

Management's Responsibility

To the Ratepayers of Town of Hanley

The municipality's management is responsible for the preparation and presentation of the accompanying consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgements and estimates by management is required.

In discharging its responsibilities for the integrity and fair presentation of the consolidated financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

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

Vantage, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the consolidated 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 management to discuss their audit findings.


Mayor


Administrator

May 11, 2020

INDEPENDENT AUDITORS' REPORT

To the Council of
Town of Hanley
Hanley, Saskatchewan

Qualified Opinion

We have audited the accompanying consolidated financial statements of the Town of Hanley, which comprise the consolidated statement of financial position as at December 31, 2019, the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town of Hanley as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Town of Hanley accepts and disburses funds to facilitate the on-going development of the artificial ice project under the direction of their Hanley Artificial Ice Committee. It became evident that the Hanley Artificial Ice Committee had maintained additional bank and investment account balances as well as collected and disbursed funds that had not been disclosed in the Town of Hanley's consolidated financial statements. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the Hanley Artificial Ice Committee's additional assets and liabilities as at December 31, 2019 and the gross revenue and expenses for the year or prior years because the financial information was not yet available. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Town of Hanley in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Town of Hanley's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the municipality's financial reporting process.

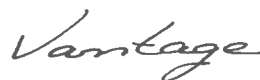
Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

North Battleford, Saskatchewan
May 11, 2020

Town of Hanley
Consolidated Statement of Financial Position
As at December 31, 2019

Statement 1

	2019	2018
FINANCIAL ASSETS		
		Restated
Cash and Temporary Investments (Note 2)	461,667	810,220
Taxes Receivable - Municipal (Note 3)	24,853	22,122
Other Accounts Receivable (Note 4)	222,757	139,012
Land for Resale (Note 5)		
Long-Term Investments (Note 6)	960,000	990,000
Debt Charges Recoverable		
Other (Specify)		
Total Financial Assets	1,669,277	1,961,354
LIABILITIES		
Bank Indebtedness		
Accounts Payable	94,565	173,506
Accrued Liabilities Payable	6,310	7,243
Deposits	43,856	41,748
Deferred Revenue (Note 7)	341,032	308,314
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Long-Term Debt (Note 8)	553,482	635,351
Lease Obligations		
Total Liabilities	1,039,245	1,166,162
NET FINANCIAL ASSETS (DEBT)	630,032	795,192
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	2,312,005	2,023,485
Prepayments and Deferred Charges	3,671	7,034
Stock and Supplies	18,045	19,558
Other		
Total Non-Financial Assets	2,333,721	2,050,077
ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)	2,963,753	2,845,269

Town of Hanley
Consolidated Statement of Operations
For the year ended December 31, 2019

Statement 2

	2019 Budget	2019	2018
REVENUES			Restated
Taxes and Other Unconditional Revenue (Schedule 1)	476,251	477,993	447,212
Fees and Charges (Schedule 4, 5)	522,494	562,842	563,130
Conditional Grants (Schedule 4, 5)	8,117	9,241	7,043
Tangible Capital Asset Sales - Loss (Schedule 4, 5)		(42,263)	(2,402)
Land Sales - Gain (Schedule 4, 5)			11,772
Investment Income and Commissions (Schedule 4, 5)	3,300	2,822	3,332
Other Revenues (Schedule 4, 5)	3,300	6,250	18,227
Total Revenues	1,013,462	1,016,885	1,048,314
EXPENSES			
General Government Services (Schedule 3)	198,434	225,303	186,499
Protective Services (Schedule 3)	49,439	26,116	30,422
Transportation Services (Schedule 3)	174,078	202,891	191,189
Environmental and Public Health Services (Schedule 3)	94,310	91,322	94,542
Planning and Development Services (Schedule 3)	2,598	3,095	2,162
Recreation and Cultural Services (Schedule 3)	24,088	42,586	41,827
Utility Services (Schedule 3)	381,290	393,532	403,673
Total Expenses	924,237	984,845	950,314
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	89,225	32,040	98,000
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	67,856	86,444	33,495
Surplus (Deficit) of Revenues over Expenses	157,081	118,484	131,495
Accumulated Surplus (Deficit), Beginning of Year	2,845,269	2,845,269	2,713,774
Accumulated Surplus (Deficit), End of Year	3,002,350	2,963,753	2,845,269

Town of Hanley
 Consolidated Statement of Change in Net Financial Assets
 For the year ended December 31, 2019

Statement 3

	2019 Budget	2019	2018 Restated
Surplus (Deficit)	157,081	118,484	131,495
(Acquisition) of tangible capital assets		(423,021)	(181,472)
Amortization of tangible capital assets		92,237	92,550
Proceeds on disposal of tangible capital assets			5,000
Loss (gain) on the disposal of tangible capital assets		42,263	2,402
Surplus (Deficit) of capital expenses over expenditures		(288,521)	(81,520)
(Acquisition) of supplies inventories			(1,668)
(Acquisition) of prepaid expense		3,363	
Consumption of supplies inventory		1,514	
Use of prepaid expense			187
Surplus (Deficit) of expenses of other non-financial over expenditures		4,877	(1,481)
Increase/Decrease in Net Financial Assets	157,081	(165,160)	48,494
Net Financial Assets (Debt) - Beginning of Year	795,192	795,192	746,698
Net Financial Assets (Debt) - End of Year	952,273	630,032	795,192

Town of Hanley
Consolidated Statement of Cash Flow
For the year ended December 31, 2019

Statement 4

	2019	2018
		Restated
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	118,484	131,495
Amortization	92,237	92,550
Loss (gain) on disposal of tangible capital assets	42,263	2,402
	<u>252,984</u>	<u>226,447</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	(2,731)	646
Other Receivables	(83,745)	(7,472)
Land for Resale		
Other Financial Assets		
Accounts and Accrued Liabilities Payable	(79,873)	115,196
Deposits	2,108	1,304
Deferred Revenue	32,718	9,428
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Stock and Supplies	1,513	(1,668)
Prepayments and Deferred Charges	3,363	187
Other (Specify)		
Cash provided by operating transactions	126,337	344,068
Capital:		
Acquisition of capital assets	(423,021)	(181,472)
Proceeds from the disposal of capital assets		5,000
Other capital		
Cash applied to capital transactions	(423,021)	(176,472)
Investing:		
Long-term investments	30,000	30,000
Other investments		
Cash provided by (applied to) investing transactions	30,000	30,000
Financing:		
Debt charges recovered		
Long-term debt issued		
Long-term debt repaid	(81,869)	(79,162)
Other financing		
Cash provided by (applied to) financing transactions	(81,869)	(79,162)
Change in Cash and Temporary Investments during the year	(348,553)	118,434
Cash and Temporary Investments - Beginning of Year	810,220	691,786
Cash and Temporary Investments - End of Year	461,667	810,220

Town of Hanley

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

1. Significant Accounting Policies

The consolidated financial statements of the municipality have been prepared by management in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the municipality are as follows:

Basis of Accounting: The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting requires revenues to be recognized as they become available and measurable and expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

- a) **Reporting Entity:** The financial statements consolidates the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources.
- b) **Collection of funds for other authorities:** Collection of funds by the municipality for school boards, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.
- c) **Government Transfers:** Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occur, providing

- a) the transfers are authorized
- b) any eligibility criteria have been met; and
- c) reasonable estimates of the amounts can be made.

Unearned government transfer amounts received will be recorded as deferred revenue.

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

- d) **Deferred Revenue - Fees and charges:** Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.
- e) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- f) **Net Financial Assets:** Net Financial Assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.
- g) **Non-financial Assets:** Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.
- h) **Appropriated Reserves:** Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 8.
- i) **Property Tax Revenue:** Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by council following the guidance of the Government of Saskatchewan. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.
- j) **Investments:** Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment. The long term investments in the Saskatchewan Association of Rural Municipalities - Self insurance fund are accounted for on the equity basis.

1. Significant Accounting Policies - continued

- k) **Inventories:** Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.
- l) **Tangible Capital Assets:** All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant deflation 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. Tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land Improvements	5 to 20 Yrs
Buildings	10 to 50 Yrs
<i>Vehicles and Equipment</i>	
Vehicles	5 to 10 Yrs
Machinery and Equipment	5 to 10 Yrs
Office equipment and technology	3 to 20 Yrs
<i>Infrastructure Assets</i>	
Infrastructure Assets	
Water and Sewer	15 to 40 yrs
Road Network Assets	15 Yrs

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

Works of Art and Other Unrecognized Assets: 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 consolidated financial statements as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risk associated with the leased asset is classified as a capital leases and recorded as tangible capital assets. 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.

- m) **Landfill Liability:**
The municipality maintains a transfer site.

The municipality does not maintain a waste disposal site.
- n) **Trust Funds:** Funds held in trust for others, under a trust agreement or statute, are not included in the consolidated financial statements as they are not controlled by the municipality.
- 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
 - a) an environmental standard exists;
 - b) contamination exceeds the environmental standard;
 - c) the municipality:
 - i. is directly responsible; or

1. Significant Accounting Policies - continued

- q) **Measurement Uncertainty:** The preparation of financial statements in conformity with Canadian 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.

Amortization is based on the estimated useful lives of tangible capital assets.

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

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

The segments (functions) are as follows:

General Government: Provides for the administration of the municipality.

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

Transportation Services: Responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

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

Planning and Development: Provides for neighbourhood development and sustainability.

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

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

- s) **Budget Information:** Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on April 8, 2019.

New Accounting Standards:

- t) **Effective January 1, 2019,** the municipality adopted the following standard to comply with Public Sector Accounting Standards (PSAS). This standard applies to all public sector entities for years beginning on or after April 1, 2018. Adoption of this standard requires all public sector entities to assess information using definitions, criteria and exceptions provided in the standards and apply professional judgement to comply with the disclosure requirements of each standard.

PS 3430 Restructuring Transactions provides guidance on how to account for and report restructuring transactions by transferors and recipients of assets and/or liabilities. The new standard has been adopted on a prospective basis and has no impact on these financial statements.

Future Accounting Standards:

Effective On or After April 1, 2021:

PS 1201 Financial Statement Presentation, replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure in government financial statements. Effective in the period PS 3450 and PS 2601 are adopted.

PS 2601 Foreign Currency Translation, replaces PS 2600 with revised guidance on the recognition, presentation and disclosure of transactions that are denominated in a foreign currency.

PS 3041 Portfolio Investments, replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of, portfolio investments. Effective in the period PS 3450, PS 2601 and PS 1201 are adopted.

PS 3450 Financial Instruments, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives.

PS 3280 Asset Retirement Obligations, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of a liability for retirement of a tangible capital asset. As this standard includes solid waste landfill sites active and post-closing obligations upon adoption of this new standard, existing Solid Waste Landfill Closure and Post-Closure Liability section PS 3270 will be withdrawn.

Effective On or After April 1, 2022:

PS 3400, Revenue, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of revenue.

The extent of the impact on adoption of these future standards is not known at this time.

Town of Hanley
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

2. Cash and Temporary Investments

	2019	2018
Cash	70,213	92,105
Temporary Investments	391,454	718,115
Restricted Cash		
Total Cash and Temporary Investments	461,667	810,220

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

3. Taxes Receivable - Municipal

	2019	2018
Municipal - Current	20,722	16,955
- Arrears	4,131	15,667
	24,853	32,622
- Less Allowance for Uncollectible		(10,500)
Total municipal taxes receivable	24,853	22,122
School - Current	10,927	7,091
- Arrears	134	1,153
Total school taxes receivable	11,061	8,244
Other		
Total taxes and grants in lieu receivable	35,914	30,366
Deduct taxes receivable to be collected on behalf of other organizations	(11,061)	(8,244)
Total Taxes Receivable - Municipal	24,853	22,122

Town of Hanley
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

4. Other Accounts Receivable

	2019	2018
Federal Government	22,247	15,602
Provincial Government	28,217	5,080
Local Government		
Utility	73,723	78,073
Trade		
Other (<i>Infrastructure fee, general AR</i>)	98,570	41,307
Total Other Accounts Receivable	222,757	140,062
Less: Allowance for Uncollectible		(1,050)
Net Other Accounts Receivable	222,757	139,012

5. Land for Resale

	2019	2018
Tax Title Property	5,828	5,828
Allowance for market value adjustment	(5,828)	(5,828)
Net Tax Title Property	Nil	Nil
Other Land		
Allowance for market value adjustment		
Net Other Land		
Total Land for Resale	Nil	Nil

6. Long-Term Investments

	2019	2018
Sask Assoc. of Rural Municipalities - Self Insurance Fund		
Other (<i>Dundurn Rural Water Utility</i>)	960,000	990,000
Total Long-Term Investments	960,000	990,000

The long term investment in the Dundurn Rural Water Utility is accounted for on the cost basis and is amortized over the estimated useful life of the project of 40 years.

7. Deferred Revenue

	2019	2018
		Restated
Animal licenses	150	300
Infrastructure fee programs	248,879	243,111
Fire Hall Donations/Fundraising/Equipment	7,635	7,635
Artificial Ice Project	84,368	57,268
Total Deferred Revenue	341,032	308,314

Town of Hanley

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

8. Long-Term Debt

a) The debt limit of the municipality is \$838,253. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the *Municipalities Act* section 161(1)).

b) The Canada Mortgage Housing Corporation loan under the Municipal Infrastructure lending program is repayable at \$103,598 annually for a 15 year term, including interest at 3.42%, due 2025, secured by municipal borrowing resolution.

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Year Total	Prior Year Principal
2019				81,869
2020	84,669	18,929	103,598	84,669
2021	87,565	16,033	103,598	87,565
2022	90,559	13,039	103,598	90,559
2023	93,657	9,942	103,599	93,657
2024	96,860	6,738	103,598	96,860
Thereafter	100,172	3,426	103,598	100,172
Balance	553,482	68,107	621,589	635,351

9. Contingent Liabilities

The Town has been named in a statement of claim the outcome of which is not known at this point nor is there an estimation of losses determinable.

10. 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 2018 was \$13,093. 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.

11. Comparative Figures

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

12. Prior period adjustment

During the year, management identified an error concerning the recognition of the assets, liabilities, revenue, and expenses related to the on-going construction of the Hanley Firehall. The 2018 comparative figures have been restated as follows:

	Previous	Change	Restated
Change in Financial Position			
Tangible capital assets	1,666,154	357,331	2,023,485
Deferred revenue	333,652	(25,338)	308,314
Fees and Charges	516,814	46,316	563,130
Protective services expense	24,422	6,000	30,422
Accumulated Surplus, End of Year	2,462,600	382,669	2,845,269

Town of Hanley
 Schedule of Taxes and Other Unconditional Revenue
 For the year ended December 31, 2019

Schedule 1

	2019 Budget	2019	2018
TAXES			
General municipal tax levy	363,063	363,225	354,845
Abatements and adjustments	(33,003)	(32,919)	(43,589)
Discount on current year taxes	(11,400)	(11,920)	(11,376)
Net Municipal Taxes	318,660	318,386	299,880
Potash tax share			
Trailer license fees			
Penalties on tax arrears	2,200	1,791	2,201
Special tax levy			
Other (<i>Specify</i>)			
Total Taxes	320,860	320,177	302,081
UNCONDITIONAL GRANTS			
Revenue Sharing (Organized Hamlet)	106,289	106,289	103,335
Total Unconditional Grants	106,289	106,289	103,335
GRANTS IN LIEU OF TAXES			
Federal	3,199	3,264	3,198
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
Central Services			
Sask Tel	874	912	874
Other (<i>Specify</i>)			
Local/Other			
Housing Authority	4,029	4,029	4,029
C.P.R. Mainline			
Treaty Land Entitlement			
Other (<i>Specify</i>)			
Other Government Transfers			
S.P.C. Surcharge	31,000	30,640	31,100
Sask Energy Surcharge	10,000	12,682	2,595
Other (<i>Specify</i>)			
Total Grants in Lieu of Taxes	49,102	51,527	41,796
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	476,251	477,993	447,212

Town of Hanley
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2019

Schedule 2 - 1

	2019 Budget	2019	2018 Restated
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	7,505	9,239	8,160
- Sales of supplies	1,000	1,020	275
- Other (<i>Allowance adjustment</i>)		11,550	
Total Fees and Charges	8,505	21,809	8,435
- Tangible capital asset sales - gain (loss)			11,772
- Land sales - gain			3,332
- Investment income and commissions	3,300	2,822	
- Other (<i>Specify</i>)			
Total Other Segmented Revenue	11,805	24,631	23,539
Conditional Grants			
- Student Employment			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating	11,805	24,631	23,539
Capital			
Conditional Grants			
- Federal Gas Tax		5,058	
- Provincial Disaster Assistance			
- Other (<i>Asset management</i>)	33,580	20,232	
Total Capital	33,580	25,290	
Restructuring Revenue (<i>Specify if any</i>)			
Total General Government Services	45,385	49,921	23,539

PROTECTIVE SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (<i>Donations/fundraising</i>)		80	198
- Other (<i>Donations/fundraising</i>)		33,475	46,316
Total Fees and Charges		33,555	46,514
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue		33,555	46,514
Conditional Grants			
- Student Employment			
- Local government			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating		33,555	46,514
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Local government			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Protective Services		33,555	46,514

Town of Hanley
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2019

Schedule 2 - 2

	2019 Budget	2019	2018
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	2,859	5,031	3,176
- Sales of supplies			213
- Road Maintenance and Restoration Agreements	435	151	437
- Frontage			
- Other (<i>Specify</i>)			
Total Fees and Charges	3,294	5,182	3,826
- Tangible capital asset sales - gain (loss)			(2,402)
- Other (<i>Insurance proceeds</i>)			13,672
Total Other Segmented Revenue	3,294	5,182	15,096
Conditional Grants			
- MIREP (CTP)			
- Student Employment	2,080		1,006
- Other (<i>Specify</i>)			
Total Conditional Grants	2,080		1,006
Total Operating	5,374	5,182	16,102
Capital			
Conditional Grants			
- Federal Gas Tax		40,817	6,000
- MIREP (Heavy Haul, CTP, Municipal Bridges)	1,600	1,600	1,600
- Provincial Disaster Assistance			
- Other (<i>Specify</i>) From Reserves			
Total Capital	1,600	42,417	7,600
Restructuring Revenue (<i>Specify, if any</i>)			
Total Transportation Services	6,974	47,599	23,702

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	67,300	72,670	67,564
- Other (<i>Animal Control/Cemetery</i>)	3,900	4,175	5,150
Total Fees and Charges	71,200	76,845	72,714
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue	71,200	76,845	72,714
Conditional Grants			
- Student Employment			
- TAPD			
- Local government			
- Other (<i>MMSW</i>)	3,035	6,651	3,035
Total Conditional Grants	3,035	6,651	3,035
Total Operating	74,235	83,496	75,749
Capital			
Conditional Grants			
- Federal Gas Tax			
- TAPD			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Environmental and Public Health Services	74,235	83,496	75,749

Town of Hanley
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2019

Schedule 2 - 3

	2019 Budget	2019	2018
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges			7,449
- Other (<i>Specify</i>)			
Total Fees and Charges			7,449
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue			7,449
Conditional Grants			
- Student Employment			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating			7,449
Capital			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Planning and Development Services			7,449

RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (<i>Specify</i>)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (<i>Specify</i>)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Local government	3,002	2,590	3,002
- Other (<i>Specify</i>)			
Total Conditional Grants	3,002	2,590	3,002
Total Operating	3,002	2,590	3,002
Capital			
Conditional Grants			
- Federal Gas Tax			
- Local government			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital			
Restructuring Revenue (<i>Specify, if any</i>)			
Total Recreation and Cultural Services	3,002	2,590	3,002

Town of Hanley
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2019

Schedule 2 - 4

	2019 Budget	2019	2018
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	302,727	286,172	285,457
- Sewer	33,170	35,681	35,137
- Other (<i>Infrastructure fee</i>)	103,598	103,598	103,598
Total Fees and Charges	439,495	425,451	424,192
- Tangible capital asset sales - gain (loss)		(42,263)	
- Other (<i>Investment income</i>)	3,300	6,250	4,555
Total Other Segmented Revenue	442,795	389,438	428,747
Conditional Grants			
- Student Employment			
- Other (<i>Specify</i>)			
Total Conditional Grants			
Total Operating	442,795	389,438	428,747
Capital			
Conditional Grants			
- Federal Gas Tax	32,676	18,737	25,895
- New Building Canada Fund (SCF, NRP, ICIP)			
- Clean Water and Wastewater Fund			
- Provincial Disaster Assistance			
- Other (<i>Specify</i>)			
Total Capital	32,676	18,737	25,895
Restructuring Revenue (<i>Specify, if any</i>)			
Total Utility Services	475,471	408,175	454,642
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	605,067	625,336	634,597
SUMMARY			
Total Other Segmented Revenue	529,094	529,651	594,059
Total Conditional Grants	8,117	9,241	7,043
Total Capital Grants and Contributions	67,856	86,444	33,495
Restructuring Revenue			
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	605,067	625,336	634,597

Town of Hanley

Total Expenses by Function

For the year ended December 31, 2019

Schedule 3 - 1

	2019 Budget	2019	2018 Restated
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	10,350	10,519	9,000
Wages and benefits	107,117	106,409	103,949
Professional/Contractual services	60,130	91,050	58,290
Utilities	1,900	2,010	1,889
Maintenance, materials and supplies	16,437	13,664	13,241
Grants and contributions - operating	2,500	1,651	130
- capital			
Amortization			
Interest			
Allowance for uncollectible			
Other (<i>Specify</i>)			
Total Government Services	198,434	225,303	186,499

PROTECTIVE SERVICES

Police protection

Wages and benefits			
Professional/Contractual services	23,500	23,757	23,322
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating			
- capital			
Other (<i>Specify</i>)			

Fire protection

Wages and benefits			
Professional/Contractual services	639	1,908	774
Utilities			
Maintenance, material and supplies	300		
Grants and contributions - operating			
- capital			
Amortization		326	326
Interest			
Other (<i>Fire Hall</i>)	25,000	125	6,000

Total Protective Services

	49,439	26,116	30,422
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TRANSPORTATION SERVICES

Wages and benefits	71,678	69,955	67,880
Professional/Contractual Services	25,980	24,929	17,813
Utilities	17,820	17,278	17,308
Maintenance, materials, and supplies	40,600	40,308	45,612
Gravel	18,000	19,343	13,434
Grants and contributions - operating			
- capital			
Amortization		31,078	29,142
Interest			
Other (<i>Specify</i>)			

Total Transportation Services

	174,078	202,891	191,189
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Town of Hanley

Total Expenses by Function

For the year ended December 31, 2019

Schedule 3 - 2

	2019 Budget	2019	2018
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	15,000	14,540	14,655
Professional/Contractual services	78,500	76,440	78,392
Utilities			
Maintenance, materials and supplies	810	342	1,495
Grants and contributions - operating			
o Waste disposal			
o Public Health			
- capital			
o Waste disposal			
o Public Health			
Amortization			
Interest			
Other (<i>Specify</i>)			
Total Environmental and Public Health Services	94,310	91,322	94,542

PLANNING AND DEVELOPMENT SERVICES

Wages and benefits			
Professional/Contractual Services	2,598	3,095	2,162
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Other (<i>Specify</i>)			
Total Planning and Development Services	2,598	3,095	2,162

RECREATION AND CULTURAL SERVICES

Wages and benefits			
Professional/Contractual services	4,068	4,063	4,011
Utilities	1,904	1,763	1,855
Maintenance, materials and supplies			
Grants and contributions - operating	18,116	18,282	17,483
- capital			
Amortization		18,478	18,478
Interest			
Allowance for uncollectible			
Other (<i>Specify</i>)			
Total Recreation and Cultural Services	24,088	42,586	41,827

Town of Hanley

Total Expenses by Function

For the year ended December 31, 2019

Schedule 3 - 3

	2019 Budget	2019	2018
UTILITY SERVICES			
Wages and benefits	45,636	46,108	44,962
Professional/Contractual services	60,600	39,113	44,769
Utilities	8,410	7,732	7,978
Maintenance, materials and supplies	214,915	207,428	207,826
Grants and contributions - operating - capital	30,000	30,000	30,000
Amortization		42,355	44,604
Interest	21,729	20,796	23,534
Allowance for Uncollectible			
Other (<i>Specify</i>)			
Total Utility Services	381,290	393,532	403,673
 TOTAL EXPENSES BY FUNCTION	 924,237	 984,845	 950,314

Town of Hanley
 Consolidated Schedule of Segment Disclosure by Function
 For the year ended December 31, 2019

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	21,809	33,555	5,182	76,845			425,451	562,842
Tangible Capital Asset Sales - Loss							(42,263)	(42,263)
Land Sales - Gain								
Investment Income and Commissions	2,822						6,250	2,822
Other Revenues						2,590		6,250
Grants - Conditional	25,290		42,417	6,651			18,737	9,241
- Capital								86,444
Total Revenues	49,921	33,555	47,599	83,496		2,590	408,175	625,336
Expenses (Schedule 3)								
Wages and Benefits	116,928		69,955	14,540			46,108	247,531
Professional/Contractual Services	91,050	25,665	24,929	76,440	3,095	4,063	39,113	264,355
Utilities	2,010		17,278			1,763	7,732	28,783
Maintenance Materials and Supplies	13,664		59,651	342			207,428	281,085
Grants and Contributions	1,651						30,000	49,933
Amortization		326					42,355	92,237
Interest			31,078				20,796	20,796
Allowance for Uncollectible		125						125
Other								
Total Expenses	225,303	26,116	202,891	91,322	3,095	42,586	393,532	984,845
Surplus (Deficit) by Function	(175,382)	7,439	(155,292)	(7,826)	(3,095)	(39,996)	14,643	(359,509)

Taxes and other unconditional revenue (Schedule 1)

477,993

Net Surplus (Deficit)

118,484

Town of Hanley
 Consolidated Schedule of Segment Disclosure by Function
 For the year ended December 31, 2018

Schedule 5

	Restated							
	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	8,435	46,514	3,826	72,714	7,449		424,192	563,130
Tangible Capital Asset Sales - Loss			(2,402)					(2,402)
Land Sales - Gain	11,772							11,772
Investment Income and Commissions	3,332							3,332
Other Revenues			13,672			3,002	4,555	18,227
Grants - Conditional			1,006	3,035				7,043
- Capital			7,600				25,895	33,495
Total Revenues	23,539	46,514	23,702	75,749	7,449	3,002	454,642	634,597
Expenses (Schedule 3)								
Wages and Benefits	112,949		67,880	14,655			44,962	240,446
Professional/Contractual Services	58,290	24,096	17,813	78,392	2,162	4,011	44,769	229,533
Utilities	1,889		17,308			1,855	7,978	29,030
Maintenance Materials and Supplies	13,241		59,046	1,495			207,826	281,608
Grants and Contributions	130					17,483	30,000	47,613
Amortization		326					44,604	92,550
Interest								
Allowance for Uncollectible								
Other		6,000					23,534	23,534
Total Expenses	186,499	30,422	191,189	94,542	2,162	41,827	403,673	950,314
Surplus (Deficit) by Function								
	(162,960)	16,092	(167,487)	(18,793)	5,287	(38,825)	50,969	(315,717)
Taxes and other unconditional revenue (Schedule 1)								447,212
Net Surplus (Deficit)								131,495

Town of Hanley
 Consolidated Schedule of Tangible Capital Assets by Object
 For the year ended December 31, 2019

Schedule 6
 Restated

	2019						2018	
	Land	Land Improvements	Buildings	Vehicles	Equipment	Infrastructure Assets	General/Infrastructure Assets Under Construction	Total
Asset cost								
Opening Asset costs	4,061	83,341	922,552	7,445	1,539,480	1,724,777	357,331	4,481,638
Additions during the year					50,069	98,375	274,577	181,472
Disposals and write-downs during the year						(81,770)		(24,123)
Transfers (from) assets under construction								
Closing Asset Costs	4,061	83,341	922,552	7,445	1,589,549	1,741,382	631,908	4,638,987
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs		30,357	610,979	7,445	1,226,075	740,646		2,539,673
Add: Amortization taken		4,150	15,979		38,211	33,897		92,237
Less: Accumulated amortization on disposals						(39,506)		(16,721)
Closing Accumulated Amortization Costs		34,507	626,958	7,445	1,264,286	735,037		2,668,233
Net Book Value	4,061	48,834	295,594	Nil	325,263	1,006,345	631,908	2,023,485

- Total contributed/donated assets received in 2019
Nil
- List of assets recognized at nominal value in 2019 are:
- Infrastructure Assets
- Vehicles
- Machinery and Equipment
Nil
- Amount of interest capitalized in Schedule 6
Nil

Town of Hanley
 Consolidated Schedule of Tangible Capital Assets by Function
 For the year ended December 31, 2019

Schedule 7

	2019						Restated 2018		
	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning & Development	Recreation and Culture	Water and Sewer	Total	Total
Asset cost									
Opening Asset costs	15,723	394,775	905,185	91		930,466	2,392,747	4,638,987	4,481,638
Disposals and write-downs during the year		124,577	66,623			150,000	81,821	423,021	181,472
Closing Asset Costs	15,723	519,352	971,808	91		1,080,466	2,392,798	4,980,238	4,638,987
Accumulated									
Opening Accumulated Amortization Costs	14,889	35,951	440,044			587,236	1,537,382	2,615,502	2,539,673
Add: Amortization taken		326	31,078			18,478	42,355	92,237	92,550
Less: Accumulated amortization on disposals							(39,506)	(39,506)	(16,721)
Closing Accumulated Amortization Costs	14,889	36,277	471,122			605,714	1,540,231	2,668,233	2,615,502
Net Book Value	834	483,075	500,686	91		474,752	852,567	2,312,005	2,023,485

Town of Hanley
Consolidated Schedule of Accumulated Surplus
For the year ended December 31, 2019

Schedule 8

	2018	Changes	2019
	Restated		
UNAPPROPRIATED SURPLUS	292,200	(215,402)	76,798
APPROPRIATED RESERVES			
Machinery and Equipment	30,000	10,000	40,000
Public Reserve			
Capital Trust	213,000		213,000
Utility	199,708	76,866	276,574
Other (MR, CIP, Cemetery, Trnsf Stn)	86,876	(41,500)	45,376
Total Appropriated	529,584	45,366	574,950
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6, 7)	2,023,485	288,520	2,312,005
Less: Related debt			
Net Investment in Tangible Capital Assets	2,023,485	288,520	2,312,005
Total Accumulated Surplus	2,845,269	118,484	2,963,753

Town of Hanley
 Schedule of Mill Rates and Assessments
 For the year ended December 31, 2019

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	46,640	33,118,576	539,360		8,714,400		42,418,976
Regional Park Assessment							
Total Assessment							42,418,976
Mill Rate Factor(s)	1.0000	1.0000	1.0000		1.2800		
Total Base/Minimum Tax (generated for each property class)	1.397	105,144	3.722		25,196		135,459
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	1.463	268,844	3.722		89,196		363,225

MILL RATES:

	MILLS
Average Municipal*	8.5628
Average School*	4.5590
Potash Mill Rate	
Uniform Municipal Mill Rate	6.9000

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

Town of Hanley
 Schedule of Council Remuneration
 For the year ended December 31, 2019

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Mayor	Marv Gerbrandt	1,800		1,800
Councillor	Giselle Hanson	1,300	2,104	3,404
Councillor	Melissa Maddocks	1,400		1,400
Councillor	Richard McGregor	1,500	57	1,557
Councillor	Elissa Moate	1,400		1,400
Councillor	Dwight Thall	1,400		1,400
Councillor	Andrea Townsend	1,300		1,300
Total		10,100	2,161	12,261