

Town of Langenburg

FINANCIAL STATEMENTS

Year Ended December 31, 2016

Town of Langenburg
Langenburg, Saskatchewan
December 31, 2016

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Management's Responsibility

To the ratepayers of Town of Langenburg:

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

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

The council is composed of elected officials who are not employees of the municipality. The council is responsible for overseeing management in the performance of its financial reporting responsibilities. The council 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.

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



Mayor

Administrator



Independent Auditors' Report

To the Council
Town of Langenburg

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Town of Langenburg, which comprise the Statement of Financial Position as at December 31, 2016, and the Statements of Operations, Changes in Net Financial Assets and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Collins Barrow PQ LLP

Collins Barrow PQ LLP

Yorkton, SK
May 9, 2017

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

Statement 1

	2016	2015
Assets		
Financial Assets		
Cash and temporary investments - note 2	1,114,687	822,544
Taxes receivable - municipal - note 3	57,594	113,815
Other accounts receivable - note 4	258,526	227,173
Land for resale - note 5	111,819	111,819
Long-term investments - note 6	65,488	65,311
Total Financial Assets	1,608,114	1,340,662
Liabilities		
Accounts payable	124,896	126,819
Accrued liabilities	30,998	
Utility deposits	43,253	40,629
Deferred revenue	1,500	
Accrued landfill costs - note 8	15,000	15,000
Long-term debt - note 9	269,981	210,588
Total Liabilities	485,628	393,036
Net Financial Assets	1,122,486	947,626
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	3,424,580	3,402,528
Prepayments and deferred charges	127,401	33,280
Stock and supplies	6,776	2,500
Total Non-Financial Assets	3,558,757	3,438,308
Accumulated Surplus - schedule 8	\$ 4,681,243	\$ 4,385,934

Approved on behalf of the council:

Mayor

Councillor

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

Statement 2

	2016 Budget	2016 Actual	2015 Actual
Revenues			
Taxes and other unconditional revenue			
- schedule 1	1,299,211	1,305,053	1,273,824
Fees and charges - schedules 4 and 5	799,434	943,440	1,047,957
Conditional grants - schedules 4 and 5	44,005	54,662	182,711
Tangible capital asset sales - gain			
- schedules 4 and 5		1,000	5,000
Land sales - gain - schedules 4 and 5	1,500		48,331
Investment income and commissions			
- schedules 4 and 5	9,600	14,656	11,371
Total Revenue	<u>2,153,750</u>	<u>2,318,811</u>	<u>2,569,194</u>
Expenses - schedule 3			
General government services	308,301	325,707	290,047
Protective services	129,365	148,356	238,670
Transportation services	337,866	266,718	249,088
Environmental and public health services	381,196	320,607	355,008
Planning and development services	5,000	68,800	120,000
Recreation and cultural services	574,098	634,453	558,494
Utilities services	298,867	325,677	350,122
Total Expenses	<u>2,034,693</u>	<u>2,090,318</u>	<u>2,161,429</u>
Surplus of Revenues over Expenses before Other Capital Contributions	119,057	228,493	407,765
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>65,206</u>	<u>66,814</u>	<u>65,206</u>
Surplus of Revenue over Expenses	184,263	295,307	472,971
Accumulated Surplus, Beginning of Year	<u>4,385,934</u>	<u>4,385,934</u>	<u>3,912,963</u>
Accumulated Surplus, End of Year	<u>\$ 4,570,197</u>	<u>\$ 4,681,241</u>	<u>\$ 4,385,934</u>

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

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

Statement 3

	2016 Budget	2016 Actual	2015 Actual
Surplus	<u>184,263</u>	<u>295,307</u>	<u>472,971</u>
(Acquisition) of tangible capital assets	(26,626)	(175,698)	(709,203)
Amortization of tangible capital assets		153,646	124,140
Proceeds on disposal of tangible capital assets	13,750	1,000	5,000
Loss (gain) on the disposal of tangible capital assets	<u>0</u>	<u>(1,000)</u>	<u>(5,000)</u>
Surplus (Deficit) of Capital Expenses over Expenditures	<u>(12,876)</u>	<u>(22,052)</u>	<u>(585,063)</u>
(Acquisition) of supplies inventories		(4,276)	
(Acquisition) of prepaid expense	<u>0</u>	<u>(94,119)</u>	<u>(6,271)</u>
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>(98,395)</u>	<u>(6,271)</u>
Increase (Decrease) in Net Financial Assets	171,387	174,860	(118,363)
Net Financial Assets, beginning of year	<u>947,626</u>	<u>947,626</u>	<u>1,065,989</u>
Net Financial Assets, End of Year	<u>\$ 1,119,013</u>	<u>\$ 1,122,486</u>	<u>\$ 947,626</u>

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

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

Statement 4

	2016	2015
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus	295,307	472,971
Amortization	153,646	124,140
Loss (gain) on disposal of tangible capital assets	<u>(1,000)</u>	<u>(5,000)</u>
	447,953	592,111
Change in Assets/Liabilities		
Taxes receivable - municipal	56,221	(54,742)
Other receivables	(7,593)	(150,523)
Land for resale		(19,031)
Other financial assets	(23,146)	(9,255)
Accounts payable	(6,812)	41,781
Accrued liabilities payable	30,998	
Utility deposits	2,624	5,132
Deferred revenue	1,500	
Prepayments and deferred charges	<u>(94,121)</u>	<u>(6,278)</u>
Net Cash from (used for) Operations	<u>407,624</u>	<u>399,195</u>
Capital:		
Acquisition of capital assets	(175,698)	(709,203)
Proceeds from the disposal of capital assets	1,000	5,000
Net Cash from (used for) Capital	<u>(174,698)</u>	<u>(704,203)</u>
Investing:		
Long-term investments	<u>(176)</u>	<u>(171)</u>
Financing:		
Long-term debt issued	100,000	235,000
Long-term debt repaid	<u>(40,607)</u>	<u>(24,412)</u>
Net Cash from (used for) Financing	<u>59,393</u>	<u>210,588</u>
Increase (Decrease) in Cash Resources	292,143	(94,591)
Cash and investments, beginning of year	<u>822,544</u>	<u>917,135</u>
Cash and Investments, End of Year	<u>\$ 1,114,687</u>	<u>\$ 822,544</u>

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

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

1. Significant Accounting Policies

The consolidated financial statements of the municipality are prepared by management in accordance with the local government accounting standards established by the Public Sector Accounting Board of the Accounting Standards Oversight Council. Significant aspects of the accounting policies are as follows:

(a) Basis of accounting

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

(b) Reporting entity

The financial statements consolidate the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the council for the administration of their financial affairs and resources.

Entities included in these financial statements are as follows:

Entity	Basis of Recording
Langenburg Community Development Board	Full consolidation
Langenburg Parks and Recreation Board	Full consolidation
Langenburg Rink Board Inc.	Full consolidation
Langenburg & District Curling Club	Full consolidation
Langenburg Swimming Pool Committee	Full consolidation

All inter-organizational transactions and balances have been eliminated.

(c) Collection of funds for other authorities

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

(d) Government transfers

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

- (i) the transfer is authorized;
- (ii) eligibility criteria have been met by the recipient; and
- (iii) a reasonable estimate of the amount can be made.

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

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

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

1. Significant Accounting Policies - continued

(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) **Net financial assets**

Net financial assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.

(g) **Non-financial assets**

Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

(h) **Investments**

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with maturity dates longer than one year from the date of the Statement of Financial Position have been classified as other long-term investments concurrent with the nature of the investment.

(i) **Tangible capital assets**

All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The tangible capital assets that are recognized at a nominal value are disclosed in schedule 6. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The municipality's tangible capital asset useful lives are estimated as follows:

Asset	Useful Life
General Assets:	
Land	indefinite
Buildings	30 years
Vehicles	10 to 20 years
Machinery and equipment	10 to 20 years
Infrastructure Assets:	
Water and sewer	40 to 50 years
Paving, sidewalks and roadways	30 years

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

1. Significant Accounting Policies - continued

(j) Government contributions

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

(k) Works of art

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

(l) Capitalization of interest

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

(m) Leases

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

(n) Revenue

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

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

(o) Measurement uncertainty

The preparation of financial statements in conformity with Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

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.

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

1. Significant Accounting Policies - continued

(o) Measurement uncertainty - continued

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.

(p) Basis of segmentation/segment report

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

The segments (functions) are as follows:

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

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

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

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

Planning and development: The planning and development segment provides for neighbourhood development and sustainability.

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

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

2. Cash and Temporary Investments	2016	2015
Cash	1,086,687	769,544
Temporary investments	28,000	53,000
Total Cash and Temporary Investments	\$ 1,114,687	\$ 822,544

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

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

	2016	2015
3. Taxes and Grants In Lieu Receivable		
Municipal - current	27,043	72,840
Municipal - arrears	<u>55,781</u>	<u>61,384</u>
	82,824	134,224
Less: Allowance for uncollectibles	<u>25,230</u>	<u>20,409</u>
Total municipal taxes receivable	<u>57,594</u>	<u>113,815</u>
School - current	6,600	21,267
School - arrears	<u>10,273</u>	<u>11,256</u>
Total school taxes receivable	<u>16,873</u>	<u>32,523</u>
Total taxes and grants in lieu receivable	74,467	146,338
Less: Taxes receivable to be collected on behalf of other organizations	<u>16,873</u>	<u>32,523</u>
Municipal and Grants In Lieu Taxes Receivable	<u>\$ 57,594</u>	<u>\$ 113,815</u>
4. Other Accounts Receivable		
Local government	55,173	41,901
Utility	12,994	26,782
Trade	187,869	161,722
Other	<u>2,490</u>	<u>4,374</u>
Total other accounts receivable	258,526	234,779
Less: Allowance for uncollectibles	<u>0</u>	<u>7,606</u>
Net Other Accounts Receivable	<u>\$ 258,526</u>	<u>\$ 227,173</u>
5. Land for Resale		
Tax title property	18,348	18,348
Less: Allowance for market value adjustment	<u>17,185</u>	<u>17,185</u>
Net tax title property	<u>1,163</u>	<u>1,163</u>
Other land	122,766	122,766
Less: Allowance for market value adjustment	<u>12,110</u>	<u>12,110</u>
Net other land	<u>110,656</u>	<u>110,656</u>
Total Land for Resale	<u>\$ 111,819</u>	<u>\$ 111,819</u>
6. Long-Term Investments		
Portfolio investments	60,000	60,000
Credit Union equity	<u>5,488</u>	<u>5,311</u>
	<u>\$ 65,488</u>	<u>\$ 65,311</u>

Portfolio investments represent investments in term deposits and are stated at the lower of cost or market value. At year end, cost was substantially the same as the quoted market value.

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

7. Bank Indebtedness

Credit arrangements:

At 2016, the municipality had lines-of-credit totaling \$300,000, none of which were drawn. The following has been collateralized in connection with this line-of-credit:

- general security agreement; and assignment of taxes.

	2016	2015
8. Accrued Landfill Costs		
Accrued landfill costs	<u>\$ 15,000</u>	<u>\$ 15,000</u>

The Town of Langenburg operated a landfill with an area of approximately 5 acres. The property is no longer actively used as a landfill for disposal of the town's residents' waste. However, it still has to be decommissioned. Best estimates indicate the cost in today's dollars to be \$15,000 to complete the decommissioning. Decommissioning could be completed within a month of beginning the project. The estimated landfill closure and post-closure liability is recognized on the Statement of Financial Position.

9. Long-Term Debt

- (a) The debt limit of the municipality is \$1,871,778. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (*The Municipalities Act* Section 161).
- (b) Bank loans are repayable in annual instalments of principal and interest, with interest rate of 2.625%.

Future principal repayments are estimated as follows:

	Principal	Interest	2016 Total	2015 Total
2016				26,626
2017	41,056	7,087	48,143	26,625
2018	42,135	6,009	48,144	26,626
2019	43,241	4,903	48,144	26,626
2020	143,549	3,768	147,317	26,626
Thereafter				99,415
	<u>\$ 269,981</u>	<u>\$ 21,767</u>	<u>\$ 291,748</u>	<u>\$ 232,544</u>

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

10. Employee Benefit Plans

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

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

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

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

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

Contributions to the plan during the year were as follows:

Benefit expense	\$ 39,081	\$ 35,536
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As per the most recently audited financial statements dated December 31, 2015, the plan surplus is \$316,933,000.

11. Budget

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

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

Schedule 1

	2016 Budget	2016 Actual	2015 Actual
Taxes			
General municipal tax levy	910,293	910,293	869,891
Abatements and adjustments	(35,000)	(33,109)	(16,707)
Discount on current year taxes	(18,000)	(18,469)	(18,187)
Net municipal taxes	<u>857,293</u>	<u>858,715</u>	<u>834,997</u>
Potash tax share	54,967	54,967	51,553
Trailer license fees	1,345	917	1,344
Penalties on tax arrears	<u>16,972</u>	<u>16,972</u>	<u>10,605</u>
Total Taxes	<u>930,577</u>	<u>931,571</u>	<u>898,499</u>
Unconditional Grants			
Equalization (revenue sharing)	<u>265,434</u>	<u>265,434</u>	<u>259,295</u>
Total Unconditional Grants	<u>265,434</u>	<u>265,434</u>	<u>259,295</u>
Grants In Lieu of Taxes			
Federal	3,800	2,221	4,542
Provincial			
Sask. Energy Gas	35,000	32,242	41,822
SaskTel	1,400	1,473	1,451
Local/Other			
Housing authority	5,000	10,592	10,337
Other Government Transfers			
S.P.C. surcharge	<u>58,000</u>	<u>61,520</u>	<u>57,878</u>
Total Grants In Lieu of Taxes	<u>103,200</u>	<u>108,048</u>	<u>116,030</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 1,299,211</u>	<u>\$ 1,305,053</u>	<u>\$ 1,273,824</u>

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

Town of Langenburg

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

Schedule 2-1

	2016 Budget	2016 Actual	2015 Actual
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	4,000	4,246	27,108
Sale of supplies		40	247
General office services	3,500	3,840	10,269
Licenses and permits	11,800	13,520	111,330
Other	7,000	26,689	6,563
Total Fees and Charges	<u>26,300</u>	<u>48,335</u>	<u>155,517</u>
Land sales - gain	1,500		48,331
Investment income and commissions	9,600	14,656	11,371
Total Other Segmented Revenue	<u>37,400</u>	<u>62,991</u>	<u>215,219</u>
Total General Government Services	<u>\$ 37,400</u>	<u>\$ 62,991</u>	<u>\$ 215,219</u>
Protective Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Rentals	3,700	5,616	5,616
Policing and fire fees	31,657	24,988	27,774
Expense recoveries			16,186
Tangible capital asset proceeds		1,000	5,000
Total Other Segmented Revenue	<u>35,357</u>	<u>31,604</u>	<u>54,576</u>
Provincial Disaster Assistance Program			113,993
Local			726
Total Conditional Grants	<u>0</u>	<u>0</u>	<u>114,719</u>
Total Protective Services	<u>\$ 35,357</u>	<u>\$ 31,604</u>	<u>\$ 169,295</u>

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

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

Schedule 2-2

	2016 Budget	2016 Actual	2015 Actual
Transportation Services			
Operating			
Conditional Grants			
Urban connector program			9,971
Total Conditional Grants	<u>0</u>	<u>0</u>	<u>9,971</u>
Total Transportation Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,971</u>
Environmental and Public Health Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Waste disposal fees	26,136	25,958	19,071
Cemetery fees	200	200	300
Other	10,500	9,135	6,900
Total Other Segmented Revenue	<u>36,836</u>	<u>35,293</u>	<u>26,271</u>
Total Environmental and Public Health Services	<u>\$ 36,836</u>	<u>\$ 35,293</u>	<u>\$ 26,271</u>
Planning and Development Services			
Operating			
Conditional Grants			
Local		2,967	4,743
Total Conditional Grants	<u>0</u>	<u>2,967</u>	<u>4,743</u>
Total Planning and Development Services	<u>\$ 0</u>	<u>\$ 2,967</u>	<u>\$ 4,743</u>
Recreation and Cultural Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Rentals	13,600	15,896	17,757
Recreation fees	141,610	236,096	206,237
Fundraising revenue	61,800	54,150	59,076
Expense recoveries	74,423	74,423	165,919
Total Fees and Charges	<u>291,433</u>	<u>380,565</u>	<u>448,989</u>
Total Other Segmented Revenue	<u>291,433</u>	<u>380,565</u>	<u>448,989</u>
Conditional Grants			
Other operating	27,712	25,662	37,718
Local	16,293	17,675	8,500
Donations		8,358	7,060
Total Conditional Grants	<u>44,005</u>	<u>51,695</u>	<u>53,278</u>
Total Recreation and Cultural Services	<u>\$ 335,438</u>	<u>\$ 432,260</u>	<u>\$ 502,267</u>

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

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

Schedule 2-3

	2016 Budget	2016 Actual	2015 Actual
Utility Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Water and sewer	409,008	447,195	367,604
Sale of supplies	500	1,448	
Total Fees and Charges	<u>409,508</u>	<u>448,643</u>	<u>367,604</u>
Total Other Segmented Revenue	<u>409,508</u>	<u>448,643</u>	<u>367,604</u>
Total Operating	<u>409,508</u>	<u>448,643</u>	<u>367,604</u>
Capital			
Conditional Grants			
Gas tax	65,206	66,814	65,206
Total Capital	<u>65,206</u>	<u>66,814</u>	<u>65,206</u>
Total Utility Services	<u>\$ 474,714</u>	<u>\$ 515,457</u>	<u>\$ 432,810</u>
Total Operating and Capital Revenue by Function	<u>\$ 919,745</u>	<u>\$ 1,080,572</u>	<u>\$ 1,360,576</u>
Summary			
Total Other Segmented Revenue	810,534	959,096	1,112,659
Total Conditional Grants	44,005	54,662	182,711
Total Capital Grants and Contributions	<u>65,206</u>	<u>66,814</u>	<u>65,206</u>
Total Operating and Capital Revenue by Function	<u>\$ 919,745</u>	<u>\$ 1,080,572</u>	<u>\$ 1,360,576</u>

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

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

Schedule 3-1

	2016 Budget	2016 Actual	2015 Actual
General Government Services			
Council remuneration and travel	34,400	37,085	36,190
Wages and benefits	143,775	146,187	150,323
Contractual services - assessment	13,876	13,905	13,876
Contractual services - other	70,050	73,322	37,256
Utilities	6,600	5,752	6,855
Maintenance, materials and supplies	17,300	19,950	20,606
Grants and contributions - operating		345	598
Insurance	20,300	21,120	18,203
Interest			659
Allowance for uncollectibles		1,000	
Other	2,000	7,041	5,481
	<u>2,000</u>	<u>7,041</u>	<u>5,481</u>
Total General Government Services	<u>\$ 308,301</u>	<u>\$ 325,707</u>	<u>\$ 290,047</u>
Protective Services			
Police protection			
Contractual services	79,000	80,115	78,698
Fire protection			
Wages and benefits	18,650	19,957	17,821
Contractual services	7,215	8,019	16,534
Utilities	13,000	10,383	11,124
Maintenance, materials and supplies	11,000	7,035	8,533
Amortization		17,257	3,512
Interest		5,529	2,214
Flood expenses			99,875
Other	500	61	359
	<u>500</u>	<u>61</u>	<u>359</u>
Total Protective Services	<u>\$ 129,365</u>	<u>\$ 148,356</u>	<u>\$ 238,670</u>
Transportation Services			
Wages and benefits	90,104	92,737	91,092
Contractual services - maintenance	174,400	47,205	26,984
Utilities	29,552	27,800	26,714
Gravel	8,000	6,256	20,173
Machinery costs/fuel/blades	9,000	6,251	9,220
Culverts/drainage	2,500	1,112	
Amortization		64,536	53,772
Interest		2,008	
Other materials and supplies	24,310	18,813	21,133
	<u>24,310</u>	<u>18,813</u>	<u>21,133</u>
Total Transportation Services	<u>\$ 337,866</u>	<u>\$ 266,718</u>	<u>\$ 249,088</u>

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

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

Schedule 3-2

	2016 Budget	2016 Actual	2015 Actual
Environmental and Public Health Services			
Wages and benefits	81,604	79,189	81,802
Contractual services - waste	212,000	202,469	181,000
Maintenance, materials and supplies	3,000	2,893	1,202
Other	<u>84,592</u>	<u>36,056</u>	<u>91,004</u>
Total Environmental and Public Health Services	<u>\$ 381,196</u>	<u>\$ 320,607</u>	<u>\$ 355,008</u>
Planning and Development Services			
Grants and contributions - operating		64,800	120,000
Maintenance, materials and supplies	<u>5,000</u>	<u>4,000</u>	<u></u>
Total Planning and Development Services	<u>\$ 5,000</u>	<u>\$ 68,800</u>	<u>\$ 120,000</u>
Recreation and Cultural Services			
Wages and benefits	253,280	277,691	216,859
Contractual services	78,247	66,639	89,289
Utilities	77,720	90,708	89,809
Maintenance, materials and supplies	112,156	148,164	111,352
Grants and contributions - operating	9,643	8,707	9,976
Amortization		7,166	3,193
Insurance	29,620	21,602	24,470
Libraries	<u>13,432</u>	<u>13,776</u>	<u>13,546</u>
Total Recreation and Cultural Services	<u>\$ 574,098</u>	<u>\$ 634,453</u>	<u>\$ 558,494</u>
Utility Services			
Wages and benefits	147,867	133,852	111,650
Contractual services	84,500	63,724	113,127
Utilities	40,500	40,947	42,809
Maintenance, materials and supplies	26,000	22,467	18,873
Amortization		<u>64,687</u>	<u>63,663</u>
Total Utility Services	<u>\$ 298,867</u>	<u>\$ 325,677</u>	<u>\$ 350,122</u>
Total Expenses by Function	<u>\$ 2,034,693</u>	<u>\$ 2,090,318</u>	<u>\$ 2,161,429</u>

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

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

Schedule 4

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	48,335	30,604		35,293		380,565	448,643	943,440
Tangible capital asset sales - gain		1,000						1,000
Investment income and commissions	14,656				2,967	51,695		14,656
Grants - conditional							66,814	54,662
Grants - capital								66,814
Total Revenues	62,991	31,604	0	35,293	2,967	432,260	515,457	1,080,572
Expenses - schedule 3								
Wages and benefits	146,187	19,957	92,737	79,189		277,691	133,852	749,613
Professional/contractual services	124,312	88,134	47,205	202,469		66,639	63,724	592,483
Utilities	5,752	10,383	27,800			90,708	40,947	175,590
Maintenance materials and supplies	19,950	7,035	6,256	2,893	4,000	148,164	22,467	210,765
Machinery costs/fuel/blades			6,251					6,251
Culverts/drainage			1,112					1,112
Grants and contributions	345		64,536		64,800	8,707	64,687	73,852
Amortization		17,257				7,166		153,646
Insurance	21,120					21,602		42,722
Libraries						13,776		13,776
Interest		5,529	2,008					7,537
Allowance for uncollectibles	1,000			36,056				1,000
Other	7,041	61	18,813	320,607				61,971
Total Expenses	325,707	148,356	266,718	320,607	68,800	634,453	325,677	2,090,318
Surplus (Deficit) by Function	\$(262,716)	\$(116,752)	\$(266,718)	\$(285,314)	\$(65,833)	\$(202,193)	\$ 189,780	(1,009,746)
Taxation and other unconditional revenue - schedule 1								1,305,053
Net Surplus								\$ 295,307

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

Town of Langenburg

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

Schedule 5

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	155,517	49,576		26,271		448,989	367,604	1,047,957
Tangible capital asset sales - gain		5,000						5,000
Land sales - gain	48,331							48,331
Investment income and commissions	11,371	114,719	9,971		4,743	53,278		182,711
Grants - conditional							65,206	65,206
Grants - capital								
Total Revenues	<u>215,219</u>	<u>169,295</u>	<u>9,971</u>	<u>26,271</u>	<u>4,743</u>	<u>502,267</u>	<u>432,810</u>	<u>1,360,576</u>
Expenses - schedule 3								
Wages and benefits	150,323	17,821	91,092	81,802		216,859	111,650	669,547
Professional/contractual services	87,322	95,232	26,984	181,000		89,289	113,127	592,954
Utilities	6,855	11,124	26,714			89,809	42,809	177,311
Maintenance materials and supplies	20,606	8,533	20,173	1,202		111,352	18,873	180,739
Machinery costs/fuel/blades			9,220					9,220
Grants and contributions	598	3,512	53,772		120,000	9,976		130,574
Amortization						3,193		3,193
Insurance	18,203					24,470		42,673
Libraries						13,546		13,546
Interest	659	2,214						2,873
Other	5,481	100,234	21,133	91,004				217,852
Total Expenses	<u>290,047</u>	<u>238,670</u>	<u>249,088</u>	<u>355,008</u>	<u>120,000</u>	<u>558,494</u>	<u>350,122</u>	<u>2,161,429</u>
Surplus (Deficit) by Function	<u>\$ (74,828)</u>	<u>\$ (69,375)</u>	<u>\$ (239,117)</u>	<u>\$ (328,737)</u>	<u>\$ (115,257)</u>	<u>\$ (56,227)</u>	<u>\$ 82,688</u>	<u>(800,853)</u>
Taxation and other unconditional revenue - schedule 1								<u>1,273,824</u>
Net Surplus								<u>\$ 472,971</u>

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

Town of Langenburg

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

Schedule 6

	2016					2015		
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Infrastruct. Assets	General/Infrastruct. Assets under Constr.	Total
Asset Cost								
Opening Asset Cost		119,195	2,633,154	457,668	440,915	4,125,007	9,907	7,119,322
Additions during the year		50,370				125,328		709,202
Disposals and write-down during the year								(42,678)
Closing Asset Costs	0	169,565	2,633,154	457,668	440,915	4,250,335	9,907	7,785,846
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	0	3,973	1,747,536	79,036	249,595	2,307,151	0	4,383,318
Add: Amortization taken			47,223	22,824	22,940	56,686		124,140
Less: Accumulated Amortization on disposals								42,678
Closing Accumulated Amortization Costs	0	3,973	1,794,759	101,860	272,535	2,363,837	0	4,536,964
Net Book Value	\$ 0	\$ 165,592	\$ 838,395	\$ 355,808	\$ 168,380	\$ 1,886,498	\$ 9,907	\$ 3,424,580
								\$ 3,402,528

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

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

Schedule 7

	2016						2015		
	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Water & Sewer	Total	Total
Asset Cost	319,161	345,139	2,743,132	0	0	911,074	3,467,340	7,785,846	7,119,322
Opening Asset Cost			2,743,132			50,370		175,698	709,202
Additions during the year			125,328						
Disposals and write-down during the year									(42,678)
Closing Asset Costs	<u>319,161</u>	<u>345,139</u>	<u>2,868,460</u>	<u>0</u>	<u>0</u>	<u>961,444</u>	<u>3,467,340</u>	<u>7,961,544</u>	<u>7,785,846</u>
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	319,161	14,046	1,532,259	0	0	788,686	1,729,166	4,383,318	4,301,856
Add: Amortization taken		17,257	64,536			7,166	64,687	153,646	124,140
Less: Accumulated amortization on disposals									42,678
Closing Accumulated Amortization Costs	<u>319,161</u>	<u>31,303</u>	<u>1,596,795</u>	<u>0</u>	<u>0</u>	<u>795,852</u>	<u>1,793,853</u>	<u>4,536,964</u>	<u>4,383,318</u>
Net Book Value	\$ 0	\$ 313,836	\$ 1,271,665	\$ 0	\$ 0	\$ 165,592	\$ 1,673,487	\$ 3,424,580	\$ 3,402,528

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

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

Schedule 8

	2015	Changes	2016
Unappropriated Surplus	<u>458,184</u>	<u>129,843</u>	<u>588,027</u>
Appropriated Surplus			
Machinery and equipment			
Equipment capital reserve	<u>233,630</u>	<u>1,400</u>	<u>235,030</u>
Public reserve land	<u>119,765</u>	<u>18,773</u>	<u>138,538</u>
Capital trust reserve	<u>39,536</u>	<u>20,600</u>	<u>60,136</u>
Utility			
Utility capital reserve	70,000	(70,000)	
Water and sewer capital reserve	<u>142,569</u>	<u>185,000</u>	<u>327,569</u>
	<u>212,569</u>	<u>115,000</u>	<u>327,569</u>
Other			
Recreation reserve	66,626	17,727	84,353
Sports grounds reserve	5,491		5,491
Swimming pool reserve	16,008		16,008
Fire department reserve	16,545		16,545
Paving reserve	500	(500)	
New school reserve	3,200	(3,200)	
Other reserves	14,413	4,854	19,267
Swimming pool reserve	<u>7,527</u>	<u>28,153</u>	<u>35,680</u>
	<u>130,310</u>	<u>47,034</u>	<u>177,344</u>
Total Appropriated	<u>735,810</u>	<u>202,807</u>	<u>938,617</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	3,402,528	22,052	3,424,580
Less: Related debt	<u>210,588</u>	<u>59,393</u>	<u>269,981</u>
Net Investment in Tangible Capital Assets	<u>3,191,940</u>	<u>(37,341)</u>	<u>3,154,599</u>
Total Accumulated Surplus	<u>\$ 4,385,934</u>	<u>\$ 295,309</u>	<u>\$ 4,681,243</u>

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

Town of Langenburg

Schedule of Mill Rates and Assessments
For the year ended December 31, 2016

Schedule 9

	Property Class					Total
	Agriculture	Residential	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	180,895	52,222,240		7,540,300		59,943,435
Regional Park Assessment						
Total Assessment	1,0000	1,00000		1,00000		59,943,435
Mill Rate Factor(s)	3,810	457,230		59,620		520,660
Total Base/Minimum Tax (generated for each property class)	4,986	796,675		108,632		910,293
Total Municipal Tax Levy (include base and/or minimum tax and special levies)						
Mill Rates:						
Average Municipal*	15.1859					
Average School*	5.4317					
Potash Mill Rate						
Uniform Municipal Mill Rate	6.5000					

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

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

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

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Don Fogg	5,813	1,638	7,451
Craig Costello	615		615
Tanner Hunt	480		480
Warren Kotzer	2,740	1,420	4,160
Rodney Lundgren	1,455	1,862	3,317
Lorrie Popp	2,726	680	3,406
Brad Sicinski	3,899	1,198	5,097
Kim Wondrasek	2,995	1,299	4,294
Kim Wondrasek - cleaning fees	11,500		11,500
Don Wyand	<u>3,084</u>	<u>1,638</u>	<u>4,722</u>
	<u>\$ 35,307</u>	<u>\$ 9,735</u>	<u>\$ 45,042</u>

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part of these financial statements.*