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**Independent Auditors' Report**

**To the Mayor and Council of the Resort Village of Shields,**

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Resort Village of Shields, which comprise the statement of financial position as at December 31, 2012 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 amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, 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 the Resort Village of Shields as at December 31, 2012, and the results of its operations, change in its net financial assets and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

The financial statements as at December 31, 2011 and for the year ended were audited by other auditors who expressed an unqualified opinion on those statements in their report dated September 17, 2012

Saskatoon, Saskatchewan  
February 22, 2013

*Twigg & Company*  
Chartered Accountants



Member of the Institute of Chartered Accountants of Canada

## Management's Responsibility

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To the Ratepayers of Municipality of the Village of Shields:

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

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

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

Twigg & Company, an independent firm of Chartered Accountants, is appointed by the councilors 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

Municipality of the Village of Shields  
Consolidated Statement of Financial Position  
As at December 31, 2012

Statement 1

	2012	2011
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and Temporary Investments (Note 2)	15,049	252,640
Taxes Receivable - Municipal (Note 3)	13,986	14,280
Other Accounts Receivable (Note 4)	574,202	615,327
Land for Resale (Note 5)	196,262	145,435
Long-Term Investments (Note 6)	774,858	764,082
<b>Other (Specify)</b>		
<b>Total Financial Assets</b>	<b>1,574,357</b>	<b>1,791,764</b>
<b>LIABILITIES</b>		
Bank Indebtedness (Note 7)		
Accounts Payable	11,844	598,072
Accrued Liabilities Payable		
Deposits	63,350	61,678
Deferred Revenue (Note 8)	4,800	1,868
Accrued Landfill Costs (Note 9)		
Other Liabilities	5,192	5,192
Long-Term Debt (Note 10)	823,665	603,200
Lease Obligations (Note 11)		
<b>Total Liabilities</b>	<b>908,851</b>	<b>1,270,010</b>
<b>NET FINANCIAL ASSETS</b>	<b>665,506</b>	<b>521,754</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Schedule 6, 7)	2,676,711	2,729,318
Prepayments and Deferred Charges	94	114
Stock and Supplies		
Other (Note 12)	-	-
<b>Total Non-Financial Assets</b>	<b>2,676,805</b>	<b>2,729,432</b>
<b>Accumulated Surplus (Deficit) (Schedule 8)</b>	<b>3,342,311</b>	<b>3,251,186</b>

Municipality of the Village of Shields  
Consolidated Statement of Operations  
As at December 31, 2012

Statement 2

	2012 Budget	2012	2011
<b>Revenues</b>			
Taxes and Other Unconditional Revenue (Schedule 1)	220,267	216,227	170,394
Fees and Charges (Schedule 4, 5)	202,725	258,267	137,624
Conditional Grants (Schedule 4, 5)	2,650	7,705	2,615
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	-	-	-
Land Sales - Gain (Schedule 4, 5)	-	-	599,545
Investment Income and Commissions (Schedule 4, 5)	100	1,443	226
Other Revenues (Schedule 4, 5)	37,392	61,247	48,711
<b>Total Revenues</b>	<b>463,134</b>	<b>544,889</b>	<b>959,115</b>
<b>Expenses</b>			
General Government Services (Schedule 3)	82,397	76,527	71,949
Protective Services (Schedule 3)	21,361	19,242	18,619
Transportation Services (Schedule 3)	96,391	104,798	73,786
Environmental and Public Health Services (Schedule 3)	18,074	22,153	16,025
Planning and Development Services (Schedule 3)	14,000	8,101	18,531
Recreation and Cultural Services (Schedule 3)	71,725	56,979	51,432
Utility Services (Schedule 3)	185,467	181,847	145,020
<b>Total Expenses</b>	<b>489,415</b>	<b>469,647</b>	<b>395,362</b>
<b>Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions</b>	<b>(26,281)</b>	<b>75,242</b>	<b>563,753</b>
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	11,000	15,883	75,540
<b>Surplus (Deficit) of Revenues over Expenses</b>	<b>(15,281)</b>	<b>91,125</b>	<b>639,293</b>
<b>Accumulated Surplus (Deficit), Beginning of Year</b>	<b>3,251,186</b>	<b>3,251,186</b>	<b>2,611,893</b>
<b>Accumulated Surplus (Deficit), End of Year</b>	<b>3,235,905</b>	<b>3,342,311</b>	<b>3,251,186</b>

**Municipality of the Village of Shields**  
**Consolidated Statement of Change in Net Financial Assets**  
**As at December 31, 2012**

Statement 3

	<b>2012 Budget</b>	<b>2012</b>	<b>2011</b>
<b>Surplus (Deficit)</b>	<b>(15,281)</b>	<b>91,125</b>	<b>639,293</b>
(Acquisition) of tangible capital assets		(9,900)	(494,394)
Amortization of tangible capital assets		62,507	50,525
Proceeds on disposal of tangible capital assets			
Loss (gain) on the disposal of tangible capital assets			
<b>Surplus (Deficit) of capital expenses over expenditures</b>	<b>-</b>	<b>52,607</b>	<b>(443,869)</b>
(Acquisition) of supplies inventories			
(Acquisition) of prepaid expense		(300)	(114)
Consumption of supplies inventory			
Use of prepaid expense		320	124
<b>Surplus (Deficit) of expenses of other non-financial over expenditures</b>	<b>-</b>	<b>20</b>	<b>10</b>
<b>Increase/Decrease in Net Financial Assets</b>	<b>(15,281)</b>	<b>143,752</b>	<b>195,434</b>
<b>Net Financial Assets - Beginning of Year</b>	<b>521,754</b>	<b>521,754</b>	<b>326,320</b>
<b>Net Financial Assets - End of Year</b>	<b>506,473</b>	<b>665,506</b>	<b>521,754</b>

Municipality of the Village of Shields  
Consolidated Statement of Cash Flow  
As at December 31, 2012

Statement 4

	2012	2011
<b>Cash provided by (used for) the following activities</b>		
<b>Operating:</b>		
Surplus (Deficit)	91,125	639,293
Amortization	62,507	50,525
Loss (gain) on disposal of tangible capital assets		
	153,632	689,818
<b>Change in assets/liabilities</b>		
Taxes Receivable - Municipal	294	11,971
Other Receivables	41,125	103,884
Land for Resale	(50,827)	(2,869)
Other Financial Assets		
Accounts and accrued liabilities payable	(586,228)	241,748
Deposits	1,672	(70,972)
Deferred Revenue	2,932	1,368
Other Liabilities		
Stock and supplies for use		
Prepayments and Deferred Charges	20	10
<b>Other (specify)</b>		
<b>Net cash from (used for) operations</b>	<b>(437,380)</b>	<b>974,958</b>
<b>Capital:</b>		
Acquisition of capital assets	(9,900)	(494,394)
Proceeds from the disposal of capital assets		
Other capital		
<b>Net cash from (used for) capital</b>	<b>(9,900)</b>	<b>(494,394)</b>
<b>Investing:</b>		
Long-term investments	(10,776)	(200,340)
Other investments		
<b>Net cash from (used for) investing</b>	<b>(10,776)</b>	<b>(200,340)</b>
<b>Financing:</b>		
Long-term debt issued	400,000	
Long-term debt repaid	(179,535)	(160,000)
Other financing		
<b>Net cash from (used for) financing</b>	<b>220,465</b>	<b>(160,000)</b>
<b>Increase (Decrease) in cash resources</b>	<b>(237,591)</b>	<b>120,224</b>
<b>Cash and Investments - Beginning of Year</b>	<b>252,640.00</b>	<b>132,416.00</b>
<b>Cash and Investments - End of Year</b>	<b>15,049.00</b>	<b>252,640.00</b>

## 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 Chartered Accountants. 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 became available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

- a) **Reporting Entity:** The financial statements include the Municipality's interest in the following Board, which is considered a Government Business Enterprise, and accounted for using the Modified Equity Method:

**- Dundurn and Area Wastewater Utility - 33% interest**

Under the Modified Equity Basis, a Government Business Enterprises's accounting principles are not adjusted to conform with those of the Municipality, and inter-organizational transactions and balances, if any, are not eliminated.

The Municipality also has an unspecified interest in the **Dundurn Water Utility Board**. As the municipality's interest is unspecified, it is carried at the cost of the original investment.

- 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
- a) the transfer is authorized
  - b) eligibility criteria have been met by the recipient; and
  - c) 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) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- f) **Net-Financial Assets:** Net-Financial Assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.
- g) **Non-financial assets:** Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.
- h) **Appropriated Reserves:** Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 8.
- i) **Investments:** Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment.

1. Significant accounting policies - continued

- j) **Inventories:** Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.
- k) **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 on 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:

<u>Asset</u>	<u>Useful Life</u>
<b>General Assets</b>	
Land	Indefinite
Land Improvements	15 yrs
Buildings	40 - 45 yrs
Vehicles & Equipment	
Vehicles	10 yrs
Machinery and Equipment	10 - 20 yrs
Used vehicles	5 yrs
<b>Infrastructure Assets</b>	
Infrastructure Assets	
Water & Sewer	15 - 75 yrs
Road Network Assets	15 - 40 yrs
Other	15 yrs

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

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

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

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



**Municipality of the Village of Shields**  
**Notes to the Consolidated Financial Statements**  
**As at December 31, 2012**

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

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

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

- 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.

**2. Cash and temporary investments**

	2012	2011
Cash	15049	102640
Temporary Investments	0	150000
<b>Total Cash and temporary investments</b>	<b>15049</b>	<b>252640</b>

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

**3. Taxes and grants in lieu receivable**

	2012	2011
Municipal - Current	10809	12268
- Arrears	3177	2012
	13986	14280
- Less Allowance for Uncollectibles		
<b>Total municipal taxes receivable</b>	<b>13986</b>	<b>14280</b>
School - Current	5126	4452
- Arrears		588
<b>Total school taxes receivable</b>	<b>5126</b>	<b>5040</b>
Other		
<b>Total taxes and grants in lieu receivable</b>	<b>19112</b>	<b>19320</b>
Deduct taxes receivable to be collected on behalf of other organizations	(5126)	(5040)
<b>Municipal and grants in lieu taxes receivable</b>	<b>13986</b>	<b>14280</b>

**Municipality of the Village of Shields**  
**Notes to the Consolidated Financial Statements**  
**As at December 31, 2012**

**4. Other Accounts Receivable**

	2012	2011
Federal government	8912	23795
Provincial government		
Local government		
Utility	55532	9822
Trade	23237	
Other (specify) local improvement	486521	581710
Total Other Accounts Receivable	574202	615327
Less Allowance for Uncollectibles		
<b>Net Other Accounts Receivable</b>	<b>574202</b>	<b>615327</b>

**5. Land for Resale**

Tax Title Property		
Allowance for market value adjustment		
Net Tax Title Property	0	0
Other Land	196262	145435
Allowance for market value adjustment		
Net Other Land	196262	145435
<b>Total Land for Resale</b>	<b>196262</b>	<b>145435</b>

**6. Long-term investments**

Long-term investments are comprised of the following:

	2012	2011
Dundurn and Area Wastewater Utility	549858	539082
Dundurn Rural Water Utility	225000	225000
	774858	764082

Pursuant to agreement, the Village's interest in Dundurn and Area Wastewater Utility is the amount invested by the Village adjusted for its share (33%) of annual operating income or deficiency.

**7. Deposits**

Deposits consist of:

	2012	2011
Meter deposits	63350	61678
	63350	61678

**8. Deferred revenue**

Deferred revenue consist of:

	2012	2011
Prepaid golf fees	4800	1868
<b>Total deferred revenue</b>	<b>4800</b>	<b>1868</b>

**Municipality of the Village of Shields**

**Notes to the Consolidated Financial Statements**

**As at December 31, 2012**

**9. Accrued landfill costs**

	2012	2011
Environmental liabilities	0	0

**10. Long-term debt**

a) The debt limit of the municipality is \$545,000. 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).

The long-term debt is comprised of the following:

Future principal and interest payments for the Phase II Water Utility Project

Year	Principal	Interest	Current Total	Prior Year Total
2013	160000	24863	184863	184863
2014	160000	15887	175887	175887
2015	123200	6911	130111	130111
2016			0	0
2017			0	0
Thereafter			0	0
Balance	<b>443200</b>	<b>47661</b>	<b>490861</b>	<b>490861</b>

Bank loan is repayable in annual instalments of \$160,000 plus interest of 5.6%. The loan is secured by a borrowing resolution of the Resort Village

Future principal and interest payments for the Waste Water Utility Project are estimated as follows:

Year	Principal	Interest	Current Total	Prior Year Total
2013	20375	16360	36735	0
2014	21251	15484	36735	0
2015	22165	14570	36735	0
2016	23118	13617	36735	0
2017	24112	12623	36735	0
Thereafter	269443	61173	330616	0
Balance	<b>380464</b>	<b>133827</b>	<b>514291</b>	<b>0</b>

The bank loan is repayable in annual instalments of \$36,735 including interest at 4.3%. The loan is secured by a borrowing resolution of the Resort Village.

**Commitment**

In 2008, the Resort Village, in conjunction with surrounding municipalities, established the Dundurn and Area Waster Water Utility (Utility) to construct and administer waste water facilities for the use of its members.

In 2008, the Utility applied for, and in 2009 received approval for funding under the Building Canada Fund (BCF) related to the construction of the above facilities which include a lagoon and forcemain, local lift station, and local collection system. The Resort Villages share of the estimated project costs and related funding are as follows:

Phase	Project	Village Share of Estimated Cost
Phase I	Lagoon and Forcemain	\$ 983,000
Phase II	Lift Station and Collection System	2,198,000
		<b>\$ 3,181,000</b>

Two-thirds of the above estimated costs are anticipated to be funded through the above Building Canada Fund Grant (BCF), with the balance (one third) to be funded by the Municipality, through internally generated funds, local improvement levies, debt financing, or a combination thereof.

**Municipality of the Village of Shields**  
**Notes to the Consolidated Financial Statements**  
**As at December 31, 2012**

**11. Lease obligations**

Future minimum lease payments under the capital leases together with the balance of the obligation due under the capital leases are Nil.

**12. Other non-financial assets**

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**13. Contingent liabilities**

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**14. Change in accounting policies**

Effective January 1, 2009, the municipality adopted the Public Sector Accounting Board's recommendations for recording tangible capital assets and the new financial statement presentation. The tangible capital asset section, PSAB 3150, establishes standards on how to account for and report tangible capital assets in government financial statements. The financial statement presentation section, PSAB 1201, establishes general reporting principles and standards for the disclosure of information based on the underlying financial statement concepts and the objectives of the government financial statements.

**15. Comparative figures**

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

**16. Trusts Administered by the Municipality**

The trust fund activity by the municipality during the year was Nil.

**17. Budget figures**

Budget figures are reported for information purposes only and are not included in the scope of the external audit.

Municipality of the Village of Shields  
Schedule of Taxes and Other Unconditional Revenue  
As at December 31, 2012

Schedule 1

	2012 Budget	2012	2011
<b>TAXES</b>			
General municipal tax levy	199,136	198,916	156,242
Abatements and adjustments	(4,500)	(4,500)	(5,427)
Discount on current year taxes	(22,000)	(26,440)	(19,798)
<b>Net Municipal Taxes</b>	<b>172,636</b>	<b>167,976</b>	<b>131,017</b>
Potash tax share			
Trailer license fees			
Penalties on tax arrears	1,608	2,228	3,339
Special tax levy			
<b>Other (Specify)</b>			
<b>Total Taxes</b>	<b>174,244</b>	<b>170,204</b>	<b>134,356</b>
<b>UNCONDITIONAL GRANTS</b>			
Equalization (Revenue Sharing)	46,023	46,023	36,038
Organized Hamlet			
<b>Total Unconditional Grants</b>	<b>46,023</b>	<b>46,023</b>	<b>36,038</b>
<b>GRANTS IN LIEU OF TAXES</b>			
Federal			
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
SPMC - Municipal Share			
SaskTel			
<b>Other (Specify)</b>			
Local/Other			
Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement			
<b>Other (Specify)</b>			
Other Government Transfers			
S.P.C. Surcharge			
Sask Energy Surcharge			
<b>Other (Specify)</b>			
<b>Total Grants in Lieu of Taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<b>220,267</b>	<b>216,227</b>	<b>170,394</b>

Municipality of the Village of Shields  
Schedule of Operating and Capital Revenue by Function  
As at December 31, 2012

Schedule 2 - 1

	2012 Budget	2012	2011
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work	200	385	185
- Sales of supplies			
- Other (Specify)			
Total Fees and Charges	200	385	185
- Tangible capital asset sales - gain (loss)			599,545
- Land sales - gain			226
- Investment income and commissions	100	700	
- Other (Specify)			
Total Other Segmented Revenue	300	1,085	599,956
Conditional Grants			
- Student Employment			
- Other (Specify)			
Total Conditional Grants	-	-	-
<b>Total Operating</b>	<b>300</b>	<b>1,085</b>	<b>599,956</b>
<b>Capital</b>			
Conditional Grants			
- Gas Tax			
- Canada/Sask Municipal Rural Infrastructure Fund			
- Provincial Disaster Assistance			
- Other (Specify)			
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total General Government Services</b>	<b>300</b>	<b>1,085</b>	<b>599,956</b>

**PROTECTIVE SERVICES**

**Operating**

Other Segmented Revenue			
Fees and Charges			
- Other (Specify) building permits	5,000	2,420	7,573
Total Fees and Charges	5,000	2,420	7,573
- Tangible capital asset sales - gain (loss)			50
- Other (Specify) fines			
Total Other Segmented Revenue	5,000	2,420	7,623
Conditional Grants			
- Student Employment			
- Local government			
- Other (Specify)			
Total Conditional Grants	-	-	-
<b>Total Operating</b>	<b>5,000</b>	<b>2,420</b>	<b>7,623</b>

**Capital**

Conditional Grants			
- Gas Tax			
- Provincial Disaster Assistance	-		
- Local government			
- Other (Specify)			
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Protective Services</b>	<b>5,000</b>	<b>2,420</b>	<b>7,623</b>

Municipality of the Village of Shields  
Schedule of Operating and Capital Revenue by Function  
As at December 31, 2012

Schedule 2 - 2

	2012 Budget	2012	2011
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work		4,175	
- Sales of supplies		280	
- Road Maintenance and Restoration Agreements			
- Frontage			
- <b>Other (Specify)</b> storage fees	2,900	2,750	2,700
Total Fees and Charges	2,900	7,205	2,700
- Tangible capital asset sales - gain (loss)			
- <b>Other (Specify)</b>			
Total Other Segmented Revenue	2,900	7,205	2,700
Conditional Grants			
- Primary Weight Corridor			
- Student Employment		1,458	1,112
- <b>Other (Specify)</b>			
Total Conditional Grants	-	1,458	1,112
<b>Total Operating</b>	2,900	8,663	3,812
<b>Capital</b>			
Conditional Grants			
- Gas Tax			
- Canada/Sask Municipal Rural Infrastructure Fund			
- Heavy Haul			
- Designated Municipal Roads and Bridges			
- Provincial Disaster Assistance			
- <b>Other (Specify)</b>			
<b>Total Capital</b>	-	-	-
<b>Total Transportation Services</b>	2,900	8,663	3,812

**ENVIRONMENTAL AND PUBLIC HEALTH SERVICES**

<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	15,950	14,925	12,483
- <b>Other (Specify)</b> recycling	1,400	1,640	1,303
Total Fees and Charges	17,350	16,565	13,786
- Tangible capital asset sales - gain (loss)			
- <b>Other (Specify)</b>			
Total Other Segmented Revenue	17,350	16,565	13,786
Conditional Grants			
- Student Employment			
- Local government			
- <b>Other (Specify)</b> recycling grant	200	129	98
Total Conditional Grants	200	129	98
<b>Total Operating</b>	17,550	16,694	13,884
<b>Capital</b>			
Conditional Grants			
- Gas Tax			
- Canada/Sask Municipal Rural Infrastructure Fund			
- Transit for Disabled			
- Provincial Disaster Assistance			
- <b>Other (Specify)</b>			
<b>Total Capital</b>	-	-	-
<b>Total Environmental and Public Health Services</b>	17,550	16,694	13,884

Municipality of the Village of Shields  
Schedule of Operating and Capital Revenue by Function  
As at December 31, 2012

Schedule 2 - 3

	2012 Budget	2012	2011
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges			
- <b>Other (Specify)</b>			
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)			
- <b>Other (Specify)</b>			
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment			
- <b>Other (Specify)</b>			
Total Conditional Grants	-	-	-
<b>Total Operating</b>	-	-	-
<b>Capital</b>			
Conditional Grants			
- Gas Tax			
- Provincial Disaster Assistance			
- <b>Other (Specify)</b>			
<b>Total Capital</b>	-	-	-
<b>Total Planning and Development Services</b>	-	-	-

**RECREATION AND CULTURAL SERVICES**

<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- <b>Other (Specify)</b>	37,685	42,702	38,620
Total Fees and Charges	37,685	42,702	38,620
- Tangible capital asset sales - gain (loss)			
- <b>Other (Specify)</b> dev fees		23,977	3,425
Total Other Segmented Revenue	37,685	66,679	42,045
Conditional Grants			
- Student Employment			
- Local government			860
- Donations		3,180	
- <b>Other (Specify)</b> TIP grant	2,450	2,938	545
Total Conditional Grants	2,450	6,118	1,405
<b>Total Operating</b>	40,135	72,797	43,450
<b>Capital</b>			
Conditional Grants			
- Gas Tax			
- Local government CIF		3,000	
- Provincial Disaster Assistance			
- <b>Other (Specify)</b> Capital donations		1,480	65,186
<b>Total Capital</b>	-	4,480	65,186
<b>Total Recreation and Cultural Services</b>	40,135	77,277	108,636



Municipality of the Village of Shields  
Schedule of Operating and Capital Revenue by Function  
As at December 31, 2012

Schedule 2 - 4

	2012 Budget	2012	2011
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Water	85,890	101,210	72,760
- Sewer	53,700	73,780	
- <b>Other (Specify)</b> dev fees		14,000	2,000
Total Fees and Charges	139,590	188,990	74,760
- Tangible capital asset sales - gain (loss)			
- <b>Other (Specify)</b> interest	37,392	37,270	45,236
Total Other Segmented Revenue	176,982	226,260	119,996
Conditional Grants			
- Student Employment			
- <b>Other (Specify)</b>			
Total Conditional Grants	-	-	-
<b>Total Operating</b>	176,982	226,260	119,996
<b>Capital</b>			
Conditional Grants			
- Gas Tax	11,000	11,403	10,354
- Sask Water Corp.			
- Provincial Disaster Assistance			
- <b>Other (Specify)</b>			
<b>Total Capital</b>	11,000	11,403	10,354
<b>Total Utility Services</b>	<b>187,982</b>	<b>237,663</b>	<b>130,350</b>

<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>253,867</b>	<b>343,802</b>	<b>864,261</b>
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**SUMMARY**

Total Other Segmented Revenue	240,217	320,214	786,106
Total Conditional Grants	2,650	7,705	2,615
Total Capital Grants and Contributions	11,000	15,883	75,540
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>253,867</b>	<b>343,802</b>	<b>864,261</b>

Municipality of the Village of Shields  
**Total Expenses by Function**  
As at December 31, 2012

Schedule 3 - 1

	2012 Budget	2012	2011
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	13,000	11,701	11,073
Wages and benefits	34,900	34,323	28,347
Professional/Contractual services	27,031	24,164	25,286
Utilities	520	514	515
Maintenance, materials and supplies	6,500	5,154	6,440
Grants and contributions - operating		225	
- capital			
Amortization	446	446	288
Interest			
Allowance for uncollectibles			
<b>Other (Specify)</b>			
<b>Total Government Services</b>	<b>82,397</b>	<b>76,527</b>	<b>71,949</b>

**PROTECTIVE SERVICES**

**Police protection**

Wages and benefits			
Professional/Contractual services	9,211	8,251	7,096
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating			
- capital			
<b>Other (Specify)</b>			

**Fire protections**

Wages and benefits			
Professional/Contractual services	12,150	10,991	11,523
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
<b>Other (Specify)</b>			

<b>Total Protective Services</b>	<b>21,361</b>	<b>19,242</b>	<b>18,619</b>
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**TRANSPORTATION SERVICES**

Wages and benefits	36,868	41,934	36,763
Professional/Contractual Services	27,816	34,710	14,170
Utilities	2,200	2,143	2,152
Maintenance, materials, and supplies	13,200	15,614	11,395
Gravel	5,000	140	2,552
Grants and contributions - operating			
- capital			
Amortization	11,307	10,257	6,754
Interest			
<b>Other (Specify)</b>			

<b>Total Transportation Services</b>	<b>96,391</b>	<b>104,798</b>	<b>73,786</b>
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Municipality of the Village of Shields  
Total Expenses by Function  
As at December 31, 2012

Schedule 3 - 2

	2012 Budget	2012	2011
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Wages and benefits			
Professional/Contractual services	18,074	21,576	16,025
Utilities			
Maintenance, materials and supplies		577	
Grants and contributions - operating			
o Waste disposal			
o Public Health			
- capital			
o Waste disposal			
o Public Health			
Amortization			
Interest			
Other (Specify)			
<b>Total Environmental and Public Health Services</b>	<b>18,074</b>	<b>22,153</b>	<b>16,025</b>
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
Wages and benefits			7,500
Professional/Contractual Services	14,000	8,101	11,031
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Other (Specify)			
<b>Total Planning and Development Services</b>	<b>14,000</b>	<b>8,101</b>	<b>18,531</b>
<b>RECREATION AND CULTURAL SERVICES</b>			
Wages and benefits	27,095	22,011	18,891
Professional/Contractual services	7,024	8,345	13,525
Utilities	2,500	1,750	2,124
Maintenance, materials and supplies	28,400	17,117	14,048
Grants and contributions - operating	250	250	250
- capital			
Amortization	6,456	7,506	2,594
Interest			
Allowance for uncollectibles			
Other (Specify)			
<b>Total Recreation and Cultural Services</b>	<b>71,725</b>	<b>56,979</b>	<b>51,432</b>

Municipality of the Village of Shields

Total Expenses by Function

As at December 31, 2012

Schedule 3 - 3

	2012 Budget	2012	2011
<b>UTILITY SERVICES</b>			
Wages and benefits	10,500	7,581	8,234
Professional/Contractual services	48,700	36,079	9,515
Utilities	7,200	6,700	3,295
Maintenance, materials and supplies	33,790	41,655	28,388
Grants and contributions - operating - capital			
Amortization	44,298	44,298	40,889
Interest	40,979	45,534	38,414
Allowance for uncollectibles			
Other (Specify)			16,285
<b>Total Utility Services</b>	<b>185,467</b>	<b>181,847</b>	<b>145,020</b>
<b>TOTAL EXPENSES BY FUNCTION</b>	<b>489,415</b>	<b>469,647</b>	<b>395,362</b>

**Municipality of the Village of Shields**  
**Consolidated Schedule of Segment Disclosure by Function**  
**As at December 31, 2012**

Schedule 4

	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	385	2,420	7,205	16,565	-	42,702	188,990	258,267
Tangible Capital Asset Sales - Gain	-	-	-	-	-	-	-	-
Land Sales - Gain	-	-	-	-	-	-	-	-
Investment Income and Commissions	700	-	-	-	-	23,977	743	1,443
Other Revenues	-	-	-	-	-	6,118	37,270	61,247
Grants - Conditional	-	-	1,458	129	-	4,480	-	7,705
- Capital	-	-	-	-	-	-	11,403	15,883
<b>Total revenues</b>	<b>1,085</b>	<b>2,420</b>	<b>8,663</b>	<b>16,694</b>	<b>-</b>	<b>77,277</b>	<b>238,406</b>	<b>344,545</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	46,024	-	41,934	-	-	22,011	7,581	117,550
Professional/ Contractual Services	24,164	19,242	34,710	21,576	8,101	8,345	36,079	152,217
Utilities	514	-	2,143	-	-	1,750	6,700	11,107
Maintenance Materials and Supplies	5,154	-	15,754	577	-	17,117	41,655	80,257
Grants and Contributions	225	-	-	-	-	250	-	475
Amortization	446	-	10,257	-	-	7,506	44,298	62,507
Interest	-	-	-	-	-	-	45,534	45,534
Allowance for Uncollectibles	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>76,527</b>	<b>19,242</b>	<b>104,798</b>	<b>22,153</b>	<b>8,101</b>	<b>56,979</b>	<b>181,847</b>	<b>469,647</b>
<b>Surplus (Deficit) by Function</b>	<b>(75,442)</b>	<b>(16,822)</b>	<b>(96,135)</b>	<b>(5,459)</b>	<b>(8,101)</b>	<b>20,298</b>	<b>56,559</b>	<b>(125,102)</b>

Taxation and other unconditional revenue (Schedule 1)

216,227

**Net Surplus (Deficit)**

**91,125**

## Schedule 5

21

Municipality of the Village of Shields  
Consolidated Schedule of Tangible Capital Assets by Object  
As at December 31, 2012

\*

Schedule 6

		2012					2011	
Assets		General Assets					General/ Infrastructure	
		Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Infrastructure Assets	
							Linear assets	Assets Under Construction
Asset cost								
Opening Asset costs	7,500		110,370	675,907		345,303	1,983,980	3,123,060
Additions during the year			9,900					9,900
Disposals and write-downs during the year								-
Transfers (from) assets under construction								-
<b>Closing Asset Costs</b>	<b>7,500</b>	<b>120,270</b>	<b>675,907</b>	<b>-</b>	<b>345,303</b>	<b>1,983,980</b>	<b>-</b>	<b>3,132,960</b>
								2,628,666
								494,394
								<b>3,123,060</b>
<b>Accumulated Amortization Cost</b>								
Opening Accumulated Amortization Costs				154,293		87,873	151,576	393,742
Add: Amortization taken			4,561	15,160		15,071	27,715	62,507
Less: Accumulated amortization on disposals								-
<b>Closing Accumulated Amortization Costs</b>	<b>-</b>	<b>4,561</b>	<b>169,453</b>	<b>-</b>	<b>102,944</b>	<b>179,291</b>	<b>-</b>	<b>456,249</b>
								343,217
								50,525
								<b>393,742</b>
<b>Net Book Value</b>	<b>7,500</b>	<b>115,709</b>	<b>506,454</b>	<b>-</b>	<b>242,359</b>	<b>1,804,689</b>	<b>-</b>	<b>2,729,318</b>

- Total contributed/donated assets received in 2012: \$ -
- List of assets recognized at nominal value in 2012 are:
  - Infrastructure Assets \$ -
  - Vehicles \$ -
  - Machinery and Equipment \$ -
- Amount of interest capitalized in 20\_\_ \$ -

Municipality of the Village of Shields  
Consolidated Schedule of Tangible Capital Assets by Function  
As at December 31, 2012

\*

Schedule 7

	2012						2011	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total
<b>Asset cost</b>								
Opening Asset costs	5,730		382,015			161,260	2,574,055	3,123,060
Additions during the year						9,900		9,900
Disposals and write-downs during the year								-
<b>Closing Asset Costs</b>	<b>5,730</b>	<b>-</b>	<b>382,015</b>	<b>-</b>	<b>-</b>	<b>171,160</b>	<b>2,574,055</b>	<b>3,132,960</b>
<b>Accumulated Amortization Cost</b>								
Opening Accumulated Amortization Costs	4,088		81,879			19,812	287,963	393,742
Add: Amortization taken	446		10,257			7,506	44,298	62,507
Less: Accumulated amortization on disposals								-
<b>Closing Accumulated Amortization Costs</b>	<b>4,534</b>	<b>-</b>	<b>92,136</b>	<b>-</b>	<b>-</b>	<b>27,318</b>	<b>332,261</b>	<b>456,249</b>
<b>Net Book Value</b>	<b>1,196</b>	<b>-</b>	<b>289,879</b>	<b>-</b>	<b>-</b>	<b>143,842</b>	<b>2,241,794</b>	<b>2,676,711</b>
								<b>2,729,318</b>



Municipality of the Village of Shields  
Consolidated Schedule of Accumulated Surplus  
As at December 31, 2012

Schedule 8

	2011	Changes	2012
<b>UNAPPROPRIATED SURPLUS</b>	<b>977,604</b>	<b>(72,474)</b>	<b>905,130</b>
<b>APPROPRIATED RESERVES</b>			
Machinery and Equipment	9,636	18,209	27,845
Public Reserve			-
Capital Trust			-
Utility	48,889	58,298	107,187
Other (Specify)	88,939	(20,301)	68,638
<b>Total Appropriated</b>	<b>147,464</b>	<b>56,206</b>	<b>203,670</b>
<b>ORGANIZED HAMLETS (add lines if required)</b>			
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
<b>Total Organized Hamlets</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>			
Tangible capital assets (Schedule 6)	2,729,318	(52,607)	2,676,711
Less: Related debt	(603,200)	160,000	(443,200)
<b>Net Investment in Tangible Capital Assets</b>	<b>2,126,118</b>	<b>107,393</b>	<b>2,233,511</b>
<b>Total Accumulated Surplus</b>	<b>3,251,186</b>	<b>91,125</b>	<b>3,342,311</b>

## Schedule 9

PROPERTY CLASS						Total
Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	12,131,770		8,171,520	104,500		20,407,790
Regional Park Assessment						
Total Assessment						20,407,790
Mill Rate Factor(s)						
Total Base/Minimum Tax (generated for each property class)	83,850		70,850	3,400		158,100
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	108,113		87,193	3,609		198,915

## MILL RATES: MILLS

<b>Average Municipal*</b>	9.75
<b>Average School*</b>	9.5100
<b>Potash Mill Rate</b>	
<b>Uniform Municipal Mill Rate</b>	2.0000

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

**Municipality of the Village of Shields**  
**Schedule of Council Remuneration**  
**As at December 31, 2012**

Schedule 10

<b>Position</b>	<b>Name</b>	<b>Remuneration</b>	<b>Reimbursed Costs</b>	<b>Total</b>
<b>Reeve/Mayor</b>	<b>Eldon Mackay</b>	4,260	1,073	5,333
Councillor/Alderman	Dwayne Heidt	2,070		2,070
Councillor/Alderman	Kristine Larson	855		855
Councillor/Alderman	Dennis Robson	745		745
Councillor/Alderman	Cheryl Robson	715	71	786
Councillor/Alderman	Doreen Thiesen	600		600
Councillor/Alderman	Kendra Bessey	445	72	517
Councillor/Alderman	Grace Strasser	785	10	795
Councillor/Alderman				-
Councillor/Alderman				-
Councillor/Alderman				-
				-
				-
<b>Total</b>		<b>10,475</b>	<b>1,226</b>	<b>11,701</b>