

VILLAGE OF YOUNG

FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2016

and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

To the Council of
the Municipality of the Village of Young:

We have audited the accompanying consolidated statement of financial position for the Village of Young as at December 31, 2016, and the consolidated 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.

Basis for Qualified Opinion

The financial statements include the revenue and expenditures of the Village's Parks and Recreation Association. In common with many recreation associations the completeness of the organization's receipts are not susceptible to satisfactory audit verification. Accordingly, our verification of these receipts was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to recreation revenues, changes in net assets and surplus, and cash as reflected in the accompanying statements.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Village of Young as at December 31, 2016, and its financial performance and its cash flows for the year ended in accordance with Canadian Public Sector Accounting Standards.

In accordance with the terms of our engagement we have not audited, nor do we express an opinion on the budget figures included in the accompanying financial statements.



Chartered Accountants
Saskatoon, Saskatchewan

July 31, 2017

Management's Responsibility

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

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

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

Davies and Drury Chartered Accountants, an independent firm, is appointed by the council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and administration to discuss their audit findings.

Robert Clinkard - Mayor

Amber Clinkard - Administrator

Village of Young
Consolidated Statement of Financial Position
As at December 31, 2016

Statement 1

	2016	2015
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	267,553	252,712
Taxes Receivable - Municipal (Note 3)	123,730	79,171
Other Accounts Receivable (Note 4)	77,348	75,253
Land for Resale (Note 5)	3,337	3,337
Long-Term Investments (Note 6)	-	-
Debt Charges Recoverable (Note 7)	-	-
Other (Specify)	5	-
Total Financial Assets	471,973	410,473
LIABILITIES		
Bank Indebtedness (Note 8)	-	-
Accounts Payable	16,014	39,689
Accrued Liabilities Payable	-	-
Deposits	4,225	4,245
Deferred Revenue (Note 9)	-	-
Accrued Landfill Costs (Note 10)	-	-
Liability for Contaminated Sites (Note 11)	-	-
Other Liabilities	62	-
Long-Term Debt (Note 10)	232,557	232,557
Lease Obligations (Note 11)	27,414	61,789
Total Liabilities	280,272	338,280
NET FINANCIAL ASSETS (DEBT)	191,701	72,193
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6. 7)	1,028,448	1,038,691
Prepayments and Deferred Charges	21,840	17,109
Stock and Supplies	-	-
Other (Note 12)	-	-
Total Non-Financial Assets	1,050,288	1,055,800
ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)	1,241,989	1,127,993

Village of Young
Consolidated Statement of Operations
As at December 31, 2016

Statement 2

	2016 Budget	2016	2015
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	373,105	372,205	329,612
Fees and Charges (Schedule 4, 5)	189,500	248,941	186,487
Conditional Grants (Schedule 4, 5)	2,000	1,842	5,521
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	-	-	-
Land Sales - Gain (Schedule 4, 5)	-	-	-
Investment Income and Commissions (Schedule 4, 5)	500	1,161	555
Other Revenues (Schedule 4, 5)	1,150	5,869	13,118
Total Revenues	566,255	630,018	535,293
EXPENSES			
General Government Services (Schedule 3)	105,315	125,360	105,692
Protective Services (Schedule 3)	36,495	32,709	40,294
Transportation Services (Schedule 3)	136,820	131,576	119,290
Environmental and Public Health Services (Schedule 3)	8,700	6,172	7,687
Planning and Development Services (Schedule 3)	500	-	-
Recreation and Cultural Services (Schedule 3)	109,115	120,919	93,508
Utility Services (Schedule 3)	123,610	126,917	102,873
Total Expenses	520,555	543,653	469,344
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	45,700	86,365	65,949
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	38,225	27,631	32,391
Surplus (Deficit) of Revenues over Expenses	83,925	113,996	98,340
Accumulated Surplus (Deficit), Beginning of Year	1,127,993	1,127,993	1,029,653
Accumulated Surplus (Deficit), End of Year	1,211,918	1,241,989	1,127,993

Village of Young
Consolidated Statement of Change in Net Financial Assets
As at December 31, 2016

Statement 3

	2016 Budget	2016	2015
Surplus (Deficit)	83,925	113,996	98,340
(Acquisition) of tangible capital assets	-	(39,609)	(287,935)
Amortization of tangible capital assets	-	49,852	56,294
Proceeds on disposal of tangible capital assets	-	-	-
Loss (gain) on the disposal of tangible capital assets	-	-	-
Surplus (Deficit) of capital expenses over expenditures	-	10,243	(231,641)
(Acquisition) of supplies inventories	-	-	-
(Acquisition) of prepaid expense	-	(4,731)	-
Consumption of supplies inventory	-	-	-
Use of prepaid expense	-	-	366
Surplus (Deficit) of expenses of other non-financial over expenditures	-	(4,731)	366
Increase/Decrease in Net Financial Assets	83,925	119,508	(132,935)
Net Financial Assets (Debt) - Beginning of Year	72,193	72,193	205,128
Net Financial Assets (Debt) - End of Year	156,118	191,701	72,193

Village of Young
Consolidated Statement of Cash Flow
As at December 31, 2016

Statement 4

	2016	2015
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	113,996	98,340
Amortization	49,852	56,294
Loss (gain) on disposal of tangible capital assets	-	-
	163,848	154,634
Change in assets/liabilities		
Taxes Receivable - Municipal	(44,559)	(12,439)
Other Receivables	(2,095)	(30,091)
Land for Resale	-	-
Other Financial Assets	(5)	-
Accounts and Accrued Liabilities Payable	(23,675)	35,786
Deposits	(20)	60
Deferred Revenue	-	-
Accrued Landfill Costs	-	-
Liability for Contaminated Sites	-	-
Other Liabilities	62	-
Stock and Supplies	-	-
Prepayments and Deferred Charges	(4,731)	366
Other (Specify)	-	-
Cash provided by operating transactions	88,825	148,316
Capital:		
Acquisition of capital assets	(39,609)	(287,935)
Proceeds from the disposal of capital assets	-	-
Other capital	-	-
Cash applied to capital transactions	(39,609)	(287,935)
Investing:		
Long-term investments	-	-
Other investments	-	-
Cash provided by (applied to) investing transactions	-	-
Financing:		
Debt charges recovered	-	-
Long-term debt issued	-	232,557
Long-term debt repaid	-	-
Other financing	(34,375)	(32,045)
Cash provided by (applied to) financing transactions	(34,375)	200,512
Change in Cash and Temporary Investments during the year	14,841	60,893
Cash and Temporary Investments - Beginning of Year	252,712	191,819
Cash and Temporary Investments - End of Year	267,553	252,712

1. Significant accounting policies

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

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

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

Entity
[Local arena board]
[Local swimming pool]

All inter-organizational transactions and balances have been eliminated.

- b) **Collection of funds for other authorities:** Collection of funds by the municipality for the school board, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.
- c) **Government Transfers:** Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occurred, as long as:

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

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

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

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

Village of Young
Notes to the Consolidated Financial Statements
As at December 31, 2016

1. Significant accounting policies - continued

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

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

[If method other than straight line used the method must be separately disclosed]

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

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

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

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

- m) **Trust Funds:** Funds held in trust for others are neither included in the municipality's assets or equity. They are disclosed in Note [18].
- n) **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.
- o) **Liability for Contaminated Sites:** Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:
- an environmental standard exists;
 - contamination exceeds the environmental standard;
 - The municipality:
 - is directly responsible; or
 - accepts responsibility;
 - it is expected that future economic benefits will be given up, and
 - a reasonable estimate of the amount can be made

Village of Young
Notes to the Consolidated Financial Statements
As at December 31, 2016

- p) **Measurement Uncertainty:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

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

The 'Opening Asset costs' of tangible capital assets have been estimated where actual costs were not available.

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

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

- q) **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.

2. Cash and Temporary Investments

	2016	2015
Cash	255,679	235,347
Temporary Investments	11,874	17,365
Restricted Cash	-	-
Total Cash and Temporary Investments	267,553	252,712

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

3. Taxes Receivable - Municipal

	2016	2015
Municipal - Current	75,299	49,986
- Arrears	134,091	108,751
- Less Allowance for Uncollectibles	(85,660)	(79,566)
Total municipal taxes receivable	123,730	79,171
School - Current	7,650	9,528
- Arrears	18,681	15,137
Total school taxes receivable	26,331	24,665
Other	-	-
Total taxes and grants in lieu receivable	150,061	103,836
Deduct taxes receivable to be collected on behalf of other organizations	(26,331)	(24,665)
Total Taxes Receivable - Municipal	123,730	79,171

Village of Young
Notes to the Consolidated Financial Statements
As at December 31, 2016

4. Other Accounts Receivable

	2016	2015
Federal Government	47,164	31,332
Provincial Government	1,075	1,003
Local Government	15,563	24,338
Utility	12,655	17,929
Trade	891	651
Other (Specify)	-	-
Total Other Accounts Receivable	77,348	75,253
Less: Allowance for Uncollectibles	-	-
Net Other Accounts Receivable	77,348	75,253

5. Land for Resale

	2016	2015
Tax Title Property	14,801	14,801
Allowance for market value adjustment	(14,801)	(14,801)
Net Tax Title Property	-	-
Other Land	3,337	3,337
Allowance for market value adjustment	-	-
Net Other Land	3,337	3,337
Total Land for Resale	3,337	3,337

6. Long-Term Investments - N/A

	2016	2015
Sask Assoc. of Rural Municipalities - Self Insurance Fund	-	-
Other (Specify)	-	-

Total Long-Term Investments

- -

The long term investments in the Saskatchewan Association of Rural Municipalities - Self Insurance Fund are accounted for on the equity basis.

Marketable securities are valued at the lower of cost and market value. Market value at [date] was [\$] ([Prior Year] - [\$]).

[Marketable securities/Portfolio investments] represent investments in common shares [of public companies] and are stated at the lower of cost or market value. At year-end, cost was substantially the same as the quoted market value.

7. Debt Charges Recoverable - N/A

	2016	2015
Current debt charges recoverable	-	-
Non-current debt charges recoverable	-	-
Total Debt Charges Recoverable	-	-

The municipality has undertaken a project with [describe nature of project and identify partners]. The municipality assumed the long-term financing of [\$ - amount]; however [\$ - amount] plus interest at [#]% is recoverable from [name of municipality] with respect to this financing. Amounts are recoverable in annual principal instalments of [\$] plus interest, and mature [date].

Future debt charges recoverable are as follows:

Year	Principal	Interest	Total
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
Thereafter	-	-	-
Balance	-	-	-

Village of Young

Notes to the Consolidated Financial Statements

As at December 31, 2016

8. Bank Indebtedness - N/A

Bank indebtedness includes an operating loan amounting to [\$] ([prior year] - [\$]) and bearing interest at prime plus [#]%. Assets pledged as collateral are [describe assets].

Credit Arrangements

{Disclosure appropriate where lines of credit have been authorized, but nil amount is drawn at statement date}

At [date], the Municipality had lines of credit totaling [\$], none of which were drawn. The following has been collateralized in connection with this line of credit:

-- General security agreement; and

-- Hypothecation of certain preferred shares (market value at [date] of [\$]).

9. Deferred Revenue - N/A

	2016	2015
[Describe deferred revenue]	-	-
Total Deferred Revenue	-	-

Village of Young

Notes to the Consolidated Financial Statements

As at December 31, 2016

10. Long-Term Debt

a) The debt limit of the municipality is \$445,930. 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)).

or

b) The debt limit of the municipality is \$_____. The debt limit for the municipality has been established by the Saskatchewan Municipal Board (the *Municipalities Act* section 161(2)).

Debenture debt is repayable at [describe terms including interest rates, repayment dates and amounts, and whether any amount is due on demand].

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Year Total	Prior Year Total
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
Thereafter	-	-	-	-
Balance	-	-	-	-

Bank loan is owed to Conexus Credit Union, bears interest at the rate of 4.8% with monthly payments of interest only and is due on demand. The Village is currently working on replacing the demand loan with a long-term loan.

Future principal repayments are estimated as follows:

Year	Principal	Interest	Current Year Total	Prior Year Total
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
Thereafter	-	-	-	-
Balance	-	-	-	-

11. Lease Obligations

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

Year	Payment Amount			
2017	27,414	811	28,225	-
2018				-
2019				-
2020				-
2021				-
Thereafter				-
Total future minimum lease payments				-
Amounts representing interest at a weighted average rate of _____%				-
Capital Lease Liability				-

Village of Young

Notes to the Consolidated Financial Statements

As at December 31, 2016

12. Other Non-financial Assets - N/A

2016

2015

(List if any)

-

-

13. Contingent Liabilities - N/A

The municipality is contingently liable under terms of the Saskatchewan Association of Rural Municipalities Self-Insurance Plan for its proportionate share of claims and future claims in excess of the Plan's reserve fund.

The municipality is also contingently liable for the following:

(List if any)

14. 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 pension expense in 2016 was \$4,039. 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.

15. Comparative Figures

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

16. Trusts Administered by the Municipality - N/A

A summary of trust fund activity by the municipality during the year is as follows:

[Description of Trust i.e. Cemetery]

	Current Year Total	Prior Year Total
Balance - Beginning of Year	-	-
Revenue (<i>Specify</i>)	-	-
Interest revenue	-	-
Expenditure (<i>Specify</i>)	-	-
Balance - End of Year	-	-

Village of Young

Schedule of Taxes and Other Unconditional Revenue

As at December 31, 2016

Schedule 1

	2016 Budget	2016	2015
TAXES			
General municipal tax levy	284,200	284,204	250,954
Abatements and adjustments	(600)	(775)	(7,502)
Discount on current year taxes	(8,000)	(8,339)	(7,089)
Net Municipal Taxes	275,600	275,090	236,363
Potash tax share	10,650	10,652	9,671
Trailer license fees	1,100	-	1,014
Penalties on tax arrears	16,370	16,368	13,440
Special tax levy	-	-	-
Other (Specify)	-	-	-
Total Taxes	303,720	302,110	260,488
UNCONDITIONAL GRANTS			
Revenue Sharing	56,860	56,864	55,586
(Organized Hamlet)	-	-	-
Total Unconditional Grants	56,860	56,864	55,586
GRANTS IN LIEU OF TAXES			
Federal	1,660	1,585	1,418
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
TransGas	-	-	-
Central Services	-	-	-
SaskTel	865	824	658
Other (Specify)	-	-	-
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other (Specify)	-	-	-
Other Government Transfers			
S.P.C. Surcharge	10,000	10,822	11,462
Sask Energy Surcharge	-	-	-
Other (Specify)	-	-	-
Total Grants in Lieu of Taxes	12,525	13,231	13,538
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	373,105	372,205	329,612

Village of Young
Schedule of Operating and Capital Revenue by Function
As at December 31, 2016

Schedule 2 - 1

	2016 Budget	2016	2015
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	500	240	264
- Sales of supplies	15,750	13,947	18,280
- Other (Specify)	1,400	935	1,366
Total Fees and Charges	17,650	15,122	19,910
- Tangible capital asset sales - gain (loss)	-	-	-
- Land sales - gain	-	-	-
- Investment income and commissions	500	1,161	555
- Other (Specify)	1,150	5,869	13,118
Total Other Segmented Revenue	19,300	22,152	33,583
Conditional Grants			
- Student Employment	-	-	-
- Other (Specify)	-	-	-
Total Conditional Grants	-	-	-
Total Operating	19,300	22,152	33,583
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (Specify)	-	-	-
Total Capital	-	-	-
Total General Government Services	19,300	22,152	33,583

PROTECTIVE SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (Specify)	1,200	1,200	-
Total Fees and Charges	1,200	1,200	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (Specify)	-	-	-
Total Other Segmented Revenue	1,200	1,200	-
Conditional Grants			
- Student Employment	-	-	-
- Local government	-	-	3,757
- Other (Specify)	-	-	-
Total Conditional Grants	-	-	3,757
Total Operating	1,200	1,200	3,757
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Local government	24,675	13,721	18,816
- Other (Specify)	-	-	-
Total Capital	24,675	13,721	18,816
Total Protective Services	25,875	14,921	22,573

Village of Young
Schedule of Operating and Capital Revenue by Function
As at December 31, 2016

Schedule 2 - 2

	2016 Budget	2016	2015
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	-	-	-
- Sales of supplies	-	-	-
- Road Maintenance and Restoration Agreements	-	-	-
- Frontage	-	-	-
- Other (Specify)	-	-	-
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (Specify)	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- MREP (CTP)	-	-	-
- Student Employment	-	-	-
- Other (Specify)	1,000	932	928
Total Conditional Grants	1,000	932	928
Total Operating	1,000	932	928
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- MREP (Heavy Haul, CTP, Municipal Bridges)	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (Specify)	-	-	-
Total Capital	-	-	-
Total Transportation Services	1,000	932	928

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	100	108	159
- Other (Specify)	-	-	2,750
Total Fees and Charges	100	108	2,909
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (Specify)	-	-	-
Total Other Segmented Revenue	100	108	2,909
Conditional Grants			
- Student Employment	-	-	-
- TAPD	-	-	-
- Local government	-	-	-
- Other (Specify)	-	-	-
Total Conditional Grants	-	-	-
Total Operating	100	108	2,909
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- TAPD	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (Specify)	-	-	-
Total Capital	-	-	-
Total Environmental and Public Health Services	100	108	2,909

Village of Young
Schedule of Operating and Capital Revenue by Function
As at December 31, 2016

Schedule 2 - 3

	2016 Budget	2016	2015
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges	260	335	295
- Other (<i>Specify</i>)	-	-	-
Total Fees and Charges	260	335	295
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (<i>Specify</i>)	-	-	-
Total Other Segmented Revenue	260	335	295
Conditional Grants			
- Student Employment	-	-	-
- Other (<i>Specify</i>)	-	-	-
Total Conditional Grants	-	-	-
Total Operating	260	335	295
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (<i>Specify</i>)	-	-	-
Total Capital	-	-	-
Total Planning and Development Services	260	335	295

RECREATION AND CULTURAL SERVICES
Operating

Other Segmented Revenue			
Fees and Charges			
- Other (<i>Specify</i>)	80,000	153,220	81,372
Total Fees and Charges	80,000	153,220	81,372
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (<i>Specify</i>)	-	-	-
Total Other Segmented Revenue	80,000	153,220	81,372
Conditional Grants			
- Student Employment	-	-	-
- Local government	1,000	910	836
- Other (<i>Specify</i>)	-	-	-
Total Conditional Grants	1,000	910	836
Total Operating	81,000	154,130	82,208
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Local government	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (<i>Specify</i>)	-	-	-
Total Capital	-	-	-
Total Recreation and Cultural Services	81,000	154,130	82,208

Village of Young
Schedule of Operating and Capital Revenue by Function
As at December 31, 2016

Schedule 2 - 4

	2016 Budget	2016	2015
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	46,700	40,041	40,456
- Sewer	16,500	16,023	16,393
- Other (<i>Specify</i>)	27,090	22,892	25,152
Total Fees and Charges	90,290	78,956	82,001
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (<i>Specify</i>)	-	-	-
Total Other Segmented Revenue	90,290	78,956	82,001
Conditional Grants			
- Student Employment	-	-	-
- Other (<i>Specify</i>)	-	-	-
Total Conditional Grants	-	-	-
Total Operating	90,290	78,956	82,001
Capital			
Conditional Grants			
- Federal Gas Tax	13,550	13,910	13,575
- New Building Canada Fund (SCF, NRP)	-	-	-
- Clean Water and Wastewater Fund	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (<i>Specify</i>)	-	-	-
Total Capital	13,550	13,910	13,575
Total Utility Services	103,840	92,866	95,576
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	231,375	285,444	238,072

SUMMARY

Total Other Segmented Revenue	191,150	255,971	200,160
Total Conditional Grants	2,000	1,842	5,521
Total Capital Grants and Contributions	38,225	27,631	32,391
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	231,375	285,444	238,072

Village of Young
Total Expenses by Function
As at December 31, 2016

Schedule 3 - 1

	2016 Budget	2016	2015
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	6,250	6,590	5,175
Wages and benefits	36,770	43,000	35,557
Professional/Contractual services	39,015	43,875	37,621
Utilities	4,900	4,774	4,555
Maintenance, materials and supplies	3,300	4,708	2,082
Grants and contributions - operating	300	400	35
- capital	-	-	-
Amortization	2,280	2,279	2,881
Interest	8,000	12,500	5,172
Allowance for uncollectibles	3,000	6,094	11,316
Other (Specify)	1,500	1,140	1,298
Total Government Services	105,315	125,360	105,692

PROTECTIVE SERVICES

Police protection

Wages and benefits	-	-	-
Professional/Contractual services	10,300	10,319	10,136
Utilities	-	-	-
Maintenance, material and supplies	-	-	-
Grants and contributions - operating	-	-	-
- capital	-	-	-
Other (Specify)	-	-	-

Fire protection

Wages and benefits	-	-	-
Professional/Contractual services	3,540	2,349	2,355
Utilities	-	168	-
Maintenance, material and supplies	6,000	3,280	8,850
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	13,345	13,336	13,365
Interest	3,260	3,257	5,588
Other (Specify)	50	-	-

Total Protective Services	36,495	32,709	40,294
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TRANSPORTATION SERVICES

Wages and benefits	59,000	58,530	55,193
Professional/Contractual Services	23,580	27,968	20,648
Utilities	19,100	16,039	18,784
Maintenance, materials, and supplies	21,000	13,226	12,914
Gravel	5,000	6,666	2,740
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	9,140	9,137	9,011
Interest	-	-	-
Other (Specify)	-	10	-

Total Transportation Services	136,820	131,576	119,290
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Village of Young

Total Expenses by Function

As at December 31, 2016

Schedule 3 - 2

	2016 Budget	2016	2015
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	6,100	6,050	7,550
Utilities	-	-	-
Maintenance, materials and supplies	1,900	122	117
Grants and contributions - operating	-	-	-
o Waste disposal	-	-	-
o Public Health	-	-	-
- capital	-	-	-
o Waste disposal	-	-	-
o Public Health	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other (Specify)	700	-	20
Total Environmental and Public Health Services	8,700	6,172	7,687

PLANNING AND DEVELOPMENT SERVICES

Wages and benefits	-	-	-
Professional/Contractual Services	500	-	-
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other (Specify)	-	-	-
Total Planning and Development Services	500	-	-

RECREATION AND CULTURAL SERVICES

Wages and benefits	4,000	18,945	4,000
Professional/Contractual services	1,770	19,368	1,766
Utilities	2,100	17,671	1,672
Maintenance, materials and supplies	-	36,926	-
Grants and contributions - operating	3,550	10,215	3,000
- capital	-	-	-
Amortization	17,695	17,694	20,028
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other (Specify)	80,000	100	63,042
Total Recreation and Cultural Services	109,115	120,919	93,508

Village of Young**Total Expenses by Function****As at December 31, 2016****Schedule 3 - 3**

	2016 Budget	2016	2015
UTILITY SERVICES			
Wages and benefits	16,000	16,000	16,000
Professional/Contractual services	29,300	75,452	59,474
Utilities	6,500	9,502	4,379
Maintenance, materials and supplies	61,950	18,557	12,011
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	9,860	7,406	11,009
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other (<i>Specify</i>)	-	-	-
Total Utility Services	123,610	126,917	102,873
TOTAL EXPENSES BY FUNCTION	520,555	543,653	469,344

Schedule 4

Taxes and other unconditional revenue (Schedule 1) 372,205

113,996

Village of Young
Consolidated Schedule of Segment Disclosure by Function
As at December 31, 2015

Schedule 5

Revenues (Schedule 2)							
General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
19,910	-	-	2,909	295	81,372	82,001	186,487
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
555	-	-	-	-	-	-	555
13,118	-	-	-	-	-	-	13,118
-	3,757	928	-	-	836	-	5,521
-	18,816	-	-	-	-	13,575	32,391
33,583	22,573	928	2,909	295	82,208	95,576	238,072
Expenses (Schedule 3)							
40,732	-	55,193	-	-	4,000	16,000	115,925
37,621	12,491	20,648	7,550	-	1,766	59,474	139,550
4,555	-	18,784	-	-	1,672	4,379	29,390
2,082	8,850	15,654	117	-	-	12,011	38,714
35	-	-	-	-	3,000	-	3,035
2,881	13,365	9,011	-	-	20,028	11,009	56,294
5,172	5,588	-	-	-	-	-	10,760
11,316	-	-	-	-	-	-	11,316
1,298	-	-	20	-	63,042	-	64,360
105,692	40,294	119,290	7,687	-	93,508	102,873	469,344
Surplus (Deficit) by Function							
(72,109)	(17,721)	(118,362)	(4,778)	295	(11,300)	(7,297)	(231,272)

Village of Young
Consolidated Schedule of Tangible Capital Assets by Object
As at December 31, 2016

Schedule 6

2016

2015

	General Assets					Infrastructure Assets	General/Infrastructure Assets Under Construction	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment			
Asset cost								
Opening Asset costs	14,473	10,800	916,142	228,875	498,954	224,308	358,952	1,964,569
Additions during the year	-	-	-	-	21,900	-	17,709	287,935
Disposals and write-downs during the year	-	-	-	-	-	-	-	-
Transfers (from) assets under construction	-	-	376,661	-	-	-	(376,661)	-
Closing Asset Costs	14,473	10,800	1,292,803	228,875	520,854	224,308	-	2,252,504
Amortization								
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	-	7,198	607,792	69,503	322,005	207,315	-	1,157,519
Add: Amortization taken	-	720	18,490	14,843	14,918	881	-	56,294
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	-
Closing Accumulated Amortization Costs	-	7,918	626,282	84,346	336,923	208,196	-	1,213,813
Net Book Value	14,473	2,882	666,521	144,529	183,931	16,112	-	1,038,691

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

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

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

3. Amount of interest capitalized in 2016 \$ -

Village of Young
Consolidated Schedule of Tangible Capital Assets by Function
As at December 31, 2016

Schedule 7

	2016						2015	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total
Assets								
Asset cost								
Opening Asset costs	48,305	207,049	178,874	7,146	-	875,938	935,192	1,964,569
Additions during the year	-	-	-	-	-	21,900	17,709	287,935
Disposals and write-downs during the year	-	-	-	-	-	-	-	-
Closing Asset Costs	48,305	207,049	178,874	7,146	-	897,838	952,901	2,252,504
Amortization								
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	21,581	49,433	91,603	1,897	-	600,820	448,479	1,157,519
Add: Amortization taken	2,279	13,336	9,137	-	-	17,694	7,406	56,294
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	-
Closing Accumulated Amortization Costs	23,860	62,769	100,740	1,897	-	618,514	455,885	1,213,813
Net Book Value	24,445	144,280	78,134	5,249	-	279,324	497,016	1,038,691

Village of Young
Consolidated Schedule of Accumulated Surplus
As at December 31, 2016

Schedule 8

	2015	Changes	2016
UNAPPROPRIATED SURPLUS	(3,330)	28,132	24,802

APPROPRIATED RESERVES

Machinery and Equipment	-	-	-
Public Reserve	-	-	-
Capital Trust	-	-	-
Utility	58,500	-	58,500
Other (Specify)	34,132	96,107	130,239
Total Appropriated	92,632	96,107	188,739

ORGANIZED HAMLETS (add lines if required)

Organized Hamlet of (Name)	-	-	-
Organized Hamlet of (Name)	-	-	-
Organized Hamlet of (Name)	-	-	-
Organized Hamlet of (Name)	-	-	-
Organized Hamlet of (Name)	-	-	-
Organized Hamlet of (Name)	-	-	-
Total Organized Hamlets	-	-	-

NET INVESTMENT IN TANGIBLE CAPITAL ASSETS

Tangible capital assets (Schedule 6)	1,038,691	(10,243)	1,028,448
Less: Related debt	-	-	-
Net Investment in Tangible Capital Assets	1,038,691	(10,243)	1,028,448

Total Accumulated Surplus	1,127,993	113,996	1,241,989
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Schedule 9

PROPERTY CLASS						
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)
Taxable Assessment	150,390	8,604,050	-	-	1,581,700	-
Regional Park Assessment						
Total Assessment						10,336,140
Mill Rate Factor(s)	-	-	-	-	-	
Total Base/Minimum Tax (generated for each property class)	-	-	-	-	-	-
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	5,868	242,654	-	-	35,682	284,204

MILL RATES:

Average Municipal*	27.4961
Average School*	5.4930
Potash Mill Rate	0.0000
Uniform Municipal Mill Rate	13.2500

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

Village of Young
Schedule of Council Remuneration
As at December 31, 2016

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Mayor	Robert Clinkard	695	-	695
Mayor	Brian Rowan	800	-	800
Councillor	Denise Dewey	875	-	875
Councillor	Julia Schultz	725	-	725
Councillor	Ryan Schultz	100	-	100
Councillor	Nathan Ciesielski	925	-	925
Councillor		-	-	-
Councillor		-	-	-
Councillor		-	-	-
Councillor		-	-	-
Councillor		-	-	-
				-
				-
				-
Total		4,120	-	4,120

August 2, 2017

The Members of Council
Village of Young
Box 359
Young, SK S0K 4Y0

Dear Members:

We have been engaged to audit the financial statements of the Village of Young for the year ended December 31, 2016. Canadian generally accepted standards for audit engagements require that we communicate the following information with you in relation to our audit.

Evaluation of Internal Controls

Audits include a review and evaluation of the system of internal controls to assist in determining the level of reliance that may or should be placed on the system in assessing the nature and extent of audit procedures to be undertaken.

During our audit we noted one potential issue with internal controls that needs to be brought to Council's attention. The existing relationship between the Mayor and the Administrator, with them being married, weakens the Village's internal control over their finances due to both being authorized signors. As a result, I recommend that the Mayor be replaced as a signing authority for the bank accounts and any other financial items by one of the other members of Council. Council should also ensure that they are provided with the previous month's bank reconciliations, bank statements, payment register and related invoices for their review.

Significant Accounting Principles

Management is responsible for the appropriate selection and application of accounting policies. Our role is to review the appropriateness and application as part of our audit. The accounting policies used by the Village of Young are described in Note 1, Significant Accounting Policies, in the financial statements.

There was no new accounting policies adopted or changes to the application of accounting policies of the municipality during the year.

Significant Unusual Transactions

We are not aware of any significant or unusual transactions entered into by the municipality that you should be informed about.

Accounting Estimates

Management is responsible for the accounting estimates included in financial statements. Estimates and the related judgments and assumptions are based on management's knowledge of the business and past experience about current and future events.

Our responsibility as auditor is to obtain sufficient appropriate evidence to provide reasonable assurance that management's accounting estimates are reasonable within the context of the financial statements as a whole. An audit includes performing appropriate procedures to verify the:

- Calculation of accounting estimates;
- Analysing of key factors such as underlying management assumptions;
- Materiality of estimates individually and in the aggregate in relation to the financial statements as a whole;
- Estimate's sensitivity to variation and deviation from historical patterns;
- Estimate's consistency with the entity's business plans; and
- Other audit evidence.

Certain accounting estimates are particularly sensitive because they involve a significant degree of judgment and may have a range of possible outcomes. The most sensitive accounting estimate is as follows:

As outlined in note 11) of the financial statements Tangible Capital Assets are recorded at cost and amortized on a percentage basis over their estimated useful lives. Due to the nature of these assets fair value cannot be reasonably estimated. Any change in amortization rates and asset values would affect the balances reported in the statement of financial position and the schedules of tangible capital assets.

Disagreements with Management

We are required to communicate any disagreements with management, whether or not resolved, about matters that are individually or in aggregate significant to the municipality's financial statements or auditors' report. Disagreements may arise over:

- Selection or application of accounting principles;
- Assumptions and related judgments for accounting estimates;
- Financial statement disclosures;
- Scope of the audit; or
- Wording of the auditors' report.

We have had no disagreements with management during the course of the audit.

Difficulties Encountered During the Audit

We encountered no significant difficulties during the audit that should be brought to the attention of the directors other than those outlined in the management letter.

We will be pleased to discuss with you further any matters mentioned above, at your convenience.

This communication is prepared solely for the information of Council and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

To ensure there is a clear understanding and record of the above matters, we ask that the Mayor sign acknowledgement in the space provided below. Should any Council Member wish to discuss or review any matter addressed in this letter or any other matters related to financial reporting, please do not hesitate to contact us at any time.

Yours truly,



Spencer Beaulieu, CPA, CA

Acknowledgement of Council:

I have read and reviewed the above disclosures and understand and agree with the comments therein:

Signature:

Date: