
TOWN OF HAFFORD
Financial Statements
Year Ended December 31, 2021

TOWN OF HAFFORD
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Year Ended December 31, 2021

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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
March 08, 2022

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, 2021, 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, 2021, 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.

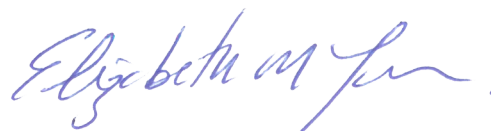
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Auditor's Responsibilities for the Audit of the Financial Statements

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
March 8, 2022

ELIZABETH M TORRENS CPA PROFESSIONAL CORPORATION

TOWN OF HAFFORD
Statement of Financial Position
December 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash (Note 2)	\$ 381,293	\$ -
Municipal taxes receivable (Note 3)	68,439	80,151
Other receivables (Note 4)	41,067	65,415
Loans receivable	57,005	21,000
Land for resale (Note 5)	10,400	12,400
Long term investments (Note 6)	2,430	2,355
	560,634	181,321
LIABILITIES		
Cash (Note 2)	-	7,478
Accounts payable	16,335	24,844
Utility deposits	18,777	17,797
Current portion of long term debt	9,011	9,330
Tax liabilities	31,000	31,000
Deferred revenue (Note 8.)	600	-
Long term debt (Note 8.)	-	9,010
Total collection liability	(133)	(281)
	75,590	99,178
NET FINANCIAL ASSETS	485,044	82,143
NON-FINANCIAL ASSETS		
Tangible capital assets (Net of accumulated amortization) (Schedule 6 and 7)	737,688	894,248
Prepaid expenses	1,367	94
	739,055	894,342
ACCUMULATED SURPLUS (Schedule 8)	\$ 1,224,099	\$ 976,485

ON BEHALF OF THE COUNCIL

_____ Reeve

_____ Councillor

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

TOWN OF HAFFORD
Statement of Operations
Year Ended December 31, 2021

	(Budget)	2021	2020
REVENUES			
Taxes and other unconditional revenue <i>(Schedule 1)</i>	\$ 435,296	\$ 427,695	\$ 449,763
Fees and charges <i>(Schedule 4 and 5)</i>	343,015	321,038	268,046
Conditional grants <i>(Schedule 4 and 5)</i>	23,660	19,303	79,820
Gain (loss) on sale of tangible capital assets <i>(Schedule 4 and 5)</i>	207,270	125,553	999
Land sales - gain	(20,000)	-	-
Investment income and commissions <i>(Schedule 4 and 5)</i>	660	689	665
Other revenue	1,000	9,759	1,201
	<u>990,901</u>	<u>904,037</u>	<u>800,494</u>
EXPENSES			
General government services <i>(Schedule 3)</i>	159,675	136,797	181,840
Protective services <i>(Schedule 3)</i>	60,882	55,803	52,598
Transportation services <i>(Schedule 3)</i>	249,450	179,424	187,205
Environmental and public health services <i>(Schedule 3)</i>	115,830	110,331	97,557
Recreation and culture services <i>(Schedule 3)</i>	32,325	34,564	21,854
Planning and development services <i>(Schedule 3)</i>	17,100	5,806	575
Utility services <i>(Schedule 3)</i>	217,450	186,426	211,877
	<u>852,712</u>	<u>709,151</u>	<u>753,506</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER CAPITAL CONTRIBUTIONS	138,189	194,886	46,988
Capital grants and contributions <i>(Schedule 4 and 5)</i>	36,020	52,728	36,020
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	174,209	247,614	83,008
ACCUMULATED SURPLUS, BEGINNING OF YEAR	976,485	976,485	893,477
ACCUMULATED SURPLUS, END OF YEAR <i>(Schedule 8)</i>	<u>\$ 1,150,694</u>	<u>\$ 1,224,099</u>	<u>\$ 976,485</u>

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, 2021

	<i>(Budget)</i>	2021	2020
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 174,209	\$ 247,614	\$ 83,008
Acquisition of tangible capital assets	-	-	(34,827)
Amortization of tangible capital assets	117,700	73,838	76,483
Proceeds on disposal of tangible capital assets	-	208,270	999
(Gain) loss on disposal of tangible capital assets	187,270	(125,553)	5,978
	<u>304,970</u>	<u>156,555</u>	<u>48,633</u>
Use (Acquisition) of prepaid assets	-	(1,268)	8,832
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	479,179	402,901	140,473
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>82,143</u>	<u>82,143</u>	<u>(58,330)</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 561,322</u>	<u>\$ 485,044</u>	<u>\$ 82,143</u>

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

TOWN OF HAFFORD
Statement of Cash Flows
Year Ended December 31, 2021

	2021	2020
NET INFLOW OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenues over expenses	\$ 247,614	\$ 83,008
Non-cash items included in excess of revenues over expenses:		
Amortization of tangible capital assets	73,846	76,483
Loss (gain) on disposal of assets	<u>(125,553)</u>	<u>5,978</u>
	<u>195,907</u>	<u>165,469</u>
Changes in non-cash working capital:		
Municipal taxes receivable	11,712	(24,305)
Other receivables	24,348	6,326
Loans receivable	(36,005)	(21,000)
Land for resale	2,000	513
Accounts payable	(8,509)	(43,069)
Utility deposits	980	(14,547)
Collection liability	(148)	281
Prepaid expense	(1,266)	8,836
Other liabilities	<u>890</u>	<u>(567)</u>
	<u>(5,998)</u>	<u>(87,532)</u>
	<u>189,909</u>	<u>77,937</u>
CAPITAL		
Acquisition of tangible capital assets	-	(34,827)
Proceeds on disposal of tangible capital assets	<u>208,270</u>	<u>999</u>
	<u>208,270</u>	<u>(33,828)</u>
INVESTING		
Long-term investments	<u>(75)</u>	<u>(89)</u>
FINANCING ACTIVITY		
Repayment of long term debt	<u>(9,333)</u>	<u>(8,832)</u>
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	388,771	35,188
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>(7,478)</u>	<u>(42,666)</u>
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 2)	\$ 381,293	\$ (7,478)

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

TOWN OF HAFFORD
Notes to Financial Statements
Year Ended December 31, 2021

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, 2021

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, 2021

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 leases 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, 2021

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, 2021

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.

New standards and amendments to standards

Effective for fiscal years beginning on or after April 1, 2022:

PS 1201 Financial Statement Presentation, replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure in government financial statements. Requires a new statement of re-measurement gains and losses separate from the statement of operations arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. Effective in the period PS 3450 and PS 2601 are adopted.

PS 2601 Foreign Currency Translation, replaces PS 2600 with revised guidance on the recognition, presentation and disclosure of transactions that are denominated in a foreign currency. Requires that monetary assets and liabilities denominated in a foreign currency and non-monetary items included in the fair value category, denominated in a foreign currency, be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses are to be presented in the statement of re-measurement gains and losses.

PS 3041 Portfolio Investments, replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of portfolio investments. Removes the distinction between temporary and portfolio investments. Upon adoption of PS 3450 and PS 3041, PS 3030, Temporary Investments, will no longer apply. Effective in the period PS 3450, PS 2601 and PS 1201 are adopted.

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TOWN OF HAFFORD
Notes to Financial Statements
Year Ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

PS 3450 Financial Instruments, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives. The standard requires fair value measurement of derivatives and equity instrument that are quoted in an active market; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

PS 3280 Asset Retirement Obligations, a new standard establishing guidance on the accounting and reporting of legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. As this standard includes solid waste landfill sites active and post-closing obligations, upon adoption of this new standard, existing Solid Waste Landfill Closure and Post-Closure Liability section PS 3270 will be withdrawn.

Effective for years beginning on or after April 1, 2023:

PS 3400, Revenue, a new standard establishing guidance on how to account for and report on revenue. The standard provides a framework for recognizing, measuring and reporting revenues that arise from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payer.

The extent of the impact on adoption of these future standards is not known at this time.

2. CASH AND TEMPORARY INVESTMENTS

	2021	2020
Cash	\$ 266,189	\$ (75,215)
Temporary investments	115,104	67,737
	\$ 381,293	\$ (7,478)

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, 2021

3. TAXES AND GRANTS IN LIEU OF TAXES RECEIVABLES

	2021	2020
Current taxes	\$ 46,046	\$ 49,869
Arrears taxes	22,392	30,283
Total municipal taxes receivable	68,438	80,152
Current school taxes	8,124	7,473
Arrears school taxes	3,456	6,204
Total school taxes receivable	11,580	13,677
Total taxes and grants in lieu receivable	80,018	93,829
Taxes receivable to be collected on behalf of other organizations	(11,579)	(13,678)
	\$ 68,439	\$ 80,151

4. OTHER ACCOUNTS RECEIVABLE

	2021	2020
Trade	\$ 11,881	\$ 2,337
Goods and Services Tax	21,770	13,295
Utility	7,194	49,783
	40,845	65,415
Allowance for doubtful accounts	222	-
	\$ 41,067	\$ 65,415

5. LAND FOR RESALE

	2021	2020
Tax title property	\$ 43,686	\$ 67,577
Allowance for market value adjustment	(35,086)	(56,977)
Subtotal	8,600	10,600
Other land	1,800	1,800
	\$ 10,400	\$ 12,400

TOWN OF HAFFORD
Notes to Financial Statements
Year Ended December 31, 2021

6. LONG TERM INVESTMENTS

	2021	2020
Credit Union member shares	\$ 1,807	\$ 1,732
Hafford Co-operative Association Limited - equity	623	623
	\$ 2,430	\$ 2,355

7. LIABILITY FOR CONTAMINATED SITE

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

	2021	2020
Accrued remediation liability	\$ 31,000	\$ 31,000

8. LONG TERM DEBT

	2021	2020
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.	\$ 9,011	\$ 18,344
Amounts payable within one year	(9,011)	(9,330)
	\$ -	\$ 9,014

Principal repayment terms are approximately:

2022	\$ 9,011
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The debt limit of the Municipality is \$624,343 [2020 - \$555,867]. 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*).

TOWN OF HAFFORD
Notes to Financial Statements
Year Ended December 31, 2021

9. 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.

Additionally, the Town has lent 16-43 Waste Management Corporation funds to support operations. The total loan receivable at the end of 2021 is \$57,005 [2020 - \$21,000].

10. 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 2021 was \$6,040 [2020 - \$8,019]. 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.

11. COMPARATIVE FIGURES

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

12. 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, 2021

	<i>(Budget)</i>	2021	2020
TAXES			
General municipal tax levy	\$ 290,280	\$ 290,907	\$ 280,233
Abatements and adjustments	(650)	(1,492)	(654)
Discount on current year taxes	(8,400)	(8,979)	(8,398)
	<u>281,230</u>	280,436	271,181
Penalties on tax arrears	<u>17,320</u>	12,255	17,320
	<u>298,550</u>	292,691	288,501
	-	-	
UNCONDITIONAL GRANTS			
Equalization	93,336	93,336	94,168
Safe restart grant	-	-	24,279
	<u>93,336</u>	93,336	118,447
GRANTS IN LIEU OF TAXES			
Federal	4,860	4,915	4,799
Provincial			
Local and Other			
Other (Specify)	6,650	6,746	6,549
Other Government Transfers			
SPC surcharge	22,500	20,279	22,158
SaskEnergy surcharge	9,400	9,728	9,309
	<u>43,410</u>	41,668	42,815
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	<u>\$ 435,296</u>	\$ 427,695	<u>\$ 449,763</u>

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, 2021

	<i>(Budget)</i>	2021	2020
GENERAL GOVERNMENT SERVICES			
OPERATING			
Segmented Revenue			
Custom work	6,015	7,617	6,009
Rental	7,830	5,832	7,825
Permits	2,300	1,000	-
Oil well licenses	-	200	-
Adjustment of allowances	-	(3,279)	47,423
	16,145	11,370	61,257
Land sales	(20,000)	-	-
Investment income and commissions	660	689	665
	(3,195)	12,059	
Conditional Grants			
Other (PFG Grant)	-	100	2,453
	\$ (3,195)	\$ 12,159	\$ 64,375

PROTECTIVE SERVICES

OPERATING

Segmented Revenue			
Fines	\$ 370	\$ 147	\$ 365
Conditional Grants			
Local government	8,500	8,500	8,500
	\$ 8,870	\$ 8,647	\$ 8,865

(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, 2021

	<i>(Budget)</i>	2021	2020
TRANSPORTATION SERVICES			
OPERATING			
Segmented Revenue			
Custom work	500	1,790	500
Conditional Grants			
Student employment	6,340	4,313	6,339
CAPITAL			
Conditional Grants			
Canada Community Building Fund	36,020	49,593	36,020
	\$ 42,860	\$ 55,696	\$ 42,859
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
OPERATING			
Segmented Revenue			
Waste and disposal fees	\$ 110,450	\$ 104,412	\$ 86,493
Transit fees	250	808	248
	110,700	105,220	86,741
Tangible capital asset sales	-	-	999
Housing authority	1,000	1,019	1,201
	111,700	106,239	88,941
Conditional Grants			
Transit grant	-	68	209
CAPITAL			
Conditional Grants			
Local government	-	3,135	-
	\$ 111,700	\$ 109,442	\$ 89,150

(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, 2021

	<i>(Budget)</i>	2021	2020
PLANNING AND DEVELOPMENT			
OPERATING			
Segmented Revenue			
Maintenance and development charges	\$ 600	\$ 130	\$ 619
Gain (loss) on disposal of tangible capital assets	207,270	125,553	-
	<u>207,870</u>	125,683	<u>619</u>
RECREATION AND CULTURE SERVICES			
OPERATING			
Segmented Revenue			
Fees and charges	\$ 310	\$ 160	\$ 325
Conditional Grants			
Saskatchewan Lotteries grant	3,820	3,822	3,822
Saskatchewan Parks grant	5,000	2,500	-
	<u>\$ 8,820</u>	\$ 6,322	<u>\$ 3,822</u>
	<u>\$ 9,130</u>	\$ 6,482	<u>\$ 4,147</u>

(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, 2021

	<i>(Budget)</i>	2021	2020
UTILITY SERVICES			
OPERATING			
Segmented Revenue			
Water	\$ 158,330	\$ 150,665	\$ 65,057
Sewer	56,060	51,494	27,527
Cable	-	62	25,655
Other	-	8,740	-
	<u>214,390</u>	<u>210,961</u>	<u>118,239</u>
Conditional Grants			
Municipal Economic Enhancement Program	-	-	58,497
	<u>-</u>	<u>-</u>	<u>58,497</u>
	<u>\$ 214,390</u>	<u>\$ 210,961</u>	<u>\$ 176,736</u>
 TOTAL OPERATING AND CAPITAL REVENUE	 <u>\$ 591,625</u>	 <u>\$ 529,070</u>	 <u>\$ 386,751</u>
Total Segmented Revenue	\$ 531,945	\$ 457,039	\$ 270,911
Total Conditional Grants	23,660	19,303	79,820
Total Capital Grants and Contributions	36,020	52,728	36,020
 TOTAL OPERATING AND CAPITAL REVENUE	 <u>\$ 591,625</u>	 <u>\$ 529,070</u>	 <u>\$ 386,751</u>

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

TOWN OF HAFFORD
Schedule of Expenses by Function
Year Ended December 31, 2021

(Schedule 3)

	<i>(Budget)</i>	2021	2020
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 15,300	\$ 14,049	\$ 14,840
Wages and benefits	67,190	59,296	59,234
Professional and contractual services	56,685	55,328	63,654
Utilities	6,250	4,994	5,844
Maintenance, materials and supplies	8,450	7,312	7,328
Amortization	3,430	2,792	4,848
Interest	2,370	-	2,372
Allowance for doubtful accounts	-	(9,475)	133
Write down of tax title property	-	-	23,586
	\$ 159,675	\$ 134,296	\$ 181,839
PROTECTIVE SERVICES			
Police Protection			
Professional and contractual services	\$ 31,700	\$ 32,539	\$ 31,689
Utilities	1,500	985	1,483
	33,200	33,524	33,172
Fire Protection			
Professional and contractual services	3,122	2,183	2,325
Maintenance, materials and supplies	100	1,636	58
Operating grants and contributions	8,500	8,500	8,500
Amortization	9,960	9,960	8,542
Other (Specify)	6,000	-	-
	27,682	22,279	19,425
	\$ 60,882	\$ 55,803	\$ 52,597
TRANSPORTATION SERVICES			
Wages and benefits	93,920	57,943	77,577
Professional and contractual services	25,750	15,246	20,306
Utilities	20,200	15,339	19,974
Maintenance, materials and supplies	46,000	54,104	35,765
Amortization	32,250	35,942	32,250
Interest	1,330	850	1,333
Other	30,000	-	-
	\$ 249,450	\$ 179,424	\$ 187,205

(continues)

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

TOWN OF HAFFORD
Schedule of Expenses by Function (continued)
Year Ended December 31, 2021

(Schedule 3)

	<i>(Budget)</i>	2021	2020
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	\$ 1,000	\$ 938	\$ 944
Professional and contractual services	110,440	94,793	83,606
Utilities	1,910	2,615	1,839
Maintenance, materials and supplies	60	508	38
Amortization	2,420	11,129	11,129
Other	-	348	-
	<u>\$ 115,830</u>	<u>\$ 110,331</u>	<u>\$ 97,556</u>
PLANNING AND DEVELOPMENT SERVICES			
Professional and contractual services	\$ 17,100	\$ 5,806	\$ 575
RECREATION AND CULTURE SERVICES			
Professional and contractual services	\$ 18,375	\$ 13,266	\$ 12,932
Utilities	6,750	9,000	3,280
Maintenance, materials and supplies	2,150	1,061	640
Operating grants and contributions	4,220	12,907	4,172
Amortization	830	830	830
	<u>\$ 32,325</u>	<u>\$ 37,064</u>	<u>\$ 21,854</u>
UTILITY SERVICES			
Wages and benefits	\$ 87,000	\$ 82,733	\$ 91,353
Professional and contractual services	55,790	43,197	61,558
Utilities	13,260	12,127	12,465
Maintenance, materials and supplies	28,590	27,610	27,616
Amortization	17,810	13,193	18,884
Other (Specify)	15,000	7,567	4
	<u>\$ 217,450</u>	<u>\$ 186,427</u>	<u>\$ 211,880</u>
TOTAL EXPENSES	<u>\$ 852,712</u>	<u>\$ 709,151</u>	<u>\$ 753,506</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, 2021

(Schedule 4)

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Utility Services	Total
REVENUE								
Fees and charges	\$ 11,368	\$ 147	\$ 1,790	\$ 105,220	\$ 130	\$ 160	\$ 202,221	\$ 321,036
Gain (loss) on sale of assets	-	-	-	-	125,553	-	-	125,553
Investment and commission	689	-	-	-	-	-	-	689
Other	-	-	-	1,019	-	-	8,740	9,759
Conditional grants	100	8,500	4,313	68	-	6,322	-	19,303
Capital grants	-	-	49,593	3,135	-	-	-	52,728
	<u>12,157</u>	<u>8,647</u>	<u>55,696</u>	<u>109,442</u>	<u>125,683</u>	<u>6,482</u>	<u>210,961</u>	<u>529,068</u>
EXPENSES								
Wages and benefits	73,346	-	57,943	938	-	-	82,737	214,964
Professional services	55,328	34,722	15,246	94,793	5,806	13,266	43,197	262,358
Utilities	4,994	985	15,339	2,615	-	9,000	12,127	45,060
Maintenance, materials and supplies	7,312	1,636	54,104	508	-	1,061	27,609	92,230
Grants and contributions	-	8,500	-	-	-	12,907	-	21,407
Amortization	2,792	9,960	35,942	11,129	-	830	13,192	73,845
Interest	-	-	850	-	-	-	-	850
Other	(9,480)	-	-	348	-	-	7,567	(1,565)
	<u>134,292</u>	<u>55,803</u>	<u>179,424</u>	<u>110,331</u>	<u>5,806</u>	<u>37,064</u>	<u>186,429</u>	<u>709,149</u>
INCOME (LOSS) FROM OPERATIONS	<u>(122,135)</u>	<u>(47,156)</u>	<u>(123,728)</u>	<u>(889)</u>	<u>119,877</u>	<u>(30,582)</u>	<u>24,532</u>	<u>(180,081)</u>
Taxation and other unconditional revenue								<u>427,695</u>
NET SURPLUS								<u>\$ 247,614</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 5)

	General Government	Protoective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Utility Services	Total
REVENUE								
Fees and charges	\$ 61,257	\$ 365	\$ 500	\$ 86,741	\$ 619	\$ 325	\$ 118,239	\$ 268,046
Gain (loss) on sale of assets	-	-	-	999	-	-	-	999
Investment and commission	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
	<u>64,375</u>	<u>8,865</u>	<u>42,859</u>	<u>89,150</u>	<u>619</u>	<u>4,147</u>	<u>176,736</u>	<u>386,751</u>
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	44,885
Maintenance, materials and supplies	7,328	58	35,765	38	-	640	27,614	71,443
Grants and contributions	-	8,500	-	-	-	4,172	-	12,672
Amortization	4,848	8,542	32,250	11,129	-	830	18,884	76,483
Interest	2,372	-	1,338	-	-	-	-	3,710
Other	23,584	-	-	-	-	-	4	23,588
Allowance	133	-	-	-	-	-	-	133
	<u>181,836</u>	<u>52,597</u>	<u>187,210</u>	<u>97,556</u>	<u>575</u>	<u>21,854</u>	<u>211,878</u>	<u>753,506</u>
INCOME (LOSS) FROM OPERATIONS	<u>(117,461)</u>	<u>(43,732)</u>	<u>(144,351)</u>	<u>(8,406)</u>	<u>44</u>	<u>(17,707)</u>	<u>(35,142)</u>	<u>(366,755)</u>
Taxation and other unconditional revenue								<u>449,763</u>
NET SURPLUS								<u>\$ 83,008</u>

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, 2021

(Schedule 6)

	General Assets					Infrastructure Assets	2021	2020
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets		
ASSET COST								
Cost, beginning of year	\$ 110,191	\$ -	\$ 245,772	\$ 51,894	\$ 598,947	\$ 881,705	\$ 1,888,509	\$ 1,880,628
Additions	-	-	-	-	-	-	-	34,827
Disposals	(80,500)	-	-	(5,936)	(77,423)	-	(163,859)	(26,947)
Cost, end of year	29,691	-	245,772	45,958	521,524	881,705	1,724,650	1,888,508
ACCUMULATED AMORTIZATION								
Accumulated amortization, beginning of year	-	-	205,775	39,525	379,389	369,569	994,258	937,747
Current amortization	-	-	2,988	4,086	39,149	27,623	73,846	76,483
Disposals	-	-	-	(5,935)	(75,207)	-	(81,142)	(19,970)
Accumulated amortization, end of year	-	-	208,763	37,676	343,331	397,192	986,962	994,260
NET BOOK VALUE	\$ 29,691	\$ -	\$ 37,009	\$ 8,282	\$ 178,193	\$ 484,513	\$ 737,688	\$ 894,248

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, 2021

(Schedule 7)

	General Government	Protective Services	Transporation Services	Environmental & Public Health Services	Recreations & Culture Services	Utility Services	Planning & Development Services	2021	2020
ASSET COST									
Cost, beginning of year	\$ 104,915	\$ 140,063	\$ 512,406	\$ 181,888	\$ 96,198	\$ 753,750	\$ 99,288	\$ 1,888,508	\$ 1,880,628
Additions	-	-	-	-	-	-	-	-	34,827
Disposals	-	-	(5,936)	-	-	(77,423)	(80,500)	(163,859)	(26,947)
Cost, end of year	104,915	140,063	506,470	181,888	96,198	676,327	18,788	1,724,649	1,888,508
ACCUMULATED AMORTIZATION									
Accumulated Amortization, beginning of year	87,920	86,486	292,015	97,016	82,095	348,728	-	994,260	937,747
Current amortization	2,792	9,960	35,942	11,129	830	13,192	-	73,845	76,483
Disposals	-	-	(5,936)	-	-	(75,208)	-	(81,144)	(19,970)
Accumulated amortization, end of year	90,712	96,446	322,021	108,145	82,925	286,712	-	986,961	994,260
NET BOOK VALUE	\$ 14,203	\$ 43,617	\$ 184,449	\$ 73,743	\$ 13,273	\$ 389,615	\$ 18,788	\$ 737,688	\$ 894,248

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

TOWN OF HAFFORD
Schedule of Accumulated Surplus
Year Ended December 31, 2021

(Schedule 8)

	2020	Changes	2021
UNAPPROPRIATED SURPLUS	\$ 35,364	\$ 345,252	\$ 380,616
APPROPRIATED RESERVES			
Gas Tax reserve	42,156	-	42,156
MEEP reserve	23,057	49,593	72,650
Total appropriated reserves	65,213	49,593	114,806
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets	894,248	(156,560)	737,688
Long-term debt	(18,340)	9,329	(9,011)
Total net investment in tangible capital assets	875,908	(147,231)	728,677
TOTAL ACCUMULATED SURPLUS	\$ 976,485	\$ 247,614	\$ 1,224,099

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

TOWN OF HAFFORD
Schedule of Assessments and Mill Rates
Year Ended December 31, 2021

(Schedule 9)

	Property Class			Total
	Residential	Agriculture	Commercial & Industrial	
TAXABLE ASSESSMENT	\$ 14,851,680	\$ 91,520	\$ 5,576,765	\$ 20,519,965
Mill rate factor	1.00	0.85	1.00	
Base tax	\$ 150,700	\$ -	\$ 20,800	\$ 171,500
Total Municipal Tax Levy	\$ 260,367	\$ 681	\$ 29,879	\$ 290,927

MILL RATES:

Uniform municipal	8.5000
Average municipal	20.6880
Average school	4.6138

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, 2021

(Schedule 10)

	Remuneration	Reimbursed Costs	Total
NAME			
Victoria Moses	\$ 3,965	\$ 199	\$ 4,164
Sylvester Kohut	2,530	-	2,530
John Kuzyk	2,643	-	2,643
Dana Prystupa	2,095	-	2,095
David Wintonyk	1,958	69	2,027
	<u>\$ 13,191</u>	<u>\$ 268</u>	<u>\$ 13,459</u>

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