

**Rural Municipality of Buckland**  
**Consolidated Financial Statements**  
*December 31, 2011*

# Rural Municipality of Buckland

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For the year ended December 31, 2011

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## Management's Responsibility

To the Ratepayers of the Rural Municipality of Buckland:

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

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

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

MNP LLP, an independent firm of chartered accountants, is appointed by Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Council and administration to discuss their audit findings.

  
\_\_\_\_\_  
Administrator

## Independent Auditors' Report

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To Council of Rural Municipality of Buckland

We have audited the accompanying consolidated financial statements of the Rural Municipality of Buckland, which comprise the consolidated statement of financial position as at December 31, 2011, and the consolidated statement of operations, changes in net financial assets and 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 Consolidated 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 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 from 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 in our audit 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 Rural Municipality of Buckland as at December 31, 2011, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Prince Albert, Saskatchewan

April 11, 2012

*MNP LLP*

Chartered Accountants

**MNP**

**Rural Municipality of Buckland**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2011**

Statement 1


|   | 2011             | 2010             |
|---|------------------|------------------|
| <b>ASSETS</b>                             |                  |                  |
| <b>Financial Assets</b>                   |                  |                  |
| Cash and Temporary Investments (Note 2)   | 1,743,943        | 1,351,042        |
| Taxes Receivable - Municipal (Note 3)     | 137,048          | 135,444          |
| Other Accounts Receivable (Note 4)        | 252,591          | 188,142          |
| Land for Resale (Note 5)                  | 66,910           | 68,388           |
| Loan receivable (Note 6)                  | 50,000           | -                |
| Water Utility Subscriber Loans Receivable | 166,041          | 224,196          |
| <b>Total Financial Assets</b>             | <b>2,416,533</b> | <b>1,967,212</b> |


|                             |                  |                  |
|-----------------------------|------------------|------------------|
| <b>LIABILITIES</b>          |                  |                  |
| Accounts Payable            | 404,039          | 311,197          |
| Accrued Liabilities Payable | 9,456            | 11,884           |
| Deposits                    | 8,964            | 9,911            |
| Deferred Revenue (Note 7)   | 473,493          | 298,833          |
| Other Liabilities           | 10,800           | 12,800           |
| Long-Term Debt (Note 8)     | 383,737          | 490,583          |
| Lease Obligations (Note 10) | 5,284            | 11,784           |
| <b>Total Liabilities</b>    | <b>1,295,773</b> | <b>1,146,992</b> |

|                             |                  |                |
|-----------------------------|------------------|----------------|
| <b>NET FINANCIAL ASSETS</b> | <b>1,120,760</b> | <b>820,220</b> |
|-----------------------------|------------------|----------------|

|   |                   |                   |
|---|-------------------|-------------------|
| <b>Non-Financial Assets</b>             |                   |                   |
| Tangible Capital Assets (Schedule 6, 7) | 10,441,123        | 10,229,319        |
| Prepayments and Deferred Charges        | 106,456           | 9,846             |
| Stock and Supplies                      | 85,261            | 187,952           |
| <b>Total Non-Financial Assets</b>       | <b>10,632,840</b> | <b>10,427,117</b> |

|   |                   |                   |
|---|-------------------|-------------------|
| <b>Accumulated Surplus (Schedule 8)</b> | <b>11,753,600</b> | <b>11,247,337</b> |
|---|-------------------|-------------------|

  
 Councillor

  
 Councillor

**Rural Municipality of Buckland**  
**Consolidated Statement of Operations**  
**For the year ended December 31, 2011**

Statement 2

|   | 2011 Budget       | 2011              | 2010              |
|---|-------------------|-------------------|-------------------|
| <b>Revenues</b>   |                   |                   |                   |
| Taxes and Other Unconditional Revenue (Schedule 1)                                    | 2,051,610         | 2,054,363         | 1,682,515         |
| Fees and Charges (Schedule 4, 5)  | 108,170           | 631,651           | 521,804           |
| Conditional Grants (Schedule 4, 5)  | 41,990            | 79,572            | 41,570            |
| Tangible Capital Asset Sales - Gain (Loss) (Schedule 4, 5)                            | 105,000           | 7,536             | (116,089)         |
| Land Sales - Gain (Schedule 4, 5)   | 77,000            | 77,660            | -                 |
| Investment Income and Commissions (Schedule 4, 5)                                     | 9,500             | 11,184            | 9,673             |
| Other Revenues (Schedule 4, 5)  | 32,800            | 55,513            | 37,723            |
| <b>Total Revenues</b>   | <b>2,426,070</b>  | <b>2,917,479</b>  | <b>2,177,196</b>  |
| <b>Expenses</b>   |                   |                   |                   |
| General Government Services (Schedule 3)  | 388,620           | 425,118           | 363,882           |
| Protective Services (Schedule 3)  | 283,070           | 282,664           | 203,661           |
| Transportation Services (Schedule 3)  | 1,697,190         | 1,164,175         | 1,246,947         |
| Environmental and Public Health Services (Schedule 3)                                 | 62,160            | 59,299            | 55,037            |
| Planning and Development Services (Schedule 3)  | 22,900            | 27,445            | 22,983            |
| Recreation and Cultural Services (Schedule 3)   | 134,090           | 71,745            | 107,269           |
| Utility Services (Schedule 3)   | 1,200             | 401,335           | 460,331           |
| <b>Total Expenses</b>   | <b>2,589,230</b>  | <b>2,431,781</b>  | <b>2,460,110</b>  |
| <b>Surplus (deficit) of Revenues over Expenses before Other Capital Contributions</b> | <b>(163,160)</b>  | <b>485,698</b>    | <b>(282,914)</b>  |
| Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)                   | 478,470           | 121,455           | 529,117           |
| <b>Surplus of Revenues over Expenses</b>  | <b>315,310</b>    | <b>607,153</b>    | <b>246,203</b>    |
| <b>Accumulated Surplus, Beginning of Year</b>   | <b>11,247,337</b> | <b>11,247,337</b> | <b>10,880,751</b> |
| <b>Change in proportionate interest in Utility (Note 9)</b>                           | <b>-</b>          | <b>(100,890)</b>  | <b>120,383</b>    |
| <b>Accumulated Surplus, End of Year</b>   | <b>11,562,647</b> | <b>11,753,600</b> | <b>11,247,337</b> |

**Rural Municipality of Buckland**  
**Consolidated Statement of Change in Net Financial Assets**  
**For the year ended December 31, 2011**

Statement 3

|   | 2011 Budget      | 2011             | 2010             |
|---|------------------|------------------|------------------|
| <b>Surplus</b>  | 315,310          | 607,153          | 246,203          |
| (Acquisition) of tangible capital assets                                | -                | (879,090)        | (868,892)        |
| Amortization of tangible capital assets                                 | -                | 461,004          | 378,730          |
| Proceeds on disposal of tangible capital assets                         | -                | 105,000          | 140,000          |
| Loss (gain) on the disposal of tangible capital assets                  | -                | (7,536)          | 116,089          |
| <b>Difference of capital expenses over expenditures</b>                 |                  | <b>(320,622)</b> | <b>(234,073)</b> |
| (Acquisition) of supplies inventories                                   | -                | (85,261)         | (187,959)        |
| (Acquisition) of prepaid expenses                                       | -                | (106,456)        | (9,846)          |
| Consumption of supplies inventory                                       | -                | 186,921          | 196,125          |
| Use of prepaid expenses   | -                | 9,846            | 15,028           |
| <b>Difference of other non-financial expenses over expenditures</b>     |                  | <b>5,050</b>     | <b>13,348</b>    |
| <b>Increase in Net Financial Assets</b>                                 | <b>315,310</b>   | <b>291,581</b>   | <b>25,478</b>    |
| <b>Net Financial Assets - Beginning of Year</b>                         | <b>820,220</b>   | <b>820,220</b>   | <b>806,913</b>   |
| <b>Change in proportionate interest in Utility in Net Debt (Note 9)</b> | <b>-</b>         | <b>8,959</b>     | <b>(12,171)</b>  |
| <b>Net Financial Assets - End of Year</b>                               | <b>1,135,530</b> | <b>1,120,760</b> | <b>820,220</b>   |

Rural Municipality of Buckland  
 Consolidated Statement of Cash Flow  
 For the year ended December 31, 2011

Statement 4

|   | 2011             | 2010             |
|---|------------------|------------------|
| <b>Cash provided by (used for) the following activities</b> |                  |                  |
| <b>Operating:</b>   |                  |                  |
| Surplus (Deficit)   | 607,153          | 246,203          |
| Amortization  | 461,004          | 378,730          |
| Loss (gain) on disposal of tangible capital assets          | (7,536)          | 116,089          |
|   | <u>1,060,621</u> | <u>741,022</u>   |
| <b>Change in assets/liabilities</b>                         |                  |                  |
| Taxes Receivable - Municipal                                | (1,604)          | 38,930           |
| <b>Other Receivables</b>                                    | <b>(67,925)</b>  | <b>(2,052)</b>   |
| Land for Resale   | 1,489            | (1,489)          |
| Accounts and accrued liabilities payable                    | 93,080           | (363,141)        |
| Deposits  | (947)            | 284              |
| Deferred Revenue  | 178,012          | (181,483)        |
| Other Liabilities   | (2,000)          | 1,500            |
| Stock and supplies for use                                  | 101,661          | 8,175            |
| Prepayments and Deferred Charges                            | (96,610)         | 5,182            |
| <b>Net cash from operations</b>                             | <b>1,265,777</b> | <b>246,928</b>   |
| <b>Capital:</b>   |                  |                  |
| Acquisition of tangible capital assets                      | (879,090)        | (868,892)        |
| Proceeds from the disposal of tangible capital assets       | 105,000          | 140,000          |
| <b>Net cash used for capital</b>                            | <b>(774,090)</b> | <b>(728,892)</b> |
| <b>Investing:</b>   |                  |                  |
| Water Utility subscriber loans advanced                     | (4,674)          | (124,864)        |
| Water Utility subscriber loans repaid                       | 53,274           | 142,369          |
| Loan receivable advanced                                    | (75,000)         | -                |
| Loan receivable repaid                                      | 25,000           | -                |
| <b>Net cash from investing</b>                              | <b>(1,400)</b>   | <b>17,505</b>    |
| <b>Financing:</b>   |                  |                  |
| Long-term debt issued                                       | -                | 62,832           |
| Long-term debt repaid                                       | (91,947)         | (99,224)         |
| <b>Net cash from financing</b>                              | <b>(91,947)</b>  | <b>(36,392)</b>  |
| <b>Increase (Decrease) in cash resources</b>                | <b>398,340</b>   | <b>(500,851)</b> |
| <b>Cash and Investments - Beginning of Year</b>             | <b>1,351,042</b> | <b>1,848,122</b> |
| <b>Change in proportionate interest in Utility in Cash</b>  | <b>(5,439)</b>   | <b>3,771</b>     |
| <b>Cash and Investments - End of Year</b>                   | <b>1,743,943</b> | <b>1,351,042</b> |



**Rural Municipality of Buckland**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2011**

**1. Significant accounting policies**

The consolidated financial statements of the municipality are prepared by management in accordance with 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:

| <u>Entity</u>                     | <u>Basis of Recording</u>                        |
|-----------------------------------|--|
| Prince Albert Rural Water Utility | 33.7% proportionate consolidation (2010 - 35.2%) |
| Buckland Recreation Board         | Consolidation                                    |

All inter-organizational transactions and balances have been eliminated. Changes in the proportionate interest in the Utility are recognized directly in accumulated surplus.

- b) **Collection of funds for other authorities:** Collection of funds by the municipality for the school board, municipal hail, Buckland Co-operative Volunteer Firefighters and conservation and development authorities are collected and remitted in accordance with relevant legislation. Amounts collected but not remitted are included in accounts payable.
- c) **Government Transfers:** Government transfers are recognized as either expenditures or revenues in the period that the events giving rise to the transfer occurred, as long as
- a) the transfer is authorized
  - b) eligibility criteria have been met by the recipient; and
  - c) a reasonable estimate of the amount can be made.

Unearned government transfer amounts received but not earned will be recorded as deferred revenue.

Earned government transfer amounts not received will be recorded as an amount receivable.

- d) **Deferred Revenue - Fees and charges:** Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.
- e) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- f) **Net-Financial Assets:** Net-Financial Assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.
- g) **Non-financial assets:** Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

**Rural Municipality of Buckland**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2011**

**1. Significant accounting policies - continued**

- 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) **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.
- j) **Tangible Capital Assets:** All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. 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       |
| <b>Vehicles &amp; Equipment</b> |                    |
| Vehicles                        | 5 to 10 Yrs        |
| Machinery and Equipment         | 5 to 10 Yrs        |
| <b>Infrastructure Assets</b>    |                    |
| <b>Infrastructure Assets</b>    |                    |
| Water & Sewer                   | 60 Yrs             |
| Road Network Assets             | 5 - 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.

**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.

**Rural Municipality of Buckland**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2011**

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

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

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

- l) **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.

**2. Cash and temporary investments**

|   | 2011             | 2010             |
|---|------------------|------------------|
| Cash  | 1,646,917        | 1,024,793        |
| Restricted cash                             | -                | 227,231          |
| Temporary Investments                       | 97,026           | 99,018           |
| <b>Total Cash and temporary investments</b> | <b>1,743,943</b> | <b>1,351,042</b> |

Cash and temporary investments include balances with banks, and short-term investments with maturities of three months or less.  
 Restricted cash relates to funds held in deferred revenue for the Federal Gas Tax Program.

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

|  | 2011           | 2010           |
|--|----------------|----------------|
| Municipal - Current  | 106,051        | 108,020        |
| - Arrears  | 42,071         | 38,498         |
| - Less Allowance for Uncollectibles                                      | (11,043)       | (11,043)       |
| <b>Total municipal taxes receivable</b>                                  | <b>137,079</b> | <b>135,475</b> |
| School - Current   | 92,776         | 106,395        |
| - Arrears  | 42,071         | 46,502         |
| <b>Total school taxes receivable</b>                                     | <b>134,847</b> | <b>152,897</b> |
| Other - Sask Municipal Hail, Sask Workers' Compensation Board            | 15,453         | 18,794         |
| <b>Total taxes and grants in lieu receivable</b>                         | <b>287,379</b> | <b>307,166</b> |
| Deduct taxes receivable to be collected on behalf of other organizations | (150,331)      | (171,722)      |
| <b>Municipal and grants in lieu taxes receivable</b>                     | <b>137,048</b> | <b>135,444</b> |

**Rural Municipality of Buckland**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2011**

|  | 2011           | 2010           |
|--|----------------|----------------|
| <b>4. Other Accounts Receivable</b>    |                |                |
| Federal government                     | 52,354         | 79,868         |
| Provincial government                  | 50,147         | -              |
| Local government                       | -              | -              |
| Utility                                | 115,223        | 81,197         |
| General                                | 34,867         | 27,077         |
| Other                                  | -              | -              |
| <b>Total Other Accounts Receivable</b> | <b>252,591</b> | <b>188,142</b> |
| Less Allowance for Uncollectibles      | -              | -              |
| <b>Net Other Accounts Receivable</b>   | <b>252,591</b> | <b>188,142</b> |

|   | 2011          | 2010          |
|---|---------------|---------------|
| <b>5. Land for Resale</b>                   |               |               |
| Tax Title Property                          | 16,941        | 21,053        |
| Deduct portion due to other tax authorities | (9,460)       | (12,094)      |
| Allowance for market value adjustment       | -             | -             |
| <b>Net Tax Title Property</b>               | <b>7,481</b>  | <b>8,959</b>  |
| Other land                                  | 59,429        | 59,429        |
| Allowance for market value adjustment       | -             | -             |
| <b>Net Other Land</b>                       | <b>59,429</b> | <b>59,429</b> |
| <b>Total Land for Resale</b>                | <b>66,910</b> | <b>68,388</b> |

**6. Loan receivable**

The loan is non-interest bearing and is repayable by May 30, 2016. Payments due are \$5,000 in 2013, \$15,000 in 2014, \$15,000 in 2015 and \$15,000 in 2016.

|   | 2011           | 2010           |
|---|----------------|----------------|
| <b>7. Deferred revenue</b>                    |                |                |
| Gas Tax - New Deal for Cities and Communities | 410,073        | 227,231        |
| Building Canada Fund - PARWU                  | 50,018         | 68,757         |
| Municipal Economic Enhancement Program (MEEP) | -              | -              |
| <b>Total Deferred Grant Revenue</b>           | <b>460,091</b> | <b>295,988</b> |
| Prepaid taxes                                 | 13,402         | 2,845          |
| <b>Total deferred revenue</b>                 | <b>473,493</b> | <b>298,833</b> |

**Rural Municipality of Buckland**

**Notes to the Consolidated Financial Statements**

**For the year ended December 31, 2011**

**8. Long-term debt**

Utility Services:

The bank loans are owed by the Prince Albert Rural Water Utility and have been included in these financial statements on proportionate consolidation basis. The total loans of the Utility are repayable in varying amounts, ranging from monthly to annual instalments at varying interest rates ranging from prime plus 1.00% to 5.29%

Principal repayment amounts based on the existing repayment schedule are approximately:

| Year           | Principal      |
|----------------|----------------|
| 2012           | 74,565         |
| 2013           | 74,565         |
| 2014           | 74,565         |
| 2015           | 53,772         |
| 2016           | 51,363         |
| Thereafter     | 54,907         |
| <b>Balance</b> | <b>383,737</b> |

Long-term debt of the Utility totalling \$1,138,686 (2010 - \$1,393,703) is guaranteed by the Rural Municipalities of Buckland, Prince Albert and Duck Lake.

**9. Government partnership**

The financial position and results of operations of the Prince Albert Rural Water Utility as at and for the year ended December 31, 2011 are summarized as follows of which the RM of Bucklands proportionate share is 33.7%.

**Assets**

|                                |         |         |
|--------------------------------|---------|---------|
| Cash and temporary investments | 417,867 | 362,589 |
| Subscriber custom work         | 70,426  | -       |
| Subscriber loans receivable    | 492,705 | 636,920 |
| Utility billings receivable    | 307,635 | 211,986 |
| Other accounts receivable      | 34,273  | 19,757  |

Total financial assets 1,322,906 1,231,252

**Liabilities**

|  |           |           |
|--|-----------|-----------|
| Accounts payable & accrued liabilities | 315,220   | 177,724   |
| Deferred revenue                       | 175,020   | 223,488   |
| Long term debt                         | 1,138,686 | 1,393,703 |
| Lease obligations                      | 15,680    | 33,476    |

Total liabilities 1,644,606 1,828,391

Net debt (321,700) (597,139)

**Non-financial assets**

|                         |           |           |
|-------------------------|-----------|-----------|
| Tangible capital assets | 7,280,220 | 7,254,453 |
| Inventory               | 81,297    | 68,663    |
| Prepaid expense         | 14,547    | -         |

Total non-financial assets 7,376,064 7,323,116

Accumulated surplus 7,054,364 6,725,977

**Change in accumulated surplus**

|          |           |           |
|----------|-----------|-----------|
| Revenues | 1,515,939 | 1,342,187 |
| Expenses | 1,187,552 | 1,304,396 |

Surplus of revenues over expenses 328,387 37,791

**Rural Municipality of Buckland**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2011**

**9. Government partnership - continued**

The change in the Municipality's proportionate share of the Utility from 35.2% in 2010 to 33.7% in 2011 has resulted in an increase in net debt of the Utility in the amount of \$8,959, a decrease in appropriated Utility reserve of \$9,364 and a decrease in tangible capital assets of \$108,818 for a total decrease in the Accumulated Surplus of \$100,890.

The decrease to the Tangible Capital Asset reserve on Schedule 8 of \$108,818 consists of a decrease in the opening asset costs of \$137,579, and a decrease in the opening accumulated amortization of \$28,761, as shown on Schedules 6 and 7.

**10. Lease obligations**

Leases are owed by the Prince Albert Rural Water Utility and have been included in these financial statements on proportionate consolidation basis. Future minimum lease payments under the capital leases together with the balance of the obligation due under the capital leases are as follows:

|                                     | <b>Year</b> | <b>Principal</b> |
|-------------------------------------|-------------|------------------|
|                                     | <b>2012</b> | 5,284            |
| Total future minimum lease payments |             | <u>5,284</u>     |

**11. Budget information**

During the year, the Council approved its operating budget based on planned expenses relating to the current year funding and other current year sources of revenue. The budget balances have been attached for information purposes only and are unaudited.

**12. Recent accounting pronouncement**

***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, 2012. The Municipality expects to apply the section for its financial statements dated December 31, 2013. The Municipality has not yet determined the effect adopting PS 3450 will have on its financial statements.







**Rural Municipality of Buckland**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2011**

**12. Recent accounting pronouncement - continue**

*Government transfers*

In March 2011, the Public Sector Accounting Board replaced and revised existing section PS 3410 Government Transfers with a newly amended section PS 3410. Newly issued PS 3410 establishes standards on how to account for and report government transfers from both a transferring government and a recipient government perspective. This section permits a recipient government to recognize government transfers as revenue when the transfer is authorized by the transferring government, unless the transfer creates a liability for the recipient. A liability is created as a result of the recipient government not yet meeting eligibility criteria or by the existence of stipulations in the transfer agreement. When a government transfer results in recognition of a liability, revenue is recognized by a recipient government as the liability is settled. Newly revised and issued PS 3410 may be applied prospectively or retroactively and is effective for fiscal years beginning on or after April 1, 2012. The Municipality expects to apply newly issued PS 3410 for its financial statements dated December 31, 2013. PS 3410 will be applied prospectively and the Municipality does not expect the adoption of the newly issued section to have a material impact on its financial statements.

**13. Line of Credit**

At December 31, 2011, the Municipality had a line of credit totaling \$100,000, none of which was drawn. The line of credit is secured by an assignment of taxes and grants.

**14. Commitment**

The Municipality has committed to funding a project of the Prince Albert Parkland Health Region, in the amount of \$60,000 per year for a period of 5 years.

**15. Comparative figures**

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

Rural Municipality of Buckland  
 Schedule of Taxes and Other Unconditional Revenue  
 For the year ended December 31, 2011

Schedule 1

|                                | 2011 Budget      | 2011             | 2010             |
|--------------------------------|------------------|------------------|------------------|
| <b>TAXES</b>                   |                  |                  |                  |
| General municipal tax levy     | 1,676,220        | 1,676,228        | 1,494,834        |
| Abatements and adjustments     | (2,340)          | (2,673)          | (2,599)          |
| Discount on current year taxes | (105,000)        | (113,710)        | (92,326)         |
| <b>Net Municipal Taxes</b>     | <b>1,568,880</b> | <b>1,559,845</b> | <b>1,399,909</b> |
| Potash tax share               |                  | -                | -                |
| Trailer license fees           | 10,170           | 16,407           | 13,851           |
| Penalties on tax arrears       | 7,500            | 7,728            | 7,575            |
| Special tax levy               | -                | -                | -                |
| Other                          | 1,260            | 1,456            | 1,581            |
| <b>Total Taxes</b>             | <b>1,587,810</b> | <b>1,585,436</b> | <b>1,422,916</b> |

**UNCONDITIONAL GRANTS**

|                                   |                |                |                |
|-----------------------------------|----------------|----------------|----------------|
| Equalization (Revenue Sharing)    | 415,200        | 415,477        | 210,989        |
| Organized Hamlet                  | -              | -              | -              |
| Other                             | -              | -              | -              |
| <b>Total Unconditional Grants</b> | <b>415,200</b> | <b>415,477</b> | <b>210,989</b> |

**GRANTS IN LIEU OF TAXES**

|                                      |               |               |               |
|--------------------------------------|---------------|---------------|---------------|
| Federal                              | 18,800        | 20,778        | 18,799        |
| Provincial                           |               |               |               |
| S.P.C. Electrical                    | 29,800        | 32,672        | 29,811        |
| SaskEnergy Gas                       | -             | -             | -             |
| Transgas                             | -             | -             | -             |
| SPMC - Municipal Share               | -             | -             | -             |
| Sasktel                              | -             | -             | -             |
| Other                                | -             | -             | -             |
| Local/Other                          |               |               |               |
| Housing Authority                    | -             | -             | -             |
| C.P.R. Mainline                      | -             | -             | -             |
| Treaty Land Entitlement              | -             | -             | -             |
| Other                                | -             | -             | -             |
| Other Government Transfers           |               |               |               |
| S.P.C. Surcharge                     | -             | -             | -             |
| Sask Energy Surcharge                | -             | -             | -             |
| Other                                | -             | -             | -             |
| <b>Total Grants in Lieu of Taxes</b> | <b>48,600</b> | <b>53,450</b> | <b>48,610</b> |

|  |                  |                  |                  |
|--|------------------|------------------|------------------|
| <b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b> | <b>2,051,610</b> | <b>2,054,363</b> | <b>1,682,515</b> |
|--|------------------|------------------|------------------|

Rural Municipality of Buckland  
 Schedule of Operating and Capital Revenue by Function  
 For the year ended December 31, 2011

Schedule 2 - 1

|   | 2011 Budget    | 2011           | 2010          |
|---|----------------|----------------|---------------|
| <b>GENERAL GOVERNMENT SERVICES</b>                |                |                |               |
| <b>Operating</b>                                  |                |                |               |
| Other Segmented Revenue                           | -              | -              | -             |
| Fees and Charges                                  | -              | -              | -             |
| - Custom work                                     | 34,000         | 47,688         | 1,920         |
| - Sales of supplies                               | 2,200          | 2,153          | 2,351         |
| - Other   | 28,170         | 30,535         | 32,311        |
| Total Fees and Charges                            | 64,370         | 80,376         | 36,582        |
| - Tangible capital asset sales - gain (loss)      | -              | -              | -             |
| - Land sales - gain                               | 77,000         | 77,660         | -             |
| - Investment income and commissions               | 9,500          | 11,184         | 9,673         |
| - Other   | 300            | 150            | -             |
| Total Other Segmented Revenue                     | 151,170        | 169,370        | 46,255        |
| Conditional Grants                                |                |                |               |
| - Student Employment                              | -              | -              | -             |
| - Other   | -              | 24,270         | -             |
| Total Conditional Grants                          | -              | 24,270         | -             |
| <b>Total Operating</b>                            | <b>151,170</b> | <b>193,640</b> | <b>46,255</b> |
| <b>Capital</b>                                    |                |                |               |
| Conditional Grants                                |                |                |               |
| - Gas Tax   | -              | -              | -             |
| - Canada/Sask Municipal Rural Infrastructure Fund | -              | -              | -             |
| - Provincial Disaster Assistance                  | -              | -              | -             |
| - Other   | -              | -              | -             |
| <b>Total Capital</b>                              | <b>-</b>       | <b>-</b>       | <b>-</b>      |
| <b>Total General Government Services</b>          | <b>151,170</b> | <b>193,640</b> | <b>46,255</b> |

**PROTECTIVE SERVICES**

|  |          |          |              |
|--|----------|----------|--------------|
| <b>Operating</b>                             |          |          |              |
| Other Segmented Revenue                      |          |          |              |
| Fees and Charges                             |          |          |              |
| - Other                                      | -        | -        | 3,560        |
| Total Fees and Charges                       | -        | -        | 3,560        |
| - Tangible capital asset sales - gain (loss) | -        | -        | -            |
| - Other                                      | -        | -        | -            |
| Total Other Segmented Revenue                | -        | -        | 3,560        |
| Conditional Grants                           |          |          |              |
| - Student Employment                         | -        | -        | -            |
| - Local government                           | -        | -        | -            |
| - Other                                      | -        | -        | -            |
| Total Conditional Grants                     | -        | -        | -            |
| <b>Total Operating</b>                       | <b>-</b> | <b>-</b> | <b>3,560</b> |
| <b>Capital</b>                               |          |          |              |
| Conditional Grants                           |          |          |              |
| - Gas Tax                                    | -        | -        | -            |
| - Provincial Disaster Assistance             | -        | -        | -            |
| - Local government                           | -        | -        | -            |
| - Other                                      | -        | -        | -            |
| <b>Total Capital</b>                         | <b>-</b> | <b>-</b> | <b>-</b>     |
| <b>Total Protective Services</b>             | <b>-</b> | <b>-</b> | <b>3,560</b> |

Rural Municipality of Buckland  
 Schedule of Operating and Capital Revenue by Function  
 For the year ended December 31, 2011

Schedule 2 - 2

|   | 2011 Budget    | 2011           | 2010            |
|---|----------------|----------------|-----------------|
| <b>TRANSPORTATION SERVICES</b>                    |                |                |                 |
| <b>Operating</b>                                  |                |                |                 |
| Other Segmented Revenue                           |                |                |                 |
| Fees and Charges                                  |                |                |                 |
| - Custom work                                     | -              | -              | -               |
| - Sales of supplies                               | 700            | 2,155          | 760             |
| - Road Maintenance and Restoration Agreements     | -              | -              | -               |
| - Frontage  | -              | -              | -               |
| - Other   | 300            | 612            | 1,257           |
| Total Fees and Charges                            | 1,000          | 2,767          | 2,017           |
| - Tangible capital asset sales - gain (loss)      | 105,000        | 7,536          | (116,089)       |
| - Other (Specify)                                 | -              | -              | -               |
| Total Other Segmented Revenue                     | 106,000        | 10,303         | (114,072)       |
| Conditional Grants                                |                |                |                 |
| - Primary Weight Corridor                         | 32,500         | 32,500         | 32,500          |
| - Student Employment                              | -              | -              | -               |
| - Other   | -              | -              | -               |
| Total Conditional Grants                          | 32,500         | 32,500         | 32,500          |
| <b>Total Operating</b>                            | <b>138,500</b> | <b>42,803</b>  | <b>(81,572)</b> |
| <b>Capital</b>                                    |                |                |                 |
| Conditional Grants                                |                |                |                 |
| - Gas Tax   | -              | 29,313         | 84,094          |
| - Canada/Sask Municipal Rural Infrastructure Fund | -              | -              | -               |
| - Heavy Haul                                      | -              | -              | -               |
| - Designated Municipal Roads and Bridges          | -              | -              | -               |
| - Provincial Disaster Assistance                  | -              | -              | -               |
| - Other (Building Canada Fund, MEEP)              | 150,800        | 91,492         | 443,311         |
| <b>Total Capital</b>                              | <b>150,800</b> | <b>120,805</b> | <b>527,405</b>  |
| <b>Total Transportation Services</b>              | <b>289,300</b> | <b>163,608</b> | <b>445,833</b>  |

**ENVIRONMENTAL AND PUBLIC HEALTH SERVICES**

|   |               |               |               |
|---|---------------|---------------|---------------|
| <b>Operating</b>                                      |               |               |               |
| Other Segmented Revenue                               |               |               |               |
| Fees and Charges                                      |               |               |               |
| - Waste and Disposal Fees                             | 18,000        | 15,990        | 12,610        |
| - Other   | 2,500         | 4,128         | 2,206         |
| Total Fees and Charges                                | 20,500        | 20,118        | 14,816        |
| - Tangible capital asset sales - gain (loss)          | -             | -             | -             |
| - Other   | -             | -             | -             |
| Total Other Segmented Revenue                         | 20,500        | 20,118        | 14,816        |
| Conditional Grants                                    |               |               |               |
| - Student Employment                                  | -             | -             | -             |
| - Local government                                    | 1,500         | 5,454         | 1,498         |
| - Other   | -             | -             | -             |
| Total Conditional Grants                              | 1,500         | 5,454         | 1,498         |
| <b>Total Operating</b>                                | <b>22,000</b> | <b>25,572</b> | <b>16,314</b> |
| <b>Capital</b>  |               |               |               |
| Conditional Grants                                    |               |               |               |
| - Gas Tax   | -             | -             | -             |
| - Canada/Sask Municipal Rural Infrastructure Fund     | -             | -             | -             |
| - Transit for Disabled                                | -             | -             | -             |
| - Provincial Disaster Assistance                      | -             | -             | -             |
| - Other   | -             | -             | -             |
| <b>Total Capital</b>                                  | <b>-</b>      | <b>-</b>      | <b>-</b>      |
| <b>Total Environmental and Public Health Services</b> | <b>22,000</b> | <b>25,572</b> | <b>16,314</b> |

**Rural Municipality of Buckland**  
**Schedule of Operating and Capital Revenue by Function**  
**For the year ended December 31, 2011**

Schedule 2 - 3

**PLANNING AND DEVELOPMENT SERVICES**

**2011 Budget      2011      2010**

**Operating**

|  |               |               |               |
|--|---------------|---------------|---------------|
| Other Segmented Revenue                      |               |               |               |
| Fees and Charges                             |               |               |               |
| - Maintenance and Development Charges        | 5,000         | 13,084        | 500           |
| - Other                                      | 17,300        | 40,060        | 17,337        |
| Total Fees and Charges                       | 22,300        | 53,144        | 17,837        |
| - Tangible capital asset sales - gain (loss) | -             | -             | -             |
| - Other                                      | -             | -             | -             |
| Total Other Segmented Revenue                | 22,300        | 53,144        | 17,837        |
| Conditional Grants                           |               |               |               |
| - Student Employment                         | -             | -             | -             |
| - Other                                      | -             | -             | -             |
| Total Conditional Grants                     | -             | -             | -             |
| <b>Total Operating</b>                       | <b>22,300</b> | <b>53,144</b> | <b>17,837</b> |

**Capital**

|                                  |          |          |          |
|----------------------------------|----------|----------|----------|
| Conditional Grants               |          |          |          |
| - Gas Tax                        | -        | -        | -        |
| - Provincial Disaster Assistance | -        | -        | -        |
| - Other                          | -        | -        | -        |
| <b>Total Capital</b>             | <b>-</b> | <b>-</b> | <b>-</b> |

**Total Planning and Development Services**

**22,300      53,144      17,837**

**RECREATION AND CULTURAL SERVICES**

**Operating**

|  |               |               |               |
|--|---------------|---------------|---------------|
| Other Segmented Revenue                      |               |               |               |
| Fees and Charges                             |               |               |               |
| - Other                                      | -             | -             | -             |
| Total Fees and Charges                       | -             | -             | -             |
| - Tangible capital asset sales - gain (loss) | -             | -             | -             |
| - Other                                      | 32,500        | 37,085        | 19,838        |
| Total Other Segmented Revenue                | 32,500        | 37,085        | 19,838        |
| Conditional Grants                           |               |               |               |
| - Student Employment                         | -             | -             | -             |
| - Local government                           | -             | -             | -             |
| - Donations                                  | -             | -             | -             |
| - Other                                      | -             | -             | -             |
| Total Conditional Grants                     | -             | -             | -             |
| <b>Total Operating</b>                       | <b>32,500</b> | <b>37,085</b> | <b>19,838</b> |

**Capital**

|                                  |          |          |          |
|----------------------------------|----------|----------|----------|
| Conditional Grants               |          |          |          |
| - Gas Tax                        | -        | -        | -        |
| - Local government               | -        | -        | -        |
| - Provincial Disaster Assistance | -        | -        | -        |
| - Other                          | -        | -        | -        |
| <b>Total Capital</b>             | <b>-</b> | <b>-</b> | <b>-</b> |

**Total Recreation and Cultural Services**

**32,500      37,085      19,838**

Rural Municipality of Buckland  
 Schedule of Operating and Capital Revenue by Function  
 For the year ended December 31, 2011

Schedule 2 - 4

|  | 2011 Budget | 2011           | 2010           |
|--|-------------|----------------|----------------|
| <b>UTILITY SERVICES</b>                      |             |                |                |
| <b>Operating</b>                             |             |                |                |
| Other Segmented Revenue                      |             |                |                |
| Fees and Charges                             |             |                |                |
| - Water                                      | -           | 475,246        | 446,992        |
| - Sewer                                      | -           | -              | -              |
| - Other                                      | -           | -              | -              |
| Total Fees and Charges                       | -           | 475,246        | 446,992        |
| - Tangible capital asset sales - gain (loss) | -           | -              | -              |
| - Other                                      | -           | 18,278         | 17,885         |
| Total Other Segmented Revenue                | -           | 493,524        | 464,877        |
| Conditional Grants                           |             |                |                |
| - Student Employment                         | -           | -              | -              |
| - Other                                      | -           | 17,348         | 7,572          |
| Total Conditional Grants                     | -           | 17,348         | 7,572          |
| <b>Total Operating</b>                       | -           | <b>510,872</b> | <b>472,449</b> |
| <b>Capital</b>                               |             |                |                |
| Conditional Grants                           |             |                |                |
| - Gas Tax                                    | -           | -              | -              |
| - Sask Water Corp.                           | 650         | 650            | 1,712          |
| - Provincial Disaster Assistance             | -           | -              | -              |
| - Other                                      | -           | -              | -              |
| <b>Total Capital</b>                         | <b>650</b>  | <b>650</b>     | <b>1,712</b>   |
| <b>Total Utility Services</b>                | <b>650</b>  | <b>511,522</b> | <b>474,161</b> |

|  |                |                |                  |
|--|----------------|----------------|------------------|
| <b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b> | <b>827,210</b> | <b>984,571</b> | <b>1,023,798</b> |
|--|----------------|----------------|------------------|

**SUMMARY**

|  |                |                |                  |
|--|----------------|----------------|------------------|
| Total Other Segmented Revenue                          | 306,750        | 783,544        | 453,111          |
| Total Conditional Grants                               | 41,990         | 79,572         | 41,570           |
| Total Capital Grants and Contributions                 | 478,470        | 121,455        | 529,117          |
| <b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b> | <b>827,210</b> | <b>984,571</b> | <b>1,023,798</b> |



Rural Municipality of Buckland

Total Expenses by Function

For the year ended December 31, 2011

Schedule 3 - 2

|   | 2011 Budget   | 2011          | 2010          |
|---|---------------|---------------|---------------|
| <b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>       |               |               |               |
| Wages and benefits                                    | -             | -             | -             |
| Professional/Contractual services                     | 59,960        | 56,705        | 52,924        |
| Utilities   | -             | -             | -             |
| Maintenance, materials and supplies                   | 2,200         | 2,594         | 2,113         |
| Grants and contributions - operating                  | -             | -             | -             |
| o Waste disposal                                      | -             | -             | -             |
| o Public Health                                       | -             | -             | -             |
| - capital   | -             | -             | -             |
| o Waste disposal                                      | -             | -             | -             |
| o Public Health                                       | -             | -             | -             |
| Amortization  | -             | -             | -             |
| Interest  | -             | -             | -             |
| Other   | -             | -             | -             |
| <b>Total Environmental and Public Health Services</b> | <b>62,160</b> | <b>59,299</b> | <b>55,037</b> |

**PLANNING AND DEVELOPMENT SERVICES**

|  |               |               |               |
|--|---------------|---------------|---------------|
| Wages and benefits                             | -             | -             | -             |
| Professional/Contractual Services              | 22,900        | 26,280        | 22,983        |
| Grants and contributions - operating           | -             | -             | -             |
| - capital                                      | -             | -             | -             |
| Amortization                                   | -             | -             | -             |
| Interest                                       | -             | -             | -             |
| Other  | -             | 1,165         | -             |
| <b>Total Planning and Development Services</b> | <b>22,900</b> | <b>27,445</b> | <b>22,983</b> |

**RECREATION AND CULTURAL SERVICES**

|   |                |               |                |
|---|----------------|---------------|----------------|
| Wages and benefits                            | -              | -             | -              |
| Professional/Contractual services             | -              | -             | -              |
| Utilities                                     | -              | -             | -              |
| Maintenance, materials and supplies           | 500            | -             | 320            |
| Grants and contributions - operating          | 96,780         | 34,935        | 70,139         |
| - capital                                     | -              | -             | -              |
| Amortization                                  | -              | -             | -              |
| Interest                                      | -              | -             | -              |
| Allowance for uncollectibles                  | -              | -             | -              |
| Other   | 36,810         | 36,810        | 36,810         |
| <b>Total Recreation and Cultural Services</b> | <b>134,090</b> | <b>71,745</b> | <b>107,269</b> |



Rural Municipality of Buckland

Total Expenses by Function

For the year ended December 31, 2011

Schedule 3 - 3

|                                      | 2011 Budget      | 2011             | 2010             |
|--------------------------------------|------------------|------------------|------------------|
| <b>UTILITY SERVICES</b>              |                  |                  |                  |
| Wages and benefits                   | -                | 82,694           | 112,863          |
| Professional/Contractual services    | -                | 9,632            | 14,319           |
| Utilities                            | -                | 13,077           | 16,963           |
| Maintenance, materials and supplies  | 1,200            | 40,874           | 58,186           |
| Grants and contributions - operating | -                | -                | -                |
| - capital                            | -                | -                | -                |
| Amortization                         | -                | 73,120           | 79,038           |
| Interest                             | -                | 20,411           | 22,478           |
| Allowance for uncollectibles         | -                | -                | -                |
| Other (water purchases)              | -                | 161,527          | 156,484          |
| <b>Total Utility Services</b>        | <b>1,200</b>     | <b>401,335</b>   | <b>460,331</b>   |
| <b>TOTAL EXPENSES BY FUNCTION</b>    | <b>2,380,580</b> | <b>2,431,781</b> | <b>2,460,110</b> |

Rural Municipality of Buckland  
 Consolidated Schedule of Segment Disclosure by Function  
 For the year ended December 31, 2011

Schedule 4

|   | General Government | Protective Services | Transportation Services | Environmental & Public Health | Planning and Development | Recreation and Culture | Utility Services | Total              |
|---|--------------------|---------------------|-------------------------|-------------------------------|--------------------------|------------------------|------------------|--------------------|
| <b>Revenues (Schedule 2)</b>                          |                    |                     |                         |                               |                          |                        |                  |                    |
| Fees and Charges                                      | 80,376             | -                   | 2,767                   | 20,118                        | 53,144                   | -                      | 475,246          | 631,651            |
| Tangible Capital Asset Sales - Gain                   | -                  | -                   | 7,536                   | -                             | -                        | -                      | -                | 7,536              |
| Land Sales - Gain                                     | 77,660             | -                   | -                       | -                             | -                        | -                      | -                | 77,660             |
| Investment Income and Commissions                     | 11,184             | -                   | -                       | -                             | -                        | -                      | -                | 11,184             |
| Other Revenues  | 150                | -                   | -                       | -                             | -                        | 37,085                 | 18,278           | 55,513             |
| Grants - Conditional                                  | 24,270             | -                   | 32,500                  | 5,454                         | -                        | -                      | 17,348           | 79,572             |
| - Capital   | -                  | -                   | 120,805                 | -                             | -                        | -                      | 650              | 121,455            |
| <b>Total revenues</b>                                 | <b>193,640</b>     | <b>-</b>            | <b>163,608</b>          | <b>25,572</b>                 | <b>53,144</b>            | <b>37,085</b>          | <b>511,522</b>   | <b>984,571</b>     |
| <b>Expenses (Schedule 3)</b>                          |                    |                     |                         |                               |                          |                        |                  |                    |
| Wages & Benefits                                      | 199,560            | -                   | 339,859                 | -                             | -                        | -                      | 82,694           | 622,113            |
| Professional/ Contractual Services                    | 86,393             | 204,064             | 117,044                 | 56,705                        | 26,280                   | -                      | 9,632            | 500,118            |
| Utilities   | 12,024             | -                   | 22,766                  | -                             | -                        | -                      | 13,077           | 47,867             |
| Maintenance Materials and Supplies                    | 54,954             | -                   | 342,793                 | 2,594                         | -                        | -                      | 40,874           | 441,215            |
| Grants and Contributions                              | -                  | 78,600              | -                       | -                             | -                        | 34,935                 | -                | 113,535            |
| Amortization  | 46,172             | -                   | 341,713                 | -                             | -                        | -                      | 73,120           | 461,005            |
| Interest  | -                  | -                   | -                       | -                             | -                        | -                      | 20,411           | 20,411             |
| Allowance for Uncollectibles                          | -                  | -                   | -                       | -                             | -                        | -                      | -                | -                  |
| Other   | 26,015             | -                   | -                       | -                             | 1,165                    | 36,810                 | 161,527          | 225,517            |
| <b>Total expenses</b>                                 | <b>425,118</b>     | <b>282,664</b>      | <b>1,164,175</b>        | <b>59,299</b>                 | <b>27,445</b>            | <b>71,745</b>          | <b>401,335</b>   | <b>2,431,781</b>   |
| <b>Surplus (Deficit) by Function</b>                  | <b>(231,478)</b>   | <b>(282,664)</b>    | <b>(1,000,567)</b>      | <b>(33,727)</b>               | <b>25,699</b>            | <b>(34,660)</b>        | <b>110,187</b>   | <b>(1,447,210)</b> |
| Taxation and other unconditional revenue (Schedule 1) |                    |                     |                         |                               |                          |                        |                  | 2,054,363          |
| <b>Net Surplus (Deficit)</b>                          |                    |                     |                         |                               |                          |                        |                  | <b>607,153</b>     |

Rural Municipality of Buckland  
 Consolidated Schedule of Segment Disclosure by Function  
 For The Year Ended December 31, 2010

|   | General Government | Protective Services | Transportation Services | Environmental & Public Health | Planning and Development | Recreation and Culture | Utility Services | Total (restated)   |
|---|--------------------|---------------------|-------------------------|-------------------------------|--------------------------|------------------------|------------------|--------------------|
| <b>Revenues (Schedule 2)</b>                          |                    |                     |                         |                               |                          |                        |                  |                    |
| Fees and Charges                                      | 36,582             | 3,560               | 2,017                   | 14,816                        | 17,837                   | -                      | 446,992          | 521,804            |
| Tangible Capital Asset Sales - Gain                   | -                  | -                   | (116,089)               | -                             | -                        | -                      | -                | (116,089)          |
| Land Sales - Gain                                     | -                  | -                   | -                       | -                             | -                        | -                      | -                | -                  |
| Investment Income and Commissions                     | 9,673              | -                   | -                       | -                             | -                        | -                      | -                | 9,673              |
| Other Revenues  | -                  | -                   | -                       | -                             | -                        | 19,838                 | 17,885           | 37,723             |
| Grants - Conditional                                  | -                  | -                   | 32,500                  | 1,498                         | -                        | -                      | 7,572            | 41,570             |
| - Capital   | -                  | -                   | 527,405                 | -                             | -                        | -                      | 1,712            | 529,117            |
| <b>Total revenues</b>                                 | <b>46,255</b>      | <b>3,560</b>        | <b>445,833</b>          | <b>16,314</b>                 | <b>17,837</b>            | <b>19,838</b>          | <b>474,161</b>   | <b>1,023,798</b>   |
| <b>Expenses (Schedule 3)</b>                          |                    |                     |                         |                               |                          |                        |                  |                    |
| Wages & Benefits                                      | 188,121            | -                   | 376,821                 | -                             | -                        | -                      | 112,863          | 677,805            |
| Professional/ Contractual Services                    | 67,544             | 200,261             | 36,974                  | 52,924                        | 22,983                   | -                      | 14,319           | 395,005            |
| Utilities   | 13,432             | -                   | 22,860                  | -                             | -                        | -                      | 16,963           | 53,255             |
| Maintenance Materials and Supplies                    | 35,709             | -                   | 543,659                 | 2,113                         | -                        | 320                    | 58,186           | 639,987            |
| Grants and Contributions                              | -                  | 3,200               | -                       | -                             | -                        | 70,139                 | -                | 73,339             |
| Amortization  | 46,172             | -                   | 253,520                 | -                             | -                        | -                      | 79,038           | 378,730            |
| Interest  | -                  | -                   | -                       | -                             | -                        | -                      | 22,478           | 22,478             |
| Allowance for Uncollectibles                          | -                  | -                   | -                       | -                             | -                        | -                      | -                | -                  |
| Other   | 12,904             | 200                 | 13,113                  | -                             | -                        | 36,810                 | 156,484          | 219,511            |
| <b>Total expenses</b>                                 | <b>363,882</b>     | <b>203,661</b>      | <b>1,246,947</b>        | <b>55,037</b>                 | <b>22,983</b>            | <b>107,269</b>         | <b>460,331</b>   | <b>2,460,110</b>   |
| <b>Surplus (Deficit) by Function</b>                  | <b>(317,627)</b>   | <b>(200,101)</b>    | <b>(801,114)</b>        | <b>(38,723)</b>               | <b>(5,146)</b>           | <b>(87,431)</b>        | <b>13,830</b>    | <b>(1,436,312)</b> |
| Taxation and other unconditional revenue (Schedule 1) |                    |                     |                         |                               |                          |                        |                  | 1,682,515          |
| <b>Net Surplus (Deficit)</b>                          |                    |                     |                         |                               |                          |                        |                  | <b>246,203</b>     |

Rural Municipality of Buckland  
 Consolidated Schedule of Tangible Capital Assets by Object  
 For the year ended December 31, 2011

|  | 2011           |                   |                  |                |                       |  | 2010   |                   |
|--|----------------|-------------------|------------------|----------------|-----------------------|--|--|-------------------|
|  | Land           | Land Improvements | Buildings        | Vehicles       | Machinery & Equipment | Infrastructure Assets<br>Linear assets | General/<br>Infrastructure<br>Assets Under<br>Construction | Total             |
| <b>Asset cost</b>  |                |                   |                  |                |                       |  |  |                   |
| Opening Asset costs  | 395,088        | 6,075             | 1,854,195        | 43,094         | 1,709,647             | 13,639,911                             | 2,710  | 17,018,203        |
| Opening Asset adjustments for change in proportionate interest in Utility (Note 9)                   | (348)          | (259)             | (483)            | (1,539)        | (18,756)              | (116,078)                              | (116)  | 157,356           |
| Additions during the year  | -              | 37,858            | -                | 106,688        | 432,160               | 296,716                                | 5,668  | 868,892           |
| Disposals and write-downs during the year  |                |                   |                  |                | (188,072)             | (53,225)                               |  | (393,731)         |
| Transfers (from) assets under construction   | 2,595          |                   |                  |                |                       |  | (2,595)  | -                 |
| <b>Closing Asset Costs</b>   | <b>397,335</b> | <b>43,674</b>     | <b>1,853,712</b> | <b>148,243</b> | <b>1,934,979</b>      | <b>13,767,324</b>                      | <b>5,667</b>   | <b>17,650,720</b> |
| <b>Accumulated Amortization Cost</b>   |                |                   |                  |                |                       |  |  |                   |
| Opening Accumulated Amortization Costs   | -              | 607               | 419,019          | 19,504         | 405,356               | 6,576,915                              | -  | 7,154,425         |
| Opening Accumulated Amortization adjustment for change in proportionate interest in Utility (Note 9) | -              | (26)              | (19)             | (811)          | (2,494)               | (25,411)                               | -  | 24,990            |
| Add: Amortization taken  | -              | 291               | 46,389           | 4,625          | 148,931               | 260,768                                | -  | 378,730           |
| Less: Accumulated amortization on disposals  | -              |                   |                  |                | (94,026)              | (49,807)                               | -  | (136,744)         |
| <b>Closing Accumulated Amortization Costs</b>  | <b>-</b>       | <b>872</b>        | <b>465,389</b>   | <b>23,318</b>  | <b>457,767</b>        | <b>6,762,465</b>                       | <b>-</b>   | <b>7,421,401</b>  |
| <b>Net Book Value</b>  | <b>397,335</b> | <b>42,802</b>     | <b>1,388,323</b> | <b>124,925</b> | <b>1,477,212</b>      | <b>7,004,859</b>                       | <b>5,667</b>   | <b>10,229,319</b> |

Rural Municipality of Buckland  
 Consolidated Schedule of Tangible Capital Assets by Function  
 For the year ended December 31, 2011

Schedule 7

|  | 2011               |                     |                         |                               |                        |                      | 2010             |                   |                   |
|--|--------------------|---------------------|-------------------------|-------------------------------|------------------------|----------------------|------------------|-------------------|-------------------|
|  | General Government | Protective Services | Transportation Services | Environmental & Public Health | Planning & Development | Recreation & Culture | Water & Sewer    | Total             | Total             |
| <b>Asset cost</b>  |                    |                     |                         |                               |                        |                      |                  |                   |                   |
| Opening Asset costs  | 2,229,774          | -                   | 12,299,311              | -                             | -                      | -                    | 3,121,635        | 17,650,720        | 17,018,203        |
| Opening Asset adjustments for change in proportionate interest in Utility (Note 9)                   | -                  | -                   | -                       | -                             | -                      | -                    | (137,579)        | (137,579)         | 157,356           |
| Additions during the year  | -                  | -                   | 797,286                 | -                             | -                      | -                    | 81,804           | 879,090           | 868,892           |
| Disposals and write-downs during the year  | -                  | -                   | (241,297)               | -                             | -                      | -                    | -                | (241,297)         | (393,731)         |
| <b>Closing Asset Costs</b>   | <b>2,229,774</b>   | <b>-</b>            | <b>12,855,300</b>       | <b>-</b>                      | <b>-</b>               | <b>-</b>             | <b>3,065,860</b> | <b>18,150,934</b> | <b>17,650,720</b> |
| <b>Accumulated Amortization Cost</b>   |                    |                     |                         |                               |                        |                      |                  |                   |                   |
| Opening Accumulated Amortization Costs   | 418,566            | -                   | 6,436,010               | -                             | -                      | -                    | 566,825          | 7,421,401         | 7,154,425         |
| Opening Accumulated Amortization adjustment for change in proportionate interest in Utility (Note 9) | -                  | -                   | -                       | -                             | -                      | -                    | (28,761)         | (28,761)          | 24,990            |
| Add: Amortization taken  | 46,172             | -                   | 341,713                 | -                             | -                      | -                    | 73,119           | 461,004           | 378,730           |
| Less: Accumulated amortization on disposals  | -                  | -                   | (143,833)               | -                             | -                      | -                    | -                | (143,833)         | (136,744)         |
| <b>Closing Accumulated Amortization Costs</b>  | <b>464,738</b>     | <b>-</b>            | <b>6,633,890</b>        | <b>-</b>                      | <b>-</b>               | <b>-</b>             | <b>611,183</b>   | <b>7,707,811</b>  | <b>7,421,401</b>  |
| <b>Net Book Value</b>  | <b>1,765,036</b>   | <b>-</b>            | <b>6,221,410</b>        | <b>-</b>                      | <b>-</b>               | <b>-</b>             | <b>2,454,677</b> | <b>10,441,123</b> | <b>10,229,319</b> |

Rural Municipality of Buckland  
 Consolidated Schedule of Accumulated Surplus  
 For the year ended December 31, 2011

Schedule 8

|                               | 2010           | Change in proportionate interest in Utility (Note 9) | Changes        | 2011             |
|-------------------------------|----------------|--|----------------|------------------|
| <b>UNAPPROPRIATED SURPLUS</b> | <b>832,898</b> | <b>(3,935)</b>                                       | <b>266,323</b> | <b>1,095,286</b> |

**APPROPRIATED RESERVES**

|                           |                |                |                 |                |
|---------------------------|----------------|----------------|-----------------|----------------|
| Machinery and Equipment   | -              | -              | -               | -              |
| Public Reserve            | 87,323         | -              | -               | 87,323         |
| Capital Trust             | 219,295        | -              | (27,252)        | 192,043        |
| Utility                   | 264,965        | (9,364)        | (38,874)        | 216,727        |
| Recreation Board          | 24,409         | -              | 2,758           | 27,167         |
| Green Acres               | 91,495         | -              | (8,363)         | 83,132         |
| <b>Total Appropriated</b> | <b>687,487</b> | <b>(9,364)</b> | <b>(71,731)</b> | <b>606,392</b> |

**ORGANIZED HAMLETS**

|                      |          |          |          |          |
|----------------------|----------|----------|----------|----------|
| Hamlet of (Name)     | -        | -        | -        | -        |
| Hamlet of (Name)     | -        | -        | -        | -        |
| Hamlet of (Name)     | -        | -        | -        | -        |
| <b>Total Hamlets</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> |

**NET INVESTMENT IN TANGIBLE CAPITAL ASSETS**

|  |                   |                  |                |                   |
|--|-------------------|------------------|----------------|-------------------|
| Tangible capital assets (Schedule 6)             | 10,229,319        | (108,818)        | 320,622        | 10,441,123        |
| Less: Related debt                               | (502,367)         | 21,227           | 91,939         | (389,201)         |
| <b>Net Investment in Tangible Capital Assets</b> | <b>9,726,952</b>  | <b>(87,591)</b>  | <b>412,561</b> | <b>10,051,922</b> |
| <b>Total Accumulated Surplus</b>                 | <b>11,247,337</b> | <b>(100,890)</b> | <b>607,153</b> | <b>11,753,600</b> |



Rural Municipality of Buckland  
 Schedule of Mill Rates and Assessments  
 For the year ended December 31, 2011

Schedule 9

|   | PROPERTY CLASS |             |                         |                      |                         |                |             | Total |
|---|----------------|-------------|-------------------------|----------------------|-------------------------|----------------|-------------|-------|
|   | Agriculture    | Residential | Residential Condominium | Seasonal Residential | Commercial & Industrial | Potash Mine(s) |             |       |
| Taxable Assessment  | 24,633,175     | 120,396,285 | 310,940                 | 770                  | 14,299,575              |                | 159,640,745 |       |
| Regional Park Assessment  |                |             |                         |                      |                         |                | -           |       |
| Total Assessment  |                |             |                         |                      |                         |                | 159,640,745 |       |
| Mill Rate Factor(s)   | 1              | 1           | -                       | -                    | 1                       |                |             |       |
| Total Base/Minimum Tax (generated for each property class)                    | -              | -           | -                       | -                    | -                       |                | -           |       |
| Total Municipal Tax Levy (include base and/or minimum tax and special levies) | 258,648        | 1,264,161   | 3,265                   | 8                    | 150,146                 |                | 1,676,228   |       |

MILL RATES:

|                             | MILLS   |
|-----------------------------|---------|
| Average Municipal*          | 10.5000 |
| Average School*             | 8.9439  |
| Potash Mill Rate            |         |
| Uniform Municipal Mill Rate | 10.5000 |

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



**Rural Municipality of Buckland  
Schedule of Council Remuneration  
For the year ended December 31, 2011**

Schedule 10

| <b>Name</b>   | <b>Remuneration</b> | <b>Reimbursed<br/>Costs</b> | <b>Total</b>  |
|---------------|---------------------|-----------------------------|---------------|
| L. Fladager   | 16,063              | 2,218                       | 18,281        |
| A. Brandolino | 5,068               | 1,883                       | 6,951         |
| C. Fraser     | 2,465               | 120                         | 2,585         |
| L. Clavelle   | 1,712               | 1,387                       | 3,099         |
| O. Romanchuk  | 8,118               | 2,318                       | 10,436        |
| M. Dunn       | 1,475               | 294                         | 1,769         |
| D. Lavoie     | 461                 | 77                          | 538           |
| F. Isayew     | 5,178               | 1,614                       | 6,792         |
| B. Hayes      | 3,510               | 583                         | 4,093         |
| <b>Total</b>  | <b>44,050</b>       | <b>10,494</b>               | <b>54,544</b> |