

Town of Shellbrook
FINANCIAL STATEMENTS
Year Ended December 31, 2017

Town of Shellbrook
Shellbrook, Saskatchewan
December 31, 2017

Table of Contents

	Page
Management's Responsibility	1
Independent Auditors' Report	2
Statement of Financial Position	3
Statement of Operations	4
Statement of Change in Net Financial Assets	5
Statement of Cash Flow	6
Notes to Financial Statements	7-14
Schedule of Taxes and Other Unconditional Revenue	15
Schedule of Operating and Capital Revenue by Function	16-19
Total Expenses by Function	20-21
Schedule of Segment Disclosure by Function	22-23
Schedule of Tangible Capital Assets by Object	24
Schedule of Tangible Capital Assets by Function	25
Schedule of Accumulated Surplus	26
Schedule of Mill Rates and Assessments	27
Schedule of Council Remuneration	28

Management's Responsibility

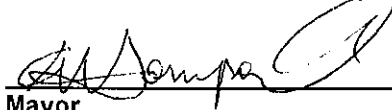
To the ratepayers of Town of Shellbrook:

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

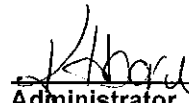
In discharging its responsibilities for the integrity and fairness of the financial statement, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records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

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

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



Mayor



Administrator



Independent Auditors' Report

To the Council
Town of Shellbrook

Report on the Financial Statements

We have audited the accompanying financial statements of Town of Shellbrook, which comprise the Statement of Financial Position as at December 31, 2017, and the Statements of Operations, Changes in Net Financial Assets and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Town of Shellbrook as at December 31, 2017, and its financial performance and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Collins Barrow PQ LLP

Collins Barrow PQ LLP

Saskatoon, SK
August 8, 2018

Town of Shellbrook
Shellbrook, Saskatchewan
Statement of Financial Position as at December 31, 2017

Statement 1

	2017	2016 (Note 11)
Assets		
Financial Assets		
Cash and temporary investments - note 2	875,108	780,660
Taxes receivable - municipal - note 3	336,914	307,784
Other accounts receivable - note 4	214,374	255,687
Land for resale - note 5	1,106,175	1,298,097
Other long-term assets	98,208	
Total Financial Assets	2,630,779	2,642,228
Liabilities		
Accounts payable	144,989	197,779
Accrued liabilities payable	6,050	
Deferred revenue - note 6	146,755	31,956
Long-term debt - note 7	2,037,033	2,225,795
Lease obligations - note 8	113,051	166,608
Total Liabilities	2,447,878	2,622,138
Net Financial Assets	182,901	20,090
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	14,791,817	14,657,127
Prepayments and deferred charges	20,903	4,825
Total Non-Financial Assets	14,812,720	14,661,952
Accumulated Surplus - schedule 8	\$ 14,995,621	\$ 14,682,042

Approved on behalf of the council:

Mayor

Councillor

Town of Shellbrook
Statement of Operations
For the year ended December 31, 2017

Statement 2

	2017 Budget	2017 Actual	2016 Actual (Note 11)
Revenues			
Taxes and other unconditional revenue - schedule 1	1,770,600	1,833,808	1,851,099
Fees and charges - schedules 4 and 5	1,159,120	1,122,734	1,295,163
Conditional grants - schedules 4 and 5	36,040	31,099	36,806
Tangible capital asset sales - gain - schedules 4 and 5			(14,098)
Land sales - gain - schedules 4 and 5	39,210	(115,658)	
Investment income and commissions - schedules 4 and 5	5,000	11,991	7,970
Other revenues - schedules 4 and 5			500
Total Revenue	<u>3,009,970</u>	<u>2,883,974</u>	<u>3,177,440</u>
Expenses - schedule 3			
General government services	458,070	462,272	416,706
Protective services	166,770	159,346	140,280
Transportation services	716,710	640,101	570,249
Environmental and public health services	182,230	165,683	287,512
Planning and development services	21,050	15,995	13,362
Recreation and cultural services	393,410	370,582	388,747
Utilities services	1,298,570	961,863	882,768
Total Expenses	<u>3,236,810</u>	<u>2,775,842</u>	<u>2,699,624</u>
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(226,840)	108,132	477,816
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>85,460</u>	<u>205,447</u>	<u>85,461</u>
Surplus (Deficit) of Revenue over Expenses	(141,380)	313,579	563,277
Accumulated Surplus, Beginning of Year	<u>14,682,042</u>	<u>14,682,042</u>	<u>14,118,765</u>
Accumulated Surplus, End of Year	<u>\$ 14,540,662</u>	<u>\$ 14,995,621</u>	<u>\$ 14,682,042</u>

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

Town of Shellbrook
Statement of Change in Net Financial Assets
For the year ended December 31, 2017

Statement 3

	2017 Budget	2017 Actual	2016 Actual (Note 11)
Surplus	<u>(141,380)</u>	<u>313,579</u>	<u>563,277</u>
(Acquisition) of tangible capital assets	(78,000)	(538,040)	(49,111)
Amortization of tangible capital assets		403,350	371,032
Proceeds on disposal of tangible capital assets			8,875
Loss on the disposal of tangible capital assets			<u>14,098</u>
Surplus (Deficit) of Capital Expenses over Expenditures	<u>(78,000)</u>	<u>(134,690)</u>	<u>344,894</u>
(Acquisition) of supplies inventories		(11,700)	
(Acquisition) of prepaid expense		(9,203)	
Use of prepaid expense		<u>4,825</u>	<u>872</u>
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>(16,078)</u>	<u>872</u>
Increase (Decrease) in Net Financial Assets	(219,380)	162,811	909,043
Net Financial Assets, beginning of year	<u>20,090</u>	<u>20,090</u>	<u>(888,953)</u>
Net Financial Assets, End of Year	<u>\$(199,290)</u>	<u>\$ 182,901</u>	<u>\$ 20,090</u>

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

Town of Shellbrook
Statement of Cash Flow
For the year ended December 31, 2017

Statement 4

	2017	2016 (Note 11)
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus	313,579	563,277
Amortization	403,350	371,031
Loss on disposal of tangible capital assets		14,098
	716,929	948,406
Change in Assets/Liabilities		
Taxes receivable - municipal	(39,842)	49,404
Other receivables	52,027	191,164
Land for resale	191,922	(163,875)
Other financial assets	(98,208)	
Accounts payable and accrued liabilities	(46,742)	16,125
Deferred revenue	114,799	717
Stock and supplies for use	(11,700)	
Prepayments and deferred charges	(4,377)	872
Net Cash from (used for) Operations	874,808	1,042,813
Capital:		
Acquisition of capital assets	(538,041)	(49,111)
Proceeds from the disposal of capital assets		8,875
Net Cash from (used for) Capital	(538,041)	(40,236)
Financing:		
Long-term debt repaid	(242,319)	(240,077)
Increase in Cash Resources	94,448	762,500
Cash and investments, beginning of year	780,660	18,160
Cash and Investments, End of Year	\$ 875,108	\$ 780,660

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

Town of Shellbrook
Notes to Financial Statements
For the year ended December 31, 2017

1. Significant Accounting Policies

The financial statements of the municipality are prepared by management in accordance with the local government accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Professional Chartered Accountants. Significant aspects of the accounting policies are as follows:

(a) Basis of accounting

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

(b) Collection of funds for other authorities

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

(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.

Town of Shellbrook
Notes to Financial Statements
For the year ended December 31, 2017

1. **Significant Accounting Policies** - continued

(g) 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:

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

(h) 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.

(i) 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.

(j) Capitalization of interest

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

(k) 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.

Town of Shellbrook
Notes to Financial Statements
For the year ended December 31, 2017

1. **Significant Accounting Policies** - continued

(l) Landfill liability

The Town of Shellbrook maintains a waste disposal site. The Municipality is unable to estimate closure and post-closure costs. No amount has been recorded as an asset or a liability.

(m) 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.

Utility revenue is recognized in the period in which the service has been provided.

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

(n) Measurement uncertainty

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

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

The opening asset costs of tangible capital assets have been estimated where actual costs were not available.

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

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

Town of Shellbrook
Notes to Financial Statements
For the year ended December 31, 2017

1. **Significant Accounting Policies** - continued

(o) 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.

(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:

- (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.

	2017	2016
2. Cash and Temporary Investments		
Cash	<u>\$ 875,108</u>	<u>\$ 780,660</u>

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

Town of Shellbrook
Notes to Financial Statements
For the year ended December 31, 2017

	2017	2016
3. Taxes and Grants In Lieu Receivable		
Municipal - current	188,776	134,765
Municipal - arrears	148,138	173,019
	<u>336,914</u>	<u>307,784</u>
Less: Allowance for uncollectibles	0	0
Total municipal taxes receivable	<u>336,914</u>	<u>307,784</u>
School - current	38,875	30,651
School - arrears	18,031	25,624
Total school taxes receivable	<u>56,906</u>	<u>56,275</u>
Total taxes and grants in lieu receivable	393,820	364,059
Less: Taxes receivable to be collected on behalf of other organizations	<u>56,906</u>	<u>56,275</u>
Municipal and Grants In Lieu Taxes Receivable	<u>\$ 336,914</u>	<u>\$ 307,784</u>
4. Other Accounts Receivable		
Federal government	89,284	48,195
Provincial government	45,691	1,100
Local government		7,171
Utility	60,993	72,354
Trade	21,906	141,683
Total other accounts receivable	<u>217,874</u>	<u>270,503</u>
Less: Allowance for uncollectibles	<u>3,500</u>	<u>14,816</u>
Net Other Accounts Receivable	<u>\$ 214,374</u>	<u>\$ 255,687</u>
5. Land for Resale		
Tax title property	<u>22,142</u>	<u>190,197</u>
Net tax title property	22,142	190,197
Other land	<u>1,084,033</u>	<u>1,107,900</u>
Total Land for Resale	<u>\$ 1,106,175</u>	<u>\$ 1,298,097</u>
6. Deferred Revenue		
Facility deposits	5,974	
Land for resale deposits	42,803	9,823
Prepaid taxes	<u>97,978</u>	<u>32,654</u>
	<u>\$ 146,755</u>	<u>\$ 42,477</u>

Town of Shellbrook
Notes to Financial Statements
For the year ended December 31, 2017

7. Long-Term Debt

- (a) The debt limit of the municipality for 2018 is \$2,527,242. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the Municipalities Act section 161).
- (b) Bank loan is repayable to Canada Mortgage and Housing Corporation in annual blended payments of \$263,262 which bear interest at a rate of 3.65% per annum.

Future principal repayments are estimated as follows:

	Principal	Interest	2017 Total
2018	199,421	63,841	263,262
2019	205,671	57,591	263,262
2020	212,116	51,146	263,262
2021	218,764	44,498	263,262
2022	225,620	37,642	263,262
Thereafter	975,441	77,605	1,053,046
	\$ 2,037,033	\$ 332,323	\$ 2,369,356

8. Lease Obligations

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

2018	59,654
2019	59,654
Total future minimum lease payments	119,308
Amounts representing interest	6,257
Capital lease liability	\$ 113,051

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.

Town of Shellbrook
Notes to Financial Statements
For the year ended December 31, 2017

9. **Employee Benefit Plans** - continued

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

	2017	2016
General members	8.15 %	8.15 %
Designated members	11.35 %	11.35 %

Contributions to the plan during the year were as follows:

Benefit expense	\$ 37,361	\$ 44,514
-----------------	-----------	-----------

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.

11. **Comparative Figures**

Certain balances for comparative purposes have been reclassified to conform with the current year's presentation.

The financial statements for 2016, which are presented for comparative purposes, were audited by accountants other than Collins Barrow PQ LLP.

The comparative financial statements have been restated to correct multiple misstatements. As a result, the comparative statement of operations for the year ending December 31, 2016 has been restated as follows:

Line Item	As Restated	As Previously Stated	Difference
Revenues			
Taxes and other unconditional revenue	(1,851,099)	(1,864,752)	13,653
Fees and charges	(1,295,163)	(1,300,253)	5,090
Conditional grants	(36,806)	(32,685)	(4,121)
Land sales gain		(2,042)	2,042
Investment income	(7,970)	(7,868)	(102)
Provincial/Federal contributions	(85,461)	(89,582)	4,121
			20,683

Town of Shellbrook
Notes to Financial Statements
For the year ended December 31, 2017

11. **Comparative Figures** - continued

Line Item	As Restated	As Previously Stated	Difference
Expenses			
General government services	416,706	410,968	5,738
Protective services	140,280	124,241	16,039
Transportation services	570,249	639,512	(69,263)
Environmental and public health services	287,512	301,245	(13,733)
Planning and development services	13,362	15,667	(2,305)
Recreation and cultural services	388,747	394,587	(5,840)
Utilities services	882,768	893,040	(10,272)
			<u>(79,636)</u>
Adjustment to excess (deficiency) of revenue over expenses			(58,953)
Balance of net assets/fund balances, end of year, as previously stated			<u>14,623,087</u>
Balance of net assets/fund balances, end of year, as restated			<u>\$ 14,682,040</u>

The comparative statement of financial position as at December 31, 2016 has been restated as follows:

Line Item	As Restated	As Previously Stated	Difference
Taxes receivable - municipal	\$ 307,342	\$ 295,026	\$ 12,316
Other accounts receivable	256,129	290,227	(34,098)
Land for resale	1,298,097	1,330,160	(32,063)
Accounts payable	(197,783)	(200,197)	2,414
Deferred revenue	(31,956)	(42,969)	11,013
Long-term debt	(2,392,403)	(2,368,041)	(24,362)
Tangible capital assets	14,657,127	13,841,432	815,695

Town of Shellbrook
 Schedule of Taxes and Other Unconditional Revenue
 For the year ended December 31, 2017

Schedule 1

	2017 Budget	2017 Actual	2016 Actual (Note 11)
Taxes			
General municipal tax levy	1,372,440	1,503,871	1,389,059
Abatements and adjustments		(62,804)	
Discount on current year taxes	(48,550)	(48,550)	(48,610)
Net municipal taxes	<u>1,323,890</u>	<u>1,392,517</u>	<u>1,340,449</u>
Penalties on tax arrears	<u>50,000</u>	<u>39,396</u>	<u>92,281</u>
Total Taxes	<u>1,373,890</u>	<u>1,431,913</u>	<u>1,432,730</u>
Unconditional Grants			
Equalization (revenue sharing)	<u>309,210</u>	<u>309,213</u>	<u>330,828</u>
Total Unconditional Grants	309,210	309,213	330,828
Grants In Lieu of Taxes			
Other Government Transfers			
S.P.C. surcharge	<u>87,500</u>	<u>92,682</u>	<u>87,541</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 1,770,600</u>	<u>\$ 1,833,808</u>	<u>\$ 1,851,099</u>

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

Town of Shellbrook

Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2017

Schedule 2-1

	2017 Budget	2017 Actual	2016 Actual (Note 11)
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of supplies	1,500	1,068	4,915
Fees	4,050	1,663	16,534
Other	<u>94,520</u>	<u>78,363</u>	<u>87,466</u>
Total Fees and Charges	100,070	81,094	108,915
Land sales - gain	39,210	(115,658)	
Investment income and commissions	<u>5,000</u>	<u>11,991</u>	<u>7,970</u>
Total Other Segmented Revenue	<u>144,280</u>	<u>(22,573)</u>	<u>116,885</u>
Conditional Grants			
Other - grants			5,114
Total Conditional Grants	<u>0</u>	<u>0</u>	<u>5,114</u>
Total Operating	<u>144,280</u>	<u>(22,573)</u>	<u>121,999</u>
Total General Government Services	<u>\$ 144,280</u>	<u>\$(22,573)</u>	<u>\$ 121,999</u>
Protective Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Other	22,200	19,041	30,486
Total Fees and Charges	<u>22,200</u>	<u>19,041</u>	<u>30,486</u>
Total Other Segmented Revenue	<u>22,200</u>	<u>19,041</u>	<u>30,486</u>
Total Operating	<u>22,200</u>	<u>19,041</u>	<u>30,486</u>
Total Protective Services	<u>\$ 22,200</u>	<u>\$ 19,041</u>	<u>\$ 30,486</u>

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

Town of Shellbrook

Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2017

Schedule 2-2

	2017 Budget	2017 Actual	2016 Actual (Note 11)
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	7,500	8,000	10,895
Sale of supplies	5,200	2,477	5,434
Other - Airport lease	3,050	3,050	3,050
Total Fees and Charges	<u>15,750</u>	<u>13,527</u>	<u>19,379</u>
Donations			500
Total Other Segmented Revenue	<u>15,750</u>	<u>13,527</u>	<u>19,879</u>
Total Operating	<u>15,750</u>	<u>13,527</u>	<u>19,879</u>
Capital			
Conditional Grants			
Provincial disaster assistance program		116,809	
Total Capital	<u>0</u>	<u>116,809</u>	<u>0</u>
Total Transportation Services	<u>\$ 15,750</u>	<u>\$ 130,336</u>	<u>\$ 19,879</u>
Environmental and Public Health Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Waste and disposal fees	500	500	500
Custom work	2,500	2,050	2,498
Sale of supplies		1,850	
Cemetery fees	2,000	1,650	1,650
Other	152,330	152,772	272,798
Total Fees and Charges	<u>157,330</u>	<u>158,822</u>	<u>277,446</u>
Tangible capital asset proceeds			(14,098)
Total Other Segmented Revenue	<u>157,330</u>	<u>158,822</u>	<u>263,348</u>
Conditional Grants			
Municipal recycling program	8,000	6,181	4,121
Total Conditional Grants	<u>8,000</u>	<u>6,181</u>	<u>4,121</u>
Total Operating	<u>165,330</u>	<u>165,003</u>	<u>267,469</u>
Capital			
Conditional Grants			
Transit for disabled - capital	2,060	1,512	2,060
Total Capital	<u>2,060</u>	<u>1,512</u>	<u>2,060</u>
Total Environmental and Public Health Services	<u>\$ 167,390</u>	<u>\$ 166,515</u>	<u>\$ 269,529</u>

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

Town of Shellbrook
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2017

Schedule 2-3

	2017 Budget	2017 Actual	2016 Actual (Note 11)
Planning and Development Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Licenses and permits	12,280	17,316	11,994
Total Fees and Charges	<u>12,280</u>	<u>17,316</u>	<u>11,994</u>
Total Other Segmented Revenue	<u>12,280</u>	<u>17,316</u>	<u>11,994</u>
Conditional Grants			
Donations		973	940
Total Conditional Grants	<u>0</u>	<u>973</u>	<u>940</u>
Total Operating	<u>12,280</u>	<u>18,289</u>	<u>12,934</u>
Total Planning and Development Services	<u>\$ 12,280</u>	<u>\$ 18,289</u>	<u>\$ 12,934</u>
Recreation and Cultural Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Other	105,070	97,807	100,241
Total Fees and Charges	<u>105,070</u>	<u>97,807</u>	<u>100,241</u>
Total Other Segmented Revenue	<u>105,070</u>	<u>97,807</u>	<u>100,241</u>
Conditional Grants			
Student employment	6,860	5,910	3,132
Local	2,720	2,480	4,179
Other - grants	18,460	15,555	19,320
Total Conditional Grants	<u>28,040</u>	<u>23,945</u>	<u>26,631</u>
Total Operating	<u>133,110</u>	<u>121,752</u>	<u>126,872</u>
Total Recreation and Cultural Services	<u>\$ 133,110</u>	<u>\$ 121,752</u>	<u>\$ 126,872</u>

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

Town of Shellbrook
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2017

Schedule 2-4

	2017 Budget	2017 Actual	2016 Actual (Note 11)
Utility Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Water	455,500	443,587	452,364
Sewer	290,920	291,540	294,338
Total Fees and Charges	<u>746,420</u>	<u>735,127</u>	<u>746,702</u>
Total Other Segmented Revenue	<u>746,420</u>	<u>735,127</u>	<u>746,702</u>
Total Operating	<u>746,420</u>	<u>735,127</u>	<u>746,702</u>
Capital			
Conditional Grants			
Gas tax	83,400	87,126	83,401
Total Capital	<u>83,400</u>	<u>87,126</u>	<u>83,401</u>
Total Utility Services	<u>\$ 829,820</u>	<u>\$ 822,253</u>	<u>\$ 830,103</u>
Total Operating and Capital Revenue by Function	<u>\$ 1,324,830</u>	<u>\$ 1,255,613</u>	<u>\$ 1,411,802</u>
Summary			
Total Other Segmented Revenue	1,203,330	1,019,067	1,289,535
Total Conditional Grants	36,040	31,099	36,806
Total Capital Grants and Contributions	<u>85,460</u>	<u>205,447</u>	<u>85,461</u>
Total Operating and Capital Revenue by Function	<u>\$ 1,324,830</u>	<u>\$ 1,255,613</u>	<u>\$ 1,411,802</u>

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

Town of Shellbrook
 Total Expenses by Function
 For the year ended December 31, 2017

Schedule 3-1

	2017 Budget	2017 Actual	2016 Actual (Note 11)
General Government Services			
Council remuneration and travel	44,220	42,838	39,337
Wages and benefits	203,630	196,007	183,074
Professional/Contractual services	91,320	84,485	67,858
Utilities	20,300	17,973	19,281
Maintenance, materials and supplies	78,600	57,145	53,476
Amortization		32,946	33,636
Insurance	12,000	11,996	13,274
Allowance for uncollectibles		13,695	
Other	8,000	5,187	6,770
	<u>458,070</u>	<u>462,272</u>	<u>416,706</u>
Total General Government Services	\$ 458,070	\$ 462,272	\$ 416,706
Protective Services			
Police protection			
Professional/Contractual services	131,000	131,789	116,820
Maintenance, materials and supplies	500	1,066	400
Fire protection			
Wages and benefits	6,570	5,369	5,222
Professional/Contractual services	5,730	4,538	3,519
Utilities	2,500	2,007	2,254
Maintenance, materials and supplies	18,920	13,802	11,417
Insurance	1,550	775	648
	<u>166,770</u>	<u>159,346</u>	<u>140,280</u>
Total Protective Services	\$ 166,770	\$ 159,346	\$ 140,280
Transportation Services			
Wages and benefits	259,900	235,270	218,112
Professional/Contractual services	42,410	104,315	26,939
Utilities	60,430	59,676	59,176
Maintenance, materials and supplies	280,300	119,950	175,410
Gravel	49,000	24,158	29,260
Insurance	20,370	23,514	14,602
Amortization		67,283	33,835
Interest	4,300	5,935	12,915
	<u>716,710</u>	<u>640,101</u>	<u>570,249</u>
Total Transportation Services	\$ 716,710	\$ 640,101	\$ 570,249

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

Town of Shellbrook
 Total Expenses by Function
 For the year ended December 31, 2017

Schedule 3-2

	2017 Budget	2017 Actual	2016 Actual (Note 11)
Environmental and Public Health Services			
Wages and benefits	13,520	13,301	133,866
Professional/Contractual services	165,700	149,245	150,792
Maintenance, materials and supplies	950	375	794
Grants and contributions - operating	<u>2,060</u>	<u>2,762</u>	<u>2,060</u>
Total Environmental and Public Health Services	<u>\$ 182,230</u>	<u>\$ 165,683</u>	<u>\$ 287,512</u>
Planning and Development Services			
Wages and benefits	(660)		(661)
Professional/Contractual services	21,460	15,734	13,798
Utilities	<u>250</u>	<u>261</u>	<u>225</u>
Total Planning and Development Services	<u>\$ 21,050</u>	<u>\$ 15,995</u>	<u>\$ 13,362</u>
Recreation and Cultural Services			
Wages and benefits	180,710	161,830	165,024
Professional/Contractual services	40,870	44,517	25,352
Utilities	37,460	39,556	34,962
Maintenance, materials and supplies	56,700	34,618	61,671
Grants and contributions - operating	51,460	49,946	56,330
Amortization		13,888	13,888
Insurance	<u>26,210</u>	<u>26,227</u>	<u>31,520</u>
Total Recreation and Cultural Services	<u>\$ 393,410</u>	<u>\$ 370,582</u>	<u>\$ 388,747</u>
Utility Services			
Wages and benefits	109,070	90,144	106,390
Professional/Contractual services	725,800	312,329	252,554
Utilities	87,900	88,059	83,361
Maintenance, materials and supplies	100,000	90,021	69,886
Amortization		289,233	289,673
Interest	264,270	80,554	69,293
Insurance	<u>11,530</u>	<u>11,523</u>	<u>11,611</u>
Total Utility Services	<u>\$ 1,298,570</u>	<u>\$ 961,863</u>	<u>\$ 882,768</u>
Total Expenses by Function	<u>\$ 3,236,810</u>	<u>\$ 2,775,842</u>	<u>\$ 2,699,624</u>

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

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

Schedule 4

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	81,094	19,041	13,527	158,822	17,316	97,807	735,127	1,122,734
Land sales - gain	(115,658)							(115,658)
Investment income and commissions	11,991							11,991
Grants - conditional				6,181	973	23,945		31,099
Grants - capital			116,809	1,512			87,126	205,447
Total Revenues	<u>(22,573)</u>	<u>19,041</u>	<u>130,336</u>	<u>166,515</u>	<u>18,289</u>	<u>121,752</u>	<u>822,253</u>	<u>1,255,613</u>
Expenses - schedule 3								
Wages and benefits	238,845	5,369	235,270	13,301		161,830	90,144	744,759
Professional/contractual services	84,485	136,327	104,315	149,245	15,734	44,517	312,329	846,952
Utilities	17,973	2,007	59,676		261	39,556	88,059	207,532
Maintenance materials and supplies	57,145	14,868	144,108	375		34,618	90,021	341,135
Grants and contributions				2,762		49,946		52,708
Amortization	32,946		67,283			13,888	289,233	403,350
Insurance	11,996	775	23,514			26,227	11,523	74,035
Interest			5,935				80,554	86,489
Allowance for uncollectibles	13,695							13,695
Other	5,187							5,187
Total Expenses	<u>462,272</u>	<u>159,346</u>	<u>640,101</u>	<u>165,683</u>	<u>15,995</u>	<u>370,582</u>	<u>961,863</u>	<u>2,775,842</u>
Surplus (Deficit) by Function	<u>\$(484,845)</u>	<u>\$(140,305)</u>	<u>\$(509,765)</u>	<u>\$ 832</u>	<u>\$ 2,294</u>	<u>\$(248,830)</u>	<u>\$(139,610)</u>	<u>(1,520,229)</u>
Taxation and other unconditional revenue - schedule 1								<u>1,833,808</u>
Net Surplus								<u>\$ 313,579</u>

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

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

Schedule 5

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	108,915	30,486	19,379	277,446	11,994	100,241	746,702	1,295,163
Tangible capital asset sales - gain				(14,098)				(14,098)
Investment income and commissions	7,970							7,970
Other revenues			500					500
Grants - conditional	5,114			4,121	940	26,631		36,806
Grants - capital				2,060			83,401	85,461
Total Revenues	<u>121,999</u>	<u>30,486</u>	<u>19,879</u>	<u>269,529</u>	<u>12,934</u>	<u>126,872</u>	<u>830,103</u>	<u>1,411,802</u>
Expenses - schedule 3								
Wages and benefits	222,411	5,222	218,112	133,866	(661)	165,024	106,390	850,364
Professional/contractual services	67,858	120,339	26,939	150,792	13,798	25,352	252,554	657,632
Utilities	19,281	2,254	59,176		225	34,962	83,361	199,259
Maintenance materials and supplies	53,476	11,817	204,670	794		61,671	69,886	402,314
Grants and contributions				2,060		56,330		58,390
Amortization	33,636		33,835			13,888	289,673	371,032
Insurance	13,274	648				31,520	11,611	57,053
Interest			12,915				69,293	82,208
Other	6,770		14,602					21,372
Total Expenses	<u>416,706</u>	<u>140,280</u>	<u>570,249</u>	<u>287,512</u>	<u>13,362</u>	<u>388,747</u>	<u>882,768</u>	<u>2,699,624</u>
Surplus (Deficit) by Function	<u>\$(294,707)</u>	<u>\$(109,794)</u>	<u>\$(550,370)</u>	<u>\$(17,983)</u>	<u>\$(428)</u>	<u>\$(261,875)</u>	<u>\$(52,665)</u>	<u>(1,287,822)</u>
Taxation and other unconditional revenue - schedule 1								<u>1,851,099</u>
Net Surplus								<u>\$ 563,277</u>

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

Town of Shellbrook
 Schedule of Tangible Capital Assets by Object
 For the year ended December 31, 2017

Schedule 6

	2017							2016		
	General Assets					Infrastruct. Assets	General/ Infrastruct. Assets under Constr.		Total	Total
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Total			
Asset Cost										
Opening Asset Cost	374,497	7,838,748	1,316,928	172,096	1,651,194	5,519,191	0	16,872,654	16,430,202	
Additions during the year	22,000	15,264	18,235			482,541		538,040	451,802	
Disposals and write-down during the year									(9,350)	
Closing Asset Costs	396,497	7,854,012	1,335,163	172,096	1,651,194	6,001,732	0	17,410,694	16,872,654	
Accumulated Amortization Cost										
Opening Accumulated Amortization Costs		783,875	282,689	59,798	320,500	768,665		2,215,527	1,852,645	
Add: Amortization taken		195,968	32,254	10,025	66,009	99,094		403,350	371,032	
Less: Accumulated amortization on disposals									8,150	
Closing Accumulated Amortization Costs	0	979,843	314,943	69,823	386,509	867,759	0	2,618,877	2,215,527	
Net Book Value	\$ 396,497	\$ 6,874,169	\$ 1,020,220	\$ 102,273	\$ 1,264,685	\$ 5,133,973	\$ 0	\$ 14,791,817	\$ 14,657,127	

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

Town of Shellbrook
 Schedule of Tangible Capital Assets by Function
 For the year ended December 31, 2017

Schedule 7

	2017							2016	
	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Water & Sewer	Total	Total
Asset Cost									
Opening Asset Cost	788,402	102,173	1,934,516	0	0	614,200	13,433,363	16,872,654	16,430,202
Additions during the year	40,235		15,265				482,540	538,040	451,802
Disposals and write-down during the year									(9,350)
Closing Asset Costs	<u>828,637</u>	<u>102,173</u>	<u>1,949,781</u>	<u>0</u>	<u>0</u>	<u>614,200</u>	<u>13,915,903</u>	<u>17,410,694</u>	<u>16,872,654</u>
Accumulated Amortization Cost									
Opening Accumulated Amortization costs	101,486	30,652	421,345	0	0	124,988	1,537,056	2,215,527	1,852,645
Add: Amortization taken	12,121	5,109	79,477			13,887	292,756	403,350	371,032
Less: Accumulated amortization on disposals									8,150
Closing Accumulated Amortization Costs	<u>113,607</u>	<u>35,761</u>	<u>500,822</u>	<u>0</u>	<u>0</u>	<u>138,875</u>	<u>1,829,812</u>	<u>2,618,877</u>	<u>2,215,527</u>
Net Book Value	<u>\$ 715,030</u>	<u>\$ 66,412</u>	<u>\$ 1,448,959</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 475,325</u>	<u>\$ 12,086,091</u>	<u>\$ 14,791,817</u>	<u>\$ 14,657,127</u>

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

Town of Shellbrook
Schedule of Accumulated Surplus
For the year ended December 31, 2017

Schedule 8

	2016	Changes	2017
Unappropriated Surplus	<u>1,685,027</u>	<u>(114,941)</u>	<u>1,570,086</u>
Appropriated Surplus			
Machinery and equipment			
Public reserve	13,428	73	13,501
Machinery and equipment	46,185	43,815	90,000
Transportation equipment	<u>15,000</u>	<u>100,000</u>	<u>115,000</u>
	<u>74,613</u>	<u>143,888</u>	<u>218,501</u>
Utility			
Water	155,632	43,198	198,830
Waste water	<u>203,632</u>	<u>(116,802)</u>	<u>86,830</u>
	<u>359,264</u>	<u>(73,604)</u>	<u>285,660</u>
Other			
Cemetery	14,665	643	15,308
Fire and EMT services	25,000	10,000	35,000
Landfill	40,811		40,811
Other	<u>51,330</u>	<u>24,141</u>	<u>75,471</u>
	<u>131,806</u>	<u>34,784</u>	<u>166,590</u>
Total Appropriated	<u>565,683</u>	<u>105,068</u>	<u>670,751</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	14,657,127	134,690	14,791,817
Less: Related debt	<u>2,225,795</u>	<u>(188,762)</u>	<u>2,037,033</u>
Net Investment in Tangible Capital Assets	<u>12,431,332</u>	<u>323,452</u>	<u>12,754,784</u>
Total Accumulated Surplus	<u>\$ 14,682,042</u>	<u>\$ 313,579</u>	<u>\$ 14,995,621</u>

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

Town of Shellbrook
 Schedule of Mill Rates and Assessments
 For the year ended December 31, 2017

Schedule 9

	<u>Property Class</u>					Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	
Taxable Assessment	139,480	103,153,040			11,956,700	115,249,220
Regional Park Assessment						
Total Assessment						115,249,220
Mill Rate Factor(s)	1	1			2.7500	
Total Base/Minimum Tax (generated for each property class)	7,200	853,200			106,800	967,200
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	7,751	1,260,655			235,465	1,503,871
Mill Rates:						
Average Municipal*						
Average School*						
Potash Mill Rate						
Uniform Municipal Mill Rate						

*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).

Town of Shellbrook
Schedule of Council Remuneration
For the year ended December 31, 2017

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Lyle Banda	3,220	35	3,255
Bruce Clements	4,940	347	5,287
Lois Freeman	3,460		3,460
David Knight	4,930	354	5,284
Kathleen Nording	3,440		3,440
Amund Otterson	3,873	874	4,747
George Tomporowski	6,940	638	7,578
	<u>30,803</u>	<u>2,248</u>	<u>33,051</u>
	\$ 30,803	\$ 2,248	\$ 33,051

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