
Disposals					(15,965)	(4,008)	(6,974)	
Cost, end of year	\$	110,191	-	245,772	51,894	598,946	881,705	1,880,628
ACCUMULATED AMORTIZATION								
Accumulated amortization, beginning of year		-	-	202,787	51,823	342,536	340,601	869,248
Current amortization	-	-	-	2,988	3,669	38,063	31,763	68,499
Disposals	-	-	-	-	(15,965)	(4,005)	-	-
Accumulated amortization, end of year	-	-	-	205,775	39,527	376,594	372,364	937,747
NET BOOK VALUE								
	\$	110,191	\$ -	\$ 39,997	\$ 12,367	\$ 222,352	\$ 509,341	\$ 942,881

The accompanying notes are an integral part of these financial statements.

TOWN OF HAFFORD
Schedule of Tangible Capital Assets by Function
Year Ended December 31, 2020 (Schedule 7)

	General Government	Protective Services	Transportation Services	Environmental & Public Health Services	Recreations & Culture Services	Utility Services	Planning & Development Services	2020	2019
ASSET COST									
Cost, beginning of year	\$ 104,976	\$ 140,063	\$ 504,465	\$ 181,888	\$ 96,198	\$ 753,750	\$ 99,288	\$ 1,880,628	\$ 1,843,163
Additions	3,947	-	30,880	-	-	-	-	34,827	37,465
Disposals	(4,008)	-	(22,939)	-	-	-	-	(26,947)	-
Cost, end of year	104,915	140,063	512,406	181,888	96,198	753,750	99,288	1,888,508	1,880,628
ACCUMULATED AMORTIZATION									
Accumulated Amortization, beginning of year	87,077	77,944	275,730	85,887	81,265	329,844	-	937,747	869,248
Current amortization	4,848	8,542	32,250	11,129	830	18,884	-	76,483	68,499
Disposals	(4,005)	-	(15,965)	-	-	-	-	(19,970)	-
Accumulated amortization, end of year	87,920	86,486	292,015	97,016	82,095	348,728	-	994,260	937,747
NET BOOK VALUE	\$ 16,995	\$ 53,577	\$ 220,391	\$ 84,872	\$ 14,103	\$ 405,022	\$ 99,288	\$ 894,248	\$ 942,881

The accompanying notes are an integral part of these financial statements.

TOWN OF HAFFORD
Schedule of Accumulated Surplus
Year Ended December 31, 2020

(Schedule 8)

	2019	Changes	2020
UNAPPROPRIATED SURPLUS	\$ (22,229)	\$ 57,593	\$ 35,364
APPROPRIATED RESERVES			
Gas Tax reserve	-	42,156	42,156
MEEP reserve	-	23,057	23,057
Total appropriated reserves	-	65,213	65,213
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets	942,881	(48,633)	894,248
Long-term debt	(27,175)	8,835	(18,340)
Total net investment in tangible capital assets	915,706	(39,798)	875,908
TOTAL ACCUMULATED SURPLUS	\$ 893,477	\$ 83,008	\$ 976,485

The accompanying notes are an integral part of these financial statements.

TOWN OF HAFFORD
Schedule of Assessments and Mill Rates
Year Ended December 31, 2020

(Schedule 9)

	Property Class		Total
	Residential	Commercial & Industrial	
TAXABLE ASSESSMENT	11,753,840	1,202,500	12,956,340
Mill rate factor	1.00	1.00	
Base tax	150,700	18,750	169,450
Total Municipal Tax Levy	99,908	10,221	110,129

MILL RATES:

Uniform municipal	8.5000
Average municipal	21.5785
Average school	4.3195

To determine average mill rates, multiply the total tax levy for each taxing authority by 1000 and divide by the total assessment for the taxing authority.

TOWN OF HAFFORD
Schedule of Council Remuneration
Year Ended December 31, 2020

(Schedule 10)

	Remuneration	Reimbursed Costs	Total
NAME			
Victoria Moses	\$ 2,655	\$ -	\$ 2,655
Bonnie Sendeck	2,620	-	2,620
Joan Matechuk	2,976	-	2,976
Ron Kowalchuk	4,779	-	4,779
Robyn Paulow	2,010	-	2,010
John Kuzyk	420	-	420
Sylvester Kohut	280	-	280
David Wintonyk	420	-	420
Dana Prystupa	445	-	445
	<u>\$ 16,605</u>	<u>\$ -</u>	<u>\$ 16,605</u>

The accompanying notes are an integral part of these financial statements.