

Town of Birch Hills
Consolidated Financial Statements
December 31, 2014

Town of Birch Hills

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For the year ended December 31, 2014

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Management's Responsibility

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.

June 10, 2015


Mayor


Administrator

Independent Auditors' Report

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, 2014, and the consolidated statements of operations, changes in net financial assets, 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 qualified audit opinion.

Basis for Qualified Opinion

As a result of the consolidation of the Birch Hills and District Recreation Board financial statements; memberships, bonspiel and league fees, green fees, track fees and driving range, canteen and bar sales, ice rentals, fundraising, and tournament and other program receipts by their nature are not susceptible to complete audit verification. Accordingly, our verification of such receipts was limited to ensuring recorded receipts are deposited to the bank account. As such, we were not able to determine whether any adjustments might be necessary to consolidated revenues, excess (deficiency) of revenues over expenses, current assets and net assets. In addition, inter-organizational grant transfers have not been eliminated and have therefore, overstated grant revenues and grant expenditures in the amount of the transfers during the year. These transfers have been disclosed in the notes to the financial statements.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of the Town of Birch Hills as at December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

MNP LLP

Prince Albert, Saskatchewan

June 10, 2015

Chartered Accountants

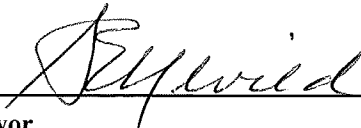
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Municipality of Town of Birch Hills
Consolidated Statement of Financial Position
As at December 31, 2014

Statement 1

	2014	2013
ASSETS		
Financial Assets		
Cash and Temporary Investments (Note 2)	1,025,062	752,018
Taxes Receivable - Municipal (Note 3)	111,351	93,758
Other Accounts Receivable (Note 4)	164,946	129,697
Land for Resale (Note 5)	412,152	418,625
Long-Term Investments	52,630	41,087
Other (Specify)	-	-
Total Financial Assets	1,766,141	1,435,185
LIABILITIES		
Bank Indebtedness (Note 6)	-	-
Accounts Payable	11,828	47,010
Accrued Liabilities Payable	25,600	10,389
Deposits	37,205	44,057
Deferred Revenue (Note 7)	7,649	10,244
Accrued Landfill Costs (Note 8)	7,129	7,129
Other Liabilities	-	-
Long-Term Debt (Note 9)	869,808	964,107
Lease Obligations	-	-
Total Liabilities	959,219	1,082,936
NET FINANCIAL ASSETS	806,922	352,249
Non-Financial Assets		
Tangible Capital Assets (Schedule 6, 7)	5,928,305	6,139,412
Prepayments and Deferred Charges	24,673	24,148
Stock and Supplies	793	3,939
Other	-	-
Total Non-Financial Assets	5,953,771	6,167,499
Accumulated Surplus (Schedule 8)	6,760,693	6,519,748

Approved on behalf of Mayor and Council


 Mayor


 Councillor

Municipality of Town of Birch Hills
Consolidated Statement of Operations
As at December 31, 2014

Statement 2

	2014 Budget	2014	2013
Revenues			
Taxes and Other Unconditional Revenue (Schedule 1)	1,097,880	1,099,387	1,080,063
Fees and Charges (Schedule 4, 5)	780,115	817,023	794,307
Conditional Grants (Schedule 4, 5)	38	8,072	28,336
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	-	-	-
Land Sales - Gain (Schedule 4, 5)	28,000	-	-
Investment Income and Commissions (Schedule 4, 5)	-	410	-
Other Revenues (Schedule 4, 5)	233,800	233,253	287,214
Total Revenues	2,139,833	2,158,145	2,189,920
Expenses			
General Government Services (Schedule 3)	445,258	331,083	339,117
Protective Services (Schedule 3)	123,364	109,956	115,690
Transportation Services (Schedule 3)	407,600	510,065	407,176
Environmental and Public Health Services (Schedule 3)	105,300	92,756	128,425
Planning and Development Services (Schedule 3)	20,000	-	9,987
Recreation and Cultural Services (Schedule 3)	710,902	639,749	635,439
Utility Services (Schedule 3)	348,186	384,085	361,232
Total Expenses	2,160,610	2,067,694	1,997,066
Surplus of Revenues over Expenses before Other Capital Contributions	(20,777)	90,451	192,854
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	171,000	150,494	170,028
Surplus of Revenues over Expenses	150,223	240,945	362,882
Accumulated Surplus, Beginning of Year	6,519,748	6,519,748	6,156,866
Accumulated Surplus, End of Year	6,669,971	6,760,693	6,519,748

Municipality of Town of Birch Hills
Consolidated Statement of Change in Net Financial Assets (Debt)
As at December 31, 2014

Statement 3

	2014 Budget	2014	2013
Surplus	150,223	240,945	362,882
(Acquisition) of tangible capital assets	-	(75,392)	(209,771)
Amortization of tangible capital assets	-	286,499	278,839
Proceeds on disposal of tangible capital assets	-	-	-
Loss (gain) on the disposal of tangible capital assets	-	-	-
Surplus (Deficit) of capital expenses over expenditures	-	211,107	69,068
(Acquisition) of supplies inventories	-	(1,281)	(3,939)
(Acquisition) of prepaid expense	-	(24,185)	(24,148)
Consumption of supplies inventory	-	3,939	5,019
Use of prepaid expense	-	24,148	22,773
Surplus (Deficit) of expenses of other non-financial over expenditures	-	2,621	(295)
Increase/Decrease in Net Financial Assets	150,223	454,673	431,655
Net Asset (Debt) - Beginning of Year	352,249	352,249	(79,406)
Net Financial Assets - End of Year	502,472	806,922	352,249

**Municipality of Town of Birch Hills
Consolidated Statement of Cash Flow
As at December 31, 2014**

Statement 4

	2014	2013
Cash provided by (used for) the following activities		
Operating:		
Surplus	240,945	362,882
Amortization	286,499	278,839
Loss (gain) on disposal of tangible capital assets	-	-
	527,444	641,721
Change in assets/liabilities		
Taxes Receivable - Municipal	(17,593)	(24,466)
Other Receivables	(35,249)	62,525
Land for Resale	6,473	-
Other Financial Assets	-	-
Accounts and accrued liabilities payable	(19,971)	17,461
Deposits	(6,852)	1,713
Deferred Revenue	(2,595)	10,244
Other Liabilities	-	-
Stock and supplies for use	3,146	1,080
Prepayments and Deferred Charges	(525)	(1,375)
Other (specify)	-	-
Net cash from (used for) operations	454,278	708,903
Capital:		
Acquisition of capital assets	(75,392)	(209,771)
Proceeds from the disposal of capital assets	-	-
Other capital	-	-
Net cash from (used for) capital	(75,392)	(209,771)
Investing:		
Long-term investments	(11,543)	(25,831)
Other investments	-	-
Net cash from (used for) investing	(11,543)	(25,831)
Financing:		
Long-term debt issued	20,281	25,672
Long-term debt repaid	(114,580)	(145,281)
Other financing	-	-
Net cash from (used for) financing	(94,299)	(119,609)
Increase in cash resources	273,044	353,692
Cash and Investments - Beginning of Year	752,018	398,326
Cash and Investments - End of Year	1,025,062	752,018

Municipality of Town of Birch Hills
Notes to the Consolidated Financial Statements
As at December 31, 2014

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 Accounting Standards Oversight Council. 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:

<u>Entity</u>	<u>Basis of Reporting</u>
Birch Hills and District Recreation Board	100% Consolidation for capital 100% Consolidation for operating

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) **Land Inventory Held for Resale -** Land Inventory, comprising land held for future development and resale, is valued at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for sale or service. Revenue from the land sales is recognized when the title is transferred to the buyer.
- e) **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.
- f) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- g) **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.
- h) **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.
- i) **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.

Municipality of Town of Birch Hills
Notes to the Consolidated Financial Statements
As at December 31, 2014

1. Significant accounting policies - continued

- 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 Rural Municipalities - Self insurance fund are accounted for on the equity basis.
- 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 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>
General Assets	
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
Infrastructure Assets	
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.

- m) **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, 2014

1. Significant accounting policies (continued)

- n) **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.

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

The segments (functions) are as follows:

General Government: The general government segment provides for the administration of the municipality.

Protective Services: Protective Services is comprised of expenses for Police and Fire protection.

Transportation services: The Transportation services segment is responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

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

Planning and Development: The planning and development segment provides for neighbourhood development and sustainability.

Recreation and Culture: The recreation and culture segment provides for community services through the provision of recreation and leisure services.

Utility Services: The Utility services segment provides for delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

- p) **Recent Accounting Pronouncements**

Financial Instruments: In June 2011, the Public Sector Accounting Board issued PS 3450 Financial Instruments to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2016. Earlier adoption is permitted. PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial instruments of prior periods, including comparative information, are not restated. The Village has not yet determined the effect of these new standards on its financial statements.

Liability for contaminated sites: In June 2010, the Public Sector Accounting Board (PSAB) issued PS 3260 Liability for Contaminated Sites to establish recognition, measurement and disclosure standards for liabilities associated with the remediation of contaminated sites. The new section defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provides the related financial statement presentation and disclosure requirements. PS 3260 is effective for fiscal years beginning on or after April 1, 2014. The Municipality expects to apply the section for its financial statements dated December 31, 2015. The Municipality does not expect the adoption of the new section to have a material impact on its financial statements.

2. Cash and temporary investments

	2014	2013
Cash	1,025,062	752,018
Temporary Investments - GICs	-	-
Total Cash and temporary investments	1,025,062	752,018

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

Municipality of Town of Birch Hills
Notes to the Consolidated Financial Statements
As at December 31, 2014

3. Taxes and grants in lieu receivable

	2014	2013
Municipal - Current	74,934	69,419
- Arrears	41,350	29,272
	116,284	98,691
- Less Allowance for Uncollectibles	(4,933)	(4,933)
Total municipal taxes receivable	111,351	93,758
School - Current	18,278	17,973
- Arrears	12,702	9,817
Total school taxes receivable	30,980	27,790
Other	-	-
Total taxes and grants in lieu receivable	142,331	121,548
Deduct taxes receivable to be collected on behalf of other organizations	(30,980)	(27,790)
Municipal and grants in lieu taxes receivable	111,351	93,758

4. Other Accounts Receivable

	2014	2013
Federal government	39,640	39,229
Provincial government	-	-
Local government	-	-
Utility	35,052	14,001
Trade	90,608	76,821
Other (specify)	-	-
Total Other Accounts Receivable	165,300	130,051
Less Allowance for Uncollectibles	(354)	(354)
Net Other Accounts Receivable	164,946	129,697

5. Land for Resale

	2014	2013
Tax Title Property	3,431	3,431
Allowance for market value adjustment	-	-
Net Tax Title Property	3,431	3,431
Other Land	408,721	415,194
Allowance for market value adjustment	-	-
Net Other Land	408,721	415,194
Total Land for Resale	412,152	418,625

Municipality of Town of Birch Hills**Notes to the Consolidated Financial Statements****As at December 31, 2014****6. Bank indebtedness****Credit Arrangements**

The Town has an authorized line of credit in the amount of \$250,000 (2013 - \$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 (2013 - \$nil) of this line of credit at December 31, 2014.

7. Deferred revenue

	2014	2013
Sask Lotteries grant disbursement	25,988	15,744
Eligible costs	(18,339)	(5,500)
	7,649	10,244
Gas tax - New Deal for Cities and Communities		
Opening deferred revenue	-	-
Grant distributions	60,329	60,222
Eligible costs	(60,329)	(60,222)
	-	-
Total deferred revenue	7,649	10,244

8. Accrued landfill costs

	2014	2013
Environmental liabilities	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.

Municipality of Town of Birch Hills
Notes to the Consolidated Financial Statements
As at December 31, 2014

9. Long-term debt

a) The debt limit of the municipality is \$1,058,366. 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
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	17,800	63,723	63,723
2019	45,923	14,833	60,756	60,756
Thereafter	183,696	29,667	213,363	288,954
Balance	413,311	133,500	546,811	622,402

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
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
2019	60,000	8,676	68,676	68,676
Thereafter	120,000	8,676	128,676	211,812
Balance	420,000	80,976	500,976	584,112

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
2015	5,004	530	5,534	5,534
2016	5,155	379	5,534	5,534
2017	5,312	222	5,534	5,534
2018	4,546	65	4,612	5,534
Thereafter	-	-	-	-
Balance	20,017	1,197	21,214	22,136

Municipality of Town of Birch Hills
Notes to the Consolidated Financial Statements
As at December 31, 2014

9. Long-term debt (continued)

Transportation Department: Affinity term loan repayable in monthly instalments of \$600, including floating interest at prime plus 1.00% due 2017. Term loan is unsecured.

Future principal repayments are estimated as follows:

Year	Principal	Interest	Current Total
2015	6,662	538	7,200
2016	6,933	267	7,200
2017	2,886	28	2,914
Balance	16,481	833	17,314

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, 2014 are summarized as follows:

	2014	2013
Assets		
Cash and temporary investments	192,545	226,521
Investments	5,046	14,020
Other accounts receivable	47,912	28,216
Total financial assets	245,503	268,757
Liabilities		
Accounts payable and accrued liabilities	3,230	17,384
Prepaid fees	462	462
Deferred grants	7,649	10,244
Long term debt	-	-
Total liabilities	11,341	28,090
Net financial assets	234,162	240,667
Non-financial assets		
Tangible capital assets	214,879	174,073
Inventory	793	3,887
Total non-financial assets	215,672	177,960
Accumulated surplus	449,834	418,627
Change in accumulated surplus		
Revenues	492,108	501,142
Expenses	460,901	456,988
Surplus of revenues over expenses	31,207	44,154

Municipality of Town of Birch Hills
Notes to the Consolidated Financial Statements
As at December 31, 2014

11. 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.

12. Contractual obligations

During the year, Council passed a motion to accept a bid from Kendall Construction and Renovations for replacement and repair of windows at the Civic Centre. Total bid approved by Council is \$18,780; of which 25% will be paid for by the RM of Birch Hills.

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:

	2014	2013
Balance - Beginning of Year	73,900	71,823
Revenue	13,606	2,657
Interest revenue	1,374	1,070
Expenditure	(31,881)	(1,650)
Balance - End of Year	56,999	73,900

15. Budget figures

The budgeted figures were approved by the Mayor and Council on April 23, 2014.

Municipality of Town of Birch Hills
Schedule of Taxes and Other Unconditional Revenue
As at December 31, 2014

Schedule 1

	2014 Budget	2014	2013
TAXES			
General municipal tax levy	813,861	806,927	803,524
Abatements and adjustments	-	(9,883)	(12,519)
Discount on current year taxes	(28,000)	(30,626)	(28,793)
Net Municipal Taxes	785,861	766,418	762,212
Potash tax share	-	-	-
Trailer license fees	1,800	1,800	1,800
Penalties on tax arrears	13,000	17,208	13,403
Special tax levy	-	-	-
Other (Specify)	-	-	-
Total Taxes	800,661	785,426	777,415
UNCONDITIONAL GRANTS			
Equalization (Revenue Sharing)	232,819	232,819	239,482
Organized Hamlet	-	-	-
Total Unconditional Grants	232,819	232,819	239,482
GRANTS IN LIEU OF TAXES			
Federal			
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
TransGas	-	-	-
SPMC - Municipal Share	-	-	-
SaskTel	4,400	4,447	4,447
Other (Specify)	-	-	-
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other (Specify)	-	-	-
Other Government Transfers			
S.P.C. Surcharge	60,000	76,695	58,719
Sask Energy Surcharge	-	-	-
Other (Specify)	-	-	-
Total Grants in Lieu of Taxes	64,400	81,142	63,166
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	1,097,880	1,099,387	1,080,063

Municipality of Town of Birch Hills
Consolidated Schedule of Operating and Capital Revenue by Function
As at December 31, 2014

Schedule 2 - 1

2014 Budget 2014 2013

GENERAL GOVERNMENT SERVICES

Operating

Other Segmented Revenue			
Fees and Charges	-	-	-
- Custom work	-	-	-
- Sales of supplies	800	38	889
- Other (Misc. fees)	5,015	4,446	3,767
Total Fees and Charges	5,815	4,484	4,656
- Tangible capital asset sales - gain (loss)	-	-	-
- Land sales - gain	28,000	-	-
- Investment income and commissions	-	410	-
- Other	21,000	8,401	41,274
Total Other Segmented Revenue	54,815	13,295	45,930
Conditional Grants			
- Student Employment	-	-	-
- Saskatchewan Infrastructure Growth Initiative	-	8,034	28,179
Total Conditional Grants	-	8,034	28,179
Total Operating	54,815	21,329	74,109

Capital

Conditional Grants			
- Gas Tax	-	-	-
- Canada/Sask Municipal Rural Infrastructure Fund	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (Specify)	-	-	-
Total Capital	-	-	-
Total General Government Services	54,815	21,329	74,109

PROTECTIVE SERVICES

Operating

Other Segmented Revenue			
Fees and Charges	-	-	-
- Other (Fire protection and dog tag fees)	45,300	33,018	28,110
Total Fees and Charges	45,300	33,018	28,110
- Tangible capital asset sales - gain (loss)	-	-	-
- Donations	-	10,369	6,575
Total Other Segmented Revenue	45,300	43,387	34,685
Conditional Grants			
- Student Employment	-	-	-
- Local government	-	-	-
- Other (Specify)	-	-	-
Total Conditional Grants	-	-	-
Total Operating	45,300	43,387	34,685

Capital

Conditional Grants			
- Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Local government	-	-	-
- Other (Specify)	-	-	-
Total Capital	-	-	-
Total Protective Services	45,300	43,387	34,685

Municipality of Town of Birch Hills
Consolidated Schedule of Operating and Capital Revenue by Function
As at December 31, 2014

Schedule 2 - 2

	2014 Budget	2014	2013
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	-	-	-
- Sales of supplies	-	-	-
- Road Maintenance and Restoration Agreements	-	-	-
- Frontage	-	-	-
- Other (Specify)	10,000	-	-
Total Fees and Charges	10,000	-	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (Specify)	-	-	-
Total Other Segmented Revenue	10,000	-	-
Conditional Grants			
- Primary Weight Corridor	-	-	-
- Student Employment	-	-	-
- Other (Specify)	-	-	-
Total Conditional Grants	-	-	-
Total Operating	10,000	-	-
Capital			
Conditional Grants			
- Gas Tax	-	-	-
- Canada/Sask Municipal Rural Infrastructure Fund	-	-	-
- Heavy Haul	-	-	-
- Designated Municipal Roads and Bridges	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (Specify)	-	-	-
Total Capital	-	-	-
Total Transportation Services	10,000	-	-

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	6,000	2,495	5,945
- Other (Specify)	-	-	-
Total Fees and Charges	6,000	2,495	5,945
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (Specify)	-	-	-
Total Other Segmented Revenue	6,000	2,495	5,945
Conditional Grants			
- Student Employment	-	-	-
- Local government	-	-	-
- Transit Assistance	38	38	157
Total Conditional Grants	38	38	157
Total Operating	6,038	2,533	6,102
Capital			
Conditional Grants			
- Gas Tax	-	-	-
- Canada/Sask Municipal Rural Infrastructure Fund	-	-	-
- Transit for Disabled	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (Specify)	-	-	-
Total Capital	-	-	-
Total Environmental and Public Health Services	6,038	2,533	6,102

Municipality of Town of Birch Hills
Consolidated Schedule of Operating and Capital Revenue by Function
As at December 31, 2014

Schedule 2 - 3

	2014 Budget	2014	2013
PLANNING AND DEVELOPMENT SERVICES			
Operating			
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	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (Specify)	-	-	-
Total Capital	-	-	-
Total Planning and Development Services	-	-	-

RECREATION AND CULTURAL SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Rec Board fees	213,400	243,193	258,788
Total Fees and Charges	213,400	243,193	258,788
- Tangible capital asset sales - gain (loss)	-	-	-
- Rec Board other income	212,800	214,483	239,365
Total Other Segmented Revenue	426,200	457,676	498,153
Conditional Grants			
- Student Employment	-	-	-
- Local government	-	-	-
- Donations	-	-	-
- Other (Specify)	-	-	-
Total Conditional Grants	-	-	-
Total Operating	426,200	457,676	498,153
Capital			
Conditional Grants			
- Gas Tax	-	-	-
- Local government	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other (Specify)	76,000	62,440	73,719
Total Capital	76,000	62,440	73,719
Total Recreation and Cultural Services	502,200	520,116	571,872

Municipality of Town of Birch Hills
Consolidated Schedule of Operating and Capital Revenue by Function
As at December 31, 2014

Schedule 2 - 4

	2014 Budget	2014	2013
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	498,000	531,633	494,518
- Sewer	-	-	-
- Other	1,600	2,200	2,290
Total Fees and Charges	499,600	533,833	496,808
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (Specify)	-	-	-
Total Other Segmented Revenue	499,600	533,833	496,808
Conditional Grants			
- Student Employment	-	-	-
- Other (Specify)	-	-	-
Total Conditional Grants	-	-	-
Total Operating	499,600	533,833	496,808
Capital			
Conditional Grants			
- Gas Tax	95,000	60,329	60,222
- Sask Water Corp.	-	-	-
- Provincial Disaster Assistance	-	-	-
- Saskatchewan Infrastructure Growth Initiative		27,725	36,086
Total Capital	95,000	88,054	96,308
Total Utility Services	594,600	621,887	593,116
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	1,212,953	1,209,252	1,279,885
SUMMARY			
Total Other Segmented Revenue	1,041,915	1,050,686	1,081,521
Total Conditional Grants	38	8,072	28,336
Total Capital Grants and Contributions	171,000	150,494	170,028
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	1,212,953	1,209,252	1,279,885

Municipality of Town of Birch Hills
Consolidated Schedule of Total Expenses by Function
As at December 31, 2014

Schedule 3 - 1

	2014 Budget	2014	2013
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	48,000	45,380	48,736
Wages and benefits	103,000	94,256	93,894
Professional/Contractual services	253,758	151,778	149,320
Utilities	2,300	1,931	2,173
Maintenance, materials and supplies	32,200	24,561	34,062
Grants and contributions - operating	6,000	5,228	5,200
- capital	-	-	-
Amortization	-	6,872	5,597
Interest	-	1,077	135
Allowance for uncollectibles	-	-	-
Other - Election	-	-	-
Total Government Services	445,258	331,083	339,117

PROTECTIVE SERVICES

Police protection

Wages and benefits	41,200	42,144	40,472
Professional/Contractual services	-	-	-
Utilities	-	-	-
Maintenance, material and supplies	-	-	-
Grants and contributions - operating	-	-	-
- capital	-	-	-
Other (Specify)	-	-	-

Fire protections

Wages and benefits	25,000	19,925	10,817
Professional/Contractual services	9,500	7,085	9,643
Utilities	11,464	10,869	11,030
Maintenance, material and supplies	30,500	13,939	28,660
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	11,307	11,307
Interest	-	-	-
Other - travel and convention	5,700	4,687	3,761
Total Protective Services	123,364	109,956	115,690

TRANSPORTATION SERVICES

Wages and benefits	157,500	170,963	157,858
Professional/Contractual Services	36,500	37,451	21,016
Utilities	30,000	27,833	29,194
Maintenance, materials, and supplies	113,600	54,578	61,219
Street Maintenance and gravel	70,000	140,978	63,171
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	78,262	74,718
Interest	-	-	-
Other (Specify)	-	-	-
Total Transportation Services	407,600	510,065	407,176

Municipality of Town of Birch Hills
Consolidated Schedule of Total Expenses by Function
As at December 31, 2014

Schedule 3 - 2

	2014 Budget	2014	2013
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	10,800	8,073	8,673
Professional/Contractual services	93,500	74,643	97,070
Utilities	-	-	-
Maintenance, materials and supplies	1,000	1,161	13,103
Grants and contributions - operating	-	-	-
o Waste disposal	-	-	-
o Public Health	-	-	-
- capital	-	-	-
o Waste disposal	-	-	-
o Public Health	-	-	-
Amortization	-	8,879	9,579
Interest	-	-	-
Other (Specify)	-	-	-
Total Environmental and Public Health Services	105,300	92,756	128,425

PLANNING AND DEVELOPMENT SERVICES

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

RECREATION AND CULTURAL SERVICES

Wages and benefits	267,452	266,016	271,607
Professional/Contractual services	3,000	2,249	2,260
Utilities	67,050	65,830	64,344
Maintenance, materials and supplies	258,950	157,448	162,829
Grants and contributions - operating	56,000	20,586	9,356
- capital	-	-	-
Amortization	-	46,360	44,902
Interest	-	5,521	4,702
Allowance for uncollectibles	-	-	-
Other (Specify)	58,450	75,739	75,439
Total Recreation and Cultural Services	710,902	639,749	635,439

Municipality of Town of Birch Hills
Consolidated Schedule of Total Expenses by Function
As at December 31, 2014

Schedule 3 - 3

	2014 Budget	2014	2013
UTILITY SERVICES			
Wages and benefits	50,000	50,000	50,000
Professional/Contractual services	16,186	4,676	5,707
Utilities	40,000	42,806	41,773
Maintenance, materials and supplies	242,000	151,786	127,783
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	134,817	132,736
Interest	-	-	3,233
Allowance for uncollectibles	-	-	-
Other (Specify)	-	-	-
Total Utility Services	348,186	384,085	361,232
 TOTAL EXPENSES BY FUNCTION			
	2,160,610	2,067,694	1,997,066

Municipality of Town of Birch Hills
Consolidated Schedule of Current Year Segment Disclosure by Function
As at December 31, 2014

Schedule 4

		General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)									
	Fees and Charges	4,484	33,018	-	2,495	-	243,193	533,833	817,023
	Tangible Capital Asset Sales - Gain	-	-	-	-	-	-	-	-
	Land Sales - Gain	-	-	-	-	-	-	-	-
	Investment Income and Commissions	410	-	-	-	-	-	-	410
	Other Revenues	8,401	10,369	-	-	-	214,483	-	233,253
	Grants - Conditional	8,034	-	-	38	-	-	-	8,072
	- Capital	-	-	-	-	-	62,440	88,054	150,494
Total revenues		21,329	43,387	-	2,533	-	520,116	621,887	1,209,252
Expenses (Schedule 3)									
	Wages & Benefits	139,636	62,069	170,963	8,073	-	266,016	50,000	696,757
	Professional/ Contractual Services	151,778	7,085	37,451	74,643	-	2,249	4,676	277,882
	Utilities	1,931	10,869	27,833	-	-	65,830	42,806	149,269
	Maintenance Materials and Supplies	24,561	13,939	195,556	1,161	-	157,448	151,786	544,451
	Grants and Contributions	5,228	-	-	-	-	20,586	-	25,814
	Amortization	6,872	11,307	78,262	8,879	-	46,360	134,817	286,497
	Interest	1,077	-	-	-	-	5,521	-	6,598
	Allowance for Uncollectibles	-	-	-	-	-	-	-	-
	Other	-	4,687	-	-	-	75,739	-	80,426
Total expenses		331,083	109,956	510,065	92,756	-	639,749	384,085	2,067,694
Surplus (Deficit) by Function		(309,754)	(66,569)	(510,065)	(90,223)	-	(119,633)	237,802	(858,442)

Taxation and other unconditional revenue (Schedule 1)

1,099,387

Net Surplus (Deficit)

240,945

Schedule 5

Taxation and other unconditional revenue (Schedule 1)

362.882

Municipality of Town of Birch Hills
Consolidated Schedule of Tangible Capital Assets by Object
As at December 31, 2014

Schedule 6

2014

2013

	General Assets					Infrastructure Assets	General/ Infrastructure Assets Under Construction	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment			
Asset cost								
Opening Asset costs	-	509,410	4,274,760	356,032	1,014,351	6,088,759	-	12,243,312
Additions during the year	-	9,944	34,933	-	30,515	-	-	75,392
Disposals and write-downs during the year	-	-	-	-	-	-	-	-
Transfers (from) assets under construction	-	-	-	-	-	-	-	-
Closing Asset Costs	-	519,354	4,309,693	356,032	1,044,866	6,088,759	-	12,318,704
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	-	-	-	-	-	-	-	6,103,900
Add: Amortization taken	-	73,170	1,335,940	259,120	546,350	3,889,320	-	286,499
Less: Accumulated amortization on disposals	-	824	87,161	23,736	56,382	118,396	-	-
Closing Accumulated Amortization Costs	-	73,994	1,423,101	282,856	602,732	4,007,716	-	6,390,399
Net Book Value	-	445,360	2,886,592	73,176	442,134	2,081,043	-	5,928,305
								6,139,412

1. Total contributed/donated assets received in 2014: \$ -

2. List of assets recognized at nominal value in 2014 are:

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

3. Amount of interest capitalized in 2014 \$ -

Municipality of Town of Birch Hills
Consolidated Schedule of Tangible Capital Assets by Function
As at December 31, 2014

Schedule 7

	2014						2013	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total
Assets								
Asset cost								
Opening Asset costs	517,523	114,563	2,513,034	133,892	-	2,903,430	6,060,870	12,033,541
Additions during the year	-	3,852	5,515	-	-	66,025	-	209,771
Disposals and write-downs during the year	-	-	-	-	-	-	-	-
Closing Asset Costs	517,523	118,415	2,518,549	133,892	-	2,969,455	6,060,870	12,243,312
Amortization								
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	210,425	55,070	1,541,651	67,638	-	2,177,331	2,051,785	5,825,061
Add: Amortization taken	6,872	11,307	78,262	8,879	-	46,362	134,817	278,839
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	-
Closing Accumulated Amortization Costs	217,297	66,377	1,619,913	76,517	-	2,223,693	2,186,602	6,103,900
Net Book Value	300,226	52,038	898,636	57,375	-	745,762	3,874,268	6,139,412

Municipality of Town of Birch Hills
Consolidated Schedule of Accumulated Surplus
As at December 31, 2014

Schedule 8

	2013	Changes	2014
UNAPPROPRIATED SURPLUS	929,869	328,488	1,258,357

APPROPRIATED RESERVES

Recreation Board operations	244,554	174,073	418,627
Fire Department Reserve	13,686	11,526	25,212
Capital Trust	63,308	(63,308)	-
Utility	93,026	(93,026)	-
Other (Specify)			-

Total Appropriated	414,574	29,265	443,839
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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)	-	-	-

Total Organized Hamlets	-	-	-
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NET INVESTMENT IN TANGIBLE CAPITAL ASSETS

Tangible capital assets (Schedule 6)	6,139,412	(211,107)	5,928,305
Less: Related debt	(964,107)	94,299	(869,808)

Net Investment in Tangible Capital Assets	5,175,305	(116,808)	5,058,497
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Total Accumulated Surplus	6,519,748	240,945	6,760,693
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Municipality of Town of Birch Hills
Schedule of Mill Rates and Assessments
As at December 31, 2014

Schedule 9

	PROPERTY CLASS					
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)
Taxable Assessment	133,635	46,120,480			3,041,900	
Regional Park Assessment						
Total Assessment						49,296,015
Mill Rate Factor(s)	1.00	1.00			2.10	
Total Base/Minimum Tax (generated for each property class)		523,705			44,280	567,985
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	1,336	717,017			88,573.20	806,927

MILL RATES: MILLS

Average Municipal*	16.36900163
Average School*	5.2241
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, 2014

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Mayor	Shirley Ulvild	7,500	-	7,500
Councillor	Sharon Rolfes	4,000	600	4,600
Councillor	Owen Stubbs	4,000	650	4,650
Councillor	Barry Evans	4,000	1,275	5,275
Councillor	Dale Pratt	4,000	700	4,700
Councillor	Tyler Cochrane	4,000	-	4,000
Councillor	John Herd	4,000	3,395	7,395
Total		31,500	6,620	38,120