

**TOWN OF SHELLBROOK**

**FINANCIAL STATEMENTS**

**For the year ended December 31, 2019**

**TOWN OF SHELLBROOK**  
**TABLE OF CONTENTS**  
 For the year ended December 31, 2019

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	Page
<b>STATEMENT OF RESPONSIBILITY</b>	3
<b>INDEPENDENT AUDITOR'S REPORT</b> , dated June 15, 2020	4 - 5
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	6
Statement of Operations	7
Statement of Change in Net Financial Assets	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 18
Schedule 1 - Schedule of Taxes and Other Unconditional Revenue	19
Schedule 2 - Schedule of Operating and Capital Revenue by Function	20 - 23
Schedule 3 - Schedule of Expenses by Function	24 - 25
Schedule 4 - Schedule of Segment Disclosure by Function - 2019	26
Schedule 5 - Schedule of Segment Disclosure by Function - 2018	27
Schedule 6 - Schedule of Tangible Capital Assets by Object	28
Schedule 7 - Schedule of Tangible Capital Assets by Function	29
Schedule 8 - Schedule of Accumulated Surplus	30
Schedule 9 - Schedule of Mill Rates and Assessments	31
Schedule 10 - Schedule of Council Remuneration	32

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## STATEMENT OF RESPONSIBILITY

To the Ratepayers of the Town of Shellbrook

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 fairness 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 for financial statements.

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

Sensus Chartered Professional Accountants Ltd., 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 administration to discuss their audit findings.

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Mayor

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Administrator



## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of:  
Town of Shellbrook  
Shellbrook, Saskatchewan

### Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Town of Shellbrook 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 Opinion

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

### Other Matters

The financial statements for the year ended December 31, 2018 were audited by another public accounting firm who expressed an unqualified audit opinion dated March 25, 2019.

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

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

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

Those charged with governance are responsible for overseeing the Town of Shellbrook's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

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

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

Yorkton Saskatchewan  
June 15, 2020



Chartered Professional Accountants Ltd.

**TOWN OF SHELLBROOK**  
**STATEMENT OF FINANCIAL POSITION**  
 As at December 31, 2019

	2019	2018
<b>FINANCIAL ASSETS</b>		
Cash	\$ 1,284,854	\$ 1,378,795
Taxes receivable - municipal (Note 2)	297,550	236,161
Amounts receivable (Note 3)	318,373	163,906
Loans and advances (Note 5)	62,896	83,460
Land for resale (Note 4)	1,189,213	1,178,777
<b>TOTAL FINANCIAL ASSETS</b>	<b>3,152,886</b>	<b>3,041,099</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	134,137	207,576
Deferred revenue (Notes 1 and 6)	68,628	64,580
Long-term debt (Note 7)	1,644,572	1,839,909
Obligations under capital lease		57,542
<b>TOTAL LIABILITIES</b>	<b>1,847,337</b>	<b>2,169,607</b>
<b>NET FINANCIAL ASSETS</b>	<b>1,305,549</b>	<b>871,492</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedules 6 and 7)	14,775,026	14,625,556
Inventories (Note 1)	11,700	11,700
Prepaid expenses	22,682	19,111
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>14,809,408</b>	<b>14,656,367</b>
<b>ACCUMULATED SURPLUS (Schedule 8)</b>	<b>\$ 16,114,957</b>	<b>\$15,527,859</b>

**TOWN OF SHELLBROOK**  
**STATEMENT OF OPERATIONS**  
For the year ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
<b>REVENUE</b>			
Taxes and other unconditional revenue (Schedule 1)	\$ 1,964,990	\$ 1,902,720	\$ 1,866,999
Fees and charges (Schedules 4 and 5)	1,069,920	1,300,619	1,117,487
Conditional grants (Schedules 4 and 5)	23,870	30,458	45,277
Tangible capital asset sales - gain (loss) (Schedules 4 and 5)	220,000	54,835	(10,925)
Land sales - gain (Schedules 4 and 5)		6,642	66,112
Investment income and commissions (Schedules 4 and 5)	16,080	11,998	18,681
Other revenues (Schedules 4 and 5)	50,400	164,167	79,597
	<b>3,345,260</b>	<b>3,471,439</b>	<b>3,183,228</b>
<b>EXPENSES</b>			
General government services (Schedule 3)	454,247	425,296	422,576
Protective services (Schedule 3)	161,879	150,936	164,907
Transportation services (Schedule 3)	903,129	694,821	749,868
Environmental and public health services (Schedule 3)	186,700	224,405	186,226
Planning and development services (Schedule 3)	102,650	28,352	26,302
Recreation and cultural services (Schedule 3)	471,093	656,235	399,731
Utility services (Schedule 3)	1,057,003	882,886	788,936
	<b>3,336,701</b>	<b>3,062,931</b>	<b>2,738,546</b>
<b>SURPLUS (DEFICIT) BEFORE OTHER CAPITAL CONTRIBUTIONS</b>	<b>8,559</b>	<b>408,508</b>	<b>444,682</b>
Provincial/Federal capital grants and contributions (Schedules 4 and 5)	87,550	178,590	87,556
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>96,109</b>	<b>587,098</b>	<b>532,238</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>15,527,859</b>	<b>15,527,859</b>	<b>14,995,621</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 15,623,968</b>	<b>\$ 16,114,957</b>	<b>\$15,527,859</b>

**TOWN OF SHELLBROOK**  
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
 For the year ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 96,109</b>	<b>\$ 587,098</b>	<b>\$ 532,238</b>
Acquisition of tangible capital assets	(527,000)	(644,796)	(247,055)
Amortization of tangible capital assets	390,962	390,962	396,891
Loss (gain) on sale of tangible capital assets		(54,835)	10,925
Proceeds on sale of tangible capital assets		159,199	5,500
Increase in prepaid expenses		(3,571)	(9,908)
	<b>(136,038)</b>	<b>(153,041)</b>	156,353
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>\$ (39,929)</b>	<b>434,057</b>	688,591
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<b>871,492</b>	182,901
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<b>\$ 1,305,549</b>	<b>\$ 871,492</b>



**TOWN OF SHELLBROOK**  
**STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2019

	2019	2018
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 587,098	\$ 532,238
Changes in non-cash items:		
Taxes receivable - municipal	(61,389)	59,847
Amounts receivable	(154,467)	51,514
Prepays	(3,571)	(9,908)
Loans and advances	20,564	14,748
Accounts payable and accrued liabilities	(73,439)	56,987
Deferred revenue	4,048	(44,807)
Loss (gain) on sale of tangible capital assets	(54,835)	10,925
Gain on sale of land for resale	(6,642)	(66,112)
Amortization	390,962	396,891
	<hr/>	<hr/>
Cash provided by operating transactions	648,329	1,002,323
	<hr/>	<hr/>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	159,199	5,500
Acquisition of tangible capital assets	(644,796)	(247,055)
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Cash applied to capital transactions	(485,597)	(241,555)
	<hr/>	<hr/>
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of land for resale	6,642	87,000
Acquisition of real estate properties	(10,436)	(91,448)
	<hr/>	<hr/>
Cash applied to investing transactions	(3,794)	(4,448)
	<hr/>	<hr/>
<b>FINANCING TRANSACTIONS</b>		
Debt repayment	(195,337)	(197,124)
Repayment of obligation under capital lease	(57,542)	(55,509)
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Cash applied to financing transactions	(252,879)	(252,633)
	<hr/>	<hr/>
<b>INCREASE (DECREASE) IN CASH</b>	(93,941)	503,687
<b>CASH, BEGINNING OF YEAR</b>	1,378,795	875,108
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<b>CASH, END OF YEAR</b>	\$ 1,284,854	\$ 1,378,795
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**TOWN OF SHELLBROOK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended December 31, 2019

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town are 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 are as follows:

**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.

**Reporting Entity**

The financial statements consolidates the assets, liabilities, and flow of resources of the Town. The entity is comprised of all of the organizations that are owned or controlled by the Town and are, therefore, accountable to Council for the administration of their financial affairs and resources. The assets, liabilities and operations of the Recreation Boards are not included in these financial statements except for any assistance to the Recreation Boards, as Council's position is that it does not control the Recreation Boards.

**Collection of Funds for Other Authorities**

Collection of funds by the Town 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 2.

**Government Transfers**

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

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

Unearned government transfer amounts received but not earned will be recorded as deferred revenue. Earned government transfer amounts not received will be recorded as an amount receivable.

**Deferred Revenue**

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.

**TOWN OF SHELLBROOK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 For the year ended December 31, 2019

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Local Improvement Charges**

Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.

**Net-Financial Assets**

Net-financial assets at the end of the 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.

**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.

**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.

**Property Tax Revenue**

Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by council following the guidance of the Government of Saskatchewan. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.

**Portfolio Investments**

Portfolio investments are valued at the lower of cost and market value, less any provisions for other than temporary impairment. The long-term investments in the Saskatchewan Rural Municipalities - Self Insurance Fund are accounted for on the equity basis.

**Inventories**

Inventories of materials and supplies expected to be used by the Town are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are value at the lower of cost or net realizable value. Cost is based on the actual cost of inventory. Net realizable value is the estimated selling price in the ordinary course of business.

**TOWN OF SHELLBROOK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 For the year ended December 31, 2019

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Tangible Capital Assets**

All tangible capital asset acquisitions or betterment made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired 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 on Schedule 6. The costs 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 Town's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<b>General assets</b>	
Land	Indefinite
Land improvements	5 to 20 years
Buildings	10 to 50 years
Vehicles and equipment	
Vehicles	5 to 10 years
Machinery and equipment	5 to 10 years
<b>Infrastructure Assets</b>	
Infrastructure Assets	
Water & Sewer	25 to 75 years
Road Network Assets	20 to 50 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 Unrecognized Assets**

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

**Capitalization of Interest**

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

**TOWN OF SHELLBROOK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended December 31, 2019

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**Landfill Liability**

The Town of Shellbrook does not maintain a waste disposal site. Currently the Town of Shellbrook uses Greenland Waste Disposal Ltd. for waste collection.

**Trust Funds**

Funds held in trust for others, under a trust agreement or statute, are not included in the financial statements as they are not controlled by the Town.

**Employee Benefit Plans**

Contributions to the Town's defined benefit plans are expensed when contributions are due and payable. Under the defined benefit multi-employer plan, the Town's obligations are limited to their contributions.

**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 Town;
  - 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.

**TOWN OF SHELLBROOK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 For the year ended December 31, 2019

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 collectibility 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.

**Basis of Segmentation/Segment Report**

The Town 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 attributable 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 administration of the Town.

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

**Transportation services:** 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:** Environmental segment provides waste disposal and other environmental services and the public health segment provides for expenses related to public health services in the Town.

**Planning and development:** Provides for neighbourhood development and sustainability.

**Recreation and culture:** Provides for community services through provision of recreation and leisure services.

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

**Budget Information**

Budget information is presented on a basis consistent with that used for the actual results. The budget was approved by council on March 11, 2019.

**TOWN OF SHELLBROOK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 For the year ended December 31, 2019

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**New Accounting Standards**

Effective January 1, 2019, the Town adopted the following standard to apply with Canadian public sector accounting standards. 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 judgment 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.

**Future Accounting Standards**

**Effective On or After April 1, 2021:**

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

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

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

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

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

**Effective On or After April 1, 2022:**

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

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

**TOWN OF SHELLBROOK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 For the year ended December 31, 2019

**2. TAXES AND GRANTS-IN-LIEU RECEIVABLE**

	2019	2018
Municipal		
- Current	\$ 140,829	\$ 125,449
- Arrears	156,721	110,712
Total municipal taxes receivable	<u>297,550</u>	<u>236,161</u>
School		
- Current	21,013	30,362
- Arrears	21,385	18,447
Total school taxes receivable	<u>42,398</u>	<u>48,809</u>
Total taxes and grants-in-lieu receivable	<u>339,948</u>	<u>284,970</u>
Deduct taxes receivable to be collected on behalf of other organizations	<u>(42,398)</u>	<u>(48,809)</u>
Municipal and grants-in-lieu taxes receivable	<u>\$ 297,550</u>	<u>\$ 236,161</u>

**3. AMOUNTS RECEIVABLE**

Amounts receivable are valued at their net realized value.

	2019	2018
Organizations and individuals	\$ 159,923	\$ 20,774
Federal government	97,668	72,999
Utility	60,782	61,950
Provincial government		11,460
	<u>318,373</u>	<u>167,183</u>
Less allowance for doubtful amounts		(3,277)
	<u>\$ 318,373</u>	<u>\$ 163,906</u>

**4. LAND FOR RESALE**

	2019	2018
Tax Title Property	\$ 108,610	\$ 108,611
Other Land	1,105,614	1,095,177
Allowance for market value adjustment	(25,011)	(25,011)
Net Other Land	<u>1,080,603</u>	<u>1,070,166</u>
Total Land for Resale	<u>\$ 1,189,213</u>	<u>\$ 1,178,777</u>



**TOWN OF SHELLBROOK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended December 31, 2019

**5. LOANS AND ADVANCES**

	2019	2018
Interest free loan to the Hidden Hills of Shellbrook Golf Course for expanding the course. The minimum repayment is \$15,000 per year.	\$ 62,896	\$ 83,460

**6. DEFERRED REVENUE**

	2019	2018
Land for resale deposits	\$ 63,663	\$ 55,795
Facility deposits	4,965	8,785
	<b>\$ 68,628</b>	<b>\$ 64,580</b>

**7. LONG-TERM DEBT**

The debt limit of the Town is \$2,609,879. The debt limit for a Town is the total amount of the Town's own source revenues for the preceding year (the *Municipalities Act* Section 161(1)).

	2019	2018
Canada Mortgage and Housing Corporation mortgage. Payable in blended annual installments of \$263,262 including interest at a rate of 3.65%, matures March 2026. Secured by asset.	\$ 1,644,572	\$ 1,839,909

Future principal and interest payments are as follows:

	Principal	Interest	Total
2020	\$ 204,835	58,427	\$ 263,262
2021	212,311	50,951	263,262
2022	220,060	43,202	263,262
2023	228,093	35,169	263,262
2024	236,418	26,844	263,262
Thereafter	542,855	27,485	570,340
Balance	<b>\$ 1,644,572</b>	<b>242,078</b>	<b>\$ 1,886,650</b>

**TOWN OF SHELLBROOK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 For the year ended December 31, 2019

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**8. PENSION PLAN**

The Town 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 benefits. The Town's pension expense in 2019 was \$60,654 (2018 - \$44,374). The benefits accrued to the Town's employees from MEPP are calculated using the following: Pensionable Years of Service, Highest Average Salary, and the plan accrual rate. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook Section PS3250.

**9. COMPARATIVE FIGURES**

The financial statements for the year ended December 31, 2018 were audited by another public accounting firm who expressed an unqualified audit opinion dated March 25, 2019.

**10. SUBSEQUENT EVENTS**

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a worldwide pandemic. Subsequently, on March 18, 2020, the Province of Saskatchewan declared a province-wide state of emergency to help reduce the spread of COVID-19 by the reduction of non-essential services across the province. As of the audit report date, the Town has not suffered any significant disruptions, and we are therefore unable to estimate the effect of the pandemic on the Town's operations. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of the disruption. As a result, the related financial impact and duration cannot be reasonably estimated at this time.

**11. ASSETS PLEDGED AS SECURITY**

Included in the tangible capital assets is the skating arena which has been pledged as collateral on a line of credit held by Shellbrook Skating Rink Operations Incorporated for the purpose of skating rink renovations. The net book value of the arena as of December 31, 2019 is \$233,380 (2018 - \$241,715).

The credit limit on the line of credit is \$300,000. The balance on the line of credit on December 31, 2019 is \$74,625 (2018 - \$12,077). The terms of the loan include interest payable monthly at a rate of 4.95% per year with the principal payable on demand.

**TOWN OF SHELLBROOK**  
**SCHEDULE 1 - SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES**  
 For the year ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
<b>TAXES</b>			
General municipal tax levy	\$ 1,525,990	\$ 1,553,218	\$ 1,531,995
Abatements and adjustments		(50,392)	(55,507)
Discount on current year taxes	(51,380)	(69,772)	(51,385)
<b>Net Municipal Taxes</b>	<b>1,474,610</b>	<b>1,433,054</b>	<b>1,425,103</b>
Penalties on tax arrears	54,000	47,669	54,064
<b>Total Taxes</b>	<b>1,528,610</b>	<b>1,480,723</b>	<b>1,479,167</b>
<b>UNCONDITIONAL GRANTS</b>			
Equalization (Revenue Sharing)	304,330	296,657	288,309
<b>Total Unconditional Grants</b>	<b>304,330</b>	<b>296,657</b>	<b>288,309</b>
<b>GRANTS-IN-LIEU OF TAXES</b>			
Local/Other			
Housing Authority		690	
Other Government Transfers			
S.P.C. Surcharge	88,850	87,251	88,849
Sask Energy Surcharge	43,200	37,399	10,674
<b>Total Grants-in-Lieu of Taxes</b>	<b>132,050</b>	<b>125,340</b>	<b>99,523</b>
<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<b>\$ 1,964,990</b>	<b>\$ 1,902,720</b>	<b>\$ 1,866,999</b>

**TOWN OF SHELLBROOK**  
**SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION**  
 For the year ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Sales of supplies	\$ 100	\$ 73	\$ 115
- Other (pet licenses, mobile home lease fees, administration fees)	11,000	15,744	16,951
Total Fees and Charges	11,100	15,817	17,066
- Tangible capital asset sales - gain (loss)	220,000	54,835	
- Land sales - gain		6,642	66,112
- Investment income and commissions	16,080	11,998	18,681
- Other (Post Office rental)	50,400	22,051	49,562
Total Other Segmented Revenue	297,580	111,343	151,421
<b>Total Operating</b>	<b>297,580</b>	<b>111,343</b>	<b>151,421</b>
<b>Total General Government Services</b>	<b>297,580</b>	<b>111,343</b>	<b>151,421</b>
<b>PROTECTIVE SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Other (fire fees and bylaw fines)	38,960	66,454	43,060
Total Fees and Charges	38,960	66,454	43,060
Total Other Segmented Revenue	38,960	66,454	43,060
<b>Total Operating</b>	<b>38,960</b>	<b>66,454</b>	<b>43,060</b>
<b>Total Protective Services</b>	<b>38,960</b>	<b>66,454</b>	<b>43,060</b>

**TOWN OF SHELLBROOK**
**SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION**

For the year ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 9,920	\$ 17,700	\$ 9,906
- Sales of supplies	150	160	130
- Other (Airport lease)	5,000	3,711	3,050
Total Fees and Charges	<u>15,070</u>	<u>21,571</u>	<u>13,086</u>
- Tangible capital asset sales - gain (loss)			<u>(10,925)</u>
Total Other Segmented Revenue	<u>15,070</u>	<u>21,571</u>	<u>2,161</u>
Conditional Grants			
- Other (Transit Assistance, 2018 - Community Airport Partnership)	1,510	1,522	13,750
Total Conditional Grants	<u>1,510</u>	<u>1,522</u>	<u>13,750</u>
<b>Total Operating</b>	<u>16,580</u>	<u>23,093</u>	<u>15,911</u>
<b>Total Transportation Services</b>	<u>16,580</u>	<u>23,093</u>	<u>15,911</u>
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Waste and disposal fees	152,500	153,602	152,452
- Cemetery fees	4,150	33,654	25,272
Total Fees and Charges	<u>156,650</u>	<u>187,256</u>	<u>177,724</u>
- Cemetery donations		<u>2,900</u>	<u>5,050</u>
Total Other Segmented Revenue	<u>156,650</u>	<u>190,156</u>	<u>182,774</u>
Conditional Grants			
- Other (Multi-Material Stewardship Western)	6,180	2,060	6,181
Total Conditional Grants	<u>6,180</u>	<u>2,060</u>	<u>6,181</u>
<b>Total Operating</b>	<u>162,830</u>	<u>192,216</u>	<u>188,955</u>
<b>Total Environmental and Public Health Services</b>	<u>162,830</u>	<u>192,216</u>	<u>188,955</u>

**TOWN OF SHELLBROOK**
**SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION**

For the year ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Permits	\$ 31,550	\$ 17,195	\$ 34,120
Total Fees and Charges	<u>31,550</u>	<u>17,195</u>	<u>34,120</u>
Total Other Segmented Revenue	<u>31,550</u>	<u>17,195</u>	<u>34,120</u>
<b>Total Operating</b>	<u>31,550</u>	<u>17,195</u>	<u>34,120</u>
<b>Total Planning and Development Services</b>	<u>31,550</u>	<u>17,195</u>	<u>34,120</u>
<b>RECREATION AND CULTURAL SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Other (user fees and rentals)	92,820	259,371	111,412
Total Fees and Charges	<u>92,820</u>	<u>259,371</u>	<u>111,412</u>
- Other (fundraising and donations)		139,216	24,985
Total Other Segmented Revenue	<u>92,820</u>	<u>398,587</u>	<u>136,397</u>
Conditional Grants			
- Student Employment		3,561	3,946
- Local government	1,640	6,950	7,744
- Other (Saskatchewan Lotteries)	14,540	16,365	13,656
Total Conditional Grants	<u>16,180</u>	<u>26,876</u>	<u>25,346</u>
<b>Total Operating</b>	<u>109,000</u>	<u>425,463</u>	<u>161,743</u>
<b>Total Recreation and Cultural Services</b>	<u>109,000</u>	<u>425,463</u>	<u>161,743</u>

**TOWN OF SHELLBROOK**
**SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION**

For the year ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Water	\$ 425,660	\$ 420,606	\$ 423,675
- Sewer	290,450	306,079	289,681
- Interest	7,660	6,270	7,663
Total Fees and Charges	<u>723,770</u>	<u>732,955</u>	721,019
Total Other Segmented Revenue	<u>723,770</u>	<u>732,955</u>	721,019
<b>Total Operating</b>	<u>723,770</u>	<u>732,955</u>	721,019
<b>Capital</b>			
Conditional Grants			
- Gas Tax	87,550	178,590	87,556
<b>Total Capital</b>	<u>87,550</u>	<u>178,590</u>	87,556
<b>Total Utility Services</b>	<u>811,320</u>	<u>911,545</u>	808,575
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<u>\$ 1,467,820</u>	<u>\$ 1,747,309</u>	<u>\$ 1,403,785</u>
<b>SUMMARY</b>			
Total Other Segmented Revenue	\$ 1,356,400	\$ 1,538,261	\$ 1,270,952
Total Conditional Grants	23,870	30,458	45,277
Total Capital Grants and Contributions	<u>87,550</u>	<u>178,590</u>	87,556
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<u>\$ 1,467,820</u>	<u>\$ 1,747,309</u>	<u>\$ 1,403,785</u>

**TOWN OF SHELLBROOK**  
**SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION**  
 For the year ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	\$ 52,000	\$ 46,206	\$ 39,807
Wages and benefits	230,720	203,205	211,679
Professional/Contractual services	101,790	120,617	106,140
Utilities	19,900	19,899	19,580
Maintenance, materials, and supplies	44,900	31,738	35,244
Amortization	3,637	3,637	6,313
Interest	1,000	3,271	3,533
Allowance for uncollectibles		(3,277)	
Other (Housing Authority deficit)	300		280
<b>Total General Government Services</b>	<b>454,247</b>	<b>425,296</b>	<b>422,576</b>
<b>PROTECTIVE SERVICES</b>			
<b>Police protection</b>			
Professional/Contractual services	113,000	109,974	118,489
Maintenance, materials, and supplies	1,100	103	1,035
<b>Fire protection</b>			
Wages and benefits	8,160	12,817	7,674
Professional/Contractual services	11,940	12,111	12,338
Utilities	2,800	4,354	2,706
Maintenance, materials, and supplies	19,770	3,787	17,556
Amortization	5,109	5,109	5,109
Allowance for uncollectibles		2,681	
<b>Total Protective Services</b>	<b>161,879</b>	<b>150,936</b>	<b>164,907</b>
<b>TRANSPORTATION SERVICES</b>			
Wages and benefits	337,170	318,577	272,223
Professional/Contractual services	25,240	25,867	25,544
Utilities	69,980	60,459	69,746
Maintenance, materials, and supplies	376,640	219,781	261,793
Gravel	28,000		24,730
Amortization	63,689	63,689	67,735
Interest	900	4,926	4,250
Other (Transit Assistance)	1,510	1,522	23,847
<b>Total Transportation Services</b>	<b>903,129</b>	<b>694,821</b>	<b>749,868</b>



**TOWN OF SHELLBROOK**  
**SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION**  
 For the year ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Wages and benefits	\$ 15,280	\$ 16,921	\$ 14,085
Professional/Contractual services	163,250	173,458	146,387
Maintenance, materials, and supplies	950	202	212
Other (Doctor recruitment)	7,220	33,824	25,542
<b>Total Environmental and Public Health Services</b>	<b>186,700</b>	<b>224,405</b>	<b>186,226</b>
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
Wages and benefits	6,320	2,469	6,089
Professional/Contractual services	60,100	19,255	17,392
Utilities	510	503	512
Maintenance, materials, and supplies	35,720	6,125	2,309
<b>Total Planning and Development Services</b>	<b>102,650</b>	<b>28,352</b>	<b>26,302</b>
<b>RECREATION AND CULTURAL SERVICES</b>			
Wages and benefits	181,590	233,204	166,186
Professional/Contractual services	42,790	59,579	60,262
Utilities	37,380	71,198	38,198
Maintenance, materials, and supplies	106,290	173,008	60,554
Grants and contributions			
- Operating	87,230	103,027	60,366
Amortization	15,533	15,533	13,888
Interest	280	686	277
<b>Total Recreation and Cultural Services</b>	<b>471,093</b>	<b>656,235</b>	<b>399,731</b>
<b>UTILITY SERVICES</b>			
Wages and benefits	113,000	142,287	95,879
Professional/Contractual services	16,690	15,177	17,169
Utilities	90,190	89,696	88,598
Maintenance, materials, and supplies	534,130	265,410	217,886
Amortization	302,993	302,993	303,846
Interest on long-term debt		67,323	65,558
<b>Total Utility Services</b>	<b>1,057,003</b>	<b>882,886</b>	<b>788,936</b>
<b>TOTAL EXPENSES BY FUNCTION</b>	<b>\$ 3,336,701</b>	<b>\$ 3,062,931</b>	<b>\$ 2,738,546</b>

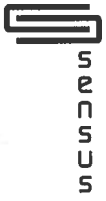
**TOWN OF SHELLBROOK**  
**SCHEDULE 4 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION**  
**For the year ended December 31, 2019**

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and Charges	\$ 15,817	\$ 66,454	\$ 21,571	\$ 187,256	\$ 17,195	\$ 259,371	\$ 732,955	\$ 1,300,619
Tangible Capital Asset Sale - Gain (Loss)	54,835							54,835
Land Sales - Gain (Loss)	6,642							6,642
Investment Income & Commissions	11,998							11,998
Other Revenues	22,051		1,522	2,900		139,216		164,167
Grants - Conditional				2,060		26,876		30,458
- Capital							178,590	178,590
<b>Total revenues</b>	<b>111,343</b>	<b>66,454</b>	<b>23,093</b>	<b>192,216</b>	<b>17,195</b>	<b>425,463</b>	<b>911,545</b>	<b>1,747,309</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	249,411	12,817	318,577	16,921	2,469	233,204	142,287	975,686
Professional/Contractual Services	120,617	122,085	25,867	173,458	19,255	59,579	15,177	536,038
Utilities	19,899	4,354	60,459		503	71,198	89,696	246,109
Maintenance, Materials, Supplies	31,738	3,890	219,781	202	6,125	173,008	265,410	700,154
Grants and Contributions						103,027		103,027
Amortization	3,637	5,109	63,689			15,533	302,993	390,961
Interest	3,271		4,926			686	67,323	76,206
Allowance for Uncollectibles	(3,277)						(3,277)	(3,277)
Other		2,681	1,522	33,824				38,027
<b>Total expenses</b>	<b>425,296</b>	<b>150,936</b>	<b>694,821</b>	<b>224,405</b>	<b>28,352</b>	<b>656,235</b>	<b>882,886</b>	<b>3,062,931</b>
<b>Surplus (Deficit) by Function</b>	<b>(313,953)</b>	<b>(84,482)</b>	<b>(671,728)</b>	<b>(32,189)</b>	<b>(11,157)</b>	<b>(230,772)</b>	<b>28,659</b>	<b>(1,315,622)</b>
Taxation and other unconditional revenue (Schedule 1)								1,902,720
<b>Net Surplus (Deficit)</b>								<b>\$ 587,098</b>



**TOWN OF SHELLBROOK**  
**SCHEDULE 5 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION**  
**For the year ended December 31, 2018**

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and Charges	\$ 17,066	\$ 43,060	\$ 13,086	\$ 177,724	\$ 34,120	\$ 111,412	\$ 721,019	\$ 1,117,487
Tangible Capital Asset Sale - Gain (Loss)			(10,925)					(10,925)
Land Sales - Gain (Loss)	66,112							66,112
Investment Income & Commissions	18,681							18,681
Other Revenues	49,562		13,750	5,050		24,985		79,597
Grants - Conditional				6,181		25,346		45,277
- Capital							87,556	87,556
<b>Total revenues</b>	<b>151,421</b>	<b>43,060</b>	<b>15,911</b>	<b>188,955</b>	<b>34,120</b>	<b>161,743</b>	<b>808,575</b>	<b>1,403,785</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	251,486	7,674	272,223	14,085	6,089	166,186	95,879	813,622
Professional/Contractual Services	106,140	130,827	25,544	146,387	17,392	60,262	17,169	503,721
Utilities	19,580	2,706	69,746		512	38,198	88,598	219,340
Maintenance, Materials, Supplies	35,244	18,591	286,523	212	2,309	60,554	217,886	621,319
Grants and Contributions						60,366		60,366
Amortization	6,313	5,109	67,735			13,888	303,846	396,891
Interest	3,533		4,250			277	65,558	73,618
Allowance for Uncollectibles								
Other	280		23,847	25,542			49,669	49,669
<b>Total expenses</b>	<b>422,576</b>	<b>164,907</b>	<b>749,868</b>	<b>186,226</b>	<b>26,302</b>	<b>399,731</b>	<b>788,936</b>	<b>2,738,546</b>
<b>Surplus (Deficit) by Function</b>	<b>(271,155)</b>	<b>(121,847)</b>	<b>(733,957)</b>	<b>2,729</b>	<b>7,818</b>	<b>(237,988)</b>	<b>19,639</b>	<b>(1,334,761)</b>
Taxation and other unconditional revenue (Schedule 1)								1,866,999
<b>Net Surplus (Deficit)</b>								<b>\$ 532,238</b>



**TOWN OF SHELLBROOK**  
**SCHEDULE 6 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT**  
**For the year ended December 31, 2019**

Cost	General Assets					Infrastructure Assets	General/ Infrastructure	Totals	
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment			Linear Assets	Assets Under Construction
Opening costs	\$ 453,520	7,854,012	1,338,907	172,096	1,677,388	6,111,866		\$ 17,607,789	\$ 17,410,694
Additions during the year		91,473	5,881	38,939	183,173	325,330		644,796	247,055
Disposals and write downs			(133,800)					(133,800)	(49,960)
Closing costs	<u>453,520</u>	<u>7,945,485</u>	<u>1,210,988</u>	<u>211,035</u>	<u>1,860,561</u>	<u>6,437,196</u>		<u>18,118,785</u>	<u>17,607,789</u>
<b>Accumulated Amortization</b>									
Opening accumulated amortization		1,176,193	341,631	75,558	416,796	972,055		2,982,233	2,618,877
Amortization		196,350	30,128	5,735	51,769	106,980		390,962	396,891
Disposals and write downs			(29,436)					(29,436)	(33,535)
Closing accumulated amortization		<u>1,372,543</u>	<u>342,323</u>	<u>81,293</u>	<u>468,565</u>	<u>1,079,035</u>		<u>3,343,759</u>	<u>2,982,233</u>
Net Book Value	<u>\$ 453,520</u>	<u>6,572,942</u>	<u>868,665</u>	<u>129,742</u>	<u>1,391,996</u>	<u>5,358,161</u>		<u>\$ 14,775,026</u>	<u>\$ 14,625,556</u>



**TOWN OF SHELLBROOK**  
**SCHEDULE 7 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION**  
**For the year ended December 31, 2019**

Cost	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Totals	
								2019	2018
Opening costs	\$ 863,760	102,173	2,067,512			658,441	13,915,903	\$ 17,607,789	\$ 17,410,694
Additions during the year	139,787	30,864	38,939			29,103	406,103	644,796	247,055
Disposals and write downs	(133,800)							(133,800)	(49,960)
Closing costs	869,747	133,037	2,106,451			687,544	14,322,006	18,118,785	17,607,789
<b>Accumulated Amortization</b>									
Opening accumulated amortization	120,229	40,870	540,702			152,763	2,127,669	2,982,233	2,618,877
Amortization	9,352	5,109	63,495			15,149	297,857	390,962	396,891
Disposals and write downs	(29,436)							(29,436)	(33,535)
Closing accumulated amortization	100,145	45,979	604,197			167,912	2,425,526	3,343,759	2,982,233
Net Book Value	\$ 769,602	87,058	1,502,254			519,632	11,896,480	\$ 14,775,026	\$ 14,625,556



**TOWN OF SHELLBROOK**  
**SCHEDULE 8 - SCHEDULE OF ACCUMULATED SURPLUS**  
 For the year ended December 31, 2019

	2018	Changes	2019
<b>UNAPPROPRIATED SURPLUS</b>	\$ 1,578,309	105,484	\$ 1,683,793
<b>APPROPRIATED RESERVES</b>			
General Administrative Reserve	5,553	1,459	7,012
Asset Management Reserve	25,830		25,830
Legal Fees Reserve	2,648		2,648
Fire Services Reserve	55,000	13,000	68,000
Recreation Program Reserve		4,163	4,163
Recreation Center Reserve	11,548	40,000	51,548
Swimming Pool Reserve	2,924	10,000	12,924
Museum Reserve		4,109	4,109
Cemetery Reserve	23,108	(8,100)	15,008
Landfill Site Reserve	10,811		10,811
Recycling Reserve	6,181		6,181
Public Works Reserve	36,598	7,094	43,692
Streets Reserve		70,412	70,412
Transportation Reserve	130,000	20,000	150,000
Water Reserve	461,830	100,000	561,830
Waste Water Reserve	306,830	(125,330)	181,500
Dedicated Lands Reserve	15,042		15,042
Hospital Reserve	40,000		40,000
Land Development Reserve	30,000		30,000
<b>Total appropriated</b>	<b>1,163,903</b>	<b>136,807</b>	<b>1,300,710</b>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>			
Tangible capital assets (Schedule 6)	14,625,556	149,470	14,775,026
Less: Related debt	(1,839,909)	195,337	(1,644,572)
<b>Net investment in Tangible capital assets</b>	<b>12,785,647</b>	<b>344,807</b>	<b>13,130,454</b>
<b>Total Accumulated Surplus</b>	<b>\$ 15,527,859</b>	<b>\$ 587,098</b>	<b>\$ 16,114,957</b>

**TOWN OF SHELLBROOK**  
**SCHEDULE 9 - SCHEDULE OF MILL RATES AND ASSESSMENTS**  
**For the year ended December 31, 2019**

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable assessment	161,755	108,339,840			12,113,400		120,614,995
Regional Park Assessment							
Total Assessment							120,614,995
Mill Rate Factor(s)	1.00	1.00			2.75		
Total Base/Minimum Tax	8,400	867,600			112,800		988,800
Total Municipal Tax Levy	9,044	1,298,793			245,381		1,553,218

**MILL RATES:**

	MILLS
Average Municipal	12.8775
Average School	4.3323
Potash Mill Rate	
Uniform Municipal Mill Rate	3.9800



**TOWN OF SHELLBROOK**  
**SCHEDULE 10 - SCHEDULE OF COUNCIL REMUNERATION**  
 For the year ended December 31, 2019

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<u>Position - Name</u>	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Mayor - George Tomporowski	\$ 6,310	\$ 1,162	\$ 7,472
Councilor - Amund Otterson	5,300	1,068	6,368
Councilor - David Knight	5,250	465	5,715
Councilor - Bruce Clements	4,230	160	4,390
Councilor - Lois Freeman	3,840	24	3,864
Councilor - Kathleen Nording	3,800		3,800
Councilor - Lyle Banda	3,580		3,580
	<u>\$ 32,310</u>	<u>\$ 2,879</u>	<u>\$ 35,189</u>