

Municipality of The Resort Village of Shields  
Consolidated Statement of Change in Net Financial Assets  
As at December 31, 2018

Statement 3

	2018 Budget	2018	2017
<b>Surplus (Deficit)</b>	61,302	107,762	138,406
(Acquisition) of tangible capital assets		(58,687)	(65,560)
Amortization of tangible capital assets		73,114	68,914
Proceeds on disposal of tangible capital assets		1,500	
Loss (gain) on the disposal of tangible capital assets		1,414	-
<b>Surplus (Deficit) of capital expenses over expenditures</b>	-	17,341	3,354
(Acquisition) of supplies inventories			
(Acquisition) of prepaid expense			47
Consumption of supplies inventory			
Use of prepaid expense			
<b>Surplus (Deficit) of expenses of other non-financial over expenditures</b>	-	-	47
<b>Increase/Decrease in Net Financial Assets</b>	61,302	125,103	141,807
<b>Net Financial Assets (Debt) - Beginning of Year</b>	1,592,004	1,592,004	1,450,197
<b>Net Financial Assets (Debt) - End of Year</b>	1,653,306	1,717,107	1,592,004

Municipality of The Resort Village of Shields  
Consolidated Statement of Cash Flow  
As at December 31, 2018

Statement 4

	2018	2017
<b>Cash provided by (used for) the following activities</b>		
<b>Operating:</b>		
Surplus (Deficit)	107,762	138,406
Amortization	73,114	68,914
Loss (gain) on disposal of tangible capital assets	1,414	-
	182,290	207,320
<b>Change in assets/liabilities</b>		
Taxes Receivable - Municipal	34,870	(14,983)
Other Receivables	19,962	128,117
Land for Resale	(6,238)	
Other Financial Assets	-	
Accounts and Accrued Liabilities Payable	(50,736)	25,199
Deposits	1,950	(1,303)
Deferred Revenue	(150)	150
Accrued Landfill Costs	-	
Liability for Contaminated Sites	-	
Other Liabilities	-	
Stock and Supplies	-	
Prepayments and Deferred Charges	-	47
<b>Other (Specify)</b>	-	
<b>Cash provided by operating transactions</b>	<b>181,948</b>	<b>344,547</b>
<b>Capital:</b>		
Acquisition of capital assets	(58,687)	(65,560)
Proceeds from the disposal of capital assets	1,500	-
Other capital		
<b>Cash applied to capital transactions</b>	<b>(57,187)</b>	<b>(65,560)</b>
<b>Investing:</b>		
Long-term investments	-	(29,594)
Other investments		
<b>Cash provided by (applied to) investing transactions</b>	<b>-</b>	<b>(29,594)</b>
<b>Financing:</b>		
Debt charges recovered		
Long-term debt issued		
Long-term debt repaid	(25,149)	(24,113)
Other financing		
<b>Cash provided by (applied to) financing transactions</b>	<b>(25,149)</b>	<b>(24,113)</b>
<b>Change in Cash and Temporary Investments during the year</b>	<b>99,612</b>	<b>225,280</b>
<b>Cash and Temporary Investments - Beginning of Year</b>	<b>687,127</b>	<b>461,847</b>
<b>Cash and Temporary Investments - End of Year</b>	<b>786,739</b>	<b>687,127</b>

Municipality of The Resort Village of Shields  
Notes to the Consolidated Financial Statements  
As at December 31, 2018

**1. Significant Accounting Policies**

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

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

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

Entity  
[Local arena board]  
[Local swimming pool]

All inter-organizational transactions and balances have been eliminated.

- b) **Collection of funds for other authorities:** Collection of funds by the municipality for school boards, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.
- c) **Government Transfers:** Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occur, providing:
- a) the transfers are authorized
  - b) any eligibility criteria have been met; and
  - c) reasonable estimates of the amounts can be made.

Unearned government transfer amounts received 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) **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.
- j) **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. The long term investments in the Saskatchewan Association of Rural Municipalities - Self insurance fund are accounted for on the equity basis.



1. Significant Accounting Policies - continued

- k) **Inventories:** Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.
- l) **Tangible Capital Assets:** All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant deflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. Tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land Improvements	5 to 20 Yrs
Buildings	40 to 45 Yrs
Vehicles & Equipment	
Vehicles	10 Yrs
Machinery and Equipment	10 - 20 Yrs
<i>Infrastructure Assets</i>	
Infrastructure Assets	30 to 75 Yrs
Water & Sewer	15 to 75 Yrs
Road Network Assets	15 - 40 Yrs
Other	15 Yrs

*(If method other than straight line used the method must be separately disclosed)*

**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.

*[List other unrecognized assets, if any].*

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

**Leases:** All leases are recorded on the consolidated financial statements as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risk associated with the leased asset is classified as a capital lease and recorded as tangible capital assets. 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 *[amortization method]* 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.

- m) **Landfill Liability:**

The municipality does not maintain a waste disposal site.

- n) **Trust Funds:** Funds held in trust for others, under a trust agreement or statute, are not included in the consolidated financial statements as they are not controlled by the municipality. Trust fund activities administered by the municipality are disclosed in Note 18.
- o) **Employee Benefit Plans:** Contributions to the municipality's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.
- p) **Liability for Contaminated Sites:** Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:
- an environmental standard exists;
  - contamination exceeds the environmental standard;
  - the municipality:
    - is directly responsible; or
    - accepts responsibility;
  - it is expected that future economic benefits will be given up; and
  - a reasonable estimate of the amount can be made.

**1. Significant Accounting Policies - continued**

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

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

The 'Opening Asset costs' of tangible capital assets have been estimated where actual costs were not available.

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

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

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

The segments (functions) are as follows:

General Government: Provides for the administration of the municipality.

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

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

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

Planning and Development: Provides for neighbourhood development and sustainability.

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

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

- s) **Budget Information:** Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on June 18, 2018.

- t) **New Accounting Standards:** Effective January 1, 2018, the municipality adopted the following Canadian public sector accounting standards. The description of these changes and their impact on the consolidated financial statements is summarized:

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

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

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

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

The municipality does not have any reportable contingent assets.

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

The municipality does not have any reportable contractual rights.

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

This standard has no impact on the consolidated financial statements.

Municipality of The Resort Village of Shields  
Notes to the Consolidated Financial Statements  
As at December 31, 2018

2. Cash and Temporary Investments

	2018	2017
Cash	786739	687127
Temporary Investments		
Restricted Cash		
<b>Total Cash and Temporary Investments</b>	<b>786,739</b>	<b>687,127</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 Receivable - Municipal

	2018	2017
Municipal - Current	16805	37476
- Arrears		14199
	16,805	51,675
- Less Allowance for Uncollectible		
Total municipal taxes receivable	16,805	51,675
School - Current	9532	16245
- Arrears		6180
Total school taxes receivable	9,532	22,425
Other		
Total taxes and grants in lieu receivable	26,337	74,100
Deduct taxes receivable to be collected on behalf of other organizations	(9,532)	(22,425)
<b>Total Taxes Receivable - Municipal</b>	<b>16,805</b>	<b>51,675</b>



4. Other Accounts Receivable

	2018	2017
Federal Government	9825	6633
Provincial Government		
Local Government	29450	62500
Utility	45427	38662
Trade		
Other (Specify)	3646	515
Total Other Accounts Receivable	88,348	108,310
Less: Allowance for Uncollectible		
Net Other Accounts Receivable	88,348	108,310

5. Land for Resale

	2018	2017
Tax Title Property		
Allowance for market value adjustment		
Net Tax Title Property	-	-
Other Land	272,581	266,343
Allowance for market value adjustment		
Net Other Land	272,581	266,343
Total Land for Resale	272,581	266,343

6. Long-Term Investments

	2018	2017
DAWWU	669276	669276
DRWU	225000	225000
Total Long-Term Investments	894,276	894,276

The long term investments consist of investments in utilities recorded at cost.

7. Debt Charges Recoverable

	2018	2017
Current debt charges recoverable		
Non-current debt charges recoverable		
Total Debt Charges Recoverable	-	-

Municipality of The Resort Village of Shields  
Notes to the Consolidated Financial Statements  
As at December 31, 2018

**8. Bank Indebtedness**

Bank indebtedness includes an operating loan amounting of \$Nil (prior year - \$Nil).

**Credit Arrangements**

No credit arrangements have been authorized.

**9. Deferred Revenue**

	2018	2017
Prepaid Golf		150
<b>Total Deferred Revenue</b>	-	150

**10. Accrued Landfill Costs**

	2018	2017
Environmental Liabilities		-

The municipality has not accrued an overall liability for any environmental matters which represents management's best estimate of this liability.

**11. Liability for Contaminated Sites**

The municipality has not recognized a liability for contaminated sites.



**Municipality of      The Resort Village of Shields**  
**Notes to the Consolidated Financial Statements**  
**As at December 31, 2018**

**12. Long-Term Debt**

a) The debt limit of the municipality is \$706,000. 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(1)).

The bank loan is repayable to RBC in annual payments of \$36,735 including principal and interest at 4.3% per annum.

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Year Total	Prior Year Total
2019	26230	10505	36,735	36735
2020	27358	9377	36,735	36735
2021	28535	8200	36,735	36735
2022	29762	6973	36,735	36735
2023	31042	5693	36,735	36735
Thereafter	101365	8840	110,205	146941
Balance	<b>244,292</b>	<b>49,588</b>	<b>293,880</b>	<b>330,616</b>

**13. Lease Obligations**

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

**Municipality of        The Resort Village of Shields**  
**Notes to the Consolidated Financial Statements**  
**As at December 31, 2018**

**14. Other Non-financial Assets**

**2018**

**2017**

**15. Contingent Liabilities**

The municipality is not aware of any contingent liabilities.

**16. Pension Plan**

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits.

**17. Comparative Figures**

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

**18. Trusts Administered by the Municipality**

The municipality does not administer any trusts.

**19. Related Parties**

The municipality is not related to any parties under the common control of the Council.

**20. Contingent  
Assets**

The municipality is not aware of any contingent assets.

**21. Contractual Rights**

Contractual rights are rights to economic resources arising from contracts or agreements that will result in an asset and revenue in the future. The municipality is not aware of any contractual rights.

**22. Contractual Obligations and Commitments**

The municipality has not entered into contracts for the delivery of services and the construction of tangible capital assets.

Municipality of The Resort Village of Shields  
Schedule of Taxes and Other Unconditional Revenue  
As at December 31, 2018

Schedule 1

	2018 Budget	2018	2017
<b>TAXES</b>			
General municipal tax levy	400,858	400,858	391,983
Abatements and adjustments	(7,475)	(8,753)	(7,504)
Discount on current year taxes	(45,000)	(49,621)	(45,611)
<b>Net Municipal Taxes</b>	<b>348,383</b>	<b>342,484</b>	<b>338,868</b>
Potash tax share			
Trailer license fees			
Penalties on tax arrears	6,300	7,474	6,226
Special tax levy			
<b>Other (Specify)</b>			
<b>Total Taxes</b>	<b>354,683</b>	<b>349,958</b>	<b>345,094</b>

**UNCONDITIONAL GRANTS**

Revenue Sharing (Organized Hamlet)	59,104	59,123	63,292
<b>Total Unconditional Grants</b>	<b>59,104</b>	<b>59,123</b>	<b>63,292</b>

**GRANTS IN LIEU OF TAXES**

Federal			
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
Central Services			
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>413,787</b>	<b>409,081</b>	<b>408,386</b>
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Municipality of The Resort Village of Shields  
Schedule of Operating and Capital Revenue by Function  
As at December 31, 2018

Schedule 2 - 1

**GENERAL GOVERNMENT SERVICES**

2018 Budget	2018	2017
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**Operating**

Other Segmented Revenue			
Fees and Charges			
- Custom work	200	717	490
- Sales of supplies			
- <b>Other (Specify)</b>			50
Total Fees and Charges	200	717	540
- Tangible capital asset sales - gain (loss)			
- Land sales - gain			2,500
- Investment income and commissions	5,000	8,006	3,310
- <b>Other (Specify)</b>			
Total Other Segmented Revenue	5,200	8,723	6,350
Conditional Grants			
- Student Employment			
- <b>Other (Specify)</b>			
Total Conditional Grants	-	-	-
<b>Total Operating</b>	5,200	8,723	6,350

**Capital**

Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- <b>Other (Specify)</b>			
<b>Total Capital</b>	-	-	-
<b>Total General Government Services</b>	5,200	8,723	6,350

**PROTECTIVE SERVICES**

**Operating**

Other Segmented Revenue			
Fees and Charges			
- <b>Other (building permits)</b>		9,390	3,605
Total Fees and Charges	-	9,390	3,605
- Tangible capital asset sales - gain (loss)			
- <b>Other (Specify)</b>			
Total Other Segmented Revenue	-	9,390	3,605
Conditional Grants			
- Student Employment			
- Local government			
- <b>Other (Specify)</b>			
Total Conditional Grants	-	-	-
<b>Total Operating</b>	-	9,390	3,605

**Capital**

Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Local government			
- <b>Other (Specify)</b>			
<b>Total Capital</b>	-	-	-
<b>Total Protective Services</b>	-	9,390	3,605