

Annual Financial Statements

And Supporting Schedules

For The

Rural Municipality of Hillsdale No. 440

For the year ended December 31, 2016

Management's Responsibility

To the Ratepayers of the Rural Municipality of Hillsdale No. 440:

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 fulfills 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.

April 6, 2017
Date


Reeve


Administrator



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

1321 101st Street
North Battleford, Saskatchewan
S9A 0Z9
Phone: (306) 445-6291
Fax: (306) 445-3882
Email: info@hrocpa.ca
Website: www.hrocpa.ca

INDEPENDENT AUDITOR'S REPORT

To the Reeve and Council of Rural Municipality of Hillsdale No. 440

Report on the Financial Statements

We have audited the accompanying financial statements of Rural Municipality of Hillsdale No. 440, 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 Rural Municipality of Hillsdale No. 440 as at December 31, 2016, and the results of its operations, change in net financial assets and its cash flow 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
April 6, 2017


Chartered Professional Accountants

Rural Municipality of Hillsdale No. 440
Statement of Financial Position
As at December 31, 2016

Statement 1

	2016	2015
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	\$ 6,471,356	\$ 5,169,977
Taxes Receivable - Municipal (Note 3)	582,108	404,890
Other Accounts Receivable (Note 4)	154,639	284,872
Land for Resale		
Long-term Investments (Note 5)	88,639	82,890
Debt Charges Recoverable		
Other (Specify)		
Total Financial Assets	7,296,742	5,942,629
LIABILITIES		
Bank Indebtedness (Note 6)		
Accounts Payable	4,018	34,410
Accrued Liabilities Payable		
Deposits		50,000
Deferred Revenue		
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Long-term Debt (Note 7)		
Lease Obligations		109,128
Total Liabilities	4,018	193,538
NET FINANCIAL ASSETS (DEBT)	7,292,724	5,749,091
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	22,143,907	21,762,153
Prepayments and Deferred Charges	7,314	5,995
Stock and Supplies	700,883	808,646
Other		
Total Non-Financial Assets	22,852,104	22,576,794
Accumulated Surplus (Deficit) (Schedule 8)	\$ 30,144,828	\$ 28,325,885

Rural Municipality of Hillsdale No. 440
Statement of Operations
For the year ended December 31, 2016

Statement 2

	2016 Budget	2016	2015
Revenues			
Taxes and Other Unconditional Revenue (Schedule 1)	\$ 5,273,254	\$ 5,341,438	\$ 5,336,255
Fees and Charges (Schedule 4, 5)	187,338	242,853	203,276
Conditional Grants (Schedule 4, 5)	13,170	56,228	41,742
Tangible Capital Asset Sales - Loss (Schedule 4, 5)	(7,712)	(21,757)	(25,438)
Land Sales - Gain (Schedule 4, 5)			
Investment Income and Commissions (Schedule 4, 5)	25,000	56,538	58,677
Other Revenues (Schedule 4, 5)	34,294	47,804	21,434
Total Revenues	5,525,344	5,723,104	5,635,946
Expenses			
General Government Services (Schedule 3)	459,592	482,894	508,282
Protective Services (Schedule 3)	99,081	116,018	92,007
Transportation Services (Schedule 3)	3,378,314	3,115,156	3,156,487
Environmental and Public Health Services (Schedule 3)	95,149	97,407	76,759
Planning and Development Services (Schedule 3)	16,304	16,053	14,412
Recreation and Cultural Services (Schedule 3)	101,425	109,400	101,667
Utility Services (Schedule 3)			
Total Expenses	4,149,865	3,936,928	3,949,614
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	1,375,479	1,786,176	1,686,332
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	31,978	32,767	31,978
Surplus (Deficit) of Revenues over Expenses	\$ 1,407,457	1,818,943	1,718,310
Accumulated Surplus (Deficit), Beginning of Year		28,325,885	26,607,575
Accumulated Surplus (Deficit), End of Year		\$ 30,144,828	\$ 8,325,885

Rural Municipality of Hillsdale No. 440
Statement of Change in Net Financial Assets
For the year ended December 31, 2016

Statement 3

	2016 Budget	2016	2015
Surplus (Deficit)	\$ 1,407,457	\$ 1,818,943	\$ 1,718,310
(Acquisition) of tangible capital assets	(2,496,810)	(2,098,389)	(2,545,409)
Amortization of tangible capital assets	1,523,118	1,501,624	1,376,883
Proceeds on disposal of tangible capital assets		193,254	186,377
Loss on the disposal of tangible capital assets		21,757	25,438
Surplus (Deficit) of capital revenue over expenditures	(973,692)	(381,754)	(956,711)
(Acquisition) of supplies inventories			(52,855)
(Acquisition) of prepaid expense		(1,319)	(59)
Consumption of supplies inventories	100,000	107,763	
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures	100,000	106,444	(52,914)
Increase (Decrease) in Net Financial Assets	\$ 533,765	1,543,633	708,685
Net Financial Assets - Beginning of Year		5,749,091	5,040,406
Net Financial Assets - End of Year		\$ 7,292,724	\$ 5,749,091

Rural Municipality of Hillsdale No. 440
Statement of Cash Flow
For the year ended December 31, 2016

Statement 4

	2016	2015
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	\$ 1,818,943	\$ 1,718,310
Amortization	1,501,624	1,376,883
Loss on disposal of tangible capital assets	21,757	25,438
	<u>3,342,324</u>	<u>3,120,631</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	(177,218)	(35,918)
Other Receivables	130,233	(88,306)
Land for Resale		
Other Financial Assets		
Accounts and Accrued Liabilities Payable	(30,392)	(147,909)
Deposits	(50,000)	49,999
Deferred Revenue		
Accrued Landfill costs		
Liability for Contaminated Sites		
Other Liabilities		
Stock and Supplies for Use	107,763	(52,855)
Prepayments and Deferred Charges	(1,319)	(59)
Other (Specify)		
Net cash provided by (used for) operations	3,321,391	2,845,583
Capital:		
Acquisition of Tangible Capital Assets	(2,098,389)	(2,545,409)
Proceeds From the Disposal of Tangible Capital Assets	193,254	186,377
Other Capital		
Net cash provided by (used for) capital	(1,905,135)	(2,359,032)
Investing:		
Long-term Investments	(5,749)	2,001
Other Investments		
Net cash provided by (used for) investing	(5,749)	2,001
Financing:		
Debt Charges Recovered		
Long-term Debt Issued		
Long-term Debt Repaid		
Other Financing	(109,128)	(120,135)
Cash provided by (used for) financing transactions	(109,128)	(120,135)
Change in Cash and Temporary Investments during the year	1,301,579	368,417
Cash and Temporary Investments - Beginning of Year	5,169,977	4,801,560
Cash and Temporary Investments - End of Year	\$ 6,471,556	\$ 5,169,977

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

Rural Municipality of Hillsdale No.440

- c) **Collection of Funds for Other Authorities:** Collection of funds by the municipality for the school board and municipal hail 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. All other investments are accounted for 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>
General Assets	
Land	Indefinite
Land Improvements	15 Yrs
Buildings	40 Yrs
Vehicles and Equipment	
Vehicles	10 Yrs
Machinery and Equipment	3 to 20 Yrs
Infrastructure Assets	
Road Network Assets	15 to 40 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.

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

- n) **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.
- o) **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.

- p) **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.

- q) **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.

- r) **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.
- s) **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.
- t) **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.

Rural Municipality of Hillsdale No. 440
Notes to the Financial Statements
For the year ended December 31, 2016

	2016	2015
2. Cash and Temporary Investments		
Cash	\$ 6,471,356	\$ 5,169,977
Temporary Investments		
Restricted Cash		
Total Cash and Temporary Investments	\$ 6,471,356	\$ 5,169,977

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.

The municipality has not set aside funds (restricted cash) to finance future expenditures based upon appropriated reserves (Schedule 8) determined by council; these funds are internally restricted. The appropriated reserves are unfunded. However, there are sufficient funds in the general account to fund the reserves.

3. Taxes and Grants in Lieu Receivable

Municipal - Current	\$ 95,297	\$ 73,493
- Arrears	586,811	431,397
	682,108	504,890
- Less Allowance for Uncollectibles	(100,000)	(100,000)
Total Municipal Taxes Receivable	582,108	404,890

School - Current	17,750	13,654
- Arrears	95,409	73,545
Total School Taxes Receivable	113,159	87,199

Other		
-------	--	--

Total Taxes and Grants in Lieu Receivable 695,267 492,089

Deduct taxes receivable to be collected on behalf of other organizations (113,159) (87,199)

Total Taxes Receivable - Municipal \$ 582,108 \$ 404,890

4. Other Accounts Receivable

Federal government	\$ 51,828	\$ 70,613
Provincial government		21,447
Local government	37,131	33,909
Utility		
Trade	65,680	158,903
Other		
Total Other Accounts Receivable	154,639	284,872

Less Allowance for Uncollectibles

Net Other Accounts Receivable \$ 154,639 \$ 284,872

5. Long-term Investments

Sask. Assoc. of Rural Municipalities - Self Insurance Fund	\$ 50,467	\$ 48,825
Synergy Credit Union - equity	17,855	16,423
Lloydminster & District Co-op - equity	20,212	17,537
Pine Island Lodge - shares	100	100
Synergy Credit Union - shares	5	5

Total Long-term Investments \$ 88,639 \$ 82,890

6. Credit Facility Agreement

The municipality has a credit facility agreement with its financial institution that covers revolving operating line of credit in the amount of \$750,000.

Interest on the line of credit is 2.45%. Security for the line of credit is the assignment of the municipality's municipal taxes receivable. There was no balance owing at year end under this line of credit in 2016 or 2015.

7. Long-term Debt

a) The debt limit of the municipality is \$5,267,056. 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).

8. 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 \$60,657 (2015 - \$56,479). 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.

9. Comparative Figures

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

10. Budget Figures

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

Rural Municipality of Hillsdale No. 440
Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2016

Schedule 1

	2016 Budget	2016	2015
TAXES			
General municipal tax levy	\$ 5,236,069	\$ 5,179,631	\$ 5,240,962
Abatements and adjustments	(2,500)	(36,251)	(5,154)
Discount on current year taxes	(250,000)	(196,689)	(252,139)
Net Municipal Taxes	4,983,569	4,946,691	4,983,669
Potash tax share			
Trailer license fees			
Penalties on tax arrears	25,000	120,120	88,657
Special tax levy			
Other (Specify)			
Total Taxes	5,008,569	5,066,811	5,072,326

UNCONDITIONAL GRANTS

Revenue Sharing	226,631	234,368	226,631
Organized Hamlet			
Total Unconditional Grants	226,631	234,368	226,631

GRANTS IN LIEU OF TAXES

Federal			
---------	--	--	--

Provincial

S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
Central Services			
SaskTel	25,409	26,130	24,669
Other (Sask. Environment and resource management)	566	612	550

Local/Other

Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement	12,079	13,517	12,079
Other (Specify)			

Other Government Transfers

S.P.C. Surcharge			
Sask Energy Surcharge			
Other (Specify)			

Total Grants in Lieu of Taxes	38,054	40,259	37,298
--------------------------------------	---------------	---------------	---------------

TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 5,273,254	\$ 5,341,438	\$ 5,336,255
--	---------------------	---------------------	---------------------

Rural Municipality of Hillsdale No. 440
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2016

Schedule 2 - 1

	2016 Budget	2016	2015
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 2,000	\$ 7,865	\$ 970
- Sales of supplies	750	1,284	1,999
- Other (General office services)	2,900	8,654	3,056
Total Fees and Charges	5,650	17,803	6,025
- Tangible capital asset sales - gain (loss)			(4,410)
- Land sales - gain			
- Investment income and commissions	25,000	56,538	58,677
- Other (SARM & WCB & MHH)	34,294	42,502	14,225
Total Other Segmented Revenue	64,944	116,843	74,517
Conditional Grants			
- Student Employment			
- Other (Village share of wages and MAIP)		38,827	23,083
Total Conditional Grants		38,827	23,083
Total Operating	64,944	155,670	97,600
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total General Government Services	64,944	155,670	97,600

PROTECTIVE SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Other (Fire Training)		3,229	
Total Fees and Charges		3,229	
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue		3,229	
Conditional Grants			
- Student Employment			
- Local government			
- Other (Specify)			
Total Conditional Grants			
Total Operating		3,229	

Capital

Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Local government			
- Other (Specify)			
Total Capital			
Total Protective Services		3,229	

Rural Municipality of Hillsdale No. 440
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2016

Schedule 2 - 2

	2016 Budget	2016	2015
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	10,000	10,724	15,634
- Sales of supplies	3,000	1,018	1,765
- Road Maintenance and Restoration Agreements	50,000	79,733	52,007
- Frontage			
- Other (Licenses and permits)	7,250	10,450	13,725
Total Fees and Charges	70,250	101,925	83,131
- Tangible capital asset sales - gain (loss)	(7,712)	(21,757)	(21,028)
- Other (Specify)			
Total Other Segmented Revenue	62,538	80,168	62,103
Conditional Grants			
- MREP (CTP)	10,670	10,670	10,670
- Student Employment			
- Other (Specify)			975
Total Conditional Grants	10,670	10,670	11,645
Total Operating	73,208	90,838	73,748
Capital			
Conditional Grants			
- Federal Gas Tax	31,978	32,767	31,978
- MREP (Heavy Haul, CTP, Municipal Bridges)			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	31,978	32,767	31,978
Total Transportation Services	105,186	123,605	105,726

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	5,000	6,017	5,230
- Other (Pest Control)	1,700	2,948	2,345
Total Fees and Charges	6,700	8,965	7,575
- Tangible capital asset sales - gain (loss)			
- Other (Cemetery & Vet Service Board)		5,302	7,209
Total Other Segmented Revenue	6,700	14,267	14,784
Conditional Grants			
- Student Employment			
- TAPD			
- Local government			
- Other (MMRW & PREP & ISWP)	2,500	6,731	7,014
Total Conditional Grants	2,500	6,731	7,014
Total Operating	9,200	20,998	21,798
Capital			
Conditional Grants			
- Federal Gas Tax			
- TAPD			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total Environmental and Public Health Services	9,200	20,998	21,798

Rural Municipality of Hillsdale No. 440
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2016

Schedule 2 - 3

	2016 Budget	2016	2015
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges			1,801
- Other (Pasture and oil well rentals)	104,738	110,931	104,744
Total Fees and Charges	104,738	110,931	106,545
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	104,738	110,931	106,545
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
Total Operating	104,738	110,931	106,545
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total Planning and Development Services	104,738	110,931	106,545

RECREATION AND CULTURAL SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Other (Specify)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Local government			
- Donations			
- Other (Specify)			
Total Conditional Grants			
Total Operating			

Capital

Conditional Grants			
- Federal Gas Tax			
- Local government			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total Recreation and Cultural Services			

Rural Municipality of Hillsdale No. 440
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2016

Schedule 2 - 4

2016 Budget	2016	2015
-------------	------	------

UTILITY SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Water			
- Sewer			
- Other (Specify)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
Total Operating			

Capital

Conditional Grants			
- Federal Gas Tax			
- New Building Canada Fund (SCF, NRP)			
- Clean Water Wastewater Fund			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total Utility Services			

TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 284,068	\$ 414,433	\$ 331,669
--	-------------------	-------------------	-------------------

SUMMARY

Total Other Segmented Revenue	\$ 238,920	\$ 325,438	\$ 257,949
Total Conditional Grants	13,170	56,228	41,742
Total Capital Grants and Contributions	31,978	32,767	31,978
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 284,068	\$ 414,433	\$ 331,669

Rural Municipality of Hillsdale No. 440

Total Expenses by Function

For the year ended December 31, 2016

Schedule 3 - 1

	2016 Budget	2016	2015
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 46,000	\$ 36,460	\$ 27,642
Wages and benefits	315,380	334,059	276,689
Professional/Contractual services	64,952	75,786	71,422
Utilities	7,134	7,002	7,025
Maintenance, materials and supplies	18,950	21,976	18,627
Grants and contributions - operating	500	1,400	800
- capital			
Amortization	6,676	6,108	6,676
Interest			
Allowance for uncollectibles			99,251
Other (Refund)		103	150
Total Government Services	459,592	482,894	508,282

PROTECTIVE SERVICES

Police protection

Wages and benefits			
Professional/Contractual services	23,877	24,307	23,877
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Other (Specify)			

Fire protections

Wages and benefits			
Professional/Contractual services	75,204	91,711	68,130
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Other (Specify)			

Total Protective Services	99,081	116,018	92,007
----------------------------------	---------------	----------------	---------------

TRANSPORTATION SERVICES

Wages and benefits	654,534	600,487	618,572
Professional/Contractual Services	88,750	98,519	129,870
Utilities	13,760	13,277	11,603
Maintenance, materials and supplies	401,000	348,766	341,010
Gravel	700,000	553,529	673,374
Grants and contributions - operating			
- capital			
Amortization	1,515,090	1,494,164	1,368,854
Interest	5,180	5,439	13,204
Other (Bad debts)		975	

Total Transportation Services	3,378,314	3,115,156	3,156,487
--------------------------------------	------------------	------------------	------------------

	2016 Budget	2016	2015
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	183		174
Professional/Contractual services	81,798	80,175	66,359
Utilities	500	797	738
Maintenance, materials and supplies	10,120	10,510	6,940
Grants and contributions - operating			
o Waste disposal			
o Public Health	1,500	4,878	1,500
- capital			
o Waste disposal			
o Public Health			
Amortization	1,048	1,047	1,048
Interest			
Other (Specify)			
Total Environmental and Public Health Services	95,149	97,407	76,759

PLANNING AND DEVELOPMENT SERVICES

Wages and benefits			
Professional/Contractual Services	16,000	15,748	13,107
Grants and contributions - operating			
- capital			
Amortization	304	305	305
Interest			
Other (Crown land purchase)			1,000
Total Planning and Development Services	16,304	16,053	14,412

RECREATION AND CULTURAL SERVICES

Wages and benefits			
Professional/Contractual services	7,925	8,254	8,090
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating	93,500	94,146	89,577
- capital		7,000	4,000
Amortization			
Interest			
Allowance for uncollectibles			
Other (Specify)			
Total Recreation and Cultural Services	101,425	109,400	101,667

Rural Municipality of Hillsdale No. 440**Total Expenses by Function****For the year ended December 31, 2016****Schedule 3 - 3**

	2016 Budget	2016	2015
UTILITY SERVICES			
Wages and benefits			
Professional/Contractual services			
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Allowance for uncollectibles			
Other (Specify)			
Total Utility Services			
TOTAL EXPENSES BY FUNCTION	\$ 4,149,865	\$ 3,936,928	\$ 3,949,614

Rural Municipality of Hillsdale No. 440
Schedule of Segment Disclosure by Function
For the year ended December 31, 2016

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Cultural	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 17,803	\$ 3,229	\$ 101,925	\$ 8,965	\$ 110,931	\$		\$ 242,853
Tangible Capital Asset Sales - Loss			(21,757)					(21,757)
Land Sales - Gain								
Investment Income and Commissions	56,538							56,538
Other Revenues	42,502			5,302				47,804
Grants - Conditional	38,827		10,670	6,731				56,228
- Capital			32,767					32,767
Total Revenues	155,670	3,229	123,605	20,998	110,931			414,433
Expenses (Schedule 3)								
Wages & Benefits	370,519		600,487					971,006
Professional/ Contractual Services	75,786	116,018	98,519	80,175	15,748	8,254		394,500
Utilities	7,002		13,277	797				21,076
Maintenance, Materials and Supplies	21,976		902,295	10,510				934,781
Grants and Contributions	1,400			4,878		101,146		107,424
Amortization	6,108		1,494,164	1,047	305			1,501,624
Interest			5,439					5,439
Allowance for Uncollectibles								
Other	103		975					1,078
Total Expenses	482,894	116,018	3,115,156	97,407	16,053	109,400		3,936,928
Surplus (Deficit) by Function	\$ (327,224)	\$ (112,789)	\$ (2,991,551)	\$ (76,409)	\$ 94,878	\$ (109,400)		\$ (3,522,495)

Taxation and Other Unconditional Revenue (Schedule 1)

5,341,438

Net Surplus (Deficit)

\$ 1,818,943

Rural Municipality of Hillsdale No. 440
Schedule of Segment Disclosure by Function
For the year ended December 31, 2015

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Cultural	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 6,025	\$	\$ 83,131	\$ 7,575	\$ 106,545	\$		\$ 203,276
Tangible Capital Asset Sales - Loss	(4,410)		(21,028)					(25,438)
Land Sales - Gain								
Investment Income and Commissions	58,677			7,209				58,677
Other Revenues	14,225			7,014				21,434
Grants - Conditional	23,083		11,645					41,742
- Capital			31,978					31,978
Total Revenues	97,600		105,726	21,798	106,545			331,669
Expenses (Schedule 3)								
Wages & Benefits	304,331		618,572	174				923,077
Professional/ Contractual Services	71,422	92,007	129,870	66,359	13,107	8,090		380,855
Utilities	7,025		11,603	738				19,366
Maintenance, Materials and Supplies	18,627		1,014,384	6,940		93,577		1,039,951
Grants and Contributions	800			1,500				95,877
Amortization	6,676		1,368,854	1,048	305			1,376,883
Interest			13,204					13,204
Allowance for Uncollectibles	99,251							99,251
Other	150				1,000			1,150
Total Expenses	508,282	92,007	3,156,487	76,759	14,412	101,667		3,949,614
Surplus (Deficit) by Function	\$ (410,682)	\$ (92,007)	\$ (3,050,761)	\$ (54,961)	\$ 92,133	\$ (101,667)		(3,617,945)

Taxation and Other Unconditional Revenue (Schedule 1)

5,336,255

Net Surplus (Deficit) **\$ 1,718,310**

Rural Municipality of Hillsdale No. 440
Schedule of Tangible Capital Assets by Object
For the year ended December 31, 2016

Schedule 6

2016

2015

	General Assets					Infrastructure Assets		General/ Infrastructure Assets Under Construction	Total	Total
	Total	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Linear Assets			
Asset Cost										
Opening Asset costs	\$ 403,537	\$ 58,731	\$ 719,662	\$ 123,021	\$ 2,626,246	\$ 28,304,293		\$ 44,129	\$ 32,279,619	\$ 30,132,308
Additions during the year		18,525	418,569	44,886	263,825	1,332,194		20,390	2,098,389	2,545,409
Disposals and write-downs during the year	(3)			(52,289)	(245,372)				(297,664)	(398,098)
Transfers (from) assets under construction						23,127		(23,127)		
Closing Asset Costs	403,534	77,256	1,138,231	115,618	2,644,699	29,659,614		41,392	34,080,344	32,279,619
Accumulated Amortization Cost										
Opening Accumulated Amortization Costs		11,557	196,553	47,752	474,514	9,787,090			10,517,466	9,326,866
Add: Amortization taken		3,916	14,631	5,500	237,943	1,239,634			1,501,624	1,376,883
Less: Accumulated amortization on disposals				(18,651)	(64,002)				(82,653)	(186,283)
Closing Accumulated Amortization Costs		15,473	211,184	34,601	648,455	11,026,724			10,936,437	10,517,466
Net Book Value	\$ 403,534	\$ 61,783	\$ 927,047	\$ 81,017	\$ 2,996,244	\$ 18,632,890		\$ 41,392	\$ 22,143,907	\$ 21,762,153

Schedule 7

22

Rural Municipality of Hillsdale No. 440
Schedule of Accumulated Surplus
For the year ended December 31, 2016

Schedule 8

	2015	Changes	2016
UNAPPROPRIATED SURPLUS	\$ 5,029,522	\$ 832,845	\$ 5,862,367
APPROPRIATED RESERVES			
Machinery and Equipment			
Public Reserve	701		701
Capital Trust			
Utility			
Other (Future Capital)	1,642,637	495,216	2,137,853
Total Appropriated	1,643,338	495,216	2,138,554
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	21,762,153	381,754	22,143,907
Less: Related debt	(109,128)	109,128	
Net Investment in Tangible Capital Assets	21,653,025	490,882	22,143,907
Total Accumulated Surplus	\$ 28,325,885	\$ 1,818,943	\$ 30,144,828

Rural Municipality of Hillsdale No. 440
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	\$ 47,480,240	\$ 5,340,535			\$ 58,209,600		\$ 111,030,375
Regional Park Assessment							
Total Assessment							111,030,375
Mill Rate Factor(s)	1.050	1.000			9.000		
Total Base/Minimum Tax (generated for each property class)		21,900					21,900
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ 444,201	\$ 67,606			\$ 4,667,824		\$ 5,179,631

MILL RATES:

	MILLS
Average Municipal*	46.6506
Average School*	7.1574
Potash Mill Rate	
Uniform Municipal Mill Rate	8.9100

* 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.)

Rural Municipality of Hillsdale No. 440
Schedule of Council Remuneration
For the year ended December 31, 2016
(Unaudited)

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Glenn Goodfellow	\$ 7,875	\$ 1,125	\$ 9,000
Councillor	Trevor McCrea	6,300	1,600	7,900
Councillor	Jerry Petovello	7,350	1,805	9,155
Councillor	Bernadette Poppleton	5,670	776	6,446
Councillor	Vincent Murphy	4,620	950	5,570
Councillor	Floyd Whitney	4,515	529	5,044
Councillor	Dale (Chip) Chibri	6,194	595	6,789
Total		\$ 42,524	\$ 7,380	\$ 49,904