

**Town of Birch Hills**  
**Consolidated Financial Statements**  
*December 31, 2013*

## Town of Birch Hills

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For the year ended December 31, 2013

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## **Management's Responsibility**

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To the Ratepayers of Municipality of Town of Birch Hills

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards 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 consolidated 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 consolidated 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.

MNP LLP, an independent firm of Chartered Accountants, is appointed by the council to audit the consolidated 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.

July 16, 2014

  
Mayor

  
Administrator

## Independent Auditors' Report

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To the Mayor and Council of Town of Birch Hills

We have audited the accompanying consolidated financial statements of the Town of Birch Hills, which comprise the consolidated statement of financial position as at December 31, 2013, and the consolidated statements of operations, changes in net financial assets (debt), cash flow and supporting schedules 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 consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated 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 consolidated 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of Town of Birch Hills as at December 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Prince Albert, Saskatchewan

July 16, 2014

*MNP LLP*

Chartered Accountants

**MNP**

**Municipality of Town of Birch Hills**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2013**

Statement 1

	2013	2012
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and Temporary Investments (Note 2)	752,018	398,326
Taxes Receivable - Municipal (Note 3)	93,758	69,292
Other Accounts Receivable (Note 4)	129,697	192,222
Land for Resale (Note 5)	418,625	418,625
Long-Term Investments	41,087	15,256
Other (Specify)	-	-
<b>Total Financial Assets</b>	<b>1,435,185</b>	<b>1,093,721</b>
<b>LIABILITIES</b>		
Bank Indebtedness (Note 6)	-	-
Accounts Payable	57,399	39,938
Accrued Liabilities Payable	-	-
Deposits	44,057	42,344
Deferred Revenue (Note 7)	10,244	-
Accrued Landfill Costs (Note 8)	7,129	7,129
Other Liabilities	-	-
Long-Term Debt (Note 9)	964,107	1,083,716
Lease Obligations	-	-
<b>Total Liabilities</b>	<b>1,082,936</b>	<b>1,173,127</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>352,249</b>	<b>(79,406)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Schedule 6, 7)	6,139,412	6,208,480
Prepayments and Deferred Charges	24,148	22,773
Stock and Supplies	3,939	5,019
Other	-	-
<b>Total Non-Financial Assets</b>	<b>6,167,499</b>	<b>6,236,272</b>
<b>Accumulated Surplus (Schedule 8)</b>	<b>6,519,748</b>	<b>6,156,866</b>

*E. Wild*  
*Mayor*

*John S. Herd*  
*Councillor*

**Municipality of Town of Birch Hills**  
**Consolidated Statement of Operations**  
**As at December 31, 2013**

Statement 2

	2013 Budget	2013	2012
<b>Revenues</b>			
Taxes and Other Unconditional Revenue (Schedule 1)	1,078,105	1,080,063	1,012,533
Fees and Charges (Schedule 4, 5)	587,250	794,307	793,183
Conditional Grants (Schedule 4, 5)	10	28,336	19,385
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	-	-	(1,046)
Land Sales - Gain (Schedule 4, 5)	52,000	-	-
Investment Income and Commissions (Schedule 4, 5)	-	-	1,696
Other Revenues (Schedule 4, 5)	35,000	287,214	315,370
<b>Total Revenues</b>	<b>1,752,365</b>	<b>2,189,920</b>	<b>2,141,121</b>
<b>Expenses</b>			
General Government Services (Schedule 3)	425,463	339,117	314,813
Protective Services (Schedule 3)	113,460	115,690	105,903
Transportation Services (Schedule 3)	388,700	407,176	330,726
Environmental and Public Health Services (Schedule 3)	141,800	128,425	88,030
Planning and Development Services (Schedule 3)	20,000	9,987	2,741
Recreation and Cultural Services (Schedule 3)	207,332	635,439	730,585
Utility Services (Schedule 3)	344,600	361,232	463,400
<b>Total Expenses</b>	<b>1,641,355</b>	<b>1,997,066</b>	<b>2,036,198</b>
<b>Surplus of Revenues over Expenses before Other Capital Contributions</b>	<b>111,010</b>	<b>192,854</b>	<b>104,923</b>
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	119,512	170,029	226,458
<b>Surplus of Revenues over Expenses</b>	<b>230,522</b>	<b>362,883</b>	<b>331,381</b>
<b>Accumulated Surplus, Beginning of Year</b>	<b>6,156,866</b>	<b>6,156,866</b>	<b>5,825,485</b>
<b>Accumulated Surplus, End of Year</b>	<b>6,387,388</b>	<b>6,519,749</b>	<b>6,156,866</b>

**Municipality of Town of Birch Hills**  
**Consolidated Statement of Change in Net Financial Assets (Debt)**  
**As at December 31, 2013**

Statement 3

	2013 Budget	2013	2012
<b>Surplus (Deficit)</b>	<b>230,522</b>	<b>362,883</b>	<b>331,381</b>
(Acquisition) of tangible capital assets	-	(209,771)	(281,289)
Amortization of tangible capital assets	-	278,839	289,474
Proceeds on disposal of tangible capital assets	-	-	3,136
Loss (gain) on the disposal of tangible capital assets	-	-	1,046
<b>Surplus (Deficit) of capital expenses over expenditures</b>	<b>-</b>	<b>69,068</b>	<b>12,367</b>
(Acquisition) of supplies inventories	-	(3,939)	(5,019)
(Acquisition) of prepaid expense	-	(24,148)	(22,774)
Consumption of supplies inventory	-	5,019	16,049
Use of prepaid expense	-	22,773	31,787
<b>Surplus (Deficit) of expenses of other non-financial over expenditures</b>	<b>-</b>	<b>(295)</b>	<b>20,043</b>
<b>Increase/Decrease in Net Financial Assets</b>	<b>230,522</b>	<b>431,656</b>	<b>363,791</b>
<b>Net Debt - Beginning of Year</b>	<b>(79,406)</b>	<b>(79,406)</b>	<b>(443,197)</b>
<b>Net Financial Assets (Debt) - End of Year</b>	<b>151,116</b>	<b>352,250</b>	<b>(79,406)</b>

**Municipality of Town of Birch Hills**  
**Consolidated Statement of Cash Flow**  
**As at December 31, 2013**

Statement 4

	2013	2012
<b>Cash provided by (used for) the following activities</b>		
<b>Operating:</b>		
Surplus	362,883	331,381
Amortization	278,839	289,474
Loss (gain) on disposal of tangible capital assets	-	1,046
	<b>641,722</b>	<b>621,901</b>
<b>Change in assets/liabilities</b>		
Taxes Receivable - Municipal	(24,466)	(22,827)
Other Receivables	62,525	1,905
Land for Resale	-	-
Other Financial Assets	-	-
Accounts and accrued liabilities payable	17,461	(47,523)
Deposits	1,713	(168)
Deferred Revenue	10,244	-
Other Liabilities	-	-
Stock and supplies for use	1,080	11,030
Prepayments and Deferred Charges	(1,375)	9,015
Other (specify)	-	-
<b>Net cash from (used for) operations</b>	<b>708,904</b>	<b>573,333</b>
<b>Capital:</b>		
Acquisition of capital assets	(209,771)	(281,289)
Proceeds from the disposal of capital assets	-	3,136
Other capital	-	-
<b>Net cash from (used for) capital</b>	<b>(209,771)</b>	<b>(278,153)</b>
<b>Investing:</b>		
Long-term investments	(25,831)	11,114
Other investments	-	-
<b>Net cash from (used for) investing</b>	<b>(25,831)</b>	<b>11,114</b>
<b>Financing:</b>		
Long-term debt issued	25,672	-
Long-term debt repaid	(145,281)	(132,951)
Other financing	-	-
<b>Net cash from (used for) financing</b>	<b>(119,609)</b>	<b>(132,951)</b>
<b>Increase in cash resources</b>	<b>353,693</b>	<b>173,343</b>
<b>Cash and Investments - Beginning of Year</b>	<b>398,326</b>	<b>224,983</b>
<b>Cash and Investments - End of Year</b>	<b>752,019</b>	<b>398,326</b>



# 1. Significant accounting policies

The consolidated 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 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.

- a) **Reporting Entity:** The financial statements consolidates 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 financial statements are as follows:

## Entity

Birch Hills and District Recreation Board

All inter-organizational transactions and balances have been eliminated.

- 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 preformed. 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. The long term investments in the Saskatchewan Rural Municipalities - Self insurance fund are accounted for on the equity basis.

**Municipality of Town of Birch Hills**  
**Notes to the Consolidated Financial Statements**  
**As at December 31, 2013**

**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	5 to 20 Yrs
Buildings	10 to 50 Yrs
Vehicles & Equipment	
Vehicles	5 to 10 Yrs
Machinery and Equipment	5 to 10 Yrs
<b>Infrastructure Assets</b>	
Infrastructure Assets	
Water & Sewer	40 Yrs
Road Network Assets	40 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.

- l) **Trust Funds:** Funds held in trust for others are neither included in the municipality's assets or equity. They are disclosed in Note 14.

**Municipality of Town of Birch Hills**  
**Notes to the Consolidated Financial Statements**  
**As at December 31, 2013**

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

- m) **Measurement Uncertainty:** The preparation of financial statements in conformity with public sector accounting board 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.

- n) **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**

	2013	2012
Cash	752,018	371,538
Temporary Investments - GICs	-	26,788
<b>Total Cash and temporary investments</b>	<b>752,018</b>	<b>398,326</b>

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

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

	2013	2012
Municipal - Current	69,419	58,506
- Arrears	29,272	15,719
	98,691	74,225
- Less Allowance for Uncollectibles	(4,933)	(4,933)
<b>Total municipal taxes receivable</b>	<b>93,758</b>	<b>69,292</b>

School - Current	17,973	15,621
- Arrears	9,817	3,904
<b>Total school taxes receivable</b>	<b>27,790</b>	<b>19,525</b>

Other	-	-
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**Total taxes and grants in lieu receivable** **121,548** **88,817**

Deduct taxes receivable to be collected on behalf of other organizations **(27,790)** **(19,525)**

**Municipal and grants in lieu taxes receivable** **93,758** **69,292**

**Municipality of Town of Birch Hills**  
**Notes to the Consolidated Financial Statements**  
**As at December 31, 2013**

	2013	2012
<b>4. Other Accounts Receivable</b>		
Federal government	39,229	52,079
Provincial government	-	-
Local government	-	-
Utility	14,001	34,327
Trade	76,821	106,170
Other (specify)	-	-
<b>Total Other Accounts Receivable</b>	<b>130,051</b>	<b>192,576</b>
Less Allowance for Uncollectibles	(354)	(354)
<b>Net Other Accounts Receivable</b>	<b>129,697</b>	<b>192,222</b>

**5. Land for Resale**

Tax Title Property	3,431	3,431
Allowance for market value adjustment	-	-
<b>Net Tax Title Property</b>	<b>3,431</b>	<b>3,431</b>
Other Land	415,194	415,194
Allowance for market value adjustment	-	-
<b>Net Other Land</b>	<b>415,194</b>	<b>415,194</b>
<b>Total Land for Resale</b>	<b>418,625</b>	<b>418,625</b>

**6. Bank indebtedness**

**Credit Arrangements**

The Town has an authorized line of credit in the amount of \$250,000 (2012 - \$250,000) with the CIBC. Interest is at prime and the line is secured by assignment of grants and receivables. The Town has utilized \$nil (2012 - \$nil) of this line of credit at December 31, 2013.

**7. Deferred revenue**

	2013	2012
<b>Sask Lotteries grant disbursement</b>	<b>15,744</b>	-
Eligible costs	(5,500)	-
	<b>10,244</b>	-
<b>Gas tax - New Deal for Cities and Communities</b>		
Opening deferred revenue	-	-
Grant distributions	60,222	58,255
Eligible costs	(60,222)	(58,255)
	-	-
<b>Total deferred revenue</b>	<b>10,244</b>	-

**Municipality of Town of Birch Hills**

**Notes to the Consolidated Financial Statements**

**As at December 31, 2013**

**8. Accrued landfill costs**

Environmental liabilities

2013	2012
7,129	7,129

Landfill closure and post-closure care requirements have been defined in accordance with the Environmental Act and include final covering and landscaping of the landfill, pumping of ground, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a 100-year period using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

**9. Long-term debt**

a) The debt limit of the municipality is \$1,364,871. 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).

Utilities: CIBC loans are repayable in annual installments of \$45,923 plus interest at 6.46%, secured by a general assignment of property taxes receivable, due 2023.

Future principal repayments are estimated as follows:

Year	Principal	Interest	Current Total	Prior Year Total
2014	45,923	29,667	75,590	75,590
2015	45,923	26,700	72,623	72,623
2016	45,923	23,733	69,656	69,656
2017	45,923	20,767	66,690	66,690
2018	45,923	14,833	60,756	60,756
Thereafter	229,619	47,468	277,087	355,643
Balance	459,234	163,168	622,402	700,958

Utilities: CIBC loans are repayable in annual installments of \$60,000 plus interest at 4.82%, secured by a general assignment of property taxes receivable, due 2021.

Future principal repayments are estimated as follows:

Year	Principal	Interest	Current Total	Prior Year Total
2014	60,000	23,136	83,136	83,136
2015	60,000	20,244	80,244	80,244
2016	60,000	17,352	77,352	77,352
2017	60,000	14,460	74,460	74,460
2018	60,000	11,568	71,568	71,568
Thereafter	180,000	17,352	197,352	283,380
Balance	480,000	104,112	584,112	670,140

**Municipality of Town of Birch Hills**  
**Notes to the Consolidated Financial Statements**  
**As at December 31, 2013**

**9. Long-term debt (continued from previous page)**

**Transportation Department:** RBC loan repayable in monthly instalments of \$461, including interest at 2.99%, due 2018. Security is provided by a 2013 GMC Sierra 150.

Future principal repayments are estimated as follows:

Year	Principal	Interest	Current Total	Prior Year Total
2014	4,857	678	5,534	-
2015	5,004	530	5,534	-
2016	5,155	379	5,534	-
2017	5,312	222	5,534	-
2018	4,546	65	4,612	-
Thereafter	-	-	-	-
Balance	24,874	1,874	26,748	-

**Municipality of Town of Birch Hills**  
**Notes to the Consolidated Financial Statements**  
**As at December 31, 2013**

**10. Government not-for-profit organization**

The financial position and results of operations of the Birch Hills and District Recreation Board as at and for the year ended December 31, 2013 are summarized as follows:

	2013	2012
<b>Assets</b>		
Cash and temporary investments	226,521	160,053
Investments	14,020	15,290
Other accounts receivable	28,216	45,465
<b>Total financial assets</b>	<b>268,757</b>	<b>220,808</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	17,384	13,792
Prepaid fees	462	325
Deferred grants	10,244	-
Long term debt	-	3,393
<b>Total liabilities</b>	<b>28,090</b>	<b>17,510</b>
<b>Net financial assets</b>	<b>240,667</b>	<b>203,298</b>
<b>Non-financial assets</b>		
Tangible capital assets	174,073	168,544
Inventory	3,887	2,632
<b>Total non-financial assets</b>	<b>177,960</b>	<b>171,176</b>
<b>Accumulated surplus</b>	<b>418,627</b>	<b>374,474</b>
<b>Change in accumulated surplus</b>		
Revenues	501,142	524,734
Expenses	456,988	483,838
<b>Surplus of revenues over expenses</b>	<b>44,154</b>	<b>40,896</b>

**11. Recent accounting pronouncements**

***Financial instruments***

In June 2011 the Public Sector Accounting Board issued new section PS 3450 Financial Instruments which provides comprehensive guidance on the recognition, measurement, presentation and disclosure of financial instruments including derivatives. The standard requires public sector entities, which include governments and government organizations, to recognize a financial asset and/or a financial liability when it becomes a party to a financial instrument contract. Fair value measurement is required for derivatives and portfolio investments that are equity instruments quoted in an active market. A public sector entity can choose to report non-derivative financial assets and/or financial liabilities on a fair value basis if it manages and reports performance of these items on a fair value basis. Related changes were made to section PS 1200 Financial Statement Presentation such that a change in the fair value of items in the fair value category is recognized in the statement of remeasurement gains and losses until settlement. For government organizations, new section PS 3450 is effective for fiscal years beginning on or after April 1, 2015. The Municipality expects to apply the section for its financial statements dated December 31, 2016. The Municipality has not yet determined the effect adopting PS 3450 will have on its financial statements.

**Municipality of Town of Birch Hills**  
**Notes to the Consolidated Financial Statements**  
**As at December 31, 2013**

**12. Contingent liabilities**

The municipality is contingently liable under terms of the Saskatchewan Association of Rural Municipalities Self-Insurance Plan for its proportionate share of claims and future claims in excess of the Plan's reserve fund.

**13. Comparative figures**

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

**14. Trusts Administered by the Municipality**

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

Cemetery Trust Fund:

	<b>2013</b>	<b>2012</b>
Balance - Beginning of Year	<b>71,823</b>	78,103
Revenue	<b>2,657</b>	1,967
Interest revenue	<b>1,070</b>	722
Expenditure	<b>(1,650)</b>	(8,969)
<b>Balance - End of Year</b>	<b>73,900</b>	<b>71,823</b>

**15. Budget figures**

The budgeted figures were approved by the Mayor and Council on April 10, 2013.



**Municipality of Town of Birch Hills**  
**Schedule of Taxes and Other Unconditional Revenue**  
**As at December 31, 2013**

Schedule 1

	2013 Budget	2013	2012
<b>TAXES</b>			
General municipal tax levy	803,523	803,524	764,909
Abatements and adjustments	(18,000)	(12,519)	(19,410)
Discount on current year taxes	(28,000)	(28,793)	(28,477)
<b>Net Municipal Taxes</b>	<b>757,523</b>	<b>762,212</b>	<b>717,022</b>
Potash tax share	-	-	-
Trailer license fees	1,800	1,800	1,800
Penalties on tax arrears	12,000	13,403	11,595
Special tax levy	-	-	-
<b>Other (Specify)</b>	-	-	-
<b>Total Taxes</b>	<b>771,323</b>	<b>777,415</b>	<b>730,417</b>
<b>UNCONDITIONAL GRANTS</b>			
Equalization (Revenue Sharing)	239,482	239,482	214,817
Organized Hamlet	-	-	-
<b>Total Unconditional Grants</b>	<b>239,482</b>	<b>239,482</b>	<b>214,817</b>
<b>GRANTS IN LIEU OF TAXES</b>			
Federal			
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
TransGas	-	-	-
SPMC - Municipal Share	-	-	-
SaskTel	4,300	4,447	4,320
<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	63,000	58,719	62,979
Sask Energy Surcharge	-	-	-
<b>Other (Specify)</b>	-	-	-
<b>Total Grants in Lieu of Taxes</b>	<b>67,300</b>	<b>63,166</b>	<b>67,299</b>
<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<b>1,078,105</b>	<b>1,080,063</b>	<b>1,012,533</b>

**Municipality of Town of Birch Hills**  
**Consolidated Schedule of Operating and Capital Revenue by Function**  
**As at December 31, 2013**

Schedule 2 - I

	2013 Budget	2013	2012
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges	-	-	-
- Custom work	-	-	-
- Sales of supplies	3,800	889	8,106
- Other (Specify)	4,150	3,767	2,855
Total Fees and Charges	7,950	4,656	10,961
- Tangible capital asset sales - gain (loss)	-	-	(1,046)
- Land sales - gain	-	-	-
- Investment income and commissions	-	-	1,696
- Other	35,000	41,274	62,186
Total Other Segmented Revenue	42,950	45,930	73,797
Conditional Grants			
- Student Employment	-	-	-
- Saskatchewan Infrastructure Growth Initiative	-	28,179	19,375
Total Conditional Grants	-	28,179	19,375
<b>Total Operating</b>	<b>42,950</b>	<b>74,109</b>	<b>93,172</b>
<b>Capital</b>			
Conditional Grants			
- Gas Tax	-	-	-
- Canada/Sask Municipal Rural Infrastructure Fund	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (Specify)	-	-	-
Total Capital	-	-	-
<b>Total General Government Services</b>	<b>42,950</b>	<b>74,109</b>	<b>93,172</b>

**PROTECTIVE SERVICES**

**Operating**

Other Segmented Revenue			
Fees and Charges	-	-	-
- Other (Specify)	55,300	28,110	21,323
Total Fees and Charges	55,300	28,110	21,323
- Tangible capital asset sales - gain (loss)	-	-	-
- Donations	-	6,575	-
Total Other Segmented Revenue	55,300	34,685	21,323
Conditional Grants			
- Student Employment	-	-	-
- Local government	-	-	-
- Other (Specify)	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	<b>55,300</b>	<b>34,685</b>	<b>21,323</b>

<b>Capital</b>			
Conditional Grants			
- Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Local government	-	-	-
- Other (Specify)	-	-	-
Total Capital	-	-	-
<b>Total Protective Services</b>	<b>55,300</b>	<b>34,685</b>	<b>21,323</b>

**Municipality of Town of Birch Hills**  
**Consolidated Schedule of Operating and Capital Revenue by Function**  
**As at December 31, 2013**

Schedule 2 - 2

	2013 Budget	2013	2012
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work	-	-	-
- Sales of supplies	-	-	-
- Road Maintenance and Restoration Agreements	-	-	-
- Frontage	-	-	-
- Other (Specify)	-	-	-
Total Fees and Charges	-	-	-
- Tangible	-	-	-
- Other (Specify)	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Primary Weight Corridor	-	-	-
- Student Employment	-	-	-
- Other (Specify)	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	-	-	-
<b>Capital</b>			
Conditional Grants			
- Gas Tax	-	-	-
- Canada/Sask Municipal Rural Infrastructure Fund	-	-	-
- Heavy Haul	-	-	-
- Designated Municipal Roads and Bridges	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (Specify)	-	-	-
<b>Total Capital</b>	-	-	-
<b>Total Transportation Services</b>	-	-	-

**ENVIRONMENTAL AND PUBLIC HEALTH SERVICES**

<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	10,000	5,945	2,160
- Other (Specify)	-	-	-
Total Fees and Charges	10,000	5,945	2,160
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (Specify)	-	-	9,151
Total Other Segmented Revenue	10,000	5,945	11,311
Conditional Grants			
- Student Employment	-	-	-
- Local government	-	-	-
- Transit Assistance	10	157	10
Total Conditional Grants	10	157	10
<b>Total Operating</b>	10,010	6,102	11,321
<b>Capital</b>			
Conditional Grants			
- Gas Tax	-	-	-
- Canada/Sask Municipal Rural Infrastructure Fund	-	-	-
- Transit for Disabled	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (Specify)	-	-	-
<b>Total Capital</b>	-	-	-
<b>Total Environmental and Public Health Services</b>	10,010	6,102	11,321

**Municipality of Town of Birch Hills**  
**Consolidated Schedule of Operating and Capital Revenue by Function**  
**As at December 31, 2013**

Schedule 2 - 3

	2013 Budget	2013	2012
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges	-	-	-
- Other (Specify)	-	-	-
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (Specify)	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment	-	-	-
- Other (Specify)	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	-	-	-
<b>Capital</b>			
Conditional Grants			
- Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (Specify)	-	-	-
<b>Total Capital</b>	-	-	-
<b>Total Planning and Development Services</b>	-	-	-

**RECREATION AND CULTURAL SERVICES**

<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Rec Board fees	22,000	258,788	265,604
Total Fees and Charges	22,000	258,788	265,604
- Tangible capital asset sales - gain (loss)	-	-	-
- Rec Board other income		239,365	244,033
Total Other Segmented Revenue	22,000	498,153	509,637
Conditional Grants			
- Student Employment	-	-	-
- Local government	-	-	-
- Donations	-	-	-
- Other (Specify)	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	22,000	498,153	509,637
<b>Capital</b>			
Conditional Grants			
- Gas Tax	-	-	-
- Local government	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (Specify)	2,200	73,719	70,123
<b>Total Capital</b>	2,200	73,719	70,123
<b>Total Recreation and Cultural Services</b>	24,200	571,872	579,760

**Municipality of Town of Birch Hills**  
**Consolidated Schedule of Operating and Capital Revenue by Function**  
**As at December 31, 2013**

Schedule 2 - 4

	2013 Budget	2013	2012
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Water	490,000	494,518	491,075
- Sewer	-	-	-
- Other	2,000	2,290	2,060
Total Fees and Charges	492,000	496,808	493,135
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (Specify)	-	-	-
Total Other Segmented R	492,000	496,808	493,135
Conditional Grants			
- Student Employment	-	-	-
- Other (Specify)	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	<b>492,000</b>	<b>496,808</b>	<b>493,135</b>
<b>Capital</b>			
Conditional Grants			
- Gas Tax	117,312	60,222	58,255
- Sask Water Corp.	-	-	-
- Provincial Disaster Assistance	-	-	-
- Saskatchewan Infrastructure Growth Initiative		36,086	98,080
<b>Total Capital</b>	<b>117,312</b>	<b>96,308</b>	<b>156,335</b>
<b>Total Utility Services</b>	<b>609,312</b>	<b>593,116</b>	<b>649,470</b>
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>741,772</b>	<b>1,279,885</b>	<b>1,355,046</b>

**SUMMARY**

Total Other Segmented Revenue	622,250	1,081,521	1,109,203
Total Conditional Grants	10	28,336	19,385
Total Capital Grants and Contributions	119,512	170,028	226,458
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>741,772</b>	<b>1,279,885</b>	<b>1,355,046</b>

**Municipality of Town of Birch Hills**  
**Consolidated Schedule of Total Expenses by Function**  
**As at December 31, 2013**

Schedule 3 - 1

	2013 Budget	2013	2012
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	46,000	48,736	36,727
Wages and benefits	97,240	93,894	69,613
Professional/Contractual services	160,223	149,320	167,347
Utilities	2,000	2,173	2,041
Maintenance, materials and supplies	25,500	34,062	20,189
Grants and contributions - operating	4,500	5,200	4,230
- capital	90,000	-	-
Amortization	-	5,597	3,015
Interest	-	135	9,985
Allowance for uncollectibles	-	-	-
Other - Election	-	-	1,666
<b>Total Government Services</b>	<b>425,463</b>	<b>339,117</b>	<b>314,813</b>

**PROTECTIVE SERVICES**

**Police protection**

Wages and benefits	38,200	40,472	38,013
Professional/Contractual services	-	-	-
Utilities	-	-	-
Maintenance, material and supplies	-	-	-
Grants and contributions - operating	-	-	-
- capital	-	-	-
<b>Other (Specify)</b>	-	-	-

**Fire protections**

Wages and benefits	25,000	10,817	17,250
Professional/Contractual services	6,000	9,643	6,390
Utilities	11,360	11,030	10,920
Maintenance, material and supplies	27,200	28,660	12,847
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	11,307	9,582
Interest	-	-	-
Other - travel and convention	5,700	3,761	10,901
<b>Total Protective Services</b>	<b>113,460</b>	<b>115,690</b>	<b>105,903</b>

**TRANSPORTATION SERVICES**

Wages and benefits	152,000	157,858	100,266
Professional/Contractual Services	37,200	21,016	15,207
Utilities	28,500	29,194	27,311
Maintenance, materials, and supplies	101,000	61,219	38,820
Gravel	70,000	63,171	78,079
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	74,718	71,043
Interest	-	-	-
Other (Specify)	-	-	-
<b>Total Transportation Services</b>	<b>388,700</b>	<b>407,176</b>	<b>330,726</b>

**Municipality of Town of Birch Hills**

**Consolidated Schedule of Total Expenses by Function**

**As at December 31, 2013**

**Schedule 3 - 2**

	<b>2013 Budget</b>	<b>2013</b>	<b>2012</b>
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Wages and benefits	11,000	8,673	6,753
Professional/Contractual services	98,800	97,070	72,041
Utilities	-	-	-
Maintenance, materials and supplies	32,000	13,103	157
Grants and contributions - operating	-	-	-
o Waste disposal	-	-	-
o Public Health	-	-	-
- capital	-	-	-
o Waste disposal	-	-	-
o Public Health	-	-	-
Amortization	-	9,579	9,079
Interest	-	-	-
Other (Specify)	-	-	-
<b>Total Environmental and Public Health Services</b>	<b>141,800</b>	<b>128,425</b>	<b>88,030</b>

**PLANNING AND DEVELOPMENT SERVICES**

Wages and benefits	-	-	-
Professional/Contractual Services	20,000	9,987	2,741
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other (Specify)	-	-	-
<b>Total Planning and Development Services</b>	<b>20,000</b>	<b>9,987</b>	<b>2,741</b>

**RECREATION AND CULTURAL SERVICES**

Wages and benefits	86,632	271,607	262,050
Professional/Contractual services	3,000	2,260	10,834
Utilities	15,000	64,343	67,282
Maintenance, materials and supplies	74,000	162,829	210,099
Grants and contributions - operating	24,000	9,356	43,298
- capital	-	-	15,936
Amortization	-	44,902	65,889
Interest	-	4,702	3,290
Allowance for uncollectibles	-	-	-
Other (Specify)	4,700	75,439	51,907
<b>Total Recreation and Cultural Services</b>	<b>207,332</b>	<b>635,439</b>	<b>730,585</b>

**Municipality of Town of Birch Hills**  
**Consolidated Schedule of Total Expenses by Function**  
**As at December 31, 2013**

Schedule 3 - 3

	2013 Budget	2013	2012
<b>UTILITY SERVICES</b>			
Wages and benefits	50,000	50,000	50,000
Professional/Contractual services	12,600	5,707	22,575
Utilities	40,000	41,773	38,585
Maintenance, materials and supplies	242,000	127,783	221,374
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	132,736	130,866
Interest	-	3,233	-
Allowance for uncollectibles	-	-	-
Other (Specify)	-	-	-
<b>Total Utility Services</b>	<b>344,600</b>	<b>361,232</b>	<b>463,400</b>
<b>TOTAL EXPENSES BY FUNCTION</b>			
	<b>1,641,355</b>	<b>1,997,066</b>	<b>2,036,198</b>



**Municipality of Town of Birch Hills**  
**Consolidated Schedule of Current Year Segment Disclosure by Function**  
**As at December 31, 2013**

Schedule 4

Revenues (Schedule 2)							
General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
4,656	28,110	-	5,945	-	258,788	496,808	794,307
Fees and Charges	-	-	-	-	-	-	-
Tangible Capital Asset Sales - Gain	-	-	-	-	-	-	-
Land Sales - Gain	-	-	-	-	-	-	-
Investment Income and Commissions	-	-	-	-	-	-	-
Other Revenues	6,575	-	-	-	239,365	-	287,214
Grants - Conditional	28,179	-	157	-	-	-	28,336
- Capital	-	-	-	-	73,719	96,308	170,028
Total revenues	74,109	34,685	6,102	-	571,872	593,116	1,279,885
Expenses (Schedule 3)							
Wages & Benefits	51,289	157,858	8,673	-	271,607	50,000	682,057
Professional/ Contractual Services	9,643	21,016	97,070	9,987	2,260	5,707	295,003
Utilities	11,030	29,194	-	-	64,343	41,773	148,513
Maintenance Materials and Supplies	34,062	124,390	13,103	-	162,829	127,783	490,827
Grants and Contributions	5,200	-	-	-	9,356	-	14,556
Amortization	5,597	74,718	9,579	-	44,902	132,736	278,839
Interest	135	-	-	-	4,702	3,233	8,070
Allowance for Uncollectibles	-	-	-	-	-	-	-
Other	3,761	-	-	-	75,439	-	79,200
Total expenses	339,117	407,176	128,425	9,987	635,499	361,232	1,997,066
Surplus (Deficit) by Function							
	(81,005)	(407,176)	(122,323)	(9,987)	(63,566)	231,884	(717,181)

Municipality of Town of Birch Hills  
Consolidated Schedule of Prior Year Segment Disclosure by Function  
As at December 31, 2012

Schedule 5

Revenues (Schedule 2)									
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total	
Fees and Charges	10,961	21,323	-	2,160	-	265,604	493,135	793,183	
Tangible Capital Asset Sales - Gain	(1,046)	-	-	-	-	-	-	(1,046)	
Land Sales - Gain	-	-	-	-	-	-	-	-	
Investment Income and Commissions	1,696	-	-	-	-	-	-	1,696	
Other Revenues	62,186	-	-	9,151	-	244,033	-	315,370	
Grants - Conditional	19,375	-	-	10	-	-	-	19,385	
- Capital	-	-	-	-	-	70,123	156,335	226,458	
<b>Total revenues</b>	<b>93,172</b>	<b>21,323</b>	<b>-</b>	<b>11,321</b>	<b>-</b>	<b>579,760</b>	<b>649,470</b>	<b>1,355,046</b>	
Expenses (Schedule 3)									
Wages & Benefits	106,340	55,263	100,266	6,753	-	262,050	50,000	580,672	
Professional/ Contractual Services	167,347	6,390	15,207	72,041	2,741	10,834	22,575	297,135	
Utilities	2,041	10,920	27,311	-	-	67,282	38,585	146,139	
Maintenance Materials and Supplies	20,189	12,847	116,899	157	-	210,099	221,374	581,565	
Grants and Contributions	4,230	-	-	-	-	59,234	-	63,464	
Amortization	3,015	9,582	71,043	9,079	-	65,889	130,866	289,474	
Interest	9,985	-	-	-	-	3,290	-	13,275	
Allowance for Uncollectibles	-	-	-	-	-	-	-	-	
Other	1,666	10,901	-	-	-	51,907	-	64,474	
<b>Total expenses</b>	<b>314,813</b>	<b>105,903</b>	<b>330,726</b>	<b>88,030</b>	<b>2,741</b>	<b>730,585</b>	<b>463,400</b>	<b>2,036,198</b>	
<b>Surplus (Deficit) by Function</b>	<b>(221,641)</b>	<b>(84,580)</b>	<b>(330,726)</b>	<b>(76,709)</b>	<b>(2,741)</b>	<b>(150,825)</b>	<b>186,070</b>	<b>(681,152)</b>	
Taxation and other unconditional revenue (Schedule 1)									
								1,012,533	
<b>Net Surplus (Deficit)</b>								<b>331,381</b>	

Municipality of Town of Birch Hills  
Consolidated Schedule of Tangible Capital Assets by Object  
As at December 31, 2013

Schedule 6

2012

2013

2012

	General Assets					Infrastructure Assets	General/Infrastructure Assets Under Construction	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment			
<b>Assets</b>								
Asset cost								
Opening Asset costs	-	509,410	4,231,830	331,614	955,162	6,005,525	-	11,824,217
Additions during the year	-	-	42,930	24,418	59,189	83,234	-	281,289
Disposals and write-downs during the year	-	-	-	-	-	-	-	(71,965)
Transfers (from) assets under construction	-	-	-	-	-	-	-	-
<b>Closing Asset Costs</b>	-	<b>509,410</b>	<b>4,274,760</b>	<b>356,032</b>	<b>1,014,351</b>	<b>6,088,759</b>	-	<b>12,033,541</b>
<b>Amortization</b>								
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	-	72,678	1,251,133	235,825	492,592	3,772,833	-	5,603,370
Add: Amortization taken	-	492	84,807	23,295	53,758	116,487	-	289,474
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	(67,783)
<b>Closing Accumulated Amortization Costs</b>	-	<b>73,170</b>	<b>1,335,940</b>	<b>259,120</b>	<b>546,350</b>	<b>3,889,320</b>	-	<b>5,825,061</b>
<b>Net Book Value</b>	-	<b>436,240</b>	<b>2,938,820</b>	<b>96,912</b>	<b>468,001</b>	<b>2,199,439</b>	-	<b>6,208,480</b>

1. Total contributed/donated assets received in 2013: \$ -

2. List of assets recognized at nominal value in 2013 are:

- Infrastructure Assets \$ -
- Vehicles \$ -
- Machinery and Equipment \$ -

3. Amount of interest capitalized in 2013 \$ -

Municipality of Town of Birch Hills  
Consolidated Schedule of Tangible Capital Assets by Function  
As at December 31, 2013

Schedule 7

	2013						2012	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total
<b>Assets</b>								
Asset cost								
Opening Asset costs	478,723	113,310	2,455,840	133,892	-	2,874,140	5,977,636	11,824,217
Additions during the year	38,800	1,253	57,194	-	-	29,290	83,234	281,289
Disposals and write-downs during the year	-	-	-	-	-	-	-	(71,965)
<b>Closing Asset Costs</b>	<b>517,523</b>	<b>114,563</b>	<b>2,513,034</b>	<b>133,892</b>	<b>-</b>	<b>2,903,430</b>	<b>6,060,870</b>	<b>12,033,541</b>
<b>Amortization</b>								
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	204,830	43,763	1,466,932	58,058	-	2,132,429	1,919,049	5,603,370
Add: Amortization taken	5,995	11,307	74,719	9,580	-	44,902	132,736	289,474
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	(67,783)
<b>Closing Accumulated Amortization Costs</b>	<b>210,425</b>	<b>55,070</b>	<b>1,541,651</b>	<b>67,638</b>	<b>-</b>	<b>2,177,331</b>	<b>2,051,785</b>	<b>6,103,900</b>
<b>Net Book Value</b>	<b>307,098</b>	<b>59,493</b>	<b>971,383</b>	<b>66,254</b>	<b>-</b>	<b>726,099</b>	<b>4,009,085</b>	<b>5,929,641</b>

**Municipality of Town of Birch Hills**  
**Consolidated Schedule of Accumulated Surplus**  
**As at December 31, 2013**

Schedule 8

	2012	Changes	2013
<b>UNAPPROPRIATED SURPLUS</b>	<b>640,619</b>	<b>299,250</b>	<b>939,869</b>

**APPROPRIATED RESERVES**

Recreation Board operations	209,323	35,231	244,554
Fire Department Reserve	25,826	(22,140)	3,686
Capital Trust	63,308	-	63,308
Utility	93,026	-	93,026
Other (Specify)			-

<b>Total Appropriated</b>	<b>391,483</b>	<b>13,091</b>	<b>404,574</b>
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**ORGANIZED HAMLETS (add lines if required)**

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>
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**NET INVESTMENT IN TANGIBLE CAPITAL ASSETS**

Tangible capital assets (Schedule 6)	6,208,480	(69,068)	6,139,412
Less: Related debt	(1,083,716)	119,609	(964,107)

<b>Net Investment in Tangible Capital Assets</b>	<b>5,124,764</b>	<b>50,541</b>	<b>5,175,305</b>
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<b>Total Accumulated Surplus</b>	<b>6,156,866</b>	<b>362,882</b>	<b>6,519,748</b>
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**Municipality of Town of Birch Hills**  
**Schedule of Mill Rates and Assessments**  
**As at December 31, 2013**

Schedule 9

	PROPERTY CLASS					Potash Mine(s)	Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial		
Taxable Assessment	159,210	45,975,370			2,912,300		49,046,880
Regional Park Assessment							
Total Assessment							49,046,880
Mill Rate Factor(s)	1.00	1.00			2.10		
Total Base/Minimum Tax (generated for each property class)		523,705			45,275		568,980
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	1,592	715,564			86,368		803,524

**MILL RATES:**

	MILLS
Average Municipal*	16.38276889
Average School*	5.2153
Potash Mill Rate	
Uniform Municipal Mill Rate	10.0000

\* 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 Town of Birch Hills**  
**Schedule of Council Remuneration**  
**As at December 31, 2013**

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Mayor	Shirley Ulvild	7,500	475	7,975
Councillor	Sharon Rofles	4,000	1,350	5,350
Councillor	Owen Stubbs	4,000	1,025	5,025
Councillor	Barry Evans	4,000	1,125	5,125
Councillor	Dale Pratt	4,000	1,350	5,350
Councillor	Tyler Cochrane	4,000	1,525	5,525
Councillor	John Herd	4,000	3,033	7,033
				-
				-
<b>Total</b>		<b>31,500</b>	<b>9,883</b>	<b>41,383</b>

