

RURAL MUNICIPALITY OF SHELLBROOK NO. 493
Financial Statements
Year Ended December 31, 2019

RURAL MUNICIPALITY OF SHELLBROOK NO. 493

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Year Ended December 31, 2019

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Management's Responsibility

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 are 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.

Grant Thornton 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.



Duane Storey, Administrator



Mr Doug Oleksyn, Reeve

Shellbrook, SK

Date: Sept 14 2020

INDEPENDENT AUDITOR'S REPORT

To the Council of the Rural Municipality of Shellbrook No. 493

Qualified Opinion

We have audited the consolidated financial statements of the Rural Municipality of Shellbrook No. 493 (the Organization), which comprise the statement of financial position as at December 31, 2019, and the statements of operations and accumulated surplus and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Qualified Opinion

As outlined in Note 10 to the consolidated financial statements, the Municipality maintains a solid waste landfill sites for which it has not recorded an estimate of its closure and post-closure liabilities. This constitutes a departure from Canadian public sector accounting standards, which require the closure and post-closure liabilities to be recognized on a volumetric basis as the landfill site capacity is used, beginning when the site first accepts waste. This is the result of a cost-benefit decision taken by management not to engage a third party to determine the liability until the site was closed. The impact of this departure from Canadian public sector accounting standards has not been determined and therefore, we were not able to determine whether any adjustments might be necessary to the surplus of revenues over expenses and cash flows for the year ended December 31, 2019, landfill closure and post-closure liabilities as at December 31, 2019 and net financial assets as at January 1 and December 31, 2019. The predecessor's audit opinion on the consolidated financial statements for the year ended December 31, 2018 was not modified because of the effects of this departure from Canadian public sector accounting standards.

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 Consolidated Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Restated Comparative Information

We draw attention to Note 24 to the consolidated financial statements, which explains that certain comparative information presented for the year ended December 31, 2018 has been restated. The financial statements for the year ended December 31, 2018 (prior to the adjustments that were applied to restate certain comparative information explained in Note 24) were audited by another auditor who expressed an unmodified opinion on those financial statements on March 29, 2019. Our opinion is not modified in respect of this matter.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Grant Thornton LLP

Saskatoon, Canada
September 14, 2020

Chartered Professional Accountants

RURAL MUNICIPALITY OF SHELLBROOK NO. 493**Consolidated Statement of Financial Position****As at December 31, 2019****Statement 1**

	2019	2018 (Restated -see note 24)
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	\$ 1,464,651	\$ 2,294,058
Taxes Receivable - Municipal (Note 3)	189,314	137,698
Other Accounts Receivable (Note 4)	145,196	81,799
Land for Resale (Note 5)	1,067	1,067
Long-Term Investments (Note 6)	115,937	105,419
Debt Charges Recoverable (Note 7)	-	-
Other	-	-
Total financial assets	1,916,165	2,620,041
LIABILITIES		
Bank indebtedness (Note 8)	-	-
Accounts Payable	63,208	291,785
Accrued Liabilities Payable	-	-
Deposits	-	-
Deferred Revenue (Note 9)	-	-
Accrued Landfill Costs (Note 10)	-	-
Liability for Contaminated Sites (Note 11)	-	-
Other Liabilities	-	-
Long-Term Debt (Note 12)	-	-
Lease Obligations (Note 13)	-	-
NET FINANCIAL ASSETS	1,852,957	2,328,256
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	26,435,185	25,790,719
Prepayments and Deferred Charges	98,040	146,820
Stock and Supplies	34,276	71,394
Other (Note 14)	-	-
Total Non-Financial Assets	26,567,501	26,008,933
ACCUMULATED SURPLUS (Schedule 8)	\$ 28,420,458	\$ 28,337,189

See notes to financial statements

RURAL MUNICIPALITY OF SHELLBROOK NO. 493

Consolidated Statement of Operations and Accumulated Surplus

As at December 31, 2019

Statement 2

	Budget 2019	2019	2018 (Restated -see note 24)
REVENUES OTHER THAN PROVINCIAL/FEDERAL CAPITAL GRANTS AND CONTRIBUTIONS			
Taxes and Other Unconditional Revenue (Schedule 1)	\$ 2,006,310	\$ 1,990,358	\$ 1,862,318
Fees and Charges (Schedule 4, 5)	141,820	199,381	147,218
Conditional Grants (Schedule 4, 5)	841,550	843,928	123,760
Tangible Capital Assets Sales - Gain (Loss) (Schedule 4, 5)	15,000	(81,169)	29,522
Land Sales - Gain (Loss) (Schedule 4, 5)	-	12,000	-
Investment Income and Commissions (Schedule 4, 5)	9,000	32,622	28,100
Restructurings (Schedule 4, 5)	-	-	-
Other Revenues (Schedule 4, 5)	-	325,066	173,264
Total Revenues other than Provincial/Federal Capital Grants and Contributions	3,013,680	3,322,186	2,364,182
EXPENSES			
General Government Services (Schedule 3)	398,360	418,419	427,232
Protective Services (Schedule 3)	122,300	122,227	107,979
Transportation Services (Schedule 3)	1,622,000	2,518,405	2,576,773
Environmental and Public Health Services (Schedule 3)	32,200	28,118	39,775
Planning and Development Services (Schedule 3)	20,000	23,049	-
Recreation and Cultural Services (Schedule 3)	48,100	315,755	262,275
Utility Services (Schedule 3)	6,000	5,242	5,547
Restructurings (Schedule 3)	-	-	-
Total Expenses	2,248,960	3,431,215	3,419,581
Surplus (Deficit) of Revenues over Expenses before Provincial/Federal Capital Grants and Contributions	764,720	(109,029)	(1,055,399)
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	93,670	192,298	93,666
Surplus (Deficit) of Revenues over Expenses	858,390	83,269	(961,733)
Accumulated Surplus (Deficit), Beginning of Year, Previously Reported	28,106,392	28,106,392	29,029,761
Prior Period Adjustment (Note 24)	230,797	230,797	269,161
Accumulated Surplus (Deficit), Beginning of Year, As Restated	28,337,189	28,337,189	29,298,922
ACCUMULATED SURPLUS - END OF YEAR	\$ 29,195,579	\$ 28,420,458	\$ 28,337,189

See notes to financial statements

RURAL MUNICIPALITY OF SHELLBROOK NO. 493

Consolidated Statement of Change in Net Financial Assets

As at December 31, 2019

Statement 3

	Budget 2019	2019	2018 (Restated - see note 24)
Surplus (Deficit)	\$ 121,453	\$ 83,269	\$ (961,733)
(Acquisition) of tangible capital assets	-	(1,917,638)	(624,453)
Amortization of tangible capital assets	183,158	1,019,204	1,030,010
Proceeds on disposal of tangible capital assets	-	172,795	103,669
Loss (gain) on the disposal of tangible capital assets	-	81,169	(29,522)
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (Deficit) of capital expenses over expenditures	183,158	(644,470)	479,704
(Acquisition) of supplies inventories	-	(34,276)	(71,398)
(Acquisition) of prepaid expense	-	(98,040)	-
Consumption of supplies inventory	-	71,398	46,980
Use of prepaid expense	-	146,820	86,790
Surplus (Deficit) of expenses of other non-financial over expenditures	-	85,902	62,372
Increase/Decrease in Net Financial Assets	304,611	(475,299)	(419,657)
Net Financial Assets (Debt) - Beginning of Year	2,328,256	2,328,256	2,747,913
Net Financial Assets (Debt) - End of Year	\$ 2,632,867	\$ 1,852,957	\$ 2,328,256

RURAL MUNICIPALITY OF SHELLBROOK NO. 493

Consolidated Statement of Cash Flows

As at December 31, 2019

Statement 4

Cash provided by (used for) the following activities

	2019	2018 (Restated -see note 24)
Operating:		
Surplus (Deficit)	\$ 83,269	\$ (961,733)
Amortization	1,019,204	1,030,010
Loss (gain) on disposal of tangible capital assets	81,169	(29,522)
	<u>1,183,642</u>	<u>38,755</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	(51,616)	37,284
Other Receivables	(63,397)	91,760
Accounts Payable	(228,573)	219,500
Prepayments and Deferred Charges	48,780	86,790
Stock and Supplies	37,118	(24,414)
	<u>(257,688)</u>	<u>410,920</u>
Cash provided by operating transactions	<u>925,954</u>	<u>449,675</u>
Capital:		
Acquisition of capital assets	(1,917,638)	(624,453)
Proceeds from the disposal of capital assets	172,795	103,669
Other capital	-	-
	<u>(1,744,843)</u>	<u>(520,784)</u>
Cash applied to capital transactions	<u>(1,744,843)</u>	<u>(520,784)</u>
Investing:		
Long-Term Investments	(10,518)	(2,309)
Other	-	-
	<u>(10,518)</u>	<u>(2,309)</u>
Cash provided by (applied to) investing transactions	<u>(10,518)</u>	<u>(2,309)</u>
Financing:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	-	-
Other financing	-	-
	<u>-</u>	<u>-</u>
Cash provided by (applied to) financing transactions	<u>-</u>	<u>-</u>
Change in Cash and Temporary Investments during the year	<u>(829,407)</u>	<u>(73,418)</u>
Cash and Temporary Investments - Beginning of Year	<u>2,294,058</u>	<u>2,367,476</u>
Cash and Temporary Investments - End of Year (Note 2)	<u>\$ 1,464,651</u>	<u>\$ 2,294,058</u>

See notes to financial statements

1. **Significant accounting policies**

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

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

(a) **Reporting Entity:**

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

Sturgeon Lake Regional Park Authority - 100%

(b) **Collection of funds for other authorities:**

Collection of funds by the municipality for school boards, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.

(c) **Government Transfers:**

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occur, providing:

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

Unearned government transfer amounts received will be recorded as deferred revenue until eligibility criteria or stipulations are met.

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

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

(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. Resources restricted by agreement with an external party are recognized as revenue in the municipality's financial statements in the period in which the resources are used for the purpose or purposes specified. An externally restricted inflow received before this criterion has been met is recorded as a liability until the resources are used for the purpose or purposes specified.

(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.

(continues)

1. **Significant accounting policies** *(continued)*

(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, provided the revenues are expected to be collected. 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 of 91 days to one year have been classified as other short-term investments and investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment.

(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.

(continues)

1. **Significant accounting policies** *(continued)*

(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. 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 Years
Buildings	10 to 50 Years
Vehicles & Equipment	
Vehicles	5 to 10 Years
Machinery and Equipment	5 to 10 Years
Infrastructure Assets	
Infrastructure Assets	30 to 75 Years
Water & Sewer	30 to 75 Years
Road Network Assets	30 to 75 Years

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

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

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

Leases: All leases are recorded on the consolidated financial statements as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risk associated with the leased asset is classified as a capital lease and recorded as a tangible capital asset. 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 lease are amortized on a straight line basis, over their estimated useful lives. Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

(m) **Landfill liability:**

The municipality maintains a waste disposal site. The costs to close and maintain solid waste landfill sites are based on estimated future expenses, adjusted for inflation and discounted to current dollars. The annual provision is reported as an expense and the accumulated provision is reported as a liability on the Consolidated Statement of Financial Position. Recommended disclosure is provided in Note 10.

(n) **Trust Funds:**

Funds held in trust for others, under a trust agreement or statute, are not included in the consolidated financial statements as they are not controlled by the municipality. Trust fund activities administered by the municipality are disclosed in Note 18.

(o) **Employee benefit plans:**

Contributions to the municipality's multi-employer defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.

(continues)

1. **Significant accounting policies** (continued)

(p) **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:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) The municipality:
 - i. is directly responsible; or
 - ii. accepts responsibility;
- d) it is expected that future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

Any revisions to an amount previously recognized are accounted for in the period in which the revisions are made.

(q) **Measurement Uncertainty:**

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

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

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

(r) **Basis of segmentation/Segment report:**

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

The segments (functions) are as follows:

General Government: Provides for the administration of the municipality.

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

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

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

Planning and Development: Provides for neighbourhood development and sustainability.

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

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

(s) **Budget Information:**

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on June 5, 2019.

(continues)

Notes to Consolidated Financial Statements

As at December 31, 2019

1. Significant accounting policies (continued)

(t) **New Accounting Standards:**

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

PS 3430 Restructuring Transactions provides guidance on how to account for and report restructuring transactions by transferors and recipients of assets and/or liabilities. The new standard has been adopted on a prospective basis.

For more information refer to Note 21.

Future Accounting Standards, Effective on or after April 1, 2021:

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

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

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

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

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

Effective On or After April 1, 2022:

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

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

2. Cash and Temporary Investments

	<u>2019</u>	<u>2018</u>
Cash	\$ 1,404,881	\$ 1,054,601
Temporary Investments	-	1,218,323
Restricted Cash	59,770	21,134
Total Cash and Temporary Investments	\$ 1,464,651	\$ 2,294,058

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 other than specific current purposes is included in restricted cash.

RURAL MUNICIPALITY OF SHELLBROOK NO. 493

Notes to Consolidated Financial Statements

As at December 31, 2019

3. Taxes Receivable - Municipal

	2019	2018
<u>Municipal</u>		
- current	\$ 162,139	\$ 111,537
- arrears	37,896	36,882
	<u>200,035</u>	148,419
Less - allowance for uncollectibles	(10,721)	(10,721)
Total municipal taxes receivable	<u>189,314</u>	137,698
<u>School</u>		
- current	55,727	43,873
- arrears	17,539	14,020
Total school taxes receivable	<u>73,266</u>	57,893
Other	<u>31,491</u>	11,373
Total taxes and grants in lieu receivable	294,071	206,964
Deduct taxes receivable to be collected on behalf of other organizations	<u>(104,757)</u>	(69,266)
Total Taxes Receivable - Municipal	\$ 189,314	\$ 137,698

4. Other Accounts Receivable

	2019	2018
Federal Government	\$ 22,073	\$ 72,148
Provincial Government	88,752	-
Local Government	-	-
Utility	-	-
Trade	43,169	19,426
Other (Sturgeon Lake Regional Park Authority)	<u>1,502</u>	525
Total Other Accounts Receivable	155,496	92,099
Less: allowance for uncollectibles	<u>(10,300)</u>	(10,300)
Net Other Accounts Receivable	\$ 145,196	\$ 81,799

5. Land for Resale

	2019	2018
Tax Title Property	\$ 1,405	\$ 1,405
Allowance for market value adjustment	(338)	(338)
Net Tax Title Property	<u>1,067</u>	1,067
Land for Resale	-	-
Allowance for market value adjustment	-	-
Net Other Land	<u>-</u>	-
Total Land for Resale	\$ 1,067	\$ 1,067

RURAL MUNICIPALITY OF SHELLBROOK NO. 493

Notes to Consolidated Financial Statements

As at December 31, 2019

6. Investments

	<u>2019</u>	<u>2018</u>
Short-term Investments		
Long-term Investments		
Sask. Assoc. of Rural Municipalities - Self Insurance Fund	\$ 115,937	\$ 105,419
Total Investments	<u>\$ 115,937</u>	<u>\$ 105,419</u>

The long term investments in the Saskatchewan Association of Rural Municipalities - Self Insurance Fund are accounted for on the equity basis. The balance represents the balances receivable should the municipality decide to leave the self-insurance program and includes upfront contributions to the plan, additional premium payments, allocations of investment income on the funds on deposit, self-insurance claims paid and other claims administration costs. The municipality has the ability to withdraw from the plan with notice. Beyond the return of the municipality's fund balance, it has no further claim to the residual net assets of SARM.

7. Debt Charges Recoverable

	<u>2019</u>	<u>2018</u>
Current debt charges recoverable	\$ -	\$ -
Non-current debt charges recoverable	-	-
Total Debt Charges Recoverable	<u>\$ -</u>	<u>\$ -</u>

8. Bank Indebtedness

Bank indebtedness includes an operating loan amounting to \$500,000 (2018 - \$500,000) and bearing interest at prime plus 3.95%. As at December 31, 2019 none of which has been drawn (2018 - \$0).

9. Deferred Revenue

	<u>2019</u>	<u>2018</u>
Balance - Beginning of Year	\$ -	\$ -
Additions during the year	-	-
Reductions during the year	-	-
Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>

10. Accrued Landfill Costs

	<u>2019</u>	<u>2018</u>
Environmental Liabilities	\$ -	\$ -

The municipality 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.

11. Liability for Contaminated Sites

The municipality does not currently have a liability for any contaminated sites in the community. All properties that have environmentally risky histories are still under the ownership of the corporation or individual that operated on the property and all property tax and/or other liabilities to the municipality are current. There is currently no risk that any of these properties will become the responsibility of the municipality.

Notes to Consolidated Financial Statements

As at December 31, 2019

12. Long-term Debt

The debt limit of the municipality is \$1,509,086. 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)).

2019

13. Lease Obligations

This note does not pertain to this municipality.

14. Other Non-financial Assets

2019

2018

This note does not pertain to this municipality.

15. Contingent Liabilities

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.

16. Pension Plan

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality pension expense in 2019 was \$60,469. 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.

17. Comparative Figures / Subsequent events

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

It is unknown to what extent these factors will impact the District, however they could play a significant factor on the community in their ability to pay and service their taxes, as well as the utilization of taxes held by the District. The District has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the District for future periods.

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

18. Trusts Administered by the Municipality

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

(continues)

RURAL MUNICIPALITY OF SHELLBROOK NO. 493

Notes to Consolidated Financial Statements

As at December 31, 2019

18. Trusts Administered by the Municipality *(continued)*

	<u>2019</u>	2018
	<u>2019</u>	2018
Balance - Beginning of Year	\$ -	\$ -
Revenue (specify)	-	-
Interest revenue	-	-
Subtotal	-	-
Expenditure (specify)	-	-
Balance - End of Year	\$ -	\$ -

This note does not pertain to this municipality.

19. Related Parties

The consolidated financial statements include transactions with related parties. The municipality is related to Sturgeon Lake Regional Park Authority] under the common control of the Council.

Transactions with these related parties are in the normal course of operations and are settled on normal trade terms.

20. Contingent Assets

Contingent assets are not recorded in the financial statements.

21. Restructuring Transactions

This note does not pertain to this municipality.

22. Budget Data

The reconciliation of the approved budget for the current year to the budget figures reported in these financial statements is as follows:

	<u>2019</u>
Budget surplus per Statement of Operations	858,390
Less: Capital expenditures	(1,710,000)
Add: Transfers to other funds	<u>900,000</u>
Per approved municipal budget	<u>\$ 48,390</u>

RURAL MUNICIPALITY OF SHELLBROOK NO. 493**Notes to Consolidated Financial Statements****As at December 31, 2019****23. Sturgeon Lake Regional Park Authority**

The Rural Municipality of Shellbrook No. 493 control and operate the Sturgeon Lake Regional Park Authority (the "Park"), a regional park created under the authority of The Municipalities Act of the Province of Saskatchewan by bylaw of the members.

The following is 100% of the financial position and results of operations of the Park, which is a government not-for-profit organization and accordingly has been included in the consolidated results of the municipality.

	2019 100%	2018 100%
Financial Position:		
Financial Assets		
Cash	\$ 59,770	\$ 21,134
Accounts receivable	1,502	525
	<u>61,272</u>	<u>21,659</u>
Liabilities		
Accounts payable	3,122	2,780
GST payable	1,724	1,618
Employee deductions payable	604	1,661
	<u>5,450</u>	<u>6,059</u>
Net Financial Assets	55,822	15,600
Non-financial Assets		
Tangible Capital Assets	<u>225,782</u>	<u>215,197</u>
Accumulated Surplus	<u>281,604</u>	<u>230,797</u>
Operations:		
Revenues	325,066	173,264
Expenses	<u>(274,260)</u>	<u>(211,628)</u>
Annual Deficit	50,806	(38,364)
Accumulated Surplus, opening	<u>230,798</u>	<u>269,161</u>
Accumulated Surplus, ending	<u>281,604</u>	<u>230,797</u>

RURAL MUNICIPALITY OF SHELLBROOK NO. 493

Notes to Consolidated Financial Statements

As at December 31, 2019

24. Prior period adjustment

During 2019 it was determined that the municipality had not in previous years consolidated a controlled entity, the Sturgeon Lake Regional Park Authority (see Note 23). The 2018 and prior comparative figures have been restated to include the financial position and results of operations of the Sturgeon Lake Regional Park Authority.

	2018 Previously Reported	Adjustments	2018 Restated
<u>Consolidated Statement of Financial Position</u>			
Cash and Temporary Investments	\$ 2,272,924	\$ 21,134	\$ 2,294,058
Other Accounts Receivable	81,274	525	81,799
Accounts Payable	285,726	6,059	291,785
Tangible Capital Assets	25,575,522	215,197	25,790,719
<u>Consolidated Statement of Operations and Accumulated Surplus</u>			
Revenues	\$ 2,284,584	\$ 173,264	\$ 2,457,848
Expenses	(3,207,953)	(211,628)	(3,419,581)
Deficit of Revenues over Expenses	(923,369)	(38,364)	(961,733)
Accumulated Surplus beginning of year	29,029,761	269,161	29,298,922
Accumulated Surplus end of year	28,106,392	230,797	28,337,189
<u>Consolidated Statement of Change in Net Financial Assets</u>			
Net Financial Assets - beginning of year	\$ 2,706,820	\$ 41,093	\$ 2,747,913
Net Financial Assets - end of year	2,312,656	15,600	2,328,256
<u>Consolidated Statement of Cash Flows</u>			
Surplus (Deficit)	\$ (923,369)	\$ (38,364)	\$ (961,733)
Cash and Temporary Investments - Beginning of year	2,326,383	41,093	2,367,476
Cash and Temporary Investments - End of Year	2,272,924	21,134	2,294,058

RURAL MUNICIPALITY OF SHELLBROOK NO. 493

Notes to Consolidated Financial Statements

As at December 31, 2019

25. Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in an asset and revenue in the future. Significant contractual rights of the municipality are as follows: (all lease shown are net of GST)

	2019	2020	2021	2022	2023	Thereafter	Maturity Date	Current Year Total	Prior Year Total
Type, Nature, Time & Extent	_____								

24. Contractual Obligations and Commitments

The municipality has entered into multiple-year contracts for the delivery of services and the construction of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Significant contractual obligations and commitments of the municipality include:

Time, Nature, Time & Extent	2020	2021	2022	2023	2024	Thereafter	Maturity Date	Current Year Total	Prior Year Total

See Note 13 for Capital Lease Obligations

RURAL MUNICIPALITY OF SHELLBROOK NO. 493

Schedule of Taxes and Other Unconditional Revenue

As at December 31, 2019

Schedule 1

	Budget 2019	2019	2018
TAXES			
General municipal tax levy	\$ 1,553,310	\$ 1,547,907	\$ 1,460,568
Abatements and adjustments	(990)	(8,868)	(7,742)
Discount on current year taxes	(68,000)	(68,346)	(65,162)
Net Municipal Taxes	1,484,320	1,470,693	1,387,664
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	9,000	6,238	10,496
Special tax levy	-	-	1,934
Other	-	-	-
Total Taxes	1,493,320	1,476,931	1,400,094
UNCONDITIONAL GRANTS			
Revenue Sharing	488,180	488,180	437,400
Organized Hamlet	22,180	22,752	22,176
Other	-	-	-
Total Unconditional Grants	510,360	510,932	459,576
GRANTS IN LIEU OF TAXES			
Federal	-	-	-
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
Transgas	630	625	625
Central Services	-	-	-
SaskTel	-	-	-
Other	-	-	-
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	2,000	1,870	2,023
Other	-	-	-
Other Government Transfers			
S.P.C. Surcharge	-	-	-
Sask Energy Surcharge	-	-	-
Other	-	-	-
Total Grants in Lieu of Taxes	2,630	2,495	2,648
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 2,006,310	\$ 1,990,358	\$ 1,862,318

RURAL MUNICIPALITY OF SHELLBROOK NO. 493

Schedule of Operating and Capital Revenue by Function

As at December 31, 2019

Schedule 2 - 1

	Budget 2019	2019	2018 (Restated - see note 24)
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and charges	\$ -	\$ -	\$ -
- Custom work	-	-	-
- Sales of supplies	3,400	3,931	3,601
- Other	15,750	1,889	12,958
Total Fees and Charges	19,150	5,820	16,559
- Tangible capital asset sales - gain (loss)	-	-	-
- Land sales - gain (loss)	-	12,000	-
- Investment income and commissions	9,000	32,622	28,100
- Other	-	-	-
Total Other Segmented Revenue	28,150	50,442	44,659
Conditional Grants			
- Student Employment	-	-	-
- Other	2,000	-	5,944
Total Conditional Grants	2,000	-	5,944
Total Operating	30,150	50,442	50,603
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Canada/Sask Municipal Rural Infrastructure Fund	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Total General Government Services	30,150	50,442	50,603
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and charges	-	-	-
- Other	18,500	60,134	45,873
Total Fees and Charges	18,500	60,134	45,873
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	18,500	60,134	45,873
Conditional Grants			
- Student Employment	-	-	-
- Local government	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	18,500	60,134	45,873
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Local government	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Total Protective Services	\$ 18,500	\$ 60,134	\$ 45,873

RURAL MUNICIPALITY OF SHELLBROOK NO. 493

Schedule of Operating and Capital Revenue by Function

As at December 31, 2019

Schedule 2 - 2

	Budget 2019	2019	2018 (Restated -see note 24)
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges	\$ -	\$ -	\$ -
- Custom work	20,000	22,294	13,350
- Sales of supplies	39,300	51,800	52,712
- Road Maintenance and Restoration			
Agreements	9,000	8,084	12,445
- Frontage	-	-	-
- Other	-	-	-
Total Fees and Charges	68,300	82,178	78,507
- Tangible capital asset sales - gain (loss)	15,000	(81,169)	29,522
- Other	-	-	-
Total Other Segmented Revenue	83,300	1,009	108,029
Conditional Grants			
- MREP (CTP)	90,000	94,330	85,500
- Student Employment	-	-	-
- Other	4,600	8,298	245
Total Conditional Grants	94,600	102,628	85,745
Total Operating	177,900	103,637	193,774
Capital			
Conditional Grants			
- Federal Gas Tax	93,670	192,298	93,666
- Canada/Sask Municipal Rural Infrastructure Fund	-	-	-
- Heavy Haul	-	-	-
- MREP (Heavy Haul, CTP, Municipal Bridges)	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	93,670	192,298	93,666
	-	-	-
Total Transportation Services	271,570	295,935	287,440
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges	-	-	-
- Waste and Disposal Fees	-	-	-
- Other	-	-	-
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment	-	-	-
- Local government	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- TAPD	-	-	-
- Transit for Disabled	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
	-	-	-
Total Environmental and Public Health Services	\$ -	\$ -	\$ -

RURAL MUNICIPALITY OF SHELLBROOK NO. 493

Schedule of Operating and Capital Revenue by Function

As at December 31, 2019

Schedule 2 - 3

	Budget 2019	2019	2018 (Restated - see note 24)
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges	\$ -	\$ -	\$ -
- Maintenance and Development Charges	-	-	-
- Other (Licenses and permits)	10,000	16,751	6,279
Total Fees and Charges	10,000	16,751	6,279
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	10,000	16,751	6,279
Conditional Grants			
- Student Employment	-	-	-
- Other	3,600	-	3,559
Total Conditional Grants	3,600	-	3,559
Total Operating	13,600	16,751	9,838
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Total Planning and Development Services	13,600	16,751	9,838
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenues			
Fees and Charges	-	-	-
- Other	25,870	34,498	-
Total Fees and Charges	25,870	34,498	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (Sturgeon Lake Regional Park Authority)	-	325,066	173,264
Total Other Segmented Revenue	25,870	359,564	173,264
Conditional Grants			
- Student Employment	-	-	-
- Local Government	-	-	-
- Donations	-	-	-
- Other (Sask Lotto)	741,350	741,300	28,512
Total Conditional Grants	741,350	741,300	28,512
Total Operating	767,220	1,100,864	201,776
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Local government	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
Total Capital	-	-	-
Total Recreation and Cultural Services	\$ 767,220	\$ 1,100,864	\$ 201,776

RURAL MUNICIPALITY OF SHELLBROOK NO. 493

Schedule of Operating and Capital Revenue by Function

As at December 31, 2019

Schedule 2 - 4

	Budget 2019	2019	2018 (Restated - see note 24)
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges	\$ -	\$ -	\$ -
- Water	-	-	-
- Sewer	-	-	-
- Other	-	-	-
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- Federal Gas Tax	-	-	-
- Clean Water and Wastewater Fund	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (CWWF and MR)	-	-	-
Total Capital	-	-	-
Total Utility Services	-	-	-
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 1,101,040	\$ 1,524,126	\$ 595,530

SUMMARY

Total Other Segmented Revenue	\$ 165,820	\$ 487,900	\$ 378,104
Total Conditional Grants	841,550	843,928	123,760
Total Capital Grants and Contributions	93,670	192,298	93,666
Restructuring Revenue	-	-	-
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 1,101,040	\$ 1,524,126	\$ 595,530

Total Expenses by Function

As at December 31, 2019

Schedule 3 - 1

	Budget 2019	2019	2018 (Restated - see note 24)
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 24,500	\$ 45,055	\$ 19,023
Wages and benefits	174,850	179,491	173,530
Professional/Contractual services	105,070	88,360	105,243
Utilities	13,100	12,378	11,357
Maintenance, materials and supplies	68,840	72,862	90,705
Grants and contributions			
Grants and contributions - operating	8,500	8,180	8,280
- capital	-	-	-
Amortization	-	6,418	6,418
Interest	2,000	2,061	1,996
Allowance For Uncollectibles	-	-	9,784
Other	1,500	3,614	896
General Government Services	398,360	418,419	427,232
	-	-	-
Total General Government Services	398,360	418,419	427,232
PROTECTIVE SERVICES			
Police Protection			
Wages and benefits	-	-	-
Professional/Contractual Services	76,000	76,702	72,431
Utilities	-	-	-
Maintenance, Materials and Supplies	2,000	1,984	1,984
Grants and contributions			
Grants and Contributions - operating	-	-	-
- capital	-	-	-
Other	-	-	-
Fire Protection			
Wages and benefits	8,100	12,520	7,732
Professional/Contractual Services	14,250	6,235	8,963
Utilities	6,250	3,265	5,831
Maintenance, Materials and Supplies	15,700	21,521	11,038
Grants and contributions			
Grants and Contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Protective Services	122,300	122,227	107,979
	-	-	-
Total Protective Services	122,300	122,227	107,979
TRANSPORTATION SERVICES			
Wages and Benefits	736,000	702,156	666,582
Professional/Contractual Services	54,000	49,363	98,030
Utilities	26,000	23,052	23,394
Maintenance, Materials and Supplies	551,000	518,684	479,729
Gravel	255,000	235,820	307,734
Grants and contributions			
Grants and Contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	989,330	1,001,304
Interest	-	-	-
Other	-	-	-
Transportation Services	1,622,000	2,518,405	2,576,773
	-	-	-
Total Transportation Services	\$ 1,622,000	\$ 2,518,405	\$ 2,576,773

RURAL MUNICIPALITY OF SHELLBROOK NO. 493

Total Expenses by Function

As at December 31, 2019

Schedule 3 - 2

	Budget 2019	2019	2018 (Restated - see note 24)
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and Benefits	\$ -	\$ -	\$ -
Professional/Contractual Services	12,200	10,106	14,756
Utilities	20,000	18,012	25,019
Maintenance, Materials and Supplies	-	-	-
Grants and contributions			
Grants and contributions - operating	-	-	-
[] Waste disposal	-	-	-
[] Public Health	-	-	-
- capital	-	-	-
[] Waste disposal	-	-	-
[] Public Health	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other (Landfill liability)	-	-	-
Environmental and Public Health Services	32,200	28,118	39,775
	-	-	-
Total Environmental and Public Health Services	32,200	28,118	39,775
PLANNING AND DEVELOPMENT SERVICES			
Wages and Benefits	-	-	-
Professional/Contractual Services	20,000	23,049	-
Grants and contributions			
Grants and Contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Planning and Development Services	20,000	23,049	-
	-	-	-
Total Planning and Development Services	20,000	23,049	-
RECREATION AND CULTURAL SERVICES			
Wages and Benefits	-	-	-
Professional/Contractual Services	-	-	-
Utilities	-	-	-
Maintenance, Materials, and Supplies	3,000	2,526	2,512
Grants and contributions			
Grants and Contributions - operating	45,100	38,969	48,135
- capital	-	-	-
Amortization (SLRPA 2019 balance: \$23,456)	-	23,456	22,288
Interest	-	-	-
Allowance For Uncollectibles	-	-	-
Other (Sturgeon Lake Regional Park Authority)	-	250,804	189,340
Recreation and Cultural Services	48,100	315,755	262,275
	-	-	-
Total Recreation and Cultural Services	\$ 48,100	\$ 315,755	\$ 262,275

RURAL MUNICIPALITY OF SHELLBROOK NO. 493

Total Expenses by Function

As at December 31, 2019

Schedule 3 - 3

	Budget 2019	2019	2018 (Restated - see note 24)
UTILITY SERVICES			
Wages and Benefits	\$ -	\$ -	\$ -
Professional/Contractual Services	6,000	5,242	5,547
Utilities	-	-	-
Maintenance, Materials and Supplies	-	-	-
Grants and contributions			
Grants and Contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance For Uncollectibles	-	-	-
Other	-	-	-
Utility Services	6,000	5,242	5,547
	-	-	-
Total Utility Services	6,000	5,242	5,547
TOTAL EXPENSES BY FUNCTION	\$ 2,248,960	\$ 3,431,215	\$ 3,419,581

RURAL MUNICIPALITY OF SHELLBROOK NO. 493
Consolidated Schedule of Segment Disclosure by Function

As at December 31, 2019

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 5,820	\$ 60,134	\$ 82,178	\$ -	\$ 16,751	\$ 34,498	\$ -	\$ 199,381
Tangible Capital Asset Sales - Gain (Loss)	-	-	(81,169)	-	-	-	-	(81,169)
Land Sales - Gain (Loss)	12,000	-	-	-	-	-	-	12,000
Investment Income and Commissions	32,622	-	-	-	-	-	-	32,622
Other Revenues	-	-	-	-	-	325,066	-	325,066
Grants - Conditional	-	-	102,628	-	-	741,300	-	843,928
- Capital	-	-	192,298	-	-	-	-	192,298
Restructurings	-	-	-	-	-	-	-	-
Total Revenues	50,442	60,134	295,935	-	16,751	1,100,864	-	1,524,126
Expenses (Schedule 3)								
Wages and Benefits	224,546	12,520	702,156	-	-	-	-	939,222
Professional/Contractual Services	88,360	82,937	49,363	10,106	23,049	-	5,242	259,057
Utilities	12,378	3,265	23,052	18,012	-	-	-	56,707
Maintenance Material and Supplies	72,862	23,505	754,504	-	-	2,526	-	853,397
Grants and Contributions	8,180	-	-	-	-	38,969	-	47,149
Amortization	6,418	-	989,330	-	-	23,456	-	1,019,204
Interest	2,061	-	-	-	-	-	-	2,061
Allowance for Uncollectibles	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
Other	3,614	-	-	-	-	250,804	-	254,418
Total Expenses	418,419	122,227	2,518,405	28,118	23,049	315,755	5,242	3,431,215
Surplus (Deficit) by Function	(367,977)	(62,093)	(2,222,470)	(28,118)	(6,298)	785,109	(5,242)	(1,907,089)
Taxes and other unconditional revenue (Schedule 1)								<u>1,990,358</u>
Net Surplus (Deficit)								<u>\$ 83,269</u>

See notes to financial statements

RURAL MUNICIPALITY OF SHELLBROOK NO. 493
Consolidated Schedule of Segment Disclosure by Function

As at December 31, 2018

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public	Planning and Development	Recreation and Culture	Utility Services	Total (Restated)
Revenues (Schedule 2)								
Fees and Charges	\$ 16,559	\$ 45,873	\$ 78,507	\$ -	\$ 6,279	\$ -	\$ -	\$ 147,218
Tangible Capital Asset Sales - Gain (Loss)	-	-	29,522	-	-	-	-	29,522
Land Sales - Gain (Loss)	-	-	-	-	-	-	-	-
Investment Income and Commissions	28,100	-	-	-	-	-	-	28,100
Other Revenues	-	-	-	-	-	173,264	-	173,264
Grants - Conditional	5,944	-	85,745	-	3,559	28,512	-	123,760
- Capital	-	-	93,666	-	-	-	-	93,666
Restructurings	-	-	-	-	-	-	-	-
Total Revenues	50,603	45,873	287,440	-	9,838	201,776	-	595,530
Expenses (Schedule 3)								
Wages and Benefits	192,553	7,732	666,582	-	-	-	-	866,867
Professional/ Contractual Services	105,243	81,394	98,030	14,756	-	-	5,547	304,970
Utilities	11,357	5,831	23,394	25,019	-	-	-	65,601
Maintenance Material and Supplies	90,705	13,022	787,463	-	-	2,512	-	893,702
Grants and Contributions	8,280	-	-	-	-	48,135	-	56,415
Amortization	6,418	-	1,001,304	-	-	22,288	-	1,030,010
Interest	1,996	-	-	-	-	-	-	1,996
Allowance for Uncollectibles	9,784	-	-	-	-	-	-	9,784
Restructurings	-	-	-	-	-	-	-	-
Other	896	-	-	-	-	189,340	-	190,236
Total Expenses	427,232	107,979	2,576,773	39,775	-	262,275	5,547	3,419,581
Surplus (Deficit) by Function	(376,629)	(62,106)	(2,289,333)	(39,775)	9,838	(60,499)	(5,547)	(2,824,051)
Taxes and other unconditional revenue (Schedule 1)								<u>1,862,318</u>
Net Surplus (Deficit)								<u>\$ (961,733)</u>

See notes to financial statements

RURAL MUNICIPALITY OF SHELLBROOK NO. 493
Consolidated Schedule of Tangible Capital Assets by Object
As at December 31, 2019

Schedule 6

	2019								2018 Total
	General Assets					Infrastructure Assets	General/ Infrastructure Assets Under Construction	Total	
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
Asset cost									
Opening Asset costs	\$ 333,192	\$ -	\$ 790,849	\$ 2,000	\$ 2,725,039	\$ 32,139,801	\$ 245,930	\$ 36,236,811	\$ 35,839,088
Additions during the year	-	-	-	-	472,346	1,445,292	-	1,917,638	624,453
Disposals and write-downs during the year	-	-	-	-	(364,296)	-	-	(364,296)	(226,730)
Transfers (from) assets under construction	-	-	-	-	-	245,930	(245,930)	-	-
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing Asset Costs	333,192	-	790,849	2,000	2,833,089	33,831,023	-	37,790,153	36,236,811
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	-	-	381,214	1,000	1,116,396	8,947,482	-	10,446,092	9,568,666
Add: Amortization taken	-	-	19,278	200	195,830	803,896	-	1,019,204	1,030,009
Less: Accumulated amortization on disposals	-	-	-	-	(110,328)	-	-	(110,328)	(152,583)
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing Accumulated Amortization Costs	-	-	400,492	1,200	1,201,898	9,751,378	-	11,354,968	10,446,092
Net Book Value	\$ 333,192	\$ -	\$ 390,357	\$ 800	\$ 1,631,191	\$ 24,079,645	\$ -	\$ 26,435,185	\$ 25,790,719

1. Total contributed donated assets received in 2019: \$ -
2. List of assets recognized at nominal value in 2019 are:
 - a) Infrastructure Assets \$ -
 - b) Vehicles \$ -
 - c) Machinery and Equipment \$ -
3. Amount of interest capitalized in 2019: \$ -

See notes to financial statements

RURAL MUNICIPALITY OF SHELLBROOK NO. 493

Consolidated Schedule of Tangible Capital Assets by Function

As at December 31, 2019

Schedule 7

	2019							Total	2018 Total
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer		
Asset cost									
Opening Asset costs	\$ 875,133	\$ -	\$ 34,704,480	\$ -	\$ -	\$ 657,198	\$ -	\$ 36,236,811	\$ 35,839,088
Additions during the year	-	9,375	1,874,223	-	-	34,040	-	1,917,638	624,453
Disposals and write-downs during the year	-	-	(364,296)	-	-	-	-	(364,296)	(226,730)
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing Asset Costs	875,133	9,375	36,214,407	-	-	691,238	-	37,790,153	36,236,811
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	138,565	-	9,865,526	-	-	442,001	-	10,446,092	9,568,666
Add: Amortization taken	6,418	-	989,330	-	-	23,456	-	1,019,204	1,030,009
Less: Accumulated amortization on disposals	-	-	(110,328)	-	-	-	-	(110,328)	(152,583)
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing Accumulated Amortization Costs	144,983	-	10,744,528	-	-	465,457	-	11,354,968	10,446,092
Net Book Value	\$ 730,150	\$ 9,375	\$ 25,469,879	\$ -	\$ -	\$ 225,781	\$ -	\$ 26,435,185	\$ 25,790,719

See notes to financial statements

RURAL MUNICIPALITY OF SHELLBROOK NO. 493

Consolidated Schedule of Accumulated Surplus

As at December 31, 2019

Schedule 8

	2018 (Restated -see note 24)	Changes	2019
UNAPPROPRIATED SURPLUS	\$ 1,533,693	\$ (550,906)	\$ 982,787
APPROPRIATED RESERVES			
Machinery and Equipment	535,509	-	535,509
Public Reserve	16,839	57	16,896
Capital Trust	-	-	-
Utility	-	-	-
Other (P.A. Union Hospital, Shellbrook Hospital, Herdin Creek)	38,845	-	38,845
Other (Sturgeon Lake Regional Park Authority)	269,161	(38,364)	230,797
Total Appropriated	860,354	(38,307)	822,047
ORGANIZED HAMLETS			
Organized Hamlet of Crutwell	57,349	9,182	66,531
Organized Hamlet of Holbein	95,074	18,834	113,908
Total Organized Hamlets	152,423	28,016	180,439
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6, 7)	25,790,719	644,466	26,435,185
Less: Related debt	-	-	-
Net Investment in Tangible Capital Assets	25,790,719	644,466	26,435,185
Total Accumulated Surplus	\$ 28,337,189	\$ 83,269	\$ 28,420,458

RURAL MUNICIPALITY OF SHELLBROOK NO. 493

Schedule of Mill Rates and Assessments

As at December 31, 2019

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	\$129,873,720	\$ 77,673,488	\$ -	\$ 9,030,240	\$ 4,316,100	\$ -	\$220,893,548
Regional Park Assessment	-	-	-	-	-	-	-
Total Assessment	<u>129,873,720</u>	<u>77,673,488</u>	<u>-</u>	<u>9,030,240</u>	<u>4,316,100</u>	<u>-</u>	<u>220,893,548</u>
Mill Rate Factor(s)	1.0000	1.1400	-	1.0000	1.9700	-	-
Total Base/Minimum Tax (generated for each property class)	<u>38,650</u>	<u>120,924</u>	<u>-</u>	<u>36,121</u>	<u>1,921</u>	<u>-</u>	<u>197,616</u>
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ 870,114	\$ 586,977	\$ -	\$ 36,121	\$ 54,695	\$ -	\$ 1,547,907

MILL RATES:

- Average Municipal *
- Average School
- Potash Mill Rate
- Uniform Municipal Mill Rate

MILLS
7.0075
0.4082
-
6.5000

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

RURAL MUNICIPALITY OF SHELLBROOK NO. 493

Schedule of Council Remuneration

As at December 31, 2019

Schedule 10

	Name	Remuneration	Reimbursed Costs	Total
Position				
Reeve	Doug Oleksyn	\$ 7,481	\$ 3,055	\$ 10,536
Councillor	Cliff Skauge	5,152	995	6,147
Councillor	Phil Hamel	6,534	1,751	8,285
Councillor	Sean Helm	2,057	344	2,401
Councillor	Jay Ferster	2,925	281	3,206
Councillor	Derwin Joelson	6,803	2,937	9,740
Councillor	Ron Herzog	2,925	1,815	4,740
Total		\$ 33,877	\$ 11,178	\$ 45,055

RURAL MUNICIPALITY OF SHELLBROOK NO. 493

Schedule of Restructuring

Year Ended December 31, 2019

2019

Carrying amount of Assets and Liabilities Transferred/Received at Restructuring Date:

Cash and Temporary Investments	\$	-
Taxes Receivable - Municipal		-
Other Accounts Receivable		-
Land for Resale		-
Long-Term Investments		-
Debt Charges Recoverable		-
Bank Indebtedness		-
Accounts Payable		-
Accrued Liabilities Payable		-
Deposits		-
Deferred Revenue		-
Accrued Landfill Costs		-
Liability for Contaminated Sites		-
Other Liabilities		-
Long-Term Debt		-
Lease Obligations		-
Tangible Capital Assets		-
Prepayments and Deferred Charges		-
Stock and Supplies		-
Other		-
		<hr/>
Total Net Carrying Amount Received (Transferred)	\$	-