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April 10, 2017

Members of the Town Council
Town of Kamsack
Box 729
Kamsack Saskatchewan S0A 1S0

Ref: 00002671.H13

Re: Audit of the consolidated Financial Statements of Town of Kamsack

We have been engaged to express an audit opinion on the consolidated financial statements of Town of Kamsack ("the municipality") for the year ended December 31, 2016. We have completed our audit and are pleased to report on the following items.

The purpose of this report is to summarize certain aspects of the audit that we believe to be of interest to the Town Council. This report should be read in conjunction with the final consolidated financial statements and our report thereon, as well as our Audit Planning letter previously forwarded to you.

Independent Auditors' Report

We anticipate that our Independent Auditors' Report will be issued without modification.

Evaluation of Internal Controls

Audits include a review and evaluation of the system of internal controls to assist in determining the level of reliance that may or should be placed on the system in assessing the nature and extent of audit procedures to be undertaken.

There are no internal control matters that we wish to bring to your attention.

Illegal Acts, Fraud, Intentional Misstatements and Errors

Our auditing procedures, including tests of your accounting records, were limited to those considered necessary in the circumstances and will not necessarily disclose all illegal acts should any exist. Under Canadian Auditing Standards ("CAS"), we consider the municipality's control environment, governance structure, circumstances encountered during the audit and the potential likelihood of fraud and illegal acts occurring.

These procedures are not designed to test for fraudulent or illegal acts, nor will they necessarily detect such acts or recognize them as such, even if the effect on the consolidated financial statements is material. However, should we become aware that an illegal or possibly illegal act or act of fraud may have occurred, other than one considered clearly inconsequential, we will communicate directly to the Town Council.

It is management's responsibility to detect and prevent illegal action. If such acts are discovered or the Town Council members become aware of circumstances under which the municipality may have been involved in fraudulent, illegal or regulatory non-compliance situations, such circumstances must be disclosed to us.

Testing during our audit did not reveal any illegal, improper or questionable payments or acts, nor any acts committed with the intent to deceive, involving either misappropriation of assets or misrepresentation of assets or misrepresentation of financial information.

Related Party Transactions

During our audit, we conduct various tests and procedures to identify transactions considered to involve related parties. Related parties exist when one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint control or common significant influence. Related parties also include management, directors and their immediate family members and companies with which these individuals have an economic interest.

All related party transactions that were identified during the audit have been represented by management to have been disclosed in the notes to financial statements, recorded in accordance with Canadian Public Sector Accounting Standards, and have been reviewed with you.

Management has advised that no other related party transactions have occurred that have not been disclosed to us. The Town Council is required to advise us if it is aware of, or suspects, any other related party transactions have occurred, which have not been disclosed in the financial statements.

Significant Accounting Principles and Policies

Management is responsible for the appropriate selection and application of accounting policies. Our role is to review the appropriateness and application as part of our audit. The significant accounting principles and policies are disclosed in the notes to the consolidated financial statements.

The Town Council has a responsibility to review the accounting policies adopted by the municipality, and where alternative policies are available, make determinations as to the most appropriate policies to be adopted in the circumstances. If members of the Town Council believe that the adoption or change in accounting policy may produce an inappropriate or misleading result in financial reporting or disclosure, this concern must be discussed with management and us.

There were no new accounting policies adopted or changes to the application of accounting policies of the municipality during the year.

Accounting Estimates

Management is responsible for the accounting estimates included in the consolidated financial statements. Estimates and the related judgments and assumptions are based on management's knowledge of the business and past experience about current and future events.

Our responsibility as auditors is to obtain sufficient appropriate evidence to provide reasonable assurance that management's accounting estimates are reasonable within the context of the consolidated financial statements as a whole. An audit includes performing appropriate procedures to verify the:

- Calculation of accounting estimates;
- Analyzing of key factors such as underlying management assumptions;
- Materiality of estimates individually and in the aggregate in relation to the financial statements as a whole;
- Estimate's sensitivity to variation and deviation from historical patterns;
- Estimate's consistency with the entity's business plans; and
- Other audit evidence.

Significant Misstatements

In the course of our audit, we have not found any material misstatements or unadjusted items that, in aggregate, exceed materiality thresholds established for the audit, nor have we found significant misstatements that would likely cause future financial statements to be materially misstated.

Uncorrected Misstatements

In the course of our audit, we have aggregated uncorrected financial statement misstatements which are summarized in the accompanying schedule. Management has deemed the effects of these misstatements to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. To date, management has not agreed to correct these misstatements. Under CAS, we are required to request that the Town Council approve the correction of these misstatements.

Significant Unusual Transactions

We are not aware of any significant transactions entered into by the municipality that you should be informed about.

Disagreements with Management

We are required to communicate any disagreements with management, whether or not resolved, about matters that are individually or in aggregate significant to the municipality's financial statements or auditors' report. Disagreements may arise over:

- Selection or application of accounting principles;
- Assumptions and related judgments for accounting estimates;
- Financial statement disclosures;
- Scope of the audit; or
- Wording of the auditors' report.

In the course of our audit, we did not have any significant disagreements with management, nor were we under any significant time pressures or poor working conditions. We are not aware of any cause for concern as to management's attitude, competence or credibility with respect to matters affecting the financial statements.

Difficulties Encountered During the Audit

We encountered no significant difficulties during our audit that should be brought to the attention of the Town Council.

Management Letter

We will be submitting to management a letter on internal controls and any other matters that we feel should be brought to the attention of management. We are attaching a copy for your perusal.

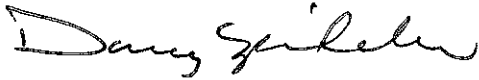
Conclusion

We wish to express our appreciation for the co-operation we received during the audit from the municipality's management.

This letter is intended solely for the use of the Town Council, and should not be used for any other purpose, including distribution to third parties.

Should any member of the Town Council wish to discuss or review any matter addressed in this letter or any other matters related to financial reporting, please do not hesitate to contact us at any time.

Yours truly



Darcy Spilchen, CPA, CA, CMA, CFP
Collins Barrow PQ LLP

Schedule of Uncorrected Misstatements

| Description of Misstatement | Proposed Adjustments Dr (Cr) | | | | |
|---|------------------------------|--------------------------------------|---------------|-------------|-------------------|
| | Statement of Income | | Balance Sheet | | |
| | Identified Misstatements | Likely Aggregate Misstatements | Assets | Liabilities | Opening Equity |
| Adjust under statement of allowance on accountsreceivable | 1,274 | 1,274 | (1,274) | - | - |
| Accrued sick time estimate | 10,679 | 10,679 | - | (10,679) | - |
| a) Totals | | 11,953 | (1,274) | (10,679) | - |
| b) Misstatements corrected by management | | - | - | - | - |
| c) Likely aggregate misstatements net of corrections (a - b) | | 11,953 | (1,274) | (10,679) | - |
| d) Effect of unadjusted misstatements from previous year's errors | | (81,508) | - | - | 81,508 |
| e) Aggregate likely misstatements (c + d) | | (69,555) | (1,274) | (10,679) | 81,508 |
| f) Final overall materiality | | 83,000 | 83,000 | 83,000 | 83,000 |
| g) Amount remaining for further possible misstatement (f - e) | | 13,445 | 81,726 | 72,321 | 1,492 |



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April 10, 2017

Attention: Laura Lomenda

Town of Kamsack
Box 729
Kamsack Saskatchewan S0A 1S0

Dear Sirs and Mesdames:

Re: Audit of December 31, 2016 Financial Statements

The objective of our audit was to obtain reasonable assurance that the financial statements were free of material misstatement; our audit was not designed for the purpose of identifying matters to communicate. Accordingly, our audit would not usually identify all such matters that may be of interest to management and it is inappropriate to conclude that no such matters exist.

During the course of our audit of Town of Kamsack ("the municipality") for the year ended December 31, 2016, we identified some weaknesses in internal control that, in our opinion, are, or have the potential to be, material. A material deficiency in internal control is such that a material misstatement is not likely to be prevented or detected in the financial statements being audited. Because the weaknesses identified are indeed material, it is important that we bring them to your attention even though you may have previously indicated to us that it may be impractical to mitigate certain of these risks in a cost-beneficial manner.

The material weaknesses in control identified were as follows:

Observation and implication

Two instances of time sheets were not signed by management. This deficiency could allow for employees to claim hours that were not worked and to be overpaid.

Recommendation

Ensure that timesheets are always review and signed by the Administrator.

It is important to note that management is responsible for ensuring that the municipality has adequate internal controls and uses sound business practices as part of its overall responsibility for the ongoing activities. The municipality's policies and procedures are present to:

- safeguard its assets, and
- provide reasonable assurance that errors, irregularities or illegal acts are promptly identified.

Further, these policies and procedures should be properly monitored to ensure that all staff comply with the guidelines provided.

This letter is intended solely for the use of the municipality's town council and management, and should not be used for any other purpose, including distribution to third parties.

In closing, we appreciate the co-operation from you and your staff during our audit visit. If you have any questions, please do not hesitate to contact us. It is a pleasure for us to be of service and we look forward to many more years of association with you.

Yours truly,



Darcy Spilchen, CPA, CA, CMA, CFP
Collins Barrow PQ LLP

Town of Kamsack
FINANCIAL STATEMENTS
Year Ended December 31, 2016

Town of Kamsack
Kamsack, Saskatchewan
December 31, 2016

Table of Contents

| | Page |
|--|-------|
| Management's Responsibility | 1 |
| Independent Auditors' Report | 2 |
| Consolidated Statement of Financial Position | 3 |
| Consolidated Statement of Operations | 4 |
| Consolidated Statement of Change in Net Financial Assets | 5 |
| Consolidated Statement of Cash Flow | 6 |
| Notes to Financial Statements | 7-14 |
| Schedule of Taxes and Other Unconditional Revenue | 15 |
| Schedule of Operating and Capital Revenue by Function | 16-19 |
| Total Expenses by Function | 20-21 |
| Consolidated Schedule of Segment Disclosure by Function | 22-23 |
| Consolidated Schedule of Tangible Capital Assets by Object | 24 |
| Consolidated Schedule of Tangible Capital Assets by Function | 25 |
| Consolidated Schedule of Accumulated Surplus | 26 |
| Schedule of Mill Rates and Assessments | 27 |
| Schedule of Council Remuneration | 28 |

Management's Responsibility


To the ratepayers of Town of Kamsack:

Management is responsible for the preparation and presentation of the accompanying financial statement, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles 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.

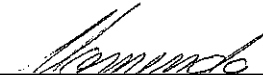
In discharging its responsibilities for the integrity and fairness of the financial statement, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records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

The council is composed of elected officials who are not employees of the municipality. The council is responsible for overseeing management in the performance of its financial reporting responsibilities. The council fulfils these responsibilities by reviewing the financial information prepared by the administration and discussing relevant matters with external auditors. The council is also responsible for recommending the appointment of the municipality's external auditors.

Collins Barrow PQ LLP, an independent firm of chartered accountants, is appointed by the councillors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the council and administration to discuss their audit findings.



Mayor



Administrator



Independent Auditors' Report

To the Council
Town of Kamsack

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Town of Kamsack, which comprise the Statement of Financial Position as at December 31, 2016, and the Statements of Operations, Changes 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.

Auditors' 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Town of Kamsack as at December 31, 2016, and its financial performance and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Collins Barrow PQ LLP

Collins Barrow PQ LLP

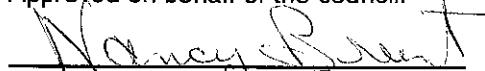
Yorkton, SK
April 10, 2017

Town of Kamsack
Kamsack, Saskatchewan
Consolidated Statement of Financial Position as at December 31, 2016

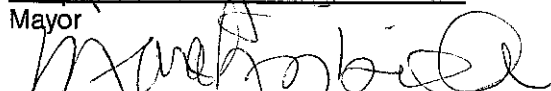
Statement 1

| | 2016 | 2015 (Note 13) |
|---|----------------------|--------------------------|
| Assets | | |
| Financial Assets | | |
| Cash and temporary investments - note 2 | 1,351,530 | 1,372,898 |
| Taxes receivable - municipal - note 3 | 143,780 | 184,303 |
| Other accounts receivable - note 4 | 339,274 | 349,431 |
| Land for resale - note 5 | 295,161 | 212,028 |
| Long-term investments - note 6 | 417,833 | 316,381 |
| Total Financial Assets | 2,547,578 | 2,435,041 |
| Liabilities | | |
| Accounts payable | 139,957 | 103,750 |
| Accrued liabilities | 141,530 | 73,005 |
| Utility deposits | 90,594 | 86,999 |
| Deferred revenue - note 8 | 21,843 | 7,442 |
| Accrued landfill costs - note 9 | 59,136 | 55,809 |
| Long-term debt - note 10 | 2,684,866 | 2,998,494 |
| Total Liabilities | 3,137,926 | 3,325,499 |
| Net Financial Assets | (590,348) | (890,458) |
| Non-Financial Assets | | |
| Tangible capital assets - schedules 6 and 7 | 12,754,692 | 13,311,453 |
| Prepayments and deferred charges | 3,116 | 3,429 |
| Stock and supplies | 67,254 | 57,128 |
| Total Non-Financial Assets | 12,825,062 | 13,372,010 |
| Accumulated Surplus - schedule 8 | \$ 12,234,714 | \$ 12,481,552 |

Approved on behalf of the council:



Mayor



Councillor

Town of Kamsack
 Consolidated Statement of Operations
 For the year ended December 31, 2016

Statement 2

| | 2016 Budget | 2016 Actual | 2015 Actual (Note 13) |
|---|----------------------|----------------------|-----------------------------|
| Revenues | | | |
| Taxes and other unconditional revenue - schedule 1 | 2,174,219 | 2,194,122 | 2,190,063 |
| Fees and charges - schedules 4 and 5 | 1,346,350 | 1,397,145 | 1,333,465 |
| Conditional grants - schedules 4 and 5 | 178,269 | 298,815 | 365,964 |
| Tangible capital asset sales - gain - schedules 4 and 5 | | | 51,332 |
| Land sales - gain - schedules 4 and 5 | 20,000 | 6,300 | 24,579 |
| Investment income and commissions - schedules 4 and 5 | 12,000 | 12,649 | 14,579 |
| Total Revenue | <u>3,730,838</u> | <u>3,909,031</u> | <u>3,979,982</u> |
| Expenses - schedule 3 | | | |
| General government services | 587,905 | 591,862 | 560,658 |
| Protective services | 328,640 | 313,794 | 289,887 |
| Transportation services | 1,139,572 | 1,191,823 | 1,064,247 |
| Environmental and public health services | 362,319 | 424,552 | 779,674 |
| Planning and development services | 39,000 | 10,109 | 41,274 |
| Recreation and cultural services | 549,939 | 589,826 | 600,804 |
| Utilities services | 1,212,759 | 1,033,908 | 1,110,716 |
| Total Expenses | <u>4,220,134</u> | <u>4,155,874</u> | <u>4,447,260</u> |
| Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions | (489,296) | (246,843) | (467,278) |
| Provincial/Federal Capital Grants and Contributions - schedules 4 and 5 | <u>0</u> | <u>0</u> | <u>5,000</u> |
| Surplus (Deficit) of Revenue over Expenses | (489,296) | (246,843) | (462,278) |
| Accumulated Surplus, Beginning of Year | <u>12,481,552</u> | <u>12,481,552</u> | <u>12,943,830</u> |
| Accumulated Surplus, End of Year | <u>\$ 11,992,256</u> | <u>\$ 12,234,709</u> | <u>\$ 12,481,552</u> |

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

Town of Kamsack
 Consolidated Statement of Change in Net Financial Assets
 For the year ended December 31, 2016

Statement 3

| | 2016 Budget | 2016 Actual | 2015 Actual (Note 13) |
|---|---------------------|-----------------------------|-----------------------------|
| Surplus (Deficit) | (489,296) | (246,843) | (462,278) |
| (Acquisition) of tangible capital assets | (126,000) | (80,137) | (330,109) |
| Amortization of tangible capital assets | 627,540 | 636,899 | 627,140 |
| Proceeds on disposal of tangible capital assets | | | 87,548 |
| Loss (gain) on the disposal of tangible capital assets | <u>0</u> | <u> </u> | <u>(51,332)</u> |
| Surplus of Capital Expenses over Expenditures | <u>501,540</u> | <u>556,762</u> | <u>333,247</u> |
| (Acquisition) of supplies inventories | | (10,125) | |
| Consumption of supplies inventory | | | 2,575 |
| Use of prepaid expense | <u>0</u> | <u>316</u> | <u>42,208</u> |
| Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures | <u>0</u> | <u>(9,809)</u> | <u>44,783</u> |
| Increase (Decrease) in Net Financial Assets | 12,244 | 300,110 | (84,248) |
| Net Financial Assets, beginning of year | <u>(890,458)</u> | <u>(890,458)</u> | <u>(806,210)</u> |
| Net Financial Assets, End of Year | <u>\$(878,214)</u> | <u>\$(590,348)</u> | <u>\$(890,458)</u> |

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

Town of Kamsack
 Consolidated Statement of Cash Flow
 For the year ended December 31, 2016

Statement 4

| | 2016 | 2015 (Note 13) |
|---|--------------|-------------------|
| Cash Provided by (used for) the Following Activities | | |
| Operating: | | |
| Surplus (Deficit) | (246,843) | (462,278) |
| Amortization | 636,899 | 627,140 |
| Loss (gain) on disposal of tangible capital assets | (51,332) | (51,332) |
| | 390,056 | 113,530 |
| Change in Assets/Liabilities | | |
| Taxes receivable - municipal | 40,523 | 37,750 |
| Other receivables | 10,158 | 213,778 |
| Land for resale | (83,132) | (79,684) |
| Accounts payable | 36,208 | (143,820) |
| Accrued liabilities payable | 68,525 | (4,453) |
| Utility deposits | 3,595 | 1,947 |
| Deferred revenue | 14,401 | (65,301) |
| Other liabilities | 3,327 | 3,158 |
| Stock and supplies for use | (10,125) | 2,575 |
| Prepayments and deferred charges | 313 | 42,223 |
| Net Cash from (used for) Operations | 473,849 | 121,703 |
| Capital: | | |
| Acquisition of capital assets | (80,137) | (330,109) |
| Proceeds from the disposal of capital assets | 87,535 | 87,535 |
| Net Cash from (used for) Capital | (80,137) | (242,574) |
| Investing: | | |
| Long-term investments | (101,452) | (61,144) |
| Financing: | | |
| Long-term debt repaid | (313,628) | (330,893) |
| Increase (Decrease) in Cash Resources | (21,368) | (512,908) |
| Cash and investments, beginning of year | 1,372,898 | 1,885,806 |
| Cash and Investments, End of Year | \$ 1,351,530 | \$ 1,372,898 |

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

Town of Kamsack
Notes to Financial Statements
For the year ended December 31, 2016

1. Significant Accounting Policies

The consolidated financial statements of the municipality are prepared by management in accordance with the local government accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Saskatchewan. 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 consolidate 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 | Basis of Recording |
|-------------------|---------------------------|
| Kamsack Handi Bus | Full consolidation |

All inter-organizational transactions and balances have been eliminated.

(c) Collection of funds for other authorities

Collection of funds by the municipality for the school board, municipal hall and conservation and development authorities are collected and remitted in accordance with relevant legislation. The amounts collected are disclosed in note 3.

(d) Government transfers

Government transfers are recognized as either expenditures or revenues in the period that the events giving rise to the transfer occurred, as long as:

- (i) the transfer is authorized;
- (ii) eligibility criteria have been met by the recipient; and
- (iii) 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 amount 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.

Town of Kamsack
Notes to Financial Statements
For the year ended December 31, 2016

1. Significant Accounting Policies - continued

(f) 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.

(g) 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.

(h) Investments

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with maturity dates longer than one year from the date of the Statement of Financial Position have been classified as other long-term investments concurrent with the nature of the investment. The long-term investment in Eaglestone Lodge Personal Care Home Inc. is accounted for on the modified equity basis.

(i) 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 tangible capital assets that are recognized at a nominal value are disclosed in schedule 6. 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 municipality's tangible capital asset useful lives are estimated as follows:

| Asset | Useful Life |
|--------------------------------|--------------------|
| General Assets | |
| Land improvements | 15 to 40 years |
| Buildings | 20 to 40 years |
| Vehicles | 10 years |
| Machinery and equipment | 10 to 20 years |
| Infrastructure Assets | |
| Water and sewer | 40 years |
| Paving, sidewalks and roadways | 15 to 40 years |

(j) Government contributions

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

Town of Kamsack
Notes to Financial Statements
For the year ended December 31, 2016

1. **Significant Accounting Policies** - continued

(k) 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.

(l) Capitalization of interest

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

(m) 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 (lease term). Any other lease not meeting the before-mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

(n) Revenue

Property tax revenue is based on assessments determined in accordance with provincial legislation and the formulas, principles and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually. Taxation revenues are recorded annually upon receipt of the taxable assessment values as per the Saskatchewan Assessment Management Agency. Penalties on overdue taxes are recorded in the period levied.

Utility revenue is recognized in the period in which the service has been provided.

All other revenue is recorded when received, or receivable, collection is likely, and the amount can be reasonably determined.

(o) Trust funds

Funds held in trust for others are neither included in the municipality's assets or equity. They are disclosed in note 14.

(p) Measurement uncertainty

The preparation of financial statements in conformity with Public Sector Accounting Standards 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. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Town of Kamsack
Notes to Financial Statements
For the year ended December 31, 2016

1. **Significant Accounting Policies** - continued

(p) Measurement uncertainty - continued

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/segment report

The municipality has adopted the new 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: Protective services 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 neighbourhood development and sustainability.

Recreation and culture: The recreation and culture 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.

| | 2016 | 2015 |
|---|---------------------|---------------------|
| 2. Cash and Temporary Investments | | |
| Cash | 1,247,499 | 1,284,539 |
| Temporary investments | 104,031 | 88,359 |
| Total Cash and Temporary Investments | \$ 1,351,530 | \$ 1,372,898 |

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

Town of Kamsack
Notes to Financial Statements
For the year ended December 31, 2016

| | 2016 | 2015 |
|--|--------------------------|--------------------------|
| 3. Taxes and Grants In Lieu Receivable | | |
| Municipal - current | 149,312 | 147,721 |
| Municipal - arrears | <u>57,659</u> | <u>101,571</u> |
| | 206,971 | 249,292 |
| Less: Allowance for uncollectibles | <u>63,191</u> | <u>64,989</u> |
| Total municipal taxes receivable | <u>143,780</u> | <u>184,303</u> |
| School - current | 20,922 | 17,270 |
| School - arrears | <u>4,251</u> | <u>7,932</u> |
| Total school taxes receivable | <u>25,173</u> | <u>25,202</u> |
| Total taxes and grants in lieu receivable | 168,953 | 209,505 |
| Less: Taxes receivable to be collected on behalf of other organizations | <u>25,173</u> | <u>25,202</u> |
| Municipal and Grants In Lieu Taxes Receivable | <u>\$ 143,780</u> | <u>\$ 184,303</u> |
| 4. Other Accounts Receivable | | |
| Provincial government | 68,975 | 65,601 |
| Utility | 95,327 | 101,605 |
| Trade | 88,049 | 62,550 |
| Other | <u>89,922</u> | <u>122,674</u> |
| Total other accounts receivable | 342,273 | 352,430 |
| Less: Allowance for uncollectibles | <u>2,999</u> | <u>2,999</u> |
| Net Other Accounts Receivable | <u>\$ 339,274</u> | <u>\$ 349,431</u> |
| 5. Land for Resale | | |
| Tax title property | 551,599 | 487,927 |
| Less: Allowance for market value adjustment | <u>256,482</u> | <u>275,943</u> |
| Net tax title property | <u>295,117</u> | <u>211,984</u> |
| Other land | 21,448 | 22,435 |
| Less: Allowance for market value adjustment | <u>21,404</u> | <u>22,391</u> |
| Net other land | <u>44</u> | <u>44</u> |
| Total Land for Resale | <u>\$ 295,161</u> | <u>\$ 212,028</u> |

Town of Kamsack
Notes to Financial Statements
For the year ended December 31, 2016

| | 2016 | 2015 |
|---------------------------------|-------------------|-------------------|
| 6. Long-Term Investments | | |
| Shares in Eaglestone Lodge | <u>\$ 417,833</u> | <u>\$ 316,381</u> |

The Town of Kamsack has an investment in a government business enterprise, Eaglestone Lodge Personal Care Home Inc., at a cost of \$417,833 (2015 - \$316,831). The investment cost is presented using the modified equity method.

The following is a schedule of relevant financial information for Eaglestone Lodge Personal Care Home Inc.

Eaglestone Lodge Personal Care Home Inc.
Condensed Statement of Financial Activities
For the year ended August 31, 2016

| | 2016 | 2015 |
|---|-------------------|-------------------|
| Combined surplus, beginning of year | <u>176,962</u> | <u>111,940</u> |
| Revenues | | |
| Operating | 1,048,705 | 1,022,487 |
| Donations, net fundraising and interest | <u>72,998</u> | <u>58,455</u> |
| | <u>1,121,703</u> | <u>1,080,942</u> |
| Expenses | | |
| Operating | 983,453 | 985,556 |
| Amortization | <u>30,364</u> | <u>30,364</u> |
| | <u>1,013,817</u> | <u>1,015,920</u> |
| Combined surplus, end of year | <u>\$ 284,848</u> | <u>\$ 176,962</u> |
| Assets | | |
| Current assets | 341,968 | 244,910 |
| Capital assets | <u>382,061</u> | <u>394,807</u> |
| | <u>\$ 724,029</u> | <u>\$ 639,717</u> |
| Liabilities and Surplus | | |
| Current liabilities | 271,186 | 288,904 |
| Long-term liabilities | <u>8,509</u> | <u>14,366</u> |
| | <u>279,695</u> | <u>303,270</u> |
| Members' shares | <u>159,486</u> | <u>159,486</u> |
| Unappropriated surplus (deficit) | (1,277) | (97,164) |
| Equity in capital assets | <u>286,125</u> | <u>274,125</u> |
| | <u>284,848</u> | <u>176,961</u> |
| | <u>\$ 724,029</u> | <u>\$ 639,717</u> |

Town of Kamsack
Notes to Financial Statements
For the year ended December 31, 2016

7. Bank Indebtedness

Bank indebtedness includes an operating loan amounting to \$250,000 (2015 - \$250,000) and bearing interest at prime minus 0.50%. Assets pledged as collateral are assignment of taxes.

| | 2016 | 2015 |
|----------------------------|------------------|-----------------|
| 8. Deferred Revenue | | |
| Prepaid taxpayer deposits | 10,763 | 7,442 |
| Unearned grant funding | 11,080 | |
| | \$ 21,843 | \$ 7,442 |

9. Accrued Landfill Costs

| | | |
|------------------------|------------------|------------------|
| Accrued landfill costs | \$ 59,136 | \$ 55,809 |
|------------------------|------------------|------------------|

Included in environmental liabilities is \$59,136 (2015 - \$55,809) of the estimated total landfill closure and post-closure care expenses. The estimated liability for these expenses is recognized as the landfill site's capacity is used. Estimated total expenses represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at the municipality's average long-term borrowing rate of 5% (2015 - 5%).

The Town of Kamsack has operated a landfill with a capacity of 500,000 cubic meters since 1977. Best estimates indicate the remaining capacity of the site 240,000 cubic meters with the remaining useful life of the site being 16 years. It is estimated that costs (measured in today's dollars) to complete the decommissioning will be \$75,000, and the work could be completed in the same fiscal year as beginning the project. The accrued landfill closure and post-closure liability is recognized on the Statement of Financial Position.

10. Long-Term Debt

- (a) The debt limit of the municipality is \$2,640,980. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the Municipalities Act section 161).
- (b) Debenture debt is repayable at \$462,216 annually to the Municipal Finance Corporation and bears interest at an average rate of 5.00%, maturing in 2022.

Future principal and interest payments are as follows:

| | Principal | Interest | 2016 Total | 2015 Total |
|------------|---------------------|-------------------|---------------------|---------------------|
| 2016 | | | | 462,216 |
| 2017 | 329,089 | 133,128 | 462,217 | 462,216 |
| 2018 | 345,312 | 116,904 | 462,216 | 462,216 |
| 2019 | 362,335 | 99,881 | 462,216 | 462,216 |
| 2020 | 380,198 | 82,018 | 462,216 | 462,216 |
| Thereafter | 1,267,932 | 190,602 | 1,458,534 | 1,458,536 |
| | \$ 2,684,866 | \$ 622,533 | \$ 3,307,399 | \$ 3,769,616 |

Town of Kamsack
Notes to Financial Statements
For the year ended December 31, 2016

11. Employee Benefit Plans

The municipality participates in contributory defined benefit pension plan for all of its employees. For defined benefit plans considered to be multi-employer plans, contributions are expensed when they are due and payable. The municipality currently participates in the Municipal Employees Pension Plan.

The contributions by the participating employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. The portion of the annual benefit costs and of the asset surpluses (deficits) that are attributable to the municipality cannot be easily determined.

Accordingly, the multi-employer plans are accounted for on the defined contribution basis. No portion of the asset (deficit) surplus of the plan is recognized in these financial statements. The benefit expense reflected in the financial statements is equal to the municipality's contributions for the year.

All contributions by employees are matched equally by the employer. Employee contribution rates in effect for the year are as follows:

| | 2016 | 2015 |
|--------------------|-------------|-------------|
| General members | 8.15 % | 8.15 % |
| Designated members | 11.35 % | 11.35 % |

Contributions to the plan during the year were as follows:

| | | |
|-----------------|-----------|-----------|
| Benefit expense | \$ 75,366 | \$ 70,613 |
|-----------------|-----------|-----------|

As per the most recently audited financial statements dated December 31, 2015, the plan surplus is \$316,933,000.

12. Budget

The figures shown under the "Budget" column in the statement of operations and attached schedules have not been audited and are provided for information purposes only.

13. Comparative Figures

Certain balances for comparative purposes have been reclassified to conform with the current year's presentation.

14. Trusts Administered by the Municipality

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

| | 2016 | 2015 |
|----------------------------|-------------|-------------|
| Balance, beginning of year | 46,432 | 45,949 |
| Interest | 444 | 483 |
| Balance, end of year | \$ 46,876 | \$ 46,432 |

Town of Kamsack

Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2016

Schedule 1

| | 2016 Budget | 2016 Actual | 2015 Actual (Note 13) |
|--|---------------------|---------------------|-----------------------------|
| Taxes | | | |
| General municipal tax levy | 1,288,294 | 1,288,244 | 1,294,186 |
| Abatements and adjustments | (40,000) | (25,940) | (36,504) |
| Discount on current year taxes | (40,000) | (40,694) | (40,794) |
| Net municipal taxes | 1,208,294 | 1,221,610 | 1,216,888 |
| Penalties on tax arrears | 25,000 | 22,834 | 24,565 |
| Special tax levy | 319,300 | 319,300 | 324,880 |
| Other | 9,576 | 9,576 | 12,032 |
| Total Taxes | <u>1,562,170</u> | <u>1,573,320</u> | <u>1,578,365</u> |
| Unconditional Grants | | | |
| Equalization (revenue sharing) | 411,000 | 420,772 | 411,012 |
| Other | | | 1,156 |
| Total Unconditional Grants | <u>411,000</u> | <u>420,772</u> | <u>412,168</u> |
| Grants In Lieu of Taxes | | | |
| Federal | 25,568 | 27,618 | 22,257 |
| Provincial | | | |
| Sask Energy property | 1,226 | 1,226 | 1,226 |
| Sask. Energy Gas | 58,000 | 50,745 | 58,490 |
| SaskTel | 6,158 | 6,159 | 6,159 |
| Other | 15,097 | 12,677 | 12,600 |
| S.P.C. surcharge | 95,000 | 101,605 | 98,798 |
| Total Grants In Lieu of Taxes | <u>201,049</u> | <u>200,030</u> | <u>199,530</u> |
| Total Taxes and Other Unconditional Revenue | <u>\$ 2,174,219</u> | <u>\$ 2,194,122</u> | <u>\$ 2,190,063</u> |

*The notes to financial statements are an integral
part of these financial statements.*

Town of Kamsack

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

Schedule 2-1

| | 2016 Budget | 2016 Actual | 2015 Actual (Note 13) |
|--|--------------------------|--------------------------|--------------------------------------|
| General Government Services | | | |
| Operating | | | |
| Other Segmented Revenue | | | |
| Fees and charges | | | |
| Rentals | 98,500 | 105,328 | 100,900 |
| General office services | 9,600 | 11,195 | 22,120 |
| Licenses and permits | 18,900 | 23,739 | 23,994 |
| Expense recoveries | | | 305 |
| Total Fees and Charges | <u>127,000</u> | <u>140,262</u> | <u>147,319</u> |
| Land sales - gain | 20,000 | 6,300 | 24,579 |
| Investment income and commissions | 12,000 | 12,649 | 14,579 |
| Total Other Segmented Revenue | <u>159,000</u> | <u>159,211</u> | <u>186,477</u> |
| Conditional Grants | | | |
| Transit for disabled - operating | 8,000 | 19,398 | 15,620 |
| Total Conditional Grants | <u>8,000</u> | <u>19,398</u> | <u>15,620</u> |
| Total General Government Services | <u>\$ 167,000</u> | <u>\$ 178,609</u> | <u>\$ 202,097</u> |
| Protective Services | | | |
| Operating | | | |
| Other Segmented Revenue | | | |
| Fees and charges | | | |
| Policing and fire fees | 153,400 | 172,515 | 130,549 |
| Total Other Segmented Revenue | <u>153,400</u> | <u>172,515</u> | <u>130,549</u> |
| Total Protective Services | <u>\$ 153,400</u> | <u>\$ 172,515</u> | <u>\$ 130,549</u> |

*The notes to financial statements are an integral
part of these financial statements.*

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

Schedule 2-2

| | 2016 Budget | 2016 Actual | 2015 Actual (Note 13) |
|---|--------------------------|--------------------------|-----------------------------|
| Transportation Services | | | |
| Operating | | | |
| Other Segmented Revenue | | | |
| Fees and charges | | | |
| Custom work | 3,500 | 21,648 | 4,613 |
| Sale of gravel supplies | 1,000 | 1,951 | 972 |
| Total Fees and Charges | <u>4,500</u> | <u>23,599</u> | <u>5,585</u> |
| Gain (loss) on disposal of capital assets | | | 48,284 |
| Total Other Segmented Revenue | <u>4,500</u> | <u>23,599</u> | <u>53,869</u> |
| Highway connector | 19,045 | 19,045 | 19,045 |
| Gas tax | <u>103,660</u> | <u>108,770</u> | <u>51,830</u> |
| Total Conditional Grants | <u>122,705</u> | <u>127,815</u> | <u>70,875</u> |
| Total Transportation Services | <u>\$ 127,205</u> | <u>\$ 151,414</u> | <u>\$ 124,744</u> |
| Environmental and Public Health Services | | | |
| Operating | | | |
| Other Segmented Revenue | | | |
| Fees and charges | | | |
| Waste disposal fees | 177,000 | 182,933 | 159,105 |
| Rentals | | | 13,200 |
| Cemetery fees | 20,000 | 25,835 | 21,635 |
| Transit bus fares | | 13,930 | 10,884 |
| Expense recoveries | | 120 | |
| Total Fees and Charges | <u>197,000</u> | <u>222,818</u> | <u>204,824</u> |
| Total Other Segmented Revenue | <u>197,000</u> | <u>222,818</u> | <u>204,824</u> |
| Conditional Grants | | | |
| Multi material stewardship | | 10,709 | |
| Share of income (loss) in Eaglestone Lodge | 6,500 | 101,452 | 61,144 |
| Local | 4,000 | 5,064 | 4,712 |
| Donations | | 31 | 123,652 |
| Total Conditional Grants | <u>10,500</u> | <u>117,256</u> | <u>189,508</u> |
| Total Environmental and Public Health Services | <u>\$ 207,500</u> | <u>\$ 340,074</u> | <u>\$ 394,332</u> |

*The notes to financial statements are an integral
 part of these financial statements.*

Town of Kamsack

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

Schedule 2-3

| | 2016 Budget | 2016 Actual | 2015 Actual (Note 13) |
|--|------------------|------------------|-----------------------------|
| Planning and Development Services | | | |
| Operating | | | |
| Other Segmented Revenue | | | |
| Fees and charges | | | |
| Expense recoveries | 100 | 239 | 48 |
| Total Other Segmented Revenue | <u>100</u> | <u>239</u> | <u>48</u> |
| Conditional Grants | | | |
| Other | 5,000 | 1,082 | |
| Total Conditional Grants | <u>5,000</u> | <u>1,082</u> | <u>0</u> |
| Total Planning and Development Services | <u>\$ 5,100</u> | <u>\$ 1,321</u> | <u>\$ 48</u> |
| Recreation and Cultural Services | | | |
| Operating | | | |
| Other Segmented Revenue | | | |
| Fees and charges | | | |
| Recreation fees | 55,650 | 56,745 | 58,999 |
| Expense recoveries | | | 1,632 |
| Total Fees and Charges | <u>55,650</u> | <u>56,745</u> | <u>60,631</u> |
| Tangible capital asset proceeds | | | 3,048 |
| Total Other Segmented Revenue | <u>55,650</u> | <u>56,745</u> | <u>63,679</u> |
| Conditional Grants | | | |
| Saskatchewan Lotteries | 22,064 | 22,148 | 27,667 |
| Canada Day | 6,000 | 3,300 | 5,133 |
| Local | 1,500 | 3,033 | 6,060 |
| Donations | 2,500 | 2,900 | 7,905 |
| Student employment | | 1,883 | |
| Total Conditional Grants | <u>32,064</u> | <u>33,264</u> | <u>46,765</u> |
| Total Operating | <u>87,714</u> | <u>90,009</u> | <u>110,444</u> |
| Capital | | | |
| Conditional Grants | | | |
| Sask Parks | | | 5,000 |
| Total Capital | <u>0</u> | <u>0</u> | <u>5,000</u> |
| Total Recreation and Cultural Services | <u>\$ 87,714</u> | <u>\$ 90,009</u> | <u>\$ 115,444</u> |

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

Schedule 2-4

| | 2016 Budget | 2016 Actual | 2015 Actual (Note 13) |
|--|---------------------|---------------------|-----------------------------|
| Utility Services | | | |
| Operating | | | |
| Other Segmented Revenue | | | |
| Fees and charges | | | |
| Water/sewer | 610,600 | 593,371 | 610,573 |
| Sewer | 198,000 | 187,571 | 173,856 |
| Other utilities | 100 | 25 | 80 |
| Total Fees and Charges | <u>808,700</u> | <u>780,967</u> | <u>784,509</u> |
| Total Other Segmented Revenue | <u>808,700</u> | <u>780,967</u> | <u>784,509</u> |
| Conditional Grants | | | |
| Provincial disaster assistance plan | | | (8,634) |
| Gas tax | | | 51,830 |
| Total Conditional Grants | <u>0</u> | <u>0</u> | <u>43,196</u> |
| Total Utility Services | <u>\$ 808,700</u> | <u>\$ 780,967</u> | <u>\$ 827,705</u> |
| Total Operating and Capital Revenue by Function | <u>\$ 1,556,619</u> | <u>\$ 1,714,909</u> | <u>\$ 1,794,919</u> |
| Summary | | | |
| Total Other Segmented Revenue | 1,378,350 | 1,416,094 | 1,423,955 |
| Total Conditional Grants | 178,269 | 298,815 | 365,964 |
| Total Capital Grants and Contributions | <u>5,000</u> | <u>5,000</u> | <u>5,000</u> |
| Total Operating and Capital Revenue by Function | <u>\$ 1,556,619</u> | <u>\$ 1,714,909</u> | <u>\$ 1,794,919</u> |

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

Town of Kamsack
 Total Expenses by Function
 For the year ended December 31, 2016

Schedule 3-1

| | 2016 Budget | 2016 Actual | 2015 Actual (Note 13) |
|--|---------------------|---------------------|-----------------------------|
| General Government Services | | | |
| Council remuneration and travel | 54,250 | 51,811 | 58,410 |
| Wages and benefits | 243,404 | 206,061 | 207,584 |
| Contractual services - assessment | 26,100 | 26,098 | 25,409 |
| Contractual services - other | 79,010 | 122,738 | 78,635 |
| Utilities | 72,226 | 72,347 | 68,381 |
| Maintenance, materials and supplies | 28,500 | 29,971 | 31,137 |
| Grants and contributions - operating | 24,000 | 24,505 | 24,198 |
| Amortization | 5,237 | 5,237 | 5,237 |
| Insurance | 45,000 | 45,721 | 53,666 |
| Allowance for uncollectibles | 2,000 | | |
| Other | 8,178 | 7,373 | 8,001 |
| Total General Government Services | \$ 587,905 | \$ 591,862 | \$ 560,658 |
| Protective Services | | | |
| Police protection | | | |
| Wages and benefits | 54,340 | 57,710 | 52,118 |
| Contractual services | 128,682 | 130,962 | 128,280 |
| Maintenance, materials and supplies | 500 | 181 | 460 |
| Fire protection | | | |
| Wages and benefits | 20,800 | 28,480 | 20,245 |
| Contractual services | 28,035 | 19,261 | 25,090 |
| Utilities | 12,100 | 11,784 | 5,444 |
| Maintenance, materials and supplies | 46,851 | 27,133 | 21,299 |
| Amortization | 28,332 | 28,500 | 28,332 |
| Other | 9,000 | 9,783 | 8,619 |
| Total Protective Services | \$ 328,640 | \$ 313,794 | \$ 289,887 |
| Transportation Services | | | |
| Wages and benefits | 545,537 | 625,828 | 460,522 |
| Contractual services - maintenance | 264,220 | 245,198 | 284,766 |
| Utilities | 79,550 | 72,430 | 78,066 |
| Gravel | 30,000 | 27,820 | 26,099 |
| Machinery costs/fuel/blades | 77,800 | 78,590 | 79,657 |
| Amortization | 80,035 | 85,882 | 80,035 |
| Other | | 2,540 | 255 |
| Other materials and supplies | 62,430 | 53,535 | 54,847 |
| Total Transportation Services | \$ 1,139,572 | \$ 1,191,823 | \$ 1,064,247 |

*The notes to financial statements are an integral
 part of these financial statements.*

Town of Kamsack
 Total Expenses by Function
 For the year ended December 31, 2016

Schedule 3-2

| | 2016 Budget | 2016 Actual | 2015 Actual (Note 13) |
|---|----------------------------|----------------------------|-----------------------------|
| Environmental and Public Health Services | | | |
| Wages and benefits | | | 86,624 |
| Contractual services - waste | 260,000 | 315,291 | 125,865 |
| Utilities | | 694 | 607 |
| Maintenance, materials and supplies | 600 | 6,773 | 6,034 |
| Grants and contributions - operating | | | 36,500 |
| Grants and contributions - capital | 12,000 | 12,000 | 12,000 |
| Grant-capital Assiniboine Valley Health & Wellness Foundation | 50,000 | 50,000 | 472,917 |
| Amortization | 36,369 | 36,347 | 35,969 |
| Landfill and refinery decommissioning | <u>3,350</u> | <u>3,447</u> | <u>3,158</u> |
| Total Environmental and Public Health Services | <u>\$ 362,319</u> | <u>\$ 424,552</u> | <u>\$ 779,674</u> |
| Planning and Development Services | | | |
| Contractual services | 12,100 | 8,987 | 6,062 |
| Utilities | 900 | 999 | 882 |
| Maintenance, materials and supplies | 1,000 | 60 | 255 |
| Write-down of long-term investment | <u>25,000</u> | <u>63</u> | <u>34,075</u> |
| Total Planning and Development Services | <u>\$ 39,000</u> | <u>\$ 10,109</u> | <u>\$ 41,274</u> |
| Recreation and Cultural Services | | | |
| Wages and benefits | 112,884 | 118,136 | 110,531 |
| Contractual services | 139,000 | 173,906 | 159,284 |
| Utilities | 84,900 | 81,989 | 82,877 |
| Maintenance, materials and supplies | 63,650 | 58,496 | 86,395 |
| Grants and contributions - operating | 60,250 | 67,220 | 65,444 |
| Amortization | 71,755 | 72,445 | 71,755 |
| Libraries | <u>17,500</u> | <u>17,634</u> | <u>24,518</u> |
| Total Recreation and Cultural Services | <u>\$ 549,939</u> | <u>\$ 589,826</u> | <u>\$ 600,804</u> |
| Utility Services | | | |
| Wages and benefits | 206,220 | 210,657 | 185,272 |
| Contractual services | 182,768 | 54,849 | 127,267 |
| Utilities | 108,000 | 100,075 | 106,679 |
| Maintenance, materials and supplies | 148,900 | 122,311 | 125,411 |
| Amortization | 405,812 | 408,488 | 405,812 |
| Interest | <u>161,059</u> | <u>137,528</u> | <u>160,275</u> |
| Total Utility Services | <u>\$ 1,212,759</u> | <u>\$ 1,033,908</u> | <u>\$ 1,110,716</u> |
| Total Expenses by Function | <u>\$ 4,220,134</u> | <u>\$ 4,155,874</u> | <u>\$ 4,447,260</u> |

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

Town of Kamsack

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

Schedule 4

| | General Government | Protective Services | Transport. Services | Environ. & Public Health | Planning & Develop. | Rec. & Culture | Utilities Services | Total |
|--------------------------------------|---------------------|---------------------|-----------------------|--------------------------|---------------------|---------------------|---------------------|---------------------|
| Revenues - schedule 2 | | | | | | | | |
| Fees and charges | 140,262 | 172,515 | 23,599 | 222,818 | 239 | 56,745 | 780,967 | 1,397,145 |
| Land sales - gain | 6,300 | | | | | | | 6,300 |
| Investment income and commissions | 12,649 | | | | | | | 12,649 |
| Grants - conditional | 19,398 | | 127,815 | 117,256 | 1,082 | 33,264 | | 298,815 |
| Total Revenues | 178,609 | 172,515 | 151,414 | 340,074 | 1,321 | 90,009 | 780,967 | 1,714,909 |
| Expenses - schedule 3 | | | | | | | | |
| Wages and benefits | 206,061 | 86,190 | 625,828 | | | 118,136 | 210,657 | 1,246,872 |
| Professional/contractual services | 200,647 | 150,223 | 245,198 | 315,291 | 8,987 | 173,906 | 54,849 | 1,149,101 |
| Utilities | 72,347 | 11,784 | 72,430 | 694 | 999 | 81,989 | 100,075 | 340,318 |
| Maintenance materials and supplies | 29,971 | 27,314 | 27,820 | 6,773 | 60 | 58,496 | 122,311 | 272,745 |
| Machinery costs/fuel/blades | | | 78,590 | | | | | 78,590 |
| Grants and contributions | 24,505 | 28,500 | 85,882 | 62,000 | | 67,220 | 408,488 | 153,725 |
| Amortization | 5,237 | | | 36,347 | | 72,445 | | 636,899 |
| Insurance | 45,721 | | | | | | | 45,721 |
| Libraries | | | | | | 17,634 | | 17,634 |
| Interest | | | | 3,447 | | | | 3,447 |
| Other | 7,373 | 9,783 | 56,075 | 424,552 | 63 | | | 417,746 |
| Total Expenses | 591,862 | 313,794 | 1,191,823 | 424,552 | 10,109 | 589,826 | 1,033,908 | 4,155,874 |
| Surplus (Deficit) by Function | \$(413,253) | \$(141,279) | \$(1,040,409) | \$(84,478) | \$(8,788) | \$(499,817) | \$(252,941) | (2,440,965) |

Taxation and other unconditional revenue - schedule 1

2,194,122
\$(246,843)

Net Surplus (Deficit)

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

Town of Kamsack

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

Schedule 5

| | General Government | Protective Services | Transport. Services | Environ. & Public Health | Planning & Develop. | Rec. & Culture | Utilities Services | Total |
|--|-----------------------|------------------------|------------------------|--------------------------------|------------------------|---------------------|-----------------------|---------------------|
| Revenues - schedule 2 | | | | | | | | |
| Fees and charges | 147,319 | 130,549 | 5,585 | 204,824 | 48 | 60,631 | 784,509 | 1,333,465 |
| Tangible capital asset sales - gain | | | 48,284 | | | 3,048 | | 51,332 |
| Land sales - gain | 24,579 | | | | | | | 24,579 |
| Investment income and commissions | 14,579 | | | | | | | 14,579 |
| Grants - conditional | 15,620 | | 70,875 | 189,508 | | 46,765 | 43,196 | 365,964 |
| Grants - capital | | | | | | 5,000 | | 5,000 |
| Total Revenues | 202,097 | 130,549 | 124,744 | 394,332 | 48 | 115,444 | 827,705 | 1,794,919 |
| Expenses - schedule 3 | | | | | | | | |
| Wages and benefits | 207,584 | 72,363 | 460,522 | 86,624 | | 110,531 | 185,272 | 1,122,896 |
| Professional/contractual services | 162,454 | 153,370 | 284,766 | 125,865 | 6,062 | 159,284 | 127,267 | 1,019,068 |
| Utilities | 68,381 | 5,444 | 78,066 | 607 | 882 | 82,877 | 106,679 | 342,936 |
| Maintenance materials and supplies | 31,137 | 21,759 | 26,099 | 6,034 | 255 | 86,395 | 125,411 | 297,090 |
| Machinery costs/fuel/blades | | | 79,657 | | | | | 79,657 |
| Grants and contributions | 24,198 | | | 521,417 | | 65,444 | | 611,059 |
| Amortization | 5,237 | 28,332 | 80,035 | 35,969 | | 71,755 | | 627,140 |
| Insurance | 53,666 | | | | | | | 53,666 |
| Libraries | | | | | | 24,518 | | 24,518 |
| Interest | | | | | | | 160,275 | 160,275 |
| Other | 8,001 | 8,619 | 55,102 | 3,158 | 34,075 | | | 108,955 |
| Total Expenses | 560,658 | 289,887 | 1,064,247 | 779,674 | 41,274 | 600,804 | 1,110,716 | 4,447,260 |
| Surplus (Deficit) by Function | \$(358,561) | \$(159,338) | \$(939,503) | \$(385,342) | \$(41,226) | \$(485,360) | \$(283,011) | (2,652,341) |
| Taxation and other unconditional revenue | | | | | | | | 2,190,063 |
| - schedule 1 | | | | | | | | <u>\$(462,278)</u> |
| Net Surplus (Deficit) | | | | | | | | 540,025 |

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

Town of Kamsack

Schedule 6

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

| | 2016 | | | | | | 2015 | |
|---|----------------|---------------|--------------|-----------------------|---|---------------|---------------|------------|
| | General Assets | | | Infrastructure Assets | General/Infrastructure Assets under Constr. | Total | Total | Total |
| | Land | Land Improve. | Buildings | Vehicles | Machinery & Equipment | Linear Assets | | |
| Asset Cost | 40 | 1,433,189 | 12,329,591 | 206,524 | 978,719 | 12,006,450 | 26,954,513 | 26,720,581 |
| Opening Asset Cost | | | | | 57,340 | 14,525 | 80,138 | 330,109 |
| Additions during the year | | | | | | | | |
| Disposals and write-down during the year | | | | | | | | |
| Closing Asset Costs | 40 | 1,433,189 | 12,329,591 | 206,524 | 1,036,059 | 12,020,975 | 27,034,651 | (96,176) |
| Accumulated Amortization Cost | | | | | | | | |
| Opening Accumulated Amortization Costs | | 533,586 | 2,946,733 | 110,098 | 366,485 | 9,686,158 | 13,643,060 | 13,075,894 |
| Add: Amortization taken | | 87,557 | 311,067 | 20,123 | 70,462 | 147,690 | 636,899 | 627,140 |
| Less: Accumulated amortization on disposals | | | | | | | | |
| Closing Accumulated Amortization Costs | 0 | 621,143 | 3,257,800 | 130,221 | 436,947 | 9,833,848 | 14,279,959 | 13,643,060 |
| Net Book Value | 40 | 812,046 \$ | 9,071,791 \$ | 76,303 \$ | 599,112 \$ | 2,187,127 \$ | 12,754,692 \$ | 13,311,453 |

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

Town of Kamsack

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

Schedule 7

| | 2016 | | | | | 2015 | | |
|---|--------------------|---------------------|---------------------|--------------------------|---------------------|------------------|-------------------|-------------------|
| | General Government | Protective Services | Transport. Services | Environ. & Public Health | Planning & Develop. | Rec. & Culture | Water & Sewer | Total |
| Asset Cost | 26,189 | 1,098,623 | 7,090,311 | 342,312 | | 2,450,446 | 15,946,633 | 26,720,581 |
| Opening Asset Cost | | 38,198 | 41,939 | | | | 80,137 | 330,109 |
| Additions during the year | | | | | | | | |
| Disposals and write-down during the year | | | | | | | | (96,177) |
| Closing Asset Costs | <u>26,189</u> | <u>1,136,821</u> | <u>7,132,250</u> | <u>342,312</u> | <u>0</u> | <u>2,450,446</u> | <u>15,946,633</u> | <u>26,954,513</u> |
| Accumulated Amortization | | | | | | | | |
| Cost | 15,711 | 36,603 | 6,168,868 | 204,058 | | 1,433,920 | 5,763,900 | 13,075,894 |
| Opening Accumulated Amortization Costs | 5,237 | 28,500 | 85,882 | 36,347 | | 72,445 | 408,488 | 627,140 |
| Add: Amortization taken | | | | | | | | |
| Less: Accumulated amortization on disposals | | | | | | | | (59,974) |
| Closing Accumulated Amortization Costs | <u>20,948</u> | <u>65,103</u> | <u>6,254,750</u> | <u>240,405</u> | <u>0</u> | <u>1,506,365</u> | <u>6,192,388</u> | <u>13,643,060</u> |
| Net Book Value | \$ 5,241 | \$ 1,071,718 | \$ 877,500 | \$ 101,907 | \$ 0 | \$ 944,081 | \$ 9,754,245 | \$ 13,311,453 |

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

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

Schedule 8

| | 2015 | Changes | 2016 |
|---|----------------------|---------------------|----------------------|
| Unappropriated Surplus | <u>1,433,568</u> | <u>15,336</u> | <u>1,448,904</u> |
| Appropriated Surplus | | | |
| Capital trust | <u>200,000</u> | <u>0</u> | <u>200,000</u> |
| Utility | | | |
| Membrane replacement | <u>40,000</u> | <u>0</u> | <u>40,000</u> |
| Other | | | |
| Cemetery perpetual care | 155,053 | 5,730 | 160,783 |
| Fire department | 42,696 | (29,925) | 12,771 |
| Future capital expenditures | 200,000 | | 200,000 |
| Local improvement levy | 54,450 | | 54,450 |
| Medical services | 1 | (1) | |
| Municipal green space | 1,023 | | 1,023 |
| Unallocated | 31,802 | 5,155 | 36,957 |
| Urban connector program | <u>10,000</u> | | <u>10,000</u> |
| | <u>495,025</u> | <u>(19,041)</u> | <u>475,984</u> |
| Total Appropriated | <u>735,025</u> | <u>(19,041)</u> | <u>715,984</u> |
| Net Investments in Tangible Capital Assets | | | |
| Tangible capital assets - schedule 6 | 13,311,453 | (556,761) | 12,754,692 |
| Less: Related debt | <u>2,998,494</u> | <u>(313,628)</u> | <u>2,684,866</u> |
| Net Investment in Tangible Capital Assets | <u>10,312,959</u> | <u>(243,133)</u> | <u>10,069,826</u> |
| Total Accumulated Surplus | <u>\$ 12,481,552</u> | <u>\$(246,838)</u> | <u>\$ 12,234,714</u> |

*The notes to financial statements are an integral
 part of these financial statements.*

Town of Kamsack

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 |
| Taxable Assessment | 166,135 | 38,062,570 | | 12,021,000 | 50,249,705 | |
| Regional Park Assessment | | | | | | |
| Total Assessment | 1,0000 | 0.2750 | | 1.1000 | 50,249,705 | |
| Mill Rate Factor(s) | 4,400 | 503,250 | | 69,400 | 577,050 | |
| Total Base/Minimum Tax (generated for each property class) | 9,384 | 1,136,567 | | 461,593 | 1,607,544 | |
| Total Municipal Tax Levy (include base and/or minimum tax and special levies) | | | | | | |
| Mill Rates: | | | | | | |
| Average Municipal* | 31.9911 | | | | | |
| Average School* | 5.7987 | | | | | |
| Potash Mill Rate | | | | | | |
| Uniform Municipal Mill Rate | 30.0000 | | | | | |

*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).

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

Town of Kamsack
Schedule of Council Remuneration
For the year ended December 31, 2016

Schedule 10

| Name | Remuneration | Reimbursed Costs | Total |
|---------------------|------------------|---------------------|------------------|
| Gardner, Rod | 6,479 | 752 | 7,231 |
| Brunt, Nancy | 6,683 | 81 | 6,764 |
| Koreluik, Karen | 913 | | 913 |
| Nahnybida, Maria | 6,175 | | 6,175 |
| Bishop, Claire | 5,775 | | 5,775 |
| Foster, Mark | 913 | | 913 |
| Ruf, Jared | 817 | 267 | 1,084 |
| Pennell, Jason | 913 | 505 | 1,418 |
| Kozakewich, Joseph | 5,431 | 1,188 | 6,619 |
| Aikman, Rick | 5,187 | 635 | 5,822 |
| Nykolaishen, Sandra | 4,456 | | 4,456 |
| | <u>\$ 43,742</u> | <u>\$ 3,428</u> | <u>\$ 47,170</u> |

*The notes to financial statements are an integral
part of these financial statements.*