

TOWN OF ROSETOWN
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016



INDEPENDENT AUDITOR'S REPORT

To the Council of Town of Rosetown:

We have audited the accompanying consolidated financial statements of the Town of Rosetown, which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statements of operations, changes in net financial assets and cash flows 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the consolidated 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 organization'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 consolidated financial statements.

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

Basis for Qualified Opinion

Public Sector Accounting Standards require that the Town accrue a liability for the estimated closure and post-closure care costs for its landfill. Due to problems associated with estimations and environmental requirements, we were unable to obtain sufficient and appropriate audit evidence over the extent of landfill closure adjustments required to the Town's financial statements as at December 31, 2016 and December 31, 2015.

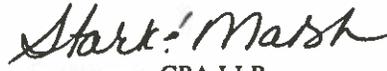
Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of the Town of Rosetown as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

INDEPENDENT AUDITOR'S REPORT (continued)

Other Matter

The supplementary information listed in Schedules 1 to 10 has been taken from the accounting records of the organization but has not been audited by us other than in the course of our examination of the aforementioned financial statements to the extent necessary to allow us to render an opinion thereon.



CPA LLP
Chartered Professional Accountants
Licensed Professional Accountants

Swift Current, Saskatchewan
May 15, 2017

Management's Responsibility

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

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

Stark & Marsh CPA LLP, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and administration to discuss their audit findings.



Mayor (Town of Rosetown)



CAO

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

Statement 1

	2016	2015 - restated
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	2,226,828	2,155,905
Taxes Receivable - Municipal (Note 3)	125,193	160,661
Other Accounts Receivable (Note 4)	400,755	456,145
Land for Resale (Note 5)	340,005	406,401
Long-Term Investments (Note 6)	2,657,350	20,000
Debt Charges Recoverable (Note 7)	-	-
Other (Specify)		
Total Financial Assets	5,750,131	3,199,112
LIABILITIES		
Bank Indebtedness (Note 8)		
Accounts Payable	150,188	109,398
Accrued Liabilities Payable		
Deposits	102,224	110,707
Deferred Revenue (Note 9)	120,000	115,000
Accrued Landfill Costs (Note 10)		
Liability for Contaminated Sites (Note 11)		
Other Liabilities		3,495
Long-Term Debt (Note 12)	4,968,486	2,426,227
Lease Obligations (Note 13)		
Total Liabilities	5,340,898	2,764,827
NET FINANCIAL ASSETS (DEBT)	409,233	434,285
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	16,476,534	15,836,355
Prepayments and Deferred Charges	115,210	95,847
Stock and Supplies	5,300	3,800
Other (Note 14)	-	-
Total Non-Financial Assets	16,597,044	15,936,002
ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)	17,006,277	16,370,287

**Town of Rosetown
Consolidated Statement of Operations
As at December 31, 2016**

Statement 2

	2016 Budget (Unaudited)	2016	2015 - restated
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	3,636,801	3,653,538	3,483,441
Fees and Charges (Schedule 4, 5)	3,016,297	2,845,066	2,356,769
Conditional Grants (Schedule 4, 5)	138,324	182,923	160,702
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	-	39,500	-
Land Sales - Gain (Schedule 4, 5)	-	21,368	26,538
Investment Income and Commissions (Schedule 4, 5)	12,000	27,904	32,551
Other Revenues (Schedule 4, 5)	60,000	85,385	27,175
Total Revenues	6,863,422	6,855,684	6,087,176
EXPENSES			
General Government Services (Schedule 3)	588,680	770,943	589,929
Protective Services (Schedule 3)	353,210	344,132	332,166
Transportation Services (Schedule 3)	1,078,750	899,972	987,289
Environmental and Public Health Services (Schedule 3)	1,627,840	1,946,851	1,739,247
Planning and Development Services (Schedule 3)	35,000	364	51,198
Recreation and Cultural Services (Schedule 3)	1,528,575	1,421,022	1,293,695
Utility Services (Schedule 3)	892,929	971,259	872,958
Total Expenses	6,104,984	6,354,543	5,866,482
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	758,438	501,141	220,694
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	138,093	134,849	131,606
Surplus (Deficit) of Revenues over Expenses	896,531	635,990	352,300
Accumulated Surplus (Deficit), Beginning of Year	16,370,287	16,370,287	16,017,987
Accumulated Surplus (Deficit), End of Year	17,266,818	17,006,277	16,370,287

Town of Rosetown
Consolidated Statement of Change in Net Financial Assets
As at December 31, 2016

Statement 3

	2016 Budget (Unaudited)	2016	2015 - restated
Surplus (Deficit)	896,531	635,990	352,300
(Acquisition) of tangible capital assets	(1,414,616)	(1,560,955)	(414,372)
Amortization of tangible capital assets	769,400	902,341	762,081
Proceeds on disposal of tangible capital assets		57,944	
Loss (gain) on the disposal of tangible capital assets		(39,500)	34,773
Surplus (Deficit) of capital expenses over expenditures	(645,216)	(640,170)	382,482
(Acquisition) of supplies inventories		(1,509)	(2,026)
(Acquisition) of prepaid expense		(19,363)	(33,388)
Consumption of supplies inventory			
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures	-	(20,872)	(35,414)
Increase/Decrease in Net Financial Assets	251,315	(25,052)	699,368
Net Financial Assets (Debt) - Beginning of Year	434,285	434,285	(265,083)
Net Financial Assets (Debt) - End of Year	685,600	409,233	434,285

**Town of Rosetown
Consolidated Statement of Cash Flow
As at December 31, 2016**

Statement 4

	2016	2015 - restated
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	635,990	352,300
Amortization	902,341	762,081
Loss (gain) on disposal of tangible capital assets	(39,500)	34,773
	<u>1,498,831</u>	<u>1,149,154</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	35,468	(50,102)
Other Receivables	55,390	291,042
Land for Resale	66,396	165,890
Other Financial Assets	-	
Accounts and Accrued Liabilities Payable	40,790	(370,985)
Deposits	(8,483)	(15,225)
Deferred Revenue	5,000	115,000
Accrued Landfill Costs	-	
Liability for Contaminated Sites	-	
Other Liabilities	(3,495)	
Stock and Supplies	(1,500)	(2,026)
Prepayments and Deferred Charges	(19,363)	(33,388)
Other (Specify)	-	
Cash provided by operating transactions	1,669,034	1,249,360
Capital:		
Acquisition of capital assets	(1,560,955)	(414,372)
Proceeds from the disposal of capital assets	57,944	-
Other capital		
Cash applied to capital transactions	(1,503,011)	(414,372)
Investing:		
Long-term investments	(2,637,350)	
Other investments		
Cash provided by (applied to) investing transactions	(2,637,350)	-
Financing:		
Debt charges recovered		
Long-term debt issued	2,670,050	
Long-term debt repaid	(127,800)	(133,541)
Other financing		
Cash provided by (applied to) financing transactions	2,542,250	(133,541)
Change in Cash and Temporary Investments during the year	70,923	701,447
Cash and Temporary Investments - Beginning of Year	2,155,905	1,454,458
Cash and Temporary Investments - End of Year	2,226,828	2,155,905

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 Accounting Standards Oversight Council. Significant aspects of the accounting policies are as follows:

Basis of accounting: The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues 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.

- a) **Reporting Entity:** The financial statements consolidates the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources. Entities included in these financial statements are as follows:

Entity
Town of Rosetown
Rosetown & District Civic Centre
Orange Memories Care Home

All inter-organizational transactions and balances have been eliminated.

- b) **Collection of funds for other authorities:** Collection of funds by the municipality for the school board, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.
- c) **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 transfers are authorized
 - b) any eligibility criteria have been met; and
 - c) reasonable estimates of the amounts can be made.

Unearned government transfer amounts received but not earned will be recorded as deferred revenue.
Earned government transfer amounts not received will be recorded as an amount receivable.

- d) **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.
- e) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- 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) **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.
- i) **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.
- j) **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.

1. Significant accounting policies - continued

- k) **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.
- l) **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>
<i>General Assets</i>	
Land	Indefinite
Land Improvements	5 to 20 Yrs
Buildings	10 to 50 Yrs
Vehicles & Equipment	
Vehicles	5 to 10 Yrs
Machinery and Equipment	5 to 10 Yrs
<i>Infrastructure Assets</i>	
Infrastructure Assets	
Water & Sewer	40 Yrs
Road Network Asset	40 Yrs

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.

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 life. Any other lease not meeting the before mentioned criteria is classified as a operating lease and rental payments are expensed as incurred.

- m) **Landfill liability:** The municipality maintains a waste disposal site. The municipality is unable to estimate closure and post-closure costs. No amount has been recorded as an asset or a liability.
- n) **Trust Funds:** Funds held in trust for others are neither included in the municipality's assets or equity. They are disclosed in Note 18.
- o) **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.
- p) **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.

Town of Rosetown
Notes to the Consolidated Financial Statements
As at December 31, 2016

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

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

- r) **Basis of segmentation/Segment report:**The municipality follows 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: Provides for the administration of the municipality.

Protective Services: Comprised of expenses for Police and Fire protection.

Transportation Services: 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: Provides for neighbourhood development and sustainability.

Recreation and Culture: Provides for community services through the provision of recreation and leisure services.

Utility Services: Provides for delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

- s) **Revenue recognition:** Revenue is recognized in the period it is earned.

2. Cash and Temporary Investments

	2016	2015 - restated
Cash	832,247	768,407
Rosetown & District Civic Centre	60,280	71,608
Orange Memories Personal Care Home	92,443	79,806
Restricted Cash	1,241,858	1,236,084
Total Cash and Temporary Investments	2,226,828	2,155,905

Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

3. Taxes Receivable - Municipal

	2016	2015 - restated
Municipal - Current	193,342	144,206
- Arrears	35,913	43,091
	229,255	187,297
- Less Allowance for Uncollectibles	(104,062)	(26,636)
Total municipal taxes receivable	125,193	160,661
School - Current	44,041	33,035
- Arrears	6,458	10,343
Total school taxes receivable	50,499	43,378
Other		
Total taxes and grants in lieu receivable	175,692	204,039
Deduct taxes receivable to be collected on behalf of other organizations	(50,499)	(43,378)
Total Taxes Receivable - Municipal	125,193	160,661

Town of Rosetown
Notes to the Consolidated Financial Statements
As at December 31, 2016

4. Other Accounts Receivable

	2016	2015 - restated
Federal Government	41,156	28,753
Provincial Government	24,930	21,992
Local Government		
Utility	147,392	171,264
Trade	143,742	110,511
Other (Specify)	69,598	146,178
Total Other Accounts Receivable	426,818	478,698
Less: Allowance for Uncollectibles	(26,063)	(22,553)
Net Other Accounts Receivable	400,755	456,145

5. Land for Resale

	2016	2015 - restated
Tax Title Property	66,273	70,721
Allowance for market value adjustment	(66,273)	(36,602)
Net Tax Title Property	-	34,119
Other Land	671,152	703,429
Allowance for market value adjustment	(331,147)	(331,147)
Net Other Land	340,005	372,282
Total Land for Resale	340,005	406,401

6. Long-Term Investments

	2016	2015 - restated
Term deposit - interest at 2.7%, matures July 2016	-	20,000
Term deposit - interest at 2.10%, matures July 2021	50,000	-
Portfolio Investments	2,607,350	-
Other (Specify)		
Total Long-Term Investments	2,657,350	20,000

Portfolio Investments are valued at the lower of cost and market value. Market value at December 31, 2016 was \$2,607,349 (Prior Year - \$0).

Marketable securities represent investments in savings account and are stated at the lower of cost or market value. At year-end, cost was substantially the same as the quoted market value.

7. Debt Charges Recoverable

The Town does not have any debt charges recoverable at December 31, 2016.

Town of Rosetown

Notes to the Consolidated Financial Statements

As at December 31, 2016

8. Bank Indebtedness

Credit Arrangements

At December 31, 2016, the Municipality had lines of credit totaling \$1,000,000, none of which were drawn. The Municipality also had a \$65,000 letter of credit in favour of Orange Memories Personal Care Home as of December 31, 2016.

9. Deferred Revenue

	2016	2015 - restated
2016 Local Grants	120,000	115,000
Total Deferred Revenue	120,000	115,000

10. Accrued Landfill Costs

The Town is unable to estimate closure and post-closure costs associated with its landfill, and therefore no amount has been recorded as an asset or a liability.

11. Liability for Contaminated Sites

The Town owns a property that may be considered to be a site contaminated with polychlorinated biphenyl. No amount has been recorded as a liability as clean up is not considered to be required unless the property has a change in use.

Town of Rosetown
Notes to the Consolidated Financial Statements
As at December 31, 2016

12. Long-Term Debt

a) The debt limit of the municipality is \$4,787,112. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the *Municipalities Act* section 161(1)).

Debenture debt is repayable in annual instalments of \$190,529 including interest at 4.4% and in annual instalments of \$187,868 including interest at 3.5%. The first debenture is due September, 2033 and the second debenture is due July, 2036. The debenture is secured by a general assignment of property taxes receivable.

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Year Total	Prior Year Total
2016				190,529
2017	186,049	192,347	378,396	190,529
2018	193,385	185,011	378,396	190,529
2019	201,015	177,381	378,396	190,529
2020	208,950	169,446	378,396	190,528
2021	217,200	161,196	378,396	190,528
Thereafter	3,911,079	1,193,276	5,104,355	2,286,343
Balance	4,917,678	2,078,657	6,996,335	3,429,515

Bank loans are repayable in annual payments of \$20,889 including interest at 5.6%. The loan is due June 2019. The loan is secured by a general assignment of property taxes receivable.

Future principal repayments are estimated as follows:

Year	Principal	Interest	Current Year Total	Prior Year Total
2016			-	20,888
2017	17,956	2,932	20,888	20,888
2018	18,988	1,900	20,888	20,888
2019	13,952	521	14,473	14,483
2020			-	
2021			-	
Thereafter			-	
Balance	50,896	5,353	56,249	77,147

13. Lease Obligations

The Town has no significant lease obligations at December 31, 2016.

Town of Rosetown
Notes to the Consolidated Financial Statements
As at December 31, 2016

14. Other Non-financial Assets

The Town has no other non-financial assets at December 31, 2016.

15. Contingent Liabilities

The Town has no contingent liabilities at December 31, 2016.

16. Pension Plan

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multi-employer 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 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.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. Any actuarially determined deficiency is the responsibility of the participating employers and employees, which could affect future contribution rates and/or benefits. Contributions to MEPP are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. As a result, individual employers are not able to identify their share of the underlying assets and liabilities, and the net pension assets or liabilities for this plan are not recognized in these financial statements. Rather, the plan is accounted for as a defined contribution plan whereby the contributions are expensed when made.

Details of MEPP

	2016	2015
Number of active members	39	33
Member contribution rate (percentage of salary)	8.15%	8.15%
Employer contribution rate (percentage of salary)	8.15%	8.15%
Member contributions for the year	119,756	121,695
Employer contributions for the year	119,756	121,695
Plan Assets	**	2,148,676,000
Plan Liabilities	**	1,831,743,000
Plan Surplus	**	316,933,000

** 2016 MEPP financial information is not yet available.

17. Comparative Figures

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

The 2015 year figures have been restated to increase payables by \$24,301, reduce revenues by \$53,091 and work in progress reduced by \$94,214 and accumulated surplus, beginning of the year, reduced by \$65,424.

This adjustment was due to removing transactions from the Town of Rosetown that was determined to be for a separate not-for-profit organization.

18. Trusts Administered by the Municipality

The Town did not have any trusts under administration at December 31, 2016.

Town of Rosetown
Schedule of Taxes and Other Unconditional Revenue
As at December 31, 2016

Schedule 1

	2016 Budget (Unaudited)	2016	2015 - restated
TAXES			
General municipal tax levy	2,887,400	2,879,961	2,747,046
Abatements and adjustments	(25,000)	(28,633)	(20,779)
Discount on current year taxes	(61,000)	(62,198)	(79,934)
Net Municipal Taxes	2,801,400	2,789,130	2,646,333
Potash tax share			
Trailer license fees			
Penalties on tax arrears	22,000	35,924	25,054
Special tax levy			
Other (Local Improvement Levies)		-	1,182
Total Taxes	2,823,400	2,825,054	2,672,569
UNCONDITIONAL GRANTS			
Revenue Sharing (Organized Hamlet)	521,271	533,662	521,271
Total Unconditional Grants	521,271	533,662	521,271
GRANTS IN LIEU OF TAXES			
Federal	71,130	38,898	37,878
Provincial			
S.P.C. Electrical			
SaskEnergy Gas	75,000	71,711	75,302
TransGas			
Central Services			
SaskTel			
Other (Various)		29,883	29,791
Local/Other			
Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement			
Other (Specify)			
Other Government Transfers			
S.P.C. Surcharge	146,000	154,330	146,630
Sask Energy Surcharge			
Other (Specify)			
Total Grants in Lieu of Taxes	292,130	294,822	289,601
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	3,636,801	3,653,538	3,483,441

Town of Rosetown
Schedule of Operating and Capital Revenue by Function
As at December 31, 2016

Schedule 2 - 1

	2016 Budget (Unaudited)	2016	2015 - restated
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work		896	1,501
- Sales of supplies	1,250		
- Other (Recycle, Licenses, Permits, etc.)	81,240	150,913	106,034
Total Fees and Charges	82,490	151,809	107,535
- Tangible capital asset sales - gain (loss)			
- Land sales - gain		21,368	26,538
- Investment income and commissions	12,000	27,904	32,551
- Other (Specify)		20	100
Total Other Segmented Revenue	94,490	201,101	166,724
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	94,490	201,101	166,724
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	-	-	-
Total General Government Services	94,490	201,101	166,724

PROTECTIVE SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Other (Fines, fire fees, etc.)	48,050	87,112	65,577
Total Fees and Charges	48,050	87,112	65,577
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	48,050	87,112	65,577
Conditional Grants			
- Student Employment			
- Local government			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	48,050	87,112	65,577
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Local government			
- Other (Specify)			
Total Capital	-	-	-
Total Protective Services	48,050	87,112	65,577

Town of Rosetown
 Schedule of Operating and Capital Revenue by Function
 As at December 31, 2016

Schedule 2 - 2

	2016 Budget (Unaudited)	2016	2015 - restated
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	2,500	10,765	1,933
- Sales of supplies			
- Road Maintenance and Restoration Agreements			
- Frontage			
- Other (Airport hanger fees)	3,882	4,244	3,749
Total Fees and Charges	6,382	15,009	5,682
- Tangible capital asset sales - gain (loss)		39,500	
- Other (Specify)			
Total Other Segmented Revenue	6,382	54,509	5,682
Conditional Grants			
- MREP (CTP)			
- Student Employment			
- Other (Urban Highway, Federal Airport Grant, CAP)	16,378	9,009	16,661
Total Conditional Grants	16,378	9,009	16,661
Total Operating	22,760	63,518	22,343
Capital			
Conditional Grants			
- Federal Gas Tax			
- MREP (Heavy Haul, CTP, Municipal Bridges)			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	-	-	-
Total Transportation Services	22,760	63,518	22,343

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	195,000	216,892	199,760
- Orange Memories Personal Care Home	1,233,000	988,311	532,445
- Other (Clinic Rental, Cemetary and Columbarium Fees)	139,000	135,675	140,616
Total Fees and Charges	1,567,000	1,340,878	872,821
- Tangible capital asset sales - gain (loss)		2,234	4,144
- Other (Cemetary Donations)			
Total Other Segmented Revenue	1,567,000	1,343,112	876,965
Conditional Grants			
- Student Employment			
- TAPD			
- Local government		37,731	
- Other (Donations, Transit for Disabled Persons, MMS)		9,919	6,720
Total Conditional Grants	-	47,650	6,720
Total Operating	1,567,000	1,390,762	883,685
Capital			
Conditional Grants			
- Federal Gas Tax	138,093	134,849	131,606
- TAPD			
- Provincial Disaster Assistance			
- Other (Long Term Cared Facility Local Authority Share)			
Total Capital	138,093	134,849	131,606
Total Environmental and Public Health Services	1,705,093	1,525,611	1,015,291

Town of Rosetown
 Schedule of Operating and Capital Revenue by Function
 As at December 31, 2016

Schedule 2 - 3

	2016 Budget (Unaudited)	2016	2015 - restated
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges			
- Other (<i>Specify</i>)			
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment			
- Other (<i>Central Connections</i>)	3,500	5,050	3,432
Total Conditional Grants	3,500	5,050	3,432
Total Operating	3,500	5,050	3,432
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital	-	-	-
Total Planning and Development Services	3,500	5,050	3,432

RECREATION AND CULTURAL SERVICES
Operating

Other Segmented Revenue			
Fees and Charges			
- Rosetown & District Civic Centre	159,225	146,706	139,103
- Other (<i>User Fees</i>)	203,150	199,301	208,111
Total Fees and Charges	362,375	346,007	347,214
- Tangible capital asset sales - gain (loss)			
- Other (<i>Sask Lotteries Grant, Donations</i>)		23,131	22,931
Total Other Segmented Revenue	362,375	369,138	370,145
Conditional Grants			
- Student Employment			
- Local government			
- Donations	18,000	21,698	26,112
- Other (<i>Sask Energy, SPRA, Library Grant, West Nile Virus, CIIF, others</i>)	100,446	99,516	107,777
Total Conditional Grants	118,446	121,214	133,889
Total Operating	480,821	490,352	504,034
Capital			
Conditional Grants			
- Federal Gas Tax			
- Local government			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital	-	-	-
Total Recreation and Cultural Services	480,821	490,352	504,034

Town of Rosetown
Schedule of Operating and Capital Revenue by Function
As at December 31, 2016

Schedule 2 - 4

	2016 Budget (Unaudited)	2016	2015 - restated
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	820,000	774,295	823,690
- Sewer	115,000	113,226	115,057
- Other (<i>Specify</i>)	15,000	16,730	19,193
Total Fees and Charges	950,000	904,251	957,940
- Tangible capital asset sales - gain (loss)			
- Other (<i>Water line</i>)	60,000	60,000	
Total Other Segmented Revenue	1,010,000	964,251	957,940
Conditional Grants			
- Student Employment			
- Other (<i>Specify</i>)			
Total Conditional Grants	-	-	-
Total Operating	1,010,000	964,251	957,940
Capital			
Conditional Grants			
- Federal Gas Tax			
- New Building Canada Fund (SCF, NRP)			
- Clean Water and Wastewater Fund			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital	-	-	-
Total Utility Services	1,010,000	964,251	957,940
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	3,364,714	3,336,995	2,735,341

SUMMARY

Total Other Segmented Revenue	3,088,297	3,019,223	2,443,033
Total Conditional Grants	138,324	182,923	160,702
Total Capital Grants and Contributions	138,093	134,849	131,606
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	3,364,714	3,336,995	2,735,341

Town of Rosetown
 Total Expenses by Function
 As at December 31, 2016

Schedule 3 - 1

	2016 Budget (Unaudited)	2016	2015 - restated
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	63,000	65,242	62,783
Wages and benefits	241,200	260,820	240,079
Professional/Contractual services	223,880	251,730	204,211
Utilities	10,700	13,653	10,616
Maintenance, materials and supplies	30,000	29,722	30,346
Grants and contributions - operating - capital			
Amortization	9,900	4,223	4,854
Interest			
Allowance for uncollectibles		124,168	23,739
Other (Sask Housing settlement, land leases, misc.)	10,000	21,385	13,301
Total Government Services	588,680	770,943	589,929

PROTECTIVE SERVICES

Police protection

Wages and benefits	58,650	42,890	44,481
Professional/Contractual services	160,200	164,047	160,570
Utilities	960	906	447
Maintenance, material and supplies	7,950	9,145	4,499
Grants and contributions - operating - capital			
Other (Specify)			

Fire protection

Wages and benefits	48,000	50,713	47,759
Professional/Contractual services	11,600	15,757	11,418
Utilities	16,100	16,623	15,691
Maintenance, material and supplies	19,850	13,827	17,078
Grants and contributions - operating - capital			
Amortization	29,900	30,224	30,223
Interest			
Other (Specify)			

Total Protective Services

353,210	344,132	332,166
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TRANSPORTATION SERVICES

Wages and benefits	387,700	343,067	336,117
Professional/Contractual Services	215,100	90,945	89,238
Utilities	74,800	71,573	74,237
Maintenance, materials, and supplies	168,750	123,387	214,816
Gravel	40,000	26,860	24,208
Grants and contributions - operating - capital			
Amortization	185,000	238,978	240,709
Interest	7,400	5,162	7,964
Other (Specify)			

Total Transportation Services

1,078,750	899,972	987,289
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Town of Rosetown
Total Expenses by Function
As at December 31, 2016

Schedule 3 - 2

	2016 Budget (Unaudited)	2016	2015 - restated
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	164,700	167,621	159,616
Professional/Contractual services	204,470	232,684	156,958
Utilities	11,000	10,992	10,654
Maintenance, materials and supplies	46,700	48,375	46,651
Grants and contributions - operating			
o Waste disposal			9,150
o Public Health - capital			
o Waste disposal			
o Public Health			46,667
Orange Memories Personal Care Home	1,162,870	1,187,827	1,164,995
Amortization	38,100	169,640	38,099
Interest		129,712	106,457
Other (Specify)			
Total Environmental and Public Health Services	1,627,840	1,946,851	1,739,247
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	33,000		44,953
Professional/Contractual Services	2,000	364	6,245
Grants and contributions - operating - capital			
Amortization			
Interest			
Other (Specify)			
Total Planning and Development Services	35,000	364	51,198
RECREATION AND CULTURAL SERVICES			
Wages and benefits	617,200	630,656	588,627
Professional/Contractual services	170,800	190,044	128,455
Utilities	107,900	99,950	113,338
Maintenance, materials and supplies	255,500	151,832	158,312
Grants and contributions - operating - capital	86,325	55,266	45,593
Rosetown & District Civic Centre	176,350	175,951	146,070
Amortization	114,500	117,323	113,300
Interest			
Allowance for uncollectibles			
Other (Specify)			
Total Recreation and Cultural Services	1,528,575	1,421,022	1,293,695

**Town of Rosetown
Consolidated Schedule of Segment Disclosure by Function
As at December 31, 2016**

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	151,809	87,112	15,009	1,340,878	-	346,007	904,251	2,845,066
Tangible Capital Asset Sales - Gain	-	-	39,500	-	-	-	-	39,500
Land Sales - Gain	21,368	-	-	-	-	-	-	21,368
Investment Income and Commissions	27,904	-	-	2,234	-	23,131	60,000	27,904
Other Revenues	20	-	-	47,650	5,050	121,214	-	85,385
Grants - Conditional	-	-	9,009	134,849	-	-	-	182,923
- Capital	-	-	-	-	-	-	-	134,849
Total Revenues	201,101	87,112	63,518	1,525,611	5,050	490,352	964,251	3,336,995
Expenses (Schedule 3)								
Wages & Benefits	326,062	93,603	343,067	167,621	-	630,656	261,156	1,822,165
Professional/ Contractual Services	251,730	179,804	90,945	232,684	364	190,044	126,010	1,071,581
Utilities	13,653	17,529	71,573	10,992	-	99,950	111,601	325,298
Maintenance Materials and Supplies	29,722	22,972	150,247	48,375	-	151,832	130,539	533,687
Grants and Contributions	-	-	-	-	-	55,266	-	55,266
Orange Memories Personal Care Home	-	-	-	1,187,827	-	-	-	1,187,827
Rosetown & District Civic Centre	-	-	-	-	-	175,951	-	175,951
Amortization	4,223	30,224	238,978	169,640	-	117,323	341,953	902,341
Interest	-	-	5,162	129,712	-	-	-	134,874
Allowance for Uncollectibles	124,168	-	-	-	-	-	-	124,168
Other	21,385	-	-	-	-	-	-	21,385
Total Expenses	770,943	344,132	899,972	1,946,851	364	1,421,022	971,259	6,354,543
Surplus (Deficit) by Function	(569,842)	(257,020)	(836,454)	(421,240)	4,686	(930,670)	(7,008)	(3,017,548)
Taxes and other unconditional revenue (Schedule 1)								3,653,538
Net Surplus (Deficit)								635,990

**Town of Rosetown
Consolidated Schedule of Segment Disclosure by Function
As at December 31, 2015**

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	107,535	65,577	5,682	872,821	-	347,214	957,940	2,356,769
Tangible Capital Asset Sales - Gain	-	-	-	-	-	-	-	-
Land Sales - Gain	26,538	-	-	-	-	-	-	26,538
Investment Income and Commissions	32,551	-	-	4,144	-	22,931	-	32,551
Other Revenues	100	-	-	6,720	3,432	133,889	-	27,175
Grants - Conditional	-	-	16,661	131,606	-	-	-	160,702
- Capital	-	-	-	-	-	-	-	131,606
Total Revenues	166,724	65,577	22,343	1,015,291	3,432	504,034	957,940	2,735,341
Expenses (Schedule 3)								
Wages & Benefits	302,862	92,240	336,117	159,616	44,953	588,627	269,003	1,793,418
Professional/ Contractual Services	204,211	171,988	89,238	156,958	6,245	128,455	73,707	830,802
Utilities	10,616	16,138	74,237	10,654	-	113,338	122,607	347,590
Maintenance Materials and Supplies	30,346	21,577	239,024	46,651	-	158,312	72,745	568,655
Grants and Contributions	-	-	-	55,817	-	45,593	-	101,410
Orange Memories Personal Care Home	-	-	-	1,164,995	-	-	-	1,164,995
Rosetown & District Civic Centre	-	-	-	-	-	146,070	-	146,070
Amortization	4,854	30,223	240,709	38,099	-	113,300	334,896	762,081
Interest	-	-	7,964	106,457	-	-	-	114,421
Allowance for Uncollectibles	23,739	-	-	-	-	-	-	23,739
Other	13,301	-	-	-	-	-	-	13,301
Total Expenses	589,929	332,166	987,289	1,739,247	51,198	1,293,695	872,958	5,866,482
Surplus (Deficit) by Function	(423,205)	(266,589)	(964,946)	(723,956)	(47,766)	(789,661)	84,982	(3,131,141)
Taxes and other unconditional revenue (Schedule 1)								3,483,441
Net Surplus (Deficit)								352,300

Town of Rosetown
 Consolidated Schedule of Tangible Capital Assets by Object
 As at December 31, 2016

2016

2015 - restated

Assets	General Assets						Infrastructure Assets	General/ Infrastructure Assets Under Construction	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets			
Asset cost									
Opening Asset costs	314,483	1,331,793	11,178,924	184,095	5,373,420	10,569,142	312,327	28,875,510	
Additions during the year		14,838	12,724		781,272		752,121	414,372	
Disposals and write-downs during the year					(162,957)		(18,435)	(25,698)	
Transfers (from) assets under construction					37,812	225,748	(263,560)		
Closing Asset Costs	314,483	1,346,631	11,191,648	184,095	6,029,547	10,794,890	782,453	29,264,184	
Amortization									
Opening Accumulated Amortization Costs		931,819	3,661,975	95,904	3,378,051	5,360,080		12,656,673	
Add: Amortization taken		79,041	296,955	11,166	220,685	294,494		762,081	
Less: Accumulated amortization on disposals					(162,957)			9,075	
Closing Accumulated Amortization Costs	-	1,010,860	3,958,930	107,070	3,435,779	5,654,574	-	13,427,829	
Net Book Value	314,483	335,771	7,232,718	77,025	2,593,768	5,140,316	782,453	15,836,355	

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

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

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

3. Amount of interest capitalized in 2016 \$ -

Town of Rosetown
 Consolidated Schedule of Tangible Capital Assets by Function
 As at December 31, 2016

	2016							2015 - restated Total
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	
Assets								
Asset cost								
Opening Asset costs	414,169	741,148	4,968,634	5,586,956		3,010,404	14,542,873	28,875,510
Additions during the year	391,412	416,176	371,867	39,903		43,421	298,176	414,372
Disposals and write-downs during the year			(154,064)	(8,893)			(18,435)	(25,698)
Closing Asset Costs	805,581	1,157,324	5,186,437	5,617,966	-	3,053,825	14,822,614	29,264,184
Amortization								
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	152,961	722,852	2,331,994	443,353		1,336,232	8,440,437	12,656,673
Add: Amortization taken	4,223	30,224	238,978	169,640		117,323	341,953	762,081
Less: Accumulated amortization on disposals			(154,064)	(8,893)				9,075
Closing Accumulated Amortization Costs	157,184	753,076	2,416,908	604,100	-	1,453,555	8,782,390	13,427,829
Net Book Value	648,397	404,248	2,769,529	5,013,866	-	1,600,270	6,040,224	15,836,355

Town of Rosetown
Consolidated Schedule of Accumulated Surplus
As at December 31, 2016

Schedule 8

	2015 - restated	Changes	2016
UNAPPROPRIATED SURPLUS	1,565,715	(943,707)	622,008
APPROPRIATED RESERVES			
Capital Trust	479,600	663,532	1,143,132
Fire Department	322,688	(312,500)	10,188
Utility	162,326	278,551	440,877
Lot Development	91,500	20,500	112,000
Public Reserve	50,204	5,000	55,204
Cemetery Improvements	39,735	(28,291)	11,444
Machinery and Equipment	39,038	2,740,050	2,779,088
Health and Welfare Reserve		104,100	104,100
Orange Memories Personal Care Home	62,576	16,955	79,531
Rosetown & District Civic Centre	75,784	(12,120)	63,664
Other	70,993	6,000	76,993
Total Appropriated	1,394,444	3,481,777	4,876,221
ORGANIZED HAMLETS (add lines if required)			
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
Total Organized Hamlets	-	-	-
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	15,836,355	640,179	16,476,534
Less: Related debt	(2,426,227)	(2,542,259)	(4,968,486)
Net Investment in Tangible Capital Assets	13,410,128	(1,902,080)	11,508,048
Total Accumulated Surplus	16,370,287	635,990	17,006,277

**Town of Rosetown
Schedule of Mill Rates and Assessments
As at December 31, 2016**

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	749,870	101,343,410			29,713,500		131,806,780
Regional Park Assessment							
Total Assessment							131,806,780
Mill Rate Factor(s)	0.4763	0.6475			1.7900		
Total Base/Minimum Tax (generated for each property class)	6,400	786,144			30,400		822,944
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	13,411	1,781,674			1,084,876		2,879,961

	MILLS
Average Municipal*	21.8499
Average School*	5.7681
Potash Mill Rate	
Uniform Municipal Mill Rate	19.6300

* Average Mill Rates (multiply the total tax levy for each taxing authority by 1000 and divide by the total assessment for the taxing authority).

**Town of Rosetown
Schedule of Council Remuneration (Unaudited)
As at December 31, 2016**

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Mayor	Adam Krieser	6,862	1,631	8,493
Former Mayor	Brian Gerow	13,712	1,049	14,761
Councillor	Tim Askin	7,548	1,748	9,296
Councillor	Gary Groves	6,862	466	7,328
Councillor	Hugh Lees	6,862	1,859	8,721
Councillor	Rome Molsberry	6,862	1,497	8,359
Councillor	Rick Bell	6,862	1,165	8,027
Councillor	Trevor Hay			-
Councillor	Carl Ledding			-
Councillor	Blair Wingert			-
Councillor	Ramona Molsberry			-
				-
				-
				-
Total		55,570	9,415	64,985