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TOWN OF CUPAR

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2016

Partnership of Chartered Professional Accountants
Understanding your Business

TOWN OF CUPAR
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2016

TOWN OF CUPAR
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STATEMENT OF RESPONSIBILITY

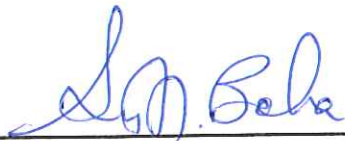
To the Ratepayers of the Town of Cupar:

Management is responsible for the preparation and presentation of the accompanying financial statements, including the 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 for financial statements.

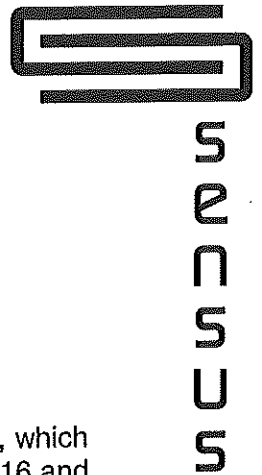
The Council is composed of elected officials who are not employees of the Town. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities. The Council fulfills these responsibilities by reviewing the financial information prepared by the administration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

Sensus Partnership of Chartered Professional Accountants, 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

Administrator



INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of:
Town of Cupar
Cupar, Saskatchewan

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Town of Cupar, which are comprised of the consolidated statement of financial position as at December 31, 2016 and the consolidated statement of operations, consolidated statement of changes in net financial assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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.

Auditors' 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 auditors' 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 entity'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 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of Town of Cupar as at December 31, 2016 and its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Yorkton, Saskatchewan
June 22, 2017

Sensus Partnership
Chartered Professional Accountants

Partnership of Chartered Professional Accountants
Understanding your Business

TOWN OF CUPAR
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 As at December 31, 2016

| | 2016 | 2015 |
|---|---------------------|---------------------|
| FINANCIAL ASSETS | | |
| Cash and temporary investments (Note 2) | \$ 1,036,974 | \$ 854,173 |
| Taxes receivable - municipal (Note 3) | 51,133 | 59,875 |
| Amounts receivable (Note 4) | 73,181 | 66,690 |
| Land for resale (Note 5) | 27,820 | 17,983 |
| Loan receivable (Note 6) | 36,000 | 40,000 |
| Other Assets: Cupar Consumers' Cooperative Equity | 672 | 617 |
| TOTAL FINANCIAL ASSETS | 1,225,780 | 1,039,338 |
| LIABILITIES | | |
| Accounts payable | 32,931 | 34,046 |
| Deposits (Note 1) | 20,695 | 20,440 |
| Deferred revenue (Note 7) | 41,905 | 7,895 |
| TOTAL LIABILITIES | 95,531 | 62,381 |
| NET FINANCIAL ASSETS | 1,130,249 | 976,957 |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (Schedules 6 and 7) | 2,681,318 | 2,573,155 |
| Prepaid expenses | 101 | 13,356 |
| TOTAL NON-FINANCIAL ASSETS | 2,681,419 | 2,586,511 |
| ACCUMULATED SURPLUS (Schedule 8) | \$ 3,811,668 | \$ 3,563,468 |

TOWN OF CUPAR
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|--|---------------------|---------------------|---------------------|
| REVENUE | | | |
| Taxes and other unconditional revenue (Schedule 1) | \$ 682,241 | \$ 630,907 | \$ 635,409 |
| Fees and charges (Schedules 4 and 5) | 514,090 | 513,327 | 530,553 |
| Conditional grants (Schedules 4 and 5) | 93,500 | 93,339 | |
| Tangible capital asset sales - gain (Schedules 4 and 5) | | | 1,485 |
| Land sales - gain (Schedules 4 and 5) | 4,000 | | |
| Investment income and commissions (Schedules 4 and 5) | 500 | 3,340 | 3,127 |
| Other revenues (Schedules 4 and 5) | 6,520 | 37,379 | 30,459 |
| | 1,300,851 | 1,278,292 | 1,201,033 |
| EXPENSES | | | |
| General government services (Schedule 3) | 203,689 | 190,027 | 207,701 |
| Protective services (Schedule 3) | 57,800 | 35,549 | 39,726 |
| Transportation services (Schedule 3) | 258,267 | 257,848 | 316,286 |
| Environmental and public health services (Schedule 3) | 93,300 | 88,121 | 99,207 |
| Planning and development services (Schedule 3) | 2,000 | | |
| Recreation and cultural services (Schedule 3) | 243,770 | 86,456 | 138,897 |
| Utility services (Schedule 3) | 478,642 | 409,727 | 412,761 |
| | 1,337,468 | 1,067,728 | 1,214,578 |
| SURPLUS (DEFICIT) BEFORE OTHER CAPITAL CONTRIBUTIONS | (36,617) | 210,564 | (13,545) |
| Provincial/Federal capital grants and contributions (Schedules 4 and 5) | 36,617 | 37,636 | 36,618 |
| ANNUAL SURPLUS (DEFICIT) | | 248,200 | 23,073 |
| ACCUMULATED SURPLUS, BEGINNING OF YEAR | 3,563,468 | 3,563,468 | 3,540,395 |
| ACCUMULATED SURPLUS, END OF YEAR | \$ 3,563,468 | \$ 3,811,668 | \$ 3,563,468 |

TOWN OF CUPAR
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|--|----------------|------------------|-------------------|
| ANNUAL SURPLUS (DEFICIT) | \$ | \$ 248,200 | \$ 23,073 |
| Acquisition of tangible capital assets | | (234,991) | (80,278) |
| Amortization of tangible capital assets | | 126,828 | 142,065 |
| Gain on sale of tangible capital assets | | | (1,485) |
| Proceeds on sale of tangible capital assets | | | 2,000 |
| Decrease (increase) in prepaid expenses | | 13,255 | (5,378) |
| | | (94,908) | 56,924 |
| CHANGE IN NET FINANCIAL ASSETS | \$ | 153,292 | 79,997 |
| NET FINANCIAL ASSETS, BEGINNING OF YEAR | | 976,957 | 896,960 |
| NET FINANCIAL ASSETS, END OF YEAR | \$ | 1,130,249 | \$ 976,957 |

TOWN OF CUPAR
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2016

| | 2016 | 2015 |
|--|--------------|------------|
| OPERATING TRANSACTIONS | | |
| Annual surplus (deficit) | \$ 248,200 | \$ 23,073 |
| Changes in non-cash items: | | |
| Accounts payable and accrued liabilities | (1,115) | 5,450 |
| Amortization | 126,828 | 142,065 |
| Amounts receivable | (6,491) | 63,751 |
| Deferred revenue | 34,010 | (4,490) |
| Deposits | 255 | (410) |
| Land for resale | (9,837) | (12,661) |
| Gain on sale of tangible capital assets | | (1,485) |
| Loan receivable | 4,000 | 23,927 |
| Prepaid expenses | 13,255 | (5,378) |
| Taxes receivable - municipal | 8,742 | 33,615 |
| | <hr/> | <hr/> |
| Cash (used for) provided by operating transactions | 417,847 | 267,457 |
| CAPITAL TRANSACTIONS | | |
| Proceeds on sale of tangible capital assets | | 2,000 |
| Acquisition of tangible capital assets | (234,991) | (80,278) |
| | <hr/> | <hr/> |
| Cash applied to capital transactions | (234,991) | (78,278) |
| INVESTING TRANSACTIONS | | |
| Increase in other assets | (55) | (617) |
| | <hr/> | <hr/> |
| Cash applied to investing transactions | (55) | (617) |
| CHANGE IN CASH AND TEMPORARY INVESTMENTS | 182,801 | 188,562 |
| CASH, BEGINNING OF YEAR | 854,173 | 665,611 |
| | <hr/> | <hr/> |
| CASH, END OF YEAR | \$ 1,036,974 | \$ 854,173 |
| | <hr/> | <hr/> |

TOWN OF CUPAR
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town 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:

Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognized 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.

Reporting Entity

The financial statements consolidates the assets, liabilities, and flow of resources of the Town. The entity is comprised of all of the organizations that are owned or controlled by the Town and are, therefore, accountable to Council for the administration of their financial affairs and resources. The assets, liabilities and operations of the Recreation Boards are not included in these financial statements except for any assistance to the Recreation Boards, as council's position is that it does not control the Recreation Boards.

Collection of Funds for Other Authorities

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

Government Transfers

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

- a) the transfer is authorized
- b) eligibility criteria have been met by the recipient; 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 amount receivable.

Deferred Revenue and Deposits

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.

Local Improvement Charges

Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.

TOWN OF CUPAR
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net-Financial Assets

Net-financial assets at the end of the 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.

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.

Appropriated Reserves

Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 8.

Property Tax Revenues

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.

Portfolio Investments

Portfolio investments are valued at the lower of cost and market, less any provisions for other than temporary impairment. The long term investments in the Saskatchewan Rural Municipalities - Self insurance fund are accounted for on the equity basis.

Inventories

Inventories of materials and supplies expected to be used by the Town 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.

TOWN OF CUPAR
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tangible Capital Assets

All tangible capital asset acquisitions or betterment made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The costs 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 Town's tangible capital asset useful lives are estimated as follows:

| <u>Asset</u> | <u>Useful Life</u> |
|------------------------------|--------------------|
| General assets | |
| Land | Indefinite |
| Land improvements | 15 years |
| Buildings | 40 years |
| Vehicles and equipment | |
| Vehicles | 10 years |
| Machinery and equipment | 10 to 20 years |
| Infrastructure Assets | |
| Infrastructure Assets | 30 to 75 years |
| Water & Sewer | 15 to 40 years |
| Road Network Assets | 15 to 40 years |

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

TOWN OF CUPAR
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the year ended December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

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

Landfill Liability

The Town of Cupar does not maintain a waste disposal site. No amount has been recorded as an asset or liability.

Trust Funds

Funds held in trust for others are neither included in the Town's assets or equity.

Employee Benefit Plans

Contributions to the Municipality's defined benefit plans are expensed when contributions are due and payable. Under the defined benefit multi-employer plans, the Municipality's obligations are limited to their contributions.

Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of 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 the future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

Measurement Uncertainty

The preparation of financial statements in conformity with 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 collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

TOWN OF CUPAR
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Uncertainty (continued)

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

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

Basis of segmentation/Segment report

The Town has adopted the new Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly attributable 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 administration of the Town.

Protective services: Is comprised of expenses for police and fire protection.

Transportation services: 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: Environmental segment provides waste disposal and other environmental services and the public health segment provides for expenses related to public health services in the Town.

Planning and development: Provides for neighbourhood development and sustainability.

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

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

TOWN OF CUPAR
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2016

2. CASH AND TEMPORARY INVESTMENTS

Cash and temporary investments are comprised of the following:

| | 2016 | 2015 |
|-----------------------|---------------------|-------------------|
| Cash | \$ 939,188 | \$ 833,166 |
| Temporary investments | 97,786 | 21,007 |
| | \$ 1,036,974 | \$ 854,173 |

Cash and temporary investments include balances with banks, term deposits, marketable securities, and short-term investments.

3. TAXES AND GRANTS IN LIEU RECEIVABLE

| | 2016 | 2015 |
|--|------------------|------------------|
| Municipal | | |
| - Current | \$ 58,638 | \$ 64,544 |
| - Arrears | 44,349 | 47,185 |
| | 102,987 | 111,729 |
| - Less Allowance for Uncollectibles | (51,854) | (51,854) |
| | 51,133 | 59,875 |
| | | |
| School | | |
| - Current | 11,417 | 12,341 |
| - Arrears | 7,271 | 6,049 |
| | 18,688 | 18,390 |
| Total school taxes receivable | 18,688 | 18,390 |
| Total taxes and grants in lieu receivable | 69,821 | 78,265 |
| Deduct taxes receivable to be collected on behalf of other organizations | (18,688) | (18,390) |
| Municipal and grants in lieu taxes receivable | \$ 51,133 | \$ 59,875 |

TOWN OF CUPAR
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2016

4. AMOUNTS RECEIVABLE

Amounts receivable are valued at their net realized value.

| | 2016 | 2015 |
|-------------------------------|-----------|-----------|
| Federal government | \$ 41,604 | \$ 49,190 |
| Provincial government | 18,065 | |
| Utility | 8,763 | 13,149 |
| Organizations and individuals | 4,749 | 4,351 |
| | \$ 73,181 | \$ 66,690 |
| | \$ 73,181 | \$ 66,690 |

5. LAND FOR RESALE

| | 2016 | 2015 |
|--------------------|-----------|-----------|
| Tax Title Property | \$ 27,820 | \$ 17,983 |
| | \$ 27,820 | \$ 17,983 |
| | \$ 27,820 | \$ 17,983 |

6. LOAN RECEIVABLE

Represents a loan receivable from Cupar Memorial Rink. An agreement was signed in 2015 whereby the loan will be repaid in annual instalments of \$4,000, with no interest, over the next 10 years, commencing in 2016.

7. DEFERRED REVENUE

| | 2016 | 2015 |
|----------------------------------|-----------|----------|
| Pool donations | \$ 33,000 | \$ |
| Prepaid utility services revenue | 8,905 | 7,895 |
| | \$ 41,905 | \$ 7,895 |
| | \$ 41,905 | \$ 7,895 |

8. LONG TERM DEBT

The debt limit of the Town is \$996,549. The debt limit for a Town is the total amount of the Town's own source revenues for the preceding year (Municipalities Act section 161).

TOWN OF CUPAR
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2016

9. 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 Municipality's pension expense in 2016 was \$13,312. 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

The prior year's figures have been restated due to the over amortization of the tangible capital assets in the prior year as well as capital assets purchased in 2014 not being capitalized. The effect of this adjustment is a change to operating surplus as follows:

| | 2016 | 2015 |
|---|--------------|--------------|
| Opening fund balance: | | |
| Accumulated surplus | \$ 3,563,468 | \$ 3,536,617 |
| <hr/> | | |
| Adjustments: | | |
| Amortization of tangible capital assets | | 1,329 |
| Capitalization of tangible capital assets | | 2,449 |
| <hr/> | | |
| Total adjustments | | 3,778 |
| <hr/> | | |
| Accumulated surplus, beginning of year | \$ 3,563,468 | \$ 3,540,395 |
| Annual income | 248,200 | 23,073 |
| <hr/> | | |
| Accumulated surplus, end of year | \$ 3,811,668 | \$ 3,563,468 |
| <hr/> | | |

TOWN OF CUPAR
SCHEDULE 1 - SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES

For the year ended December 31, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|--|-------------------|-------------------|-------------------|
| TAXES | | | |
| General municipal tax levy | \$ 458,879 | \$ 458,879 | \$ 456,518 |
| Abatements and adjustments | (3,520) | (6,514) | (7,457) |
| Discount on current year taxes | (16,650) | (18,169) | (16,651) |
| Net Municipal Taxes | 438,709 | 434,196 | 432,410 |
| Penalties on tax arrears | 14,540 | 10,718 | 14,537 |
| Total Taxes | 453,249 | 444,914 | 446,947 |
| UNCONDITIONAL GRANTS | | | |
| Equalization (Revenue Sharing) | 134,877 | 134,877 | 131,780 |
| Federal grant (GST Rebate) | 41,775 | | |
| Total Unconditional Grants | 176,652 | 134,877 | 131,780 |
| GRANTS IN LIEU OF TAXES | | | |
| Federal | 630 | 1,125 | 626 |
| Provincial | | | |
| S.P.C. Electrical | 28,080 | 28,366 | 30,476 |
| SaskEnergy Gas | 17,140 | 15,443 | 19,095 |
| Other | 1,430 | 1,125 | 1,428 |
| Local/Other | | | |
| Housing Authority | 5,060 | 5,057 | 5,057 |
| Total Grants in Lieu of Taxes | 52,340 | 51,116 | 56,682 |
| TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE | \$ 682,241 | \$ 630,907 | \$ 635,409 |

TOWN OF CUPAR

SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|--|----------------|----------------|----------------|
| GENERAL GOVERNMENT SERVICES | | | |
| Operating | | | |
| Other Segmented Revenue | | | |
| Fees and Charges | | | |
| - Sales of supplies | \$ 360 | \$ 199 | \$ 492 |
| - Other | 920 | 1,225 | 1,280 |
| Total Fees and Charges | 1,280 | 1,424 | 1,772 |
| - Land sales - gain | 4,000 | | |
| - Investment income and commissions | 500 | 3,340 | 3,127 |
| - Other | (3,450) | 12,326 | 11,320 |
| Total Other Segmented Revenue | 2,330 | 17,090 | 16,219 |
| Total Operating | 2,330 | 17,090 | 16,219 |
| Capital | | | |
| Conditional Grants | | | |
| - Gas Tax | 32,890 | 34,508 | 32,887 |
| Total Capital | 32,890 | 34,508 | 32,887 |
| Total General Government Services | 35,220 | 51,598 | 49,106 |
| PROTECTIVE SERVICES | | | |
| Operating | | | |
| Other Segmented Revenue | | | |
| Fees and Charges | | | |
| - Other | 3,500 | 6,309 | 4,027 |
| Total Fees and Charges | 3,500 | 6,309 | 4,027 |
| Total Other Segmented Revenue | 3,500 | 6,309 | 4,027 |
| Total Operating | 3,500 | 6,309 | 4,027 |
| Total Protective Services | 3,500 | 6,309 | 4,027 |

TOWN OF CUPAR

SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|---|----------------|----------------|----------------|
| TRANSPORTATION SERVICES | | | |
| Operating | | | |
| Other Segmented Revenue | | | |
| Fees and Charges | | | |
| - Custom work | \$ 200 | \$ 969 | \$ 3,412 |
| - Other | 3,500 | 3,197 | 5,006 |
| Total Fees and Charges | 3,700 | 4,166 | 8,418 |
| - Tangible capital asset sales - gain (loss) | | | 1,485 |
| - Other | | 10,053 | 8,088 |
| Total Other Segmented Revenue | 3,700 | 14,219 | 17,991 |
| Total Operating | 3,700 | 14,219 | 17,991 |
| Total Transportation Services | 3,700 | 14,219 | 17,991 |
| ENVIRONMENTAL AND PUBLIC HEALTH SERVICES | | | |
| Operating | | | |
| Other Segmented Revenue | | | |
| Fees and Charges | | | |
| - Waste and disposal fees | 58,950 | 57,315 | 57,361 |
| - Other | 3,000 | 4,875 | 3,705 |
| Total Fees and Charges | 61,950 | 62,190 | 61,066 |
| - Other | 100 | 280 | 1,178 |
| Total Other Segmented Revenue | 62,050 | 62,470 | 62,244 |
| Total Operating | 62,050 | 62,470 | 62,244 |
| Capital | | | |
| Conditional Grants | | | |
| - Transit for Disabled | 3,727 | 3,128 | 3,731 |
| Total Capital | 3,727 | 3,128 | 3,731 |
| Total Environmental and Public Health Services | 65,777 | 65,598 | 65,975 |

TOWN OF CUPAR
SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION (CONT'D)
For the year ended December 31, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|--|-------------------|-------------------|-------------------|
| RECREATION AND CULTURAL SERVICES | | | |
| Operating | | | |
| Other Segmented Revenue | | | |
| Fees and Charges | | | |
| - Other | \$ 29,000 | \$ 30,102 | \$ 38,036 |
| Total Fees and Charges | 29,000 | 30,102 | 38,036 |
| - Donations | 9,870 | 14,720 | 9,873 |
| Total Other Segmented Revenue | 38,870 | 44,822 | 47,909 |
| Conditional Grants | | | |
| - Western Economic Diversification | 93,500 | 93,339 | |
| Total Conditional Grants | 93,500 | 93,339 | |
| Total Operating | 132,370 | 138,161 | 47,909 |
| Total Recreation and Cultural Services | 132,370 | 138,161 | 47,909 |
| UTILITY SERVICES | | | |
| Operating | | | |
| Other Segmented Revenue | | | |
| Fees and Charges | | | |
| - Water | 359,670 | 355,050 | 362,239 |
| - Sewer | 54,990 | 54,086 | 54,995 |
| Total Fees and Charges | 414,660 | 409,136 | 417,234 |
| Total Other Segmented Revenue | 414,660 | 409,136 | 417,234 |
| Total Operating | 414,660 | 409,136 | 417,234 |
| Total Utility Services | 414,660 | 409,136 | 417,234 |
| TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION | \$ 655,227 | \$ 685,021 | \$ 602,242 |
| SUMMARY | | | |
| Total Other Segmented Revenue | \$ 525,110 | \$ 554,046 | \$ 565,624 |
| Total Conditional Grants | 93,500 | 93,339 | |
| Total Capital Grants and Contributions | 36,617 | 37,636 | 36,618 |
| TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION | \$ 655,227 | \$ 685,021 | \$ 602,242 |

TOWN OF CUPAR
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|--|----------------|----------------|----------------|
| GENERAL GOVERNMENT SERVICES | | | |
| Council remuneration and travel | \$ 18,900 | \$ 14,198 | \$ 14,931 |
| Wages and benefits | 93,919 | 101,069 | 98,676 |
| Professional/Contractual services | 23,470 | 21,761 | 18,735 |
| Utilities | 11,500 | 9,139 | 10,835 |
| Maintenance, materials, and supplies | 15,000 | 11,237 | 8,822 |
| Grants and contributions | | | |
| - Operating | 9,000 | 1,387 | 662 |
| - Capital | 650 | | |
| Amortization | | 1,970 | 2,436 |
| Interest | 250 | 327 | 154 |
| Other | 31,000 | 28,939 | 52,450 |
| Total General Government Services | 203,689 | 190,027 | 207,701 |
| PROTECTIVE SERVICES | | | |
| Police protection | | | |
| Professional/Contractual services | 26,000 | 24,998 | 24,556 |
| Maintenance, materials, and supplies | 4,000 | 112 | 563 |
| Fire protection | | | |
| Wages and benefits | 7,450 | 1,113 | 436 |
| Maintenance, materials, and supplies | 500 | 79 | 55 |
| Amortization | | 7,067 | 11,028 |
| Other | 19,850 | 2,180 | 3,088 |
| Total Protective Services | 57,800 | 35,549 | 39,726 |
| TRANSPORTATION SERVICES | | | |
| Wages and benefits | 111,367 | 108,656 | 90,350 |
| Professional/Contractual services | 10,000 | 425 | 9,681 |
| Utilities | 24,000 | 19,820 | 18,877 |
| Maintenance, materials, and supplies | 37,900 | 26,566 | 35,503 |
| Gravel | 10,000 | 6,935 | 4,752 |
| Amortization | | 62,469 | 73,940 |
| Other | 65,000 | 32,977 | 83,183 |
| Total Transportation Services | 258,267 | 257,848 | 316,286 |

TOWN OF CUPAR
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2016

| | 2016 Budget | 2016 Actual | 2015 Actual |
|---|---------------------|---------------------|---------------------|
| ENVIRONMENTAL AND PUBLIC HEALTH SERVICES | | | |
| Wages and benefits | \$ 750 | \$ 971 | \$ 492 |
| Professional/Contractual services | 78,550 | 73,068 | 82,101 |
| Utilities | 500 | 382 | 393 |
| Maintenance, materials, and supplies | 4,000 | 3,499 | 6,352 |
| Amortization | | 5,643 | 5,643 |
| Other | 9,500 | 4,558 | 4,226 |
| Total Environmental and Public Health Services | 93,300 | 88,121 | 99,207 |
| PLANNING AND DEVELOPMENT SERVICES | | | |
| Other | 2,000 | | |
| Total Planning and Development Services | 2,000 | | |
| RECREATION AND CULTURAL SERVICES | | | |
| Wages and benefits | 22,700 | 21,776 | 19,700 |
| Professional/Contractual services | 380 | 222 | 149 |
| Utilities | 22,350 | 19,858 | 16,997 |
| Maintenance, materials, and supplies | 191,400 | 13,223 | 42,232 |
| Grants and contributions | | | |
| - Operating | | 11,136 | 8,061 |
| Amortization | | 13,299 | 12,703 |
| Other | 6,940 | 6,942 | 39,055 |
| Total Recreation and Cultural Services | 243,770 | 86,456 | 138,897 |
| UTILITY SERVICES | | | |
| Professional/Contractual services | 28,300 | 13,241 | 21,190 |
| Utilities | 6,650 | 6,164 | 6,525 |
| Maintenance, materials, and supplies | 68,900 | 40,045 | 28,801 |
| Amortization | | 36,380 | 36,315 |
| Allowance for uncollectibles | 2,000 | | |
| Other | 372,792 | 313,897 | 319,930 |
| Total Utility Services | 478,642 | 409,727 | 412,761 |
| TOTAL EXPENSES BY FUNCTION | \$ 1,337,468 | \$ 1,067,728 | \$ 1,214,578 |

TOWN OF CUPAR
SCHEDULE 4 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
For the year ended December 31, 2016

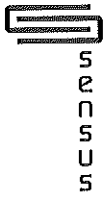
| | General Government | Protective Services | Transportation Services | Environmental & Public Health | Planning and Development | Recreation and Culture | Utility Services | Total |
|---|--------------------|---------------------|-------------------------|-------------------------------|--------------------------|------------------------|------------------|------------------|
| Revenues (Schedule 2) | | | | | | | | |
| Fees and Charges | \$ 1,424 | \$ 6,309 | \$ 4,166 | \$ 62,190 | \$ | \$ 30,102 | \$ 409,136 | \$ 513,327 |
| Tangible Capital Asset Sale - Gain (Loss) | | | | | | | | |
| Land Sales - Gain (Loss) | 3,340 | | | | | | | 3,340 |
| Investment Income & Commissions | 12,326 | 10,053 | | 280 | | 14,720 | | 37,379 |
| Other Revenues | | | | | | 93,339 | | 93,339 |
| Grants - Conditional | 34,508 | | | 3,128 | | | | 37,636 |
| - Capital | | | | | | | | |
| Total revenues | 51,598 | 6,309 | 14,219 | 65,598 | | 138,161 | 409,136 | 685,021 |
| Expenses (Schedule 3) | | | | | | | | |
| Wages & Benefits | 115,267 | 1,113 | 108,656 | 971 | | 21,776 | | 247,783 |
| Professional/Contractual Services | 21,761 | 24,998 | 425 | 73,068 | | 222 | 13,241 | 133,715 |
| Utilities | 9,139 | | 19,820 | 382 | | 19,858 | 6,164 | 55,363 |
| Maintenance, Materials, Supplies | 11,237 | 191 | 33,501 | 3,499 | | 13,223 | 40,045 | 101,696 |
| Grants and Contributions | 1,387 | | | | | 11,136 | | 12,523 |
| Amortization | 1,970 | 7,067 | 62,469 | 5,643 | | 13,299 | 36,380 | 126,828 |
| Interest | 327 | | | | | | | 327 |
| Allowance for Uncollectibles | | | | | | | | |
| Other | 28,939 | 2,180 | 32,977 | 4,558 | | 6,942 | 313,897 | 389,493 |
| Total expenses | 190,027 | 35,549 | 257,848 | 88,121 | | 86,456 | 409,727 | 1,067,728 |
| Surplus (Deficit) by Function | (138,429) | (29,240) | (243,629) | (22,523) | | 51,705 | (591) | (382,707) |

Taxation and other unconditional revenue (Schedule 1)

630,907

Net Surplus (Deficit)

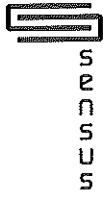
\$ 248,200



TOWN OF CUPAR

TOWN OF CUPAR
SCHEDULE 5 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
For the year ended December 31, 2015

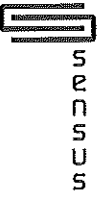
| | General Government | Protective Services | Transportation Services | Environmental & Public Health | Planning and Development | Recreation and Culture | Utility Services | Total |
|---|--------------------|---------------------|-------------------------|-------------------------------|--------------------------|------------------------|------------------|------------|
| Revenues (Schedule 2) | | | | | | | | |
| Fees and Charges | \$ 1,772 | \$ 4,027 | \$ 8,418 | \$ 61,066 | \$ | \$ 38,036 | \$ 417,234 | \$ 530,553 |
| Tangible Capital Asset Sale - Gain (Loss) | | | 1,485 | | | | | 1,485 |
| Land Sales - Gain (Loss) | | | | | | | | |
| Investment Income & Commissions | 3,127 | | | | | | | 3,127 |
| Other Revenues | 11,320 | 8,088 | | 1,178 | | 9,873 | | 30,459 |
| Grants - Conditional | 32,887 | | | 3,731 | | | | 36,618 |
| - Capital | 49,106 | 4,027 | 17,991 | 65,975 | | 47,909 | 417,234 | 602,242 |
| Total revenues | | | | | | | | |
| Expenses (Schedule 3) | | | | | | | | |
| Wages & Benefits | 113,607 | 436 | 90,350 | 492 | | 19,700 | | 224,585 |
| Professional/Contractual Services | 18,735 | 24,556 | 9,681 | 82,101 | | 149 | 21,190 | 156,412 |
| Utilities | 10,835 | | 18,877 | 393 | | 16,997 | 6,525 | 53,627 |
| Maintenance, Materials, Supplies | 8,822 | 618 | 40,255 | 6,352 | | 42,232 | 28,801 | 127,080 |
| Grants and Contributions | 662 | | | | | 8,061 | | 8,723 |
| Amortization | 2,436 | 11,028 | 73,940 | 5,643 | | 12,703 | 36,315 | 142,065 |
| Interest | 154 | | | | | | | 154 |
| Allowance for Uncollectibles | | | | | | | | |
| Other | 52,450 | 3,088 | 83,183 | 4,226 | | 39,055 | 319,930 | 501,932 |
| Total expenses | 207,701 | 39,726 | 316,286 | 99,207 | | 138,897 | 412,761 | 1,214,578 |
| Surplus (Deficit) by Function | (158,595) | (35,699) | (298,295) | (33,232) | | (90,988) | 4,473 | (612,336) |
| Taxation and other unconditional revenue (Schedule 1) | | | | | | | | 635,409 |
| Net Surplus (Deficit) | | | | | | | | \$ 23,073 |



TOWN OF CUPAR

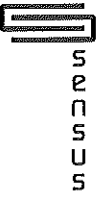
TOWN OF CUPAR
SCHEDULE 6 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT
For the year ended December 31, 2016

| Cost | General Assets | | | | Infrastructure Assets | | General/ Infrastructure | | Totals | |
|--|----------------|-------------------|-----------|----------|-----------------------|---------------|---------------------------|-------------|-------------|--|
| | Land | Land Improvements | Buildings | Vehicles | Machinery & Equipment | Linear Assets | Assets Under Construction | 2016 | 2015 | |
| Opening costs | \$ 115,874 | 619,855 | 529,478 | 106,661 | 895,415 | 3,303,260 | 80,278 | \$5,650,821 | \$5,573,118 | |
| Additions during the year | | 124,253 | | | | | 110,738 | 234,991 | 80,278 | |
| Disposals and write downs | | | | | | | | | (2,575) | |
| Transfers from assets under construction | | | 80,278 | | | | (80,278) | | | |
| Closing costs | 115,874 | 619,855 | 734,009 | 106,661 | 895,415 | 3,303,260 | 110,738 | 5,885,812 | 5,650,821 | |
| Accumulated Amortization | | | | | | | | | | |
| Opening accumulated amortization | | 34,185 | 301,738 | 58,612 | 438,503 | 2,244,628 | | 3,077,666 | 2,937,661 | |
| Amortization | | 8,360 | 9,209 | 9,106 | 34,283 | 65,870 | | 126,828 | 142,065 | |
| Disposals and write downs | | | | | | | | | (2,060) | |
| Closing accumulated amortization | | 42,545 | 310,947 | 67,718 | 472,786 | 2,310,498 | | 3,204,494 | 3,077,666 | |
| Net Book Value | \$ 115,874 | 577,310 | 423,062 | 38,943 | 422,629 | 992,762 | 110,738 | \$2,681,318 | \$2,573,155 | |



TOWN OF CUPAR
SCHEDULE 7 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION
For the year ended December 31, 2016

| Cost | Totals | | | | | | | | |
|----------------------------------|--------------------|---------------------|-------------------------|-------------------------------|------------------------|----------------------|------------------|--------------------|--------------------|
| | General Government | Protective Services | Transportation Services | Environmental & Public Health | Planning & Development | Recreation & Culture | Water & Sewer | 2016 | 2015 |
| Opening costs | \$ 82,201 | 317,023 | 2,564,975 | 130,327 | | 603,736 | 1,952,559 | \$5,650,821 | \$5,573,118 |
| Additions during the year | | 110,738 | | | | 124,253 | | 234,991 | 80,278 |
| Disposals and write downs | | | | | | | | | (2,575) |
| Closing costs | <u>82,201</u> | <u>427,761</u> | <u>2,564,975</u> | <u>130,327</u> | | <u>727,989</u> | <u>1,952,559</u> | <u>5,885,812</u> | <u>5,650,821</u> |
| Accumulated Amortization | | | | | | | | | |
| Opening accumulated amortization | 46,732 | 102,785 | 1,792,636 | 78,233 | | 283,025 | 774,255 | 3,077,666 | 2,937,661 |
| Amortization | 1,970 | 7,067 | 62,470 | 5,643 | | 13,299 | 36,379 | 126,828 | 142,065 |
| Disposals and write downs | | | | | | | | | (2,060) |
| Closing accumulated amortization | <u>48,702</u> | <u>109,852</u> | <u>1,855,106</u> | <u>83,876</u> | | <u>296,324</u> | <u>810,634</u> | <u>3,204,494</u> | <u>3,077,666</u> |
| Net Book Value | <u>\$ 33,499</u> | <u>317,909</u> | <u>709,869</u> | <u>46,451</u> | | <u>431,665</u> | <u>1,141,925</u> | <u>\$2,681,318</u> | <u>\$2,573,155</u> |



TOWN OF CUPAR
SCHEDULE 8 - SCHEDULE OF ACCUMULATED SURPLUS
For the year ended December 31, 2016

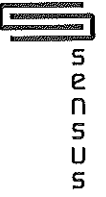
| | 2015 | Changes | 2016 |
|--|---------------------|----------------|---------------------|
| UNAPPROPRIATED SURPLUS | \$ 907,622 | 140,037 | \$ 1,047,659 |
| APPROPRIATED RESERVES | | | |
| Capital Trust Reserve | 34,000 | | 34,000 |
| Cemetery Reserve | 11,463 | | 11,463 |
| Firehall Reserve | 6,618 | | 6,618 |
| Medical Reserve | 6,802 | | 6,802 |
| Reserve | 19,481 | | 19,481 |
| Town Hall Reserve | 2,474 | | 2,474 |
| Park Reserve | 1,853 | | 1,853 |
| Total appropriated | 82,691 | | 82,691 |
| NET INVESTMENT IN TANGIBLE CAPITAL ASSETS | | | |
| Tangible capital assets (Schedule 6) | 2,573,155 | 108,163 | 2,681,318 |
| Net Investment in Tangible capital assets | 2,573,155 | 108,163 | 2,681,318 |
| Total Accumulated Surplus | \$ 3,563,468 | 248,200 | \$ 3,811,668 |

TOWN OF CUPAR
SCHEDULE 9 - SCHEDULE OF MILL RATES AND ASSESSMENTS
 For the year ended December 31, 2016

| | PROPERTY CLASS | | | | | | Total |
|--------------------------|----------------|-------------|-------------------------|----------------------|-------------------------|----------------|------------|
| | Agriculture | Residential | Residential Condominium | Seasonal Residential | Commercial & Industrial | Potash Mine(s) | |
| Taxable assessment | | 19,547,710 | | | 3,402,200 | | 22,949,910 |
| Regional Park Assessment | | | | | | | |
| Total Assessment | | | | | | | 22,949,910 |
| Mill Rate Factor(s) | | 1.00 | | | 1.00 | | |
| Total Base/Minimum Tax | | 215,850 | | | 35,625 | | 251,475 |
| Total Municipal Tax Levy | | 387,887 | | | 70,992 | | 458,879 |

MILL RATES:

| | MILLS |
|-----------------------------|---------|
| Average Municipal | 19.9948 |
| Average School | 5.5118 |
| Potash Mill Rate | |
| Uniform Municipal Mill Rate | 14.0000 |



TOWN OF CUPAR
SCHEDULE 10 - SCHEDULE OF COUNCIL REMUNERATION
For the year ended December 31, 2016

| <u>Position - Name</u> | <u>Remuneration</u> | <u>Reimbursed Costs</u> | <u>Total</u> |
|-------------------------------|---------------------|-----------------------------|---------------|
| Mayor - Steve Boha | \$ 2,730 | \$ 70 | 2,800 |
| Mayor - Leonard Kallichuk | 300 | | 300 |
| Councillor - Gloria Woodward | 2,595 | 481 | 3,076 |
| Councillor - Ed Lehman | 1,900 | | 1,900 |
| Councillor - Chris Mcleod | 1,500 | 11 | 1,511 |
| Councillor - Cheryl Boha | 1,500 | | 1,500 |
| Councillor - Clara Kaytor | 750 | 21 | 771 |
| Councillor - Charity Mainland | 300 | | 300 |
| Councillor - Neil Schulhauser | 300 | | 300 |
| Councillor - Don Jeworski | 250 | | 250 |
| Councillor - Heather Stabler | 200 | | 200 |
| | <u>\$ 12,325</u> | <u>\$ 583</u> | <u>12,908</u> |

