

R. M. of Shellbrook No. 493

FINANCIAL STATEMENTS

Year Ended December 31, 2018

R. M. of Shellbrook No. 493

Shellbrook, Saskatchewan

December 31, 2018

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Management's Responsibility

To the ratepayers of R. M. of Shellbrook No. 493:

The municipality's management is responsible for the preparation and presentation of the accompanying 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 judgments and estimates by management is required.

In discharging its responsibilities for the integrity and fair presentation of the 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 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.

Baker Tilly SK LLP, an independent firm of chartered professional accountants, is appointed by the council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the council and management to discuss their audit findings.



Reeve



Administrator

Independent Auditors' Report

To the Council
R. M. of Shellbrook No. 493

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of R. M. of Shellbrook No. 493, (the municipality), which comprise the Statement of Financial Position as at December 31, 2018 and the Statements of Operations, Changes in Net Financial Assets and Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the municipality as at December 31, 2018, and results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the municipality in accordance with the ethical requirements that are relevant to our audit of the 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 opinion.

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

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

In preparing the financial statements, management is responsible for assessing the municipality'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.

Council is 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 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 auditor's report to the related disclosures in the 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 auditor's 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 financial statements, including the disclosures, and whether the 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.

Baker Tilly SK LLP

Baker Tilly SK LLP

Saskatoon, SK
March 29, 2019

R. M. of Shellbrook No. 493

Shellbrook, Saskatchewan

Statement 1

Statement of Financial Position as at December 31, 2018

	2018	2017
Assets		
Financial Assets		
Cash and temporary investments - note 2	2,272,924	2,326,383
Taxes receivable - municipal - note 3	137,698	174,982
Other accounts receivable - note 4	81,275	173,560
Land for resale - note 5	1,067	1,067
Long-term investments	105,419	103,111
Total Financial Assets	<u>2,598,383</u>	<u>2,779,103</u>
Liabilities		
Accounts payable	<u>285,728</u>	<u>72,284</u>
Net Financial Assets	<u>2,312,655</u>	<u>2,706,819</u>
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	25,575,522	26,042,355
Prepayments and deferred charges	146,820	233,610
Stock and supplies	71,394	46,980
Total Non-Financial Assets	<u>25,793,736</u>	<u>26,322,945</u>
Accumulated Surplus - schedule 8	<u>\$ 28,106,391</u>	<u>\$ 29,029,764</u>

Approved on behalf of the council:

Reeve

Councillor

R. M. of Shellbrook No. 493
Statement of Operations
For the year ended December 31, 2018

Statement 2

	2018 Budget	2018 Actual	2017 Actual
Revenues			
Taxes and other unconditional revenue - schedule 1	1,866,109	1,862,318	1,794,469
Fees and charges - schedules 4 and 5	127,850	147,217	138,673
Conditional grants - schedules 4 and 5	112,400	123,760	105,306
Tangible capital asset sales - gain - schedules 4 and 5	30,000	29,522	91,311
Land sales - gain - schedules 4 and 5	15,000		
Investment income and commissions - schedules 4 and 5	27,400	28,100	28,254
Total Revenue	<u>2,178,759</u>	<u>2,190,917</u>	<u>2,158,013</u>
Expenses - schedule 3			
General government services	438,300	427,233	362,842
Protective services	106,200	107,980	96,400
Transportation services	2,167,900	2,576,774	2,464,998
Environmental and public health services	37,500	39,775	34,991
Recreation and cultural services	48,240	50,647	45,668
Utilities services	5,500	5,547	5,080
Total Expenses	<u>2,803,640</u>	<u>3,207,956</u>	<u>3,009,979</u>
Surplus (Deficit) of Revenues over Expenses Before Other Capital Contributions	(624,881)	(1,017,039)	(851,966)
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>93,210</u>	<u>93,666</u>	<u>93,206</u>
Surplus (Deficit) of Revenue over Expenses	(531,671)	(923,373)	(758,760)
Accumulated Surplus, Beginning of Year	<u>29,029,764</u>	<u>29,029,764</u>	<u>29,788,524</u>
Accumulated Surplus, End of Year	<u>\$ 28,498,093</u>	<u>\$ 28,106,391</u>	<u>\$ 29,029,764</u>

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

R. M. of Shellbrook No. 493
Statement of Change in Net Financial Assets
For the year ended December 31, 2018

Statement 3

	2018 Budget	2018 Actual	2017 Actual
Surplus (Deficit)	(531,671)	(923,373)	(758,760)
(Acquisition) of tangible capital assets		(615,036)	(479,997)
Amortization of tangible capital assets		1,007,722	1,007,358
Proceeds on disposal of tangible capital assets		103,669	151,790
Loss (gain) on the disposal of tangible capital assets		(29,522)	(91,311)
Surplus of Capital Expenses over Expenditures	<u>0</u>	<u>466,833</u>	<u>587,840</u>
(Acquisition) of supplies inventories		(71,394)	(46,980)
(Acquisition) of prepaid expense			(233,610)
Consumption of supplies inventory		46,980	4,691
Use of prepaid expense	<u>0</u>	<u>86,790</u>	<u>200,515</u>
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>62,376</u>	<u>(75,384)</u>
Increase (Decrease) in Net Financial Assets	(531,671)	(394,164)	(246,304)
Net Financial Assets, beginning of year	<u>2,706,819</u>	<u>2,706,819</u>	<u>2,953,123</u>
Net Financial Assets, End of Year	<u>\$ 2,175,148</u>	<u>\$ 2,312,655</u>	<u>\$ 2,706,819</u>

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

R. M. of Shellbrook No. 493
Statement of Cash Flow
For the year ended December 31, 2018

Statement 4

	2018	2017
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus (Deficit)	(923,373)	(758,760)
Amortization	1,007,722	1,007,358
Loss (gain) on disposal of tangible capital assets	<u>(29,522)</u>	<u>(91,311)</u>
	54,827	157,287
Change in Assets/Liabilities		
Taxes receivable - municipal	37,283	(21,508)
Other receivables	92,285	(43,627)
Accounts payable and accrued liabilities	213,445	41,447
Stock and supplies for use	(24,414)	(42,289)
Prepayments and deferred charges	<u>86,790</u>	<u>(33,095)</u>
Net Cash from (used for) Operations	<u>460,216</u>	<u>58,215</u>
Capital:		
Acquisition of capital assets	(615,036)	(479,997)
Proceeds from the disposal of capital assets	<u>103,669</u>	<u>151,790</u>
Net Cash from (used for) Capital	<u>(511,367)</u>	<u>(328,207)</u>
Investing:		
Long-term investments	<u>(2,308)</u>	<u>(2,524)</u>
Increase (Decrease) in Cash Resources	(53,459)	(272,516)
Cash and investments, beginning of year	<u>2,326,383</u>	<u>2,598,899</u>
Cash and Investments, End of Year	<u>\$ 2,272,924</u>	<u>\$ 2,326,383</u>

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

R. M. of Shellbrook No. 493
Notes to Financial Statements
For the year ended December 31, 2018

1. Significant Accounting Policies

The 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:

(a) Basis of accounting

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

(b) Collection of funds for other authorities

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

(c) Government transfers

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

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

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

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

(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) 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.

(f) 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.

R. M. of Shellbrook No. 493
Notes to Financial Statements
For the year ended December 31, 2018

1. **Significant Accounting Policies** - continued

(g) 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.

(h) 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 on gravel inventory is determined by the average cost method. Cost on culverts and other inventory are determined by the specific identification method. Net realizable value is the estimated selling price in the ordinary course of business.

(i) Tangible capital assets

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

Assets	Useful Life
General Assets	
Land	Indefinite
Land improvements	5 to 20 years
Buildings	10 to 50 years
Vehicles	5 to 20 years
Machinery and equipment	5 to 20 years
Linear assets	30 to 75 years
Infrastructure Assets	
Assets under construction	30 to 75 years

(j) Government contributions

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

(k) Works of art

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

(l) Capitalization of interest

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

R. M. of Shellbrook No. 493
Notes to Financial Statements
For the year ended December 31, 2018

1. **Significant Accounting Policies** - continued

(m) Leases

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

(n) Landfill liability

The R. M. of Shellbrook No. 493 maintains three waste disposal sites which are now used only for the disposal of compostable materials and untreated wood. The municipality is unable to estimate closure and post-closure costs. No amount has been recorded as an asset or a liability.

(o) Revenue

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

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

(p) Measurement uncertainty

The preparation of financial statements in conformity with Public Sector Accounting Board's recommendations 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. M. of Shellbrook No. 493
Notes to Financial Statements
For the year ended December 31, 2018

1. **Significant Accounting Policies** - continued

(q) Basis of segmentation/segment report

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

The segments (functions) are as follows:

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

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

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

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

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

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

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

(r) 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:

- (i) An environmental standard exists;
- (ii) Contamination exceeds the environmental standard;
- (iii) The municipality:
 - a) is directly responsible; or
 - b) accepts responsibility;
- (iv) It is expected that future economic benefits will be given up; and
- (v) A reasonable estimate of the amount can be made.

R. M. of Shellbrook No. 493
Notes to Financial Statements
For the year ended December 31, 2018

1. **Significant Accounting Policies - continued**

(s) **New accounting standards**

Effective January 1, 2018, the municipality adopted the following Canadian public sector accounting standards. The description of these changes and their impact on the financial statements is summarized:

PS 2200 Related party disclosures defines a related party and establishes disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

The adoption of this standard has not resulted in any disclosure change.

PS 3210 Assets provides additional guidance for applying the definition of assets and establishing disclosure requirements for assets. Disclosure about the major categories of assets that are not recognized is required. When an asset is not recognized because a reasonable estimate cannot be made, the reasons for this should be disclosed. The adoption of this standard has no impact on the financial statements.

PS 3320 Contingent assets defines and establishes disclosure standards on the reporting and disclosure of possible assets that may arise from existing conditions or situations involving uncertainty. Disclosure is required when the occurrence of the confirming future event is likely.

The municipality does not have any reportable contingent assets.

PS 3380 Contractual rights defines and establishes disclosure standards on contractual rights. Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.

The municipality does not have any reportable contractual rights.

PS 3420 Inter-entity transactions establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

This standard has no impact on the financial statements.

	2018	2017
2. Cash and Temporary Investments		
Cash	1,054,601	1,121,187
Temporary investments	<u>1,218,323</u>	<u>1,205,196</u>
Total Cash and Temporary Investments	<u>\$ 2,272,924</u>	<u>\$ 2,326,383</u>

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

R. M. of Shellbrook No. 493
Notes to Financial Statements
For the year ended December 31, 2018

	2018	2017
3. Taxes and Grants In Lieu Receivable		
Municipal - current	112,119	111,317
Municipal - arrears	<u>36,300</u>	<u>74,386</u>
	148,419	185,703
Less: Allowance for uncollectibles	<u>10,721</u>	<u>10,721</u>
Total municipal taxes receivable	<u>137,698</u>	<u>174,982</u>
School - current	43,873	48,223
School - arrears	<u>14,020</u>	<u>31,677</u>
Total school taxes receivable	<u>57,893</u>	<u>79,900</u>
Other	<u>11,373</u>	<u>0</u>
Total taxes and grants in lieu receivable	206,964	254,882
Less: Taxes receivable to be collected on behalf of other organizations	<u>69,266</u>	<u>79,900</u>
Municipal and Grants In Lieu Taxes Receivable	<u>\$ 137,698</u>	<u>\$ 174,982</u>
4. Other Accounts Receivable		
Federal government	72,148	51,429
Provincial government		92,097
Trade	<u>19,427</u>	<u>40,334</u>
Total other accounts receivable	91,575	183,860
Less: Allowance for uncollectibles	<u>10,300</u>	<u>10,300</u>
Net Other Accounts Receivable	<u>\$ 81,275</u>	<u>\$ 173,560</u>
5. Land for Resale		
Tax title property	1,405	1,405
Less: Allowance for market value adjustment	<u>338</u>	<u>338</u>
Total Land for Resale	<u>\$ 1,067</u>	<u>\$ 1,067</u>
6. Long-Term Investments		
Sask. Assoc. of Rural Municipalities - Self Insurance Fund	<u>\$ 105,419</u>	<u>\$ 103,111</u>

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

7. Bank Indebtedness

Bank indebtedness includes an operating loan amounting to \$500,000 (2017 - \$500,000) and bearing interest at the prime interest rate (currently 3.95%).

R. M. of Shellbrook No. 493
Notes to Financial Statements
For the year ended December 31, 2018

8. Long-Term Debt

The debt limit of the municipality for 2019 is \$1,562,981. 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).

9. Employee Benefit Plans

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

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

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

All contributions by employees are matched equally by the employer. The contribution rates were updated on July 1, 2018. Employee contribution rates in effect for the year are as follows:

	2018	2017
General members	9.00 %	8.15 %
Designated members	12.50 %	11.35 %

Contributions to the plan during the year were as follows:

Benefit expense	\$ 56,597	\$ 49,436
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As per the most recently audited financial statements dated December 31, 2017, the plan surplus is \$454,177,000.

10. Budget

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

R. M. of Shellbrook No. 493
 Schedule of Taxes and Other Unconditional Revenue
 For the year ended December 31, 2018

Schedule 1

	2018 Budget	2018 Actual	2017 Actual
Taxes			
General municipal tax levy	1,460,568	1,460,568	1,341,699
Abatements and adjustments	(8,000)	(7,742)	(6,637)
Discount on current year taxes	(58,000)	(65,162)	(57,140)
Net municipal taxes	1,394,568	1,387,664	1,277,922
Penalties on tax arrears	10,000	10,496	10,042
Special tax levy	<u> </u>	<u>1,934</u>	<u>1,966</u>
Total Taxes	<u>1,404,568</u>	<u>1,400,094</u>	<u>1,289,930</u>
Unconditional Grants			
Equalization (revenue sharing)	437,507	437,400	479,062
Organized hamlet	<u>22,174</u>	<u>22,176</u>	<u>23,618</u>
Total Unconditional Grants	<u>459,681</u>	<u>459,576</u>	<u>502,680</u>
Grants In Lieu of Taxes			
Provincial			
Transgas		625	
Local/Other			
Treaty land entitlement	<u>1,860</u>	<u>2,023</u>	<u>1,859</u>
Total Grants In Lieu of Taxes	<u>1,860</u>	<u>2,648</u>	<u>1,859</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 1,866,109</u>	<u>\$ 1,862,318</u>	<u>\$ 1,794,469</u>

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

R. M. of Shellbrook No. 493Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2018

Schedule 2-1

	2018 Budget	2018 Actual	2017 Actual
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of supplies	3,750	3,283	9,929
Other	<u>22,500</u>	<u>19,949</u>	<u>9,456</u>
Total Fees and Charges	<u>26,250</u>	<u>23,232</u>	<u>19,385</u>
Land sales - gain	15,000		
Investment income and commissions	<u>27,400</u>	<u>28,100</u>	<u>28,254</u>
Total Other Segmented Revenue	<u>68,650</u>	<u>51,332</u>	<u>47,639</u>
Conditional Grants			
Donations	<u>0</u>	<u>5,944</u>	<u>2,000</u>
Total Conditional Grants	<u>0</u>	<u>5,944</u>	<u>2,000</u>
Total General Government Services	<u>\$ 68,650</u>	<u>\$ 57,276</u>	<u>\$ 49,639</u>
Protective Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Other	<u>15,500</u>	<u>45,873</u>	<u>25,476</u>
Total Other Segmented Revenue	<u>15,500</u>	<u>45,873</u>	<u>25,476</u>
Total Protective Services	<u>\$ 15,500</u>	<u>\$ 45,873</u>	<u>\$ 25,476</u>

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

R. M. of Shellbrook No. 493
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2018

Schedule 2-2

	2018 Budget	2018 Actual	2017 Actual
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	20,000	13,350	18,211
Sale of supplies	53,600	46,038	67,036
Road maintenance and restoration agreement	5,500	12,445	2,357
Total Fees and Charges	79,100	71,833	87,604
Gain (loss) on sale of tangible capital assets	30,000	29,522	91,311
Total Other Segmented Revenue	109,100	101,355	178,915
Conditional Grants			
MREP (CTP)	94,050	85,500	85,500
Other (beaver and pest control)	8,610	245	8,071
Total Conditional Grants	102,660	85,745	93,571
Total Operating	211,760	187,100	272,486
Capital			
Conditional Grants			
Gas tax	93,210	93,666	93,206
Total Capital	93,210	93,666	93,206
Total Transportation Services	\$ 304,970	\$ 280,766	\$ 365,692
Planning and Development Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Other	7,000	6,279	6,208
Total Other Segmented Revenue	7,000	6,279	6,208
Conditional Grants			
Other	0	3,559	0
Total Conditional Grants	0	3,559	0
Total Planning and Development Services	\$ 7,000	\$ 9,838	\$ 6,208

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

R. M. of Shellbrook No. 493Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2018

Schedule 2-4

	2018 Budget	2018 Actual	2017 Actual
Recreation and Cultural Services			
Operating			
Conditional Grants			
Sturgeon lake		18,777	
Other - TIP grant	9,740	9,735	9,735
Total Conditional Grants	<u>9,740</u>	<u>28,512</u>	<u>9,735</u>
Total Operating	<u>9,740</u>	<u>28,512</u>	<u>9,735</u>
Total Recreation and Cultural Services	<u>\$ 9,740</u>	<u>\$ 28,512</u>	<u>\$ 9,735</u>
Total Operating and Capital Revenue by Function	<u>\$ 405,860</u>	<u>\$ 422,265</u>	<u>\$ 456,750</u>
Summary			
Total Other Segmented Revenue	200,250	204,839	258,238
Total Conditional Grants	112,400	123,760	105,306
Total Capital Grants and Contributions	<u>93,210</u>	<u>93,666</u>	<u>93,206</u>
Total Operating and Capital Revenue by Function	<u>\$ 405,860</u>	<u>\$ 422,265</u>	<u>\$ 456,750</u>

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

R. M. of Shellbrook No. 493
 Total Expenses by Function
 For the year ended December 31, 2018

Schedule 3-1

	2018 Budget	2018 Actual	2017 Actual
General Government Services			
Council remuneration and travel	43,000	43,252	35,421
Wages and benefits	185,300	173,530	162,694
Professional/Contractual services	35,000	34,010	33,276
Contractual services - other	30,000	32,393	18,986
Utilities	14,500	11,357	12,148
Maintenance, materials and supplies	103,500	90,705	70,231
Grants and contributions - operating	8,500	8,280	8,175
Amortization		6,418	6,418
Insurance	17,000	16,608	14,351
Allowance for uncollectibles		9,784	
Other	1,500	896	1,142
Total General Government Services	\$ 438,300	\$ 427,233	\$ 362,842
Protective Services			
Police protection			
Professional/Contractual services	70,000	72,431	69,248
Maintenance, materials and supplies	2,200	1,984	1,916
Fire protection			
Wages and benefits	7,000	7,732	5,436
Professional/Contractual services	21,500	18,788	16,803
Maintenance, materials and supplies	500	7,045	2,997
Other	5,000		
Total Protective Services	\$ 106,200	\$ 107,980	\$ 96,400
Transportation Services			
Wages and benefits	725,600	661,587	635,388
Professional/Contractual services	101,700	42,756	34,969
Utilities	22,600	20,564	18,946
Maintenance, materials and supplies	265,000	46,629	29,557
Gravel	310,000	307,734	289,158
Machinery costs/fuel/blades	669,000	389,962	415,441
Culverts/drainage	21,000	4,510	2,423
Amortization		1,001,304	1,000,940
Repayment of disaster assistance grant		57,197	
Other materials and supplies	53,000	44,531	38,176
Total Transportation Services	\$ 2,167,900	\$ 2,576,774	\$ 2,464,998

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

R. M. of Shellbrook No. 493
 Total Expenses by Function
 For the year ended December 31, 2018

Schedule 3-2

	2018 Budget	2018 Actual	2017 Actual
Environmental and Public Health Services			
Professional/Contractual services	\$ 37,500	\$ 39,775	\$ 34,991
Recreation and Cultural Services			
Maintenance, materials and supplies	3,500	2,512	3,033
Grants and contributions - operating	19,740	23,235	17,735
Libraries	25,000	24,900	24,900
Total Recreation and Cultural Services	\$ 48,240	\$ 50,647	\$ 45,668
Utility Services			
Professional/Contractual services	\$ 5,500	\$ 5,547	\$ 5,080
Total Expenses by Function	\$ 2,803,640	\$ 3,207,956	\$ 3,009,979

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

R. M. of Shellbrook No. 493

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

Schedule 4

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	23,232	45,873	71,833		6,279			147,217
Tangible capital asset sales - gain			29,522					29,522
Investment income and commissions	28,100							28,100
Grants - conditional	5,944		85,745		3,559	28,512		123,760
Grants - capital			93,666					93,666
Total Revenues	57,276	45,873	280,766	0	9,838	28,512	0	422,265
Expenses - schedule 3								
Wages and benefits	173,530	7,732	661,587					842,849
Professional/contractual services	109,655	91,219	42,756	39,775		5,547		288,952
Utilities	11,357		20,564					31,921
Maintenance materials and supplies	90,705	9,029	354,363			2,512		456,609
Culverts/drainage			389,962					389,962
			4,510					4,510
Grants and contributions	8,280		1,001,304			23,235		31,515
Amortization	6,418							1,007,722
Insurance	16,608							16,608
Libraries						24,900		24,900
Allowance for uncollectibles	9,784							9,784
Other	896		101,728					102,624
Total Expenses	427,233	107,980	2,576,774	39,775	0	50,647	5,547	3,207,956
Surplus (Deficit) by Function	\$(369,957)	\$(62,107)	\$(2,296,008)	\$(39,775)	\$ 9,838	\$(22,135)	\$(5,547)	(2,785,691)
Taxation and other unconditional revenue - schedule 1								1,862,318
Net Surplus (Deficit)								\$(923,373)

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

R. M. of Shellbrook No. 493

Schedule of Segment Disclosure by Function
For the year ended December 31, 2017

Schedule 5

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	19,385	25,476	87,604		6,208			138,673
Tangible capital asset sales - gain (loss)			91,311					91,311
Investment income and commissions	28,254					9,735		28,254
Grants - conditional	2,000		93,571					105,306
Grants - capital			93,206					93,206
Total Revenues	49,639	25,476	365,692	0	6,208	9,735	0	456,750
Expenses - schedule 3								
Wages and benefits	162,694	5,436	635,388					803,518
Professional/contractual services	87,683	86,051	34,969	34,991			5,080	248,774
Utilities	12,148		18,946					31,094
Maintenance materials and supplies	70,231	4,913	318,715			3,033		396,892
Machinery costs/fuel/blades			415,441					415,441
Culverts/drainage			2,423					2,423
Grants and contributions	8,175		1,000,940			17,735		25,910
Amortization	6,418							1,007,358
Insurance	14,351							14,351
Libraries						24,900		24,900
Other	1,142		38,176					39,318
Total Expenses	362,842	96,400	2,464,998	34,991	0	45,668	5,080	3,009,979
Surplus (Deficit) by Function	\$(313,203)	\$(70,924)	\$(2,099,306)	\$(34,991)	\$ 6,208	\$(35,933)	\$(5,080)	(2,553,229)
Taxation and other unconditional revenue - schedule 1								1,794,469
Net Surplus (Deficit)								\$(758,760)

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

R. M. of Shellbrook No. 493

Schedule of Tangible Capital Assets by Object
For the year ended December 31, 2018

Schedule 6

	2018						2017	
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets	General/Infrastruct. Assets	Total
Asset Cost	324,805	0	530,327	0	2,454,453	31,881,722	0	35,191,307
Opening Asset Cost					369,106		245,930	615,036
Additions during the year					(226,730)			(226,730)
Disposals and write-down during the year					2,596,829	31,881,722	245,930	35,579,613
Closing Asset Costs	324,805	0	530,327	0	(226,730)	31,881,722	245,930	(374,798)
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	0	0	183,327	0	994,288	7,971,337	0	9,148,952
Add: Amortization taken			13,258		196,525	797,939		1,007,722
Less: Accumulated amortization on disposals					152,583			152,583
Closing Accumulated Amortization Costs	0	0	196,585	0	1,038,230	8,769,276	0	10,004,091
Net Book Value	\$ 324,805	\$ 0	\$ 333,742	\$ 0	\$ 1,558,599	\$ 23,112,446	\$ 245,930	\$ 25,575,522
								\$ 26,042,355

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

R. M. of Shellbrook No. 493

Schedule of Tangible Capital Assets by Function
For the year ended December 31, 2018

Schedule 7

	2018					2017		
	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Water & Sewer	Total
Asset Cost								
Opening Asset Cost	875,133	0	34,316,174	0	0	0	0	35,191,307
Additions during the year			615,036					615,036
Disposals and write-down during the year			(226,730)				(226,730)	(374,798)
Closing Asset Costs	875,133	0	34,704,480	0	0	0	0	35,579,613
Accumulated Amortization Cost								
Opening Accumulated Amortization costs	132,147	0	9,016,805	0	0	0	0	9,148,952
Add: Amortization taken	6,418		1,001,304					1,007,722
Less: Accumulated amortization on disposals			152,583					152,583
Closing Accumulated Amortization Costs	138,565	0	9,865,526	0	0	0	0	10,004,091
Net Book Value	\$ 736,568	\$ 0	\$ 24,838,954	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,575,522
								\$ 26,042,355

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

R. M. of Shellbrook No. 493
Schedule of Accumulated Surplus
For the year ended December 31, 2018

Schedule 8

	2017	Changes	2018
Unappropriated Surplus	<u>2,241,255</u>	<u>(454,002)</u>	<u>1,787,253</u>
Appropriated Surplus			
Machinery and equipment			
Machinery and equipment	<u>521,600</u>	<u>13,909</u>	<u>535,509</u>
Public reserve	<u>26,839</u>	<u>(10,000)</u>	<u>16,839</u>
Other			
P.A. Union Hospital	9,476		9,476
Shellbrook Hospital	13,006		13,006
RM Capital Grant	4,909	(4,909)	
Lagoon development	3,000	(3,000)	
Herdin Creek	14,313	2,050	16,363
Road construction/development	<u>6,000</u>	<u>(6,000)</u>	
	<u>50,704</u>	<u>(11,859)</u>	<u>38,845</u>
Total Appropriated	<u>599,143</u>	<u>(7,950)</u>	<u>591,193</u>
Hamlet of Crutwell	55,002	2,347	57,349
Hamlet of Holbein	<u>92,009</u>	<u>3,065</u>	<u>95,074</u>
Total Hamlets	<u>147,011</u>	<u>5,412</u>	<u>152,423</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	<u>26,042,355</u>	<u>(466,833)</u>	<u>25,575,522</u>
Net Investment in Tangible Capital Assets	<u>26,042,355</u>	<u>(466,833)</u>	<u>25,575,522</u>
Total Accumulated Surplus	<u>\$ 29,029,764</u>	<u>\$(923,373)</u>	<u>\$ 28,106,391</u>

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

R. M. of Shellbrook No. 493

Schedule of Mill Rates and Assessments
For the year ended December 31, 2018

Schedule 9

	Property Class				Total	
	Agriculture	Residential	Residential Condominium	Seasonal Residential		Commercial & Industrial
Taxable Assessment	129,872,990	84,858,085			4,376,400	219,107,475
Less: Subject to minimum tax	2,084,350	5,160,000			71,300	7,315,650
Net	127,788,640	79,698,085			4,305,100	211,791,825
Mill Rate Factor(s)	1.00	1.14			1.97	
Total Base/Minimum Tax (generated for each property class)	38,750	86,700			1,100	126,550
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	844,087	563,162			53,319	1,460,568
Mill Rates:						
Average Municipal*	6.6660					
Average School*	2.5685					
Potash Mill Rate						
Uniform Municipal Mill Rate	6.1700					

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

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

R. M. of Shellbrook No. 493
Schedule of Council Remuneration
For the year ended December 31, 2018

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Doug Oleksyn	5,141	2,258	7,399
Cliff Skauge	3,279	660	3,939
Earl Stewart	3,266	536	3,802
Sean Helm	2,583	525	3,108
Lyle Muller	2,302	222	2,524
Derwin Joelson	6,157	3,724	9,881
Andy Larsen	3,323	2,015	5,338
Phil Hamel	1,314	705	2,019
Jay Ferster	525		525
Ron Herzog	525	332	857
	<u>\$ 28,415</u>	<u>\$ 10,977</u>	<u>\$ 39,392</u>

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part of these financial statements.*