
Annual Financial Statements

And Supporting Schedules

For The

Rural Municipality of Hillsdale No. 440

For the year ended December 31, 2015

Management's Responsibility

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

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

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

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

Holm Raiche Oberg, Chartered Professional Accountants P.C. Ltd., an independent firm of chartered professional accountants, is appointed by Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and administration to discuss their audit findings.

June 9, 2016
Date


Reeve


Administrator



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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Rural Municipality of Hillsdale No. 440, which comprise the statement of financial position as at December 31, 2015, and the statements of operations, change in net financial assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Rural Municipality of Hillsdale No. 440 as at December 31, 2015, and the results of its operations, change in net financial assets and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The current year's supplementary information included in the schedules and appendices is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

North Battleford, Saskatchewan
June 9, 2016


Chartered Professional Accountants

Graham K. Holm, CPA, CA* Loralie A. Raiche, CPA, CA, CFP* Dallan D. Oberg, CPA, CA*

*Denotes a professional corporation



Rural Municipality of Hillsdale No. 440

Statement of Financial Position

As at December 31, 2015

Statement 1

	2015	2014
FINANCIAL ASSETS		<i>(Re-stated)</i>
Cash and Temporary Investments (Note 2)	\$ 5,169,977	\$ 4,801,560
Taxes Receivable - Municipal (Note 3)	404,890	368,972
Other Accounts Receivable (Note 4)	284,872	196,566
Land for Resale		
Long-term Investments (Note 5)	82,890	84,891
Debt Charges Recoverable		
Other (Specify)		
Total Financial Assets	5,942,629	5,451,989

LIABILITIES

Bank Indebtedness (Note 6)		
Accounts Payable	34,410	182,319
Accrued Liabilities Payable		
Deposits	50,000	1
Deferred Revenue		
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Long-term Debt (Note 7)		
Lease Obligations (Note 8)	109,128	229,263
Total Liabilities	193,538	411,583

NET FINANCIAL ASSETS	5,749,091	5,040,406
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Non-Financial Assets

Tangible Capital Assets (Schedule 6, 7)	21,762,153	20,805,442
Prepayments and Deferred Charges	5,995	5,936
Stock and Supplies	808,646	755,791
Other		
Total Non-Financial Assets	22,576,794	21,567,169

Accumulated Surplus (Deficit) (Schedule 8)	\$ 28,325,885	\$ 26,607,575
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Rural Municipality of Hillsdale No. 440

Statement of Operations

For the year ended December 31, 2015

Statement 2

	2015 Budget	2015	2014
Revenues			
Taxes and Other Unconditional Revenue (Schedule 1)	\$ 5,283,421	\$ 5,336,255	\$ 5,141,879
Fees and Charges (Schedule 4, 5)	170,900	203,276	395,193
Conditional Grants (Schedule 4, 5)	32,020	41,742	40,611
Tangible Capital Asset Sales - Gain (loss) (Schedule 4, 5)	15,598	(25,438)	
Land Sales - Gain (Schedule 4, 5)			
Investment Income and Commissions (Schedule 4, 5)	17,000	58,677	71,782
Other Revenues (Schedule 4, 5)		21,434	29,890
Total Revenues	5,518,939	5,635,946	5,679,355
Expenses			
General Government Services (Schedule 3)	387,709	508,282	353,833
Protective Services (Schedule 3)	89,898	92,007	71,008
Transportation Services (Schedule 3)	3,083,790	3,156,487	2,816,518
Environmental and Public Health Services (Schedule 3)	95,146	76,759	70,756
Planning and Development Services (Schedule 3)	16,304	14,412	10,670
Recreation and Cultural Services (Schedule 3)	96,756	101,667	98,198
Utility Services (Schedule 3)			
Total Expenses	3,769,603	3,949,614	3,420,983
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	1,749,336	1,686,332	2,258,372
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	31,922	31,978	31,922
Surplus (Deficit) of Revenues over Expenses	\$ 1,781,258	1,718,310	2,290,294
Accumulated Surplus (Deficit), Beginning of Year		26,607,575	24,317,281
Accumulated Surplus (Deficit), End of Year		\$ 28,325,885	\$ 26,607,575

Rural Municipality of Hillsdale No. 440
Statement of Change in Net Financial Assets
For the year ended December 31, 2015

Statement 3

	2015 Budget	2015	2014 (Re-stated)
Surplus (Deficit)	\$ 1,781,258	\$ 1,718,310	\$ 2,290,294
(Acquisition) of tangible capital assets	(2,515,119)	(2,545,409)	(2,714,194)
Amortization of tangible capital assets	1,337,550	1,376,883	1,337,549
Proceeds on disposal of tangible capital assets		186,377	
Loss (gain) on the disposal of tangible capital assets		25,438	
Surplus (Deficit) of capital revenue over expenditures	(1,177,569)	(956,711)	(1,376,645)
(Acquisition) of supplies inventories	(112,000)	(52,855)	(288,421)
(Acquisition) of prepaid expense		(59)	(5,936)
Consumption of supplies inventories			
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures	(112,000)	(52,914)	(294,357)
Increase (Decrease) in Net Financial Assets	\$ 491,689	708,685	619,292
Net Financial Assets - Beginning of Year		5,040,406	4,421,114
Net Financial Assets - End of Year		\$ 5,749,091	\$ 5,040,406

Rural Municipality of Hillsdale No. 440
Statement of Cash Flow
For the year ended December 31, 2015

Statement 4

	2015	2014 (Re-stated)
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	\$ 1,718,310	\$ 2,290,294
Amortization	1,376,883	1,337,549
Loss (gain) on disposal of tangible capital assets	25,438	
	<u>3,120,631</u>	<u>3,627,843</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	(35,918)	(114,612)
Other Receivables	(88,306)	200,954
Land for Resale		
Other Financial Assets		
Accounts and Accrued Liabilities Payable	(147,909)	58,732
Deposits	49,999	
Deferred Revenue		
Accrued Landfill costs		
Liability for Contaminated Sites		
Other Liabilities		
Stock and Supplies for Use	(52,855)	(288,422)
Prepayments and Deferred Charges	(59)	(5,936)
Other (Specify)		
Net cash provided by (used for) operations	2,845,583	3,478,559
Capital:		
Acquisition of Tangible Capital Assets	(2,545,409)	(2,714,194)
Proceeds From the Disposal of Tangible Capital Assets	186,377	
Other Capital		
Net cash provided by (used for) capital	(2,359,032)	(2,714,194)
Investing:		
Long-term Investments	2,001	23,088
Other Investments		
Net cash provided by (used for) investing	2,001	23,088
Financing:		
Debt Charges Recovered		
Long-term Debt Issued		
Long-term Debt Repaid		
Other Financing	(120,135)	229,263
Cash provided by (used for) financing transactions	(120,135)	229,263
Change in Cash and Temporary Investments during the year	368,417	1,016,716
Cash and Temporary Investments - Beginning of Year	4,801,560	3,784,844
Cash and Temporary Investments - End of Year	\$ 5,169,977	\$ 4,801,560

1. Significant Accounting Policies

The financial statements of the municipality are prepared by management in accordance with the local government accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies are as follows:

- a) **Basis of Accounting:** The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.
- b) **Reporting Entity:** The financial statements consolidates the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources. Entities included in these financial statements are as follows:

Entity

Rural Municipality of Hillsdale No. 440

- c) **Collection of Funds for Other Authorities:** Collection of funds by the municipality for the school board and municipal hall are collected and remitted in accordance with relevant legislation. The amounts collected are disclosed in Note 3.
- d) **Government Transfers:** Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occurred, as long as:
 - a) the transfer is authorized;
 - b) eligibility criteria have been met; and
 - c) a reasonable estimate of the amount can be made.

Unearned government transfer amounts received but not earned will be recorded as deferred revenue.

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

- e) **Deferred Revenue:** Fees and charges - certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.
- f) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- g) **Net-Financial Assets:** Net-financial assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.
- h) **Non-Financial Assets:** Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

1. Significant Accounting Policies - continued

- i) **Appropriated Reserves:** Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 8.
- j) **Property Tax Revenue:** Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by council following the guidance of the Government of Saskatchewan. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.
- k) **Investments:** Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment. .
- l) **Inventories:** Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.
- m) **Tangible Capital Assets:** All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
General Assets	
Land	Indefinite
Land Improvements	5 to 20 Yrs.
Buildings	10 to 50 Yrs.
Vehicles and Equipment	
Vehicles	5 to 10 Yrs.
Machinery and Equipment	5 to 10 Yrs.
Infrastructure Assets	
Water and Sewer	30 to 75 Yrs.
Road Network Assets	30 to 75 Yrs.

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

Works of Art: Assets that have a historical or cultural significance, which include works of art, monuments and other cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with this property cannot be made.

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

Leases: All leases are recorded on the financial statement as either a capital or operating lease. Any lease that transfers the majority of benefits and risk associated with the leased asset is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. Assets under capital leases are amortized on a straight-line basis, over their estimated useful lives. Any other lease not meeting the before mentioned criteria is classified as a operating lease and rental payments are expensed as incurred.

1. Significant Accounting Policies - continued

- n) **Trust Funds:** Funds held in trust for others are neither included in the municipality's assets or equity. They are disclosed in Note 12.
- 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.
- 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. Taxes receivable and accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Allowances are determined through an annual review of outstanding amounts.

The measurement of materials and supplies are based on estimates of volume and quality. The 'Opening Asset costs' of tangible capital assets have been estimated where actual costs were not available. Amortization is based on the estimated useful lives of tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in operations in the periods in which they become known.

- r) **Basis of Segmentation:** The municipality has adopted the Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the purpose of specific borrowings.

The segments (functions) are as follows:

General Government: The general government segment provides for the administration of the municipality.

Protective Services: The protective services segment is comprised of expenses for police and fire protection.

Transportation Services: The transportation services segment is responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

Environmental and Public Health: The environmental segment provides waste disposal and other environmental services. The public health segment provides for expenses related to public health services in the municipality.

Planning and Development: The planning and development segment provides for neighborhood development and sustainability.

Recreation and Cultural: The recreation and cultural segment provides for community services through the provision of recreation and leisure services.

Utility Services: The utility services segment provides for delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

- s) **Land Sales:** Land sales are recognized in the financial statements as revenues in the period in which the contract is signed and the ability to collect is reasonably assured.
- t) **Land for Resale:** Land for resale is recorded at the lower of cost to prepare the land for sale and the market value of the land. Costs to prepare the land for sale include leveling, grading and utility service connections. The land is considered available for sale when all the land preparation is completed.
- u) **Tax Title Property:** Property acquired through the tax enforcement process and temporarily held is recorded at the lesser of the carrying amount (cost equal to the outstanding taxes including any applicable penalties up to the date of acquisition plus any costs necessary to maintain after acquisition) and the net recoverable amount. Impairment losses are not reversed in subsequent years, if net recoverable value subsequently increases.

Rural Municipality of Hillsdale No. 440
Notes to the Financial Statements
For the year ended December 31, 2015

	2015	2014
2. Cash and Temporary Investments		
Cash	\$ 5,169,977	\$ 4,801,560
Temporary Investments		
Restricted Cash		
Total Cash and Temporary Investments	\$ 5,169,977	\$ 4,801,560

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

The municipality has set aside funds (restricted cash) to finance future expenditures based upon appropriated reserves (Schedule 8) determined by council; these funds are internally restricted. The appropriated reserves are underfunded by \$1,643,338 and \$1,638,050 as of December 31, 2015 and 2014, respectively. However, there are sufficient funds in the general account to fund the reserves.

3. Taxes and Grants in Lieu Receivable

Municipal - Current	\$ 73,493	\$ 85,999
- Arrears	431,397	283,722
	504,890	369,721
- Less Allowance for Uncollectibles	(100,000)	(749)
Total Municipal Taxes Receivable	404,890	368,972

School - Current	13,654	14,986
- Arrears	73,545	53,168
Total School Taxes Receivable	87,199	68,154

Other		
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Total Taxes and Grants in Lieu Receivable 492,089 437,126

Deduct taxes receivable to be collected on behalf of other organizations (87,199) (68,154)

Total Taxes Receivable - Municipal \$ 404,890 \$ 368,972

4. Other Accounts Receivable

Federal government	\$ 70,613	\$ 64,375
Provincial government	21,447	
Local government	33,909	35,749
Utility		
Trade	158,903	96,442
Other		
Total Other Accounts Receivable	284,872	196,566

Less Allowance for Uncollectibles

Net Other Accounts Receivable \$ 284,872 \$ 196,566

5. Long-term Investments

Sask. Assoc. of Rural Municipalities - Self Insurance Fund	\$ 48,825	\$ 50,311
Village of Neilburg - debentures		10,000
Synergy Credit Union - equity	16,423	12,590
Lloydminster & District Cooperative - equity	17,537	11,885
Pine Island Lodge - shares	100	100
Synergy Credit Union - shares	5	5

Total Long-term Investments \$ 82,890 \$ 84,891

The long-term investments in the Saskatchewan Association of Rural Municipalities - Self Insurance Fund and Property Insurance Fund are accounted for on the equity basis. Other long-term investments are recorded at cost.

6. Credit Facility Agreement

The municipality has a credit facility agreement with its financial institution that covers its long-term debt facilities referred to in Note 10 and a revolving operating line of credit in the amount of \$750,000.

Interest on the line of credit is prime plus 1%. Security for the line of credit is the assignment of the municipality's municipal taxes receivable. There was no balance owing at year end under this line of credit in 2015 and 2014.

7. Long-term Debt

a) The debt limit of the municipality is \$5,146,158. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the *Municipalities Act* section 161).

8. Lease Obligations

Future minimum lease payments under the capital leases together with the balance of the obligation due under the capital leases are as follows:

Year	Payment	Principal	Interest
2016	\$ 114,566	\$ 109,128	\$ 5,438
2017			
2018			
2019			
2020			
Thereafter			
Total future minimum lease payments			114,566
Amounts representing interest at a weighted average rate of 4.97%			(5,438)
Capital lease liability			\$ 109,128

9. Pension Plan

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality's pension expense in 2015 was \$56,479 (2014 - \$43,401). 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.

10. Comparative Figures

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

11. Budget Figures

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

Rural Municipality of Hillsdale No. 440
Notes to the Financial Statements
For the year ended December 31, 2015

12. Trusts Administered by the Municipality

A summary of trust fund activity by the municipality during the year is as follows:
 Cut Knife Health Trust & SAMA Trust

Balance - Beginning of Year	\$ 57,162	\$ 56,525
Revenue (Specify)		
Interest revenue	418	637
Expenditure (Payout for Nurse Call System)	(57,580)	
Balance - End of Year	\$ 57,162	\$ 57,162

13. Prior Period Adjustment

The rural municipality has restated its financial statements to include the acquisition of tangible capital assets by way of capital lease which occurred in the year ended December 31, 2014

Effect of Change to 2014 Statement of Change in Net Financial Assets	
Net Financial Assets at beginning of year as previously reported	\$ 5,269,669
Less: Acquisition of tangible capital assets	(229,263)
Net Financial Assets at beginning of year as restated	\$ 5,040,406

Effect of Change on 2014 Statement of Financial Position	
2014 Accumulated Surplus at the end of year as previously reported	\$26,607,575
Add: Acquisition of tangible capital assets	229,263
Less: Lease obligation	(229,263)
2014 Accumulated Surplus at end of year as restated	\$26,607,575

Rural Municipality of Hillsdale No. 440
Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2015

Schedule 1

	2015 Budget	2015	2014
TAXES			
General municipal tax levy	\$ 5,250,590	\$ 5,240,962	\$ 5,099,309
Abatements and adjustments	(1,500)	(5,154)	(1,500)
Discount on current year taxes	(250,000)	(252,139)	(244,466)
Net Municipal Taxes	4,999,090	4,983,669	4,853,343
Potash tax share			
Trailer license fees			
Penalties on tax arrears	25,000	88,657	58,103
Special tax levy			
Other (Specify)			
Total Taxes	5,024,090	5,072,326	4,911,446

UNCONDITIONAL GRANTS

Equalization (Revenue Sharing)	226,631	226,631	195,094
Organized Hamlet			
Total Unconditional Grants	226,631	226,631	195,094

GRANTS IN LIEU OF TAXES

Federal			
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
Transgas			
SPMC - Municipal Share			
SaskTel	23,471	24,669	23,471
Other (Sask. environment and resource management)	523	550	523
Local/Other			
Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement	8,706	12,079	11,345
Other (Specify)			
Other Government Transfers			
S.P.C. Surcharge			
Sask Energy Surcharge			
Other (Specify)			
Total Grants in Lieu of Taxes	32,700	37,298	35,339

TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 5,283,421	\$ 5,336,255	\$ 5,141,879
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Rural Municipality of Hillsdale No. 440
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2015

Schedule 2 - 1

GENERAL GOVERNMENT SERVICES

Operating

	2015 Budget	2015	2014
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 1,500	\$ 970	\$ 11,978
- Sales of supplies	1,000	1,999	1,804
- Other (General office services)	2,900	3,056	5,404
Total Fees and Charges	5,400	6,025	19,186
- Tangible capital asset sales - gain (loss)		(4,410)	
- Land sales - gain			
- Investment income and commissions	17,000	58,677	71,782
- Other (SARM & WCB & MHH)		14,225	27,670
Total Other Segmented Revenue	22,400	74,517	118,638
Conditional Grants			
- Student Employment			
- Other (Village share of wages & MAIP)	18,850	23,083	17,197
Total Conditional Grants	18,850	23,083	17,197
Total Operating	41,250	97,600	135,835

Capital

Conditional Grants			
- Federal Gas Tax			
- Canada/Sask Municipal Rural Infrastructure Fund			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total General Government Services	41,250	97,600	135,835

PROTECTIVE SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Other (Fire Fees)			7,418
Total Fees and Charges			7,418
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue			7,418
Conditional Grants			
- Student Employment			
- Local government			
- Other (Specify)			
Total Conditional Grants			
Total Operating			7,418

Capital

Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Local government			
- Other (Specify)			
Total Capital			
Total Protective Services			7,418

Rural Municipality of Hillsdale No. 440
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2015

Schedule 2 - 2

	2015 Budget	2015	2014
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	18,000	15,634	22,933
- Sales of supplies	3,000	1,765	1,662
- Road Maintenance and Restoration Agreements	50,000	52,007	189,137
- Frontage			
- Other (Licenses and permits)	9,500	13,725	39,452
Total Fees and Charges	80,500	83,131	253,184
- Tangible capital asset sales - gain (loss)	15,598	(21,028)	
- Other (Specify)			
Total Other Segmented Revenue	96,098	62,103	253,184
Conditional Grants			
- Primary Weight Corridor	10,670	10,670	10,670
- Student Employment			
- Other (WSA Channel Clearing)		975	
Total Conditional Grants	10,670	11,645	10,670
Total Operating	106,768	73,748	263,854
Capital			
Conditional Grants			
- Federal Gas Tax	31,922	31,978	31,922
- Canada/Sask Municipal Rural Infrastructure Fund			
- Heavy Haul			
- Designated Municipal Roads and Bridges			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital	31,922	31,978	31,922
Total Transportation Services	138,690	105,726	295,776

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	5,000	5,230	4,914
- Other (Pest Control)	1,000	2,345	1,691
Total Fees and Charges	6,000	7,575	6,605
- Tangible capital asset sales - gain (loss)			
- Other (Cemetery)		7,209	2,220
Total Other Segmented Revenue	6,000	14,784	8,825
Conditional Grants			
- Student Employment			
- Local government			
- Other (PREP & Beaver Control)	2,500	7,014	12,744
Total Conditional Grants	2,500	7,014	12,744
Total Operating	8,500	21,798	21,569
Capital			
Conditional Grants			
- Federal Gas Tax			
- Canada/Sask Municipal Rural Infrastructure Fund			
- Transit for Disabled			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total Environmental and Public Health Services	8,500	21,798	21,569

Rural Municipality of Hillsdale No. 440
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2015

Schedule 2 - 3

	2015 Budget	2015	2014
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges		1,801	300
- Other (Pasture and oil well rentals)	79,000	104,744	108,500
Total Fees and Charges	79,000	106,545	108,800
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	79,000	106,545	108,800
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
Total Operating	79,000	106,545	108,800
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total Planning and Development Services	79,000	106,545	108,800

RECREATION AND CULTURAL SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Other (Specify)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Local government			
- Donations			
- Other (Specify)			
Total Conditional Grants			
Total Operating			
Capital			
Conditional Grants			
- Federal Gas Tax			
- Local government			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total Recreation and Cultural Services			

Rural Municipality of Hillsdale No. 440
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2015

Schedule 2 - 4

	2015 Budget	2015	2014
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water			
- Sewer			
- Other (Specify)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants			
Total Operating			
Capital			
Conditional Grants			
- Federal Gas Tax			
- Sask Water Corp.			
- Provincial Disaster Assistance			
- Other (Specify)			
Total Capital			
Total Utility Services			

TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 267,440	\$ 331,669	\$ 569,398
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SUMMARY

Total Other Segmented Revenue	\$ 203,498	\$ 257,949	\$ 496,865
Total Conditional Grants	32,020	41,742	40,611
Total Capital Grants and Contributions	31,922	31,978	31,922
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 267,440	\$ 331,669	\$ 569,398

	2015 Budget	2015	2014
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 26,000	\$ 27,642	\$ 23,033
Wages and benefits	250,262	276,689	211,854
Professional/Contractual services	71,803	71,422	78,411
Utilities	7,134	7,025	7,014
Maintenance, materials and supplies	24,600	18,627	25,563
Grants and contributions - operating	500	800	550
- capital			
Amortization	7,410	6,676	7,408
Interest			
Allowance for uncollectibles		99,251	
Other (Specify)		150	
Total Government Services	387,709	508,282	353,833

PROTECTIVE SERVICES**Police protection**

Wages and benefits			
Professional/Contractual services	22,194	23,877	22,194
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Other (Specify)			

Fire protections

Wages and benefits			
Professional/Contractual services	67,704	68,130	42,602
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating			
- capital			6,212
Amortization			
Interest			
Other (Specify)			

Total Protective Services	89,898	92,007	71,008
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TRANSPORTATION SERVICES

Wages and benefits	588,092	618,572	505,335
Professional/Contractual Services	73,500	129,870	65,349
Utilities	13,060	11,603	12,805
Maintenance, materials and supplies	373,000	341,010	376,714
Gravel	700,000	673,374	516,560
Grants and contributions - operating			
- capital			
Amortization	1,328,788	1,368,854	1,328,788
Interest	7,350	13,204	10,967
Other (Specify)			

Total Transportation Services	3,083,790	3,156,487	2,816,518
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	2015 Budget	2015	2014
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	180	174	178
Professional/Contractual services	81,798	66,359	63,118
Utilities	500	738	277
Maintenance, materials and supplies	10,120	6,940	4,635
Grants and contributions - operating			
o Waste disposal			
o Public Health	1,500	1,500	1,500
- capital			
o Waste disposal			
o Public Health			
Amortization	1,048	1,048	1,048
Interest			
Other (Specify)			
Total Environmental and Public Health Services	95,146	76,759	70,756

PLANNING AND DEVELOPMENT SERVICES

Wages and benefits			
Professional/Contractual Services	16,000	13,107	10,365
Grants and contributions - operating			
- capital			
Amortization	304	305	305
Interest			
Other (Crown Land Purchase)		1,000	
Total Planning and Development Services	16,304	14,412	10,670

RECREATION AND CULTURAL SERVICES

Wages and benefits			
Professional/Contractual services	7,756	8,090	7,332
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating	89,000	89,577	90,866
- capital		4,000	
Amortization			
Interest			
Allowance for uncollectibles			
Other (Specify)			
Total Recreation and Cultural Services	96,756	101,667	98,198

Rural Municipality of Hillsdale No. 440

Total Expenses by Function

For the year ended December 31, 2015

Schedule 3 - 3

	2015 Budget	2015	2014
UTILITY SERVICES			
Wages and benefits			
Professional/Contractual services			
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Allowance for uncollectibles			
Other (Specify)			
Total Utility Services			
TOTAL EXPENSES BY FUNCTION	\$ 3,769,603	\$ 3,949,614	\$ 3,420,983

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

Schedule 4

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

Taxation and Other Unconditional Revenue (Schedule 1)

5,336,255

Net Surplus (Deficit)

\$ 1,718,310

Rural Municipality of Hillsdale No. 440
Schedule of Segment Disclosure by Function
For the year ended December 31, 2014

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Cultural	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 19,186	\$ 7,418	\$ 253,184	\$ 6,605	\$ 108,800	\$	\$	\$ 395,193
Tangible Capital Asset Sales - Gain								
Land Sales - Gain	71,782							71,782
Investment Income and Commissions	27,670			2,220				29,890
Other Revenues	17,197		10,670	12,744				40,611
Grants - Conditional - Capital			31,922					31,922
Total revenues	135,835	7,418	295,776	21,569	108,800			569,398
Expenses (Schedule 3)								
Wages & Benefits	234,887		505,335	178				740,400
Professional/ Contractual Services	78,411	64,796	65,349	63,118	10,365	7,332		289,371
Utilities	7,014		12,805	277				20,096
Maintenance, Materials and Supplies	25,563		893,274	4,635				923,472
Grants and Contributions	550	6,212	1,328,788	1,500	305	90,866		99,128
Amortization	7,408		10,967	1,048				1,337,549
Interest								10,967
Allowance for Uncollectibles								
Other								
Total expenses	353,833	71,008	2,816,518	70,756	10,670	98,198		3,420,983
Surplus (Deficit) by Function	\$ (217,998)	\$ (63,590)	\$ (2,520,742)	\$ (49,187)	\$ 98,130	\$ (98,198)		(2,851,585)
Taxation and Other Unconditional Revenue (Schedule 1)								5,141,879
Net Surplus (Deficit)								\$ 2,290,294

Rural Municipality of Hillsdale No. 440
Schedule of Tangible Capital Assets by Object
For the year ended December 31, 2015

Schedule 6

2014
(Re-stated)

2015

	General Assets					Infrastructure Assets		General/ Infrastructure Assets Under Construction	Total	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets				
Asset Cost										
Opening Asset costs	\$ 403,537	\$ 58,731	\$ 719,662	\$ 123,021	\$ 2,548,857	\$ 24,109,315		\$ 2,169,185	\$ 30,132,308	\$ 27,418,114
Additions during the year					475,487	2,069,922			2,545,409	2,714,194
Disposals and write-downs during the year					(398,098)			(2,125,056)	(398,098)	
Transfers (from) assets under construction						2,125,056				
Closing Asset Costs	403,537	58,731	719,662	123,021	2,626,246	28,304,293		44,129	32,279,619	30,132,308
Accumulated Amortization Cost										
Opening Accumulated Amortization Costs		7,642	181,921	37,589	443,687	8,656,027			9,326,866	7,989,317
Add: Amortization taken		3,915	14,632	10,163	217,110	1,131,063			1,376,883	1,337,549
Less: Accumulated amortization on disposals					(186,283)				(186,283)	
Closing Accumulated Amortization Costs		11,557	196,553	47,752	474,514	9,787,090			10,517,466	9,326,866
Net Book Value	\$ 403,537	\$ 47,174	\$ 523,109	\$ 75,269	\$ 2,151,732	\$ 18,517,203		\$ 44,129	\$ 21,762,153	\$ 20,805,442

1. Total contributed/donated assets received in 2015: \$ -

2. List of assets recognized at nominal value in 2015 are:

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

Rural Municipality of Hillsdale No. 440
Schedule of Tangible Capital Assets by Function
For the year ended December 31, 2015

Schedule 7

	2015							2014 (Re-stated)
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Cultural	Water & Sewer	Total
Assets								
Asset Cost								
Opening Asset costs	\$ 264,026		\$ 29,468,942	\$ 25,343	\$ 373,997			\$ 30,132,308
Additions during the year			2,545,409					2,545,409
Disposals and write-downs during the year	(7,350)		(390,748)					(398,098)
Closing Asset Costs	256,676		31,623,603	25,343	373,997			32,279,619
Amortization								
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	122,063		9,199,754	4,136	913			7,989,317
Add: Amortization taken	6,676		1,368,854	1,048	305			1,337,549
Less: Accumulated amortization on disposals	(2,940)		(183,343)					(186,283)
Closing Accumulated Amortization Costs	125,799		10,385,265	5,184	1,218			9,326,866
Net Book Value	\$ 130,877	\$	\$ 21,238,338	\$ 20,159	\$ 372,779			\$ 20,805,442

Rural Municipality of Hillsdale No. 440
Schedule of Accumulated Surplus
For the year ended December 31, 2015

Schedule 8

	2014	Changes	2015
	<i>(Re-stated)</i>		
UNAPPROPRIATED SURPLUS	\$ 4,393,346	\$ 636,176	\$ 5,029,522

APPROPRIATED RESERVES

Machinery and Equipment			
Public Reserve		701	701
Capital Trust			
Utility			
Future Capital	1,638,050	4,587	1,642,637
Total Appropriated	1,638,050	5,288	1,643,338

NET INVESTMENT IN TANGIBLE CAPITAL ASSETS

Tangible capital assets (Schedule 6)	20,805,442	956,711	21,762,153
Less: Related debt	(229,263)	120,135	(109,128)
Net Investment in Tangible Capital Assets	20,576,179	1,076,846	21,653,025

Total Accumulated Surplus	\$ 26,607,575	\$ 1,718,310	\$ 28,325,885
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Rural Municipality of Hillsdale No. 440
Schedule of Mill Rates and Assessments
For the year ended December 31, 2015

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	\$ 47,550,405	\$ 4,903,535		\$ 5,810	\$ 63,146,500		\$ 115,606,250
Regional Park Assessment							
Total Assessment							115,606,250
Mill Rate Factor(s)	1	1		1	9		
Total Base/Minimum Tax (generated for each property class)		22,000					22,000
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ 399,899	\$ 61,453		\$ 49	\$ 4,779,561		\$ 5,240,962

MILL RATES: MILLS

Average Municipal*	45.3346
Average School*	7.3261
Potash Mill Rate	
Uniform Municipal Mill Rate	8.4100

* Average Mill Rates (multiply the total tax levy for each taxing authority by 1,000 and divide by the total assessment for the taxing authority.)

Rural Municipality of Hillsdale No. 440
Schedule of Council Remuneration
For the year ended December 31, 2015
(Unaudited)

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Glenn Goodfellow	\$ 5,180	\$ 2,590	\$ 7,770
Councillor	Trevor McCrea	3,920	1,960	5,880
Councillor	Jerry Petovello	4,130	2,065	6,195
Councillor	Bernadette Poppleton	3,850	1,925	5,775
Councillor	Vincent Murphy	3,430	1,715	5,145
Councillor	Floyd Whitney	3,010	1,505	4,515
Councillor	Dale (Chip) Chibri	3,920	1,960	5,880
Total		\$ 27,440	\$ 13,720	\$ 41,160