

**RURAL MUNICIPALITY OF MONTROSE #315**

**Auditor's Report**

**Financial Statements**

**December 31, 2017**

## MANAGEMENT'S RESPONSIBILITY

To the Ratepayers of  
**Rural Municipality of Montrose #315 :**

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

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

Jensen Stromberg Chartered Professional Accountants, an independent firm of Chartered Professional Accountants, is appointed by the 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 the Council and administration to discuss their audit findings.

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Reeve

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Administrator

## INDEPENDENT AUDITOR'S REPORT

To the **Reeve** and Council of **Rural Municipality of Montrose #315**

### *Report on the Financial Statements*

We have audited the accompanying financial statements of **Rural Municipality of Montrose #315**, which comprise the statement of financial position as at **December 31, 2017** and the statements of financial activities, changes in net financial assets, and changes in financial position for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Rural Municipality of Montrose #315** as at **December 31, 2017**, and the results of its financial activities, change in its net financial assets, and change in its financial position for the year then ended in accordance with Canadian public sector accounting standards.

# RURAL MUNICIPALITY OF MONTROSE #315

Statement 1

## STATEMENT OF FINANCIAL POSITION

December 31, 2017  
with comparative figures for 2016

	<u>2017</u>	<u>2016</u>
<b><u>ASSETS</u></b>		
Financial assets:		
Cash and temporary investments (Note 2)	\$ 1,133,805	934,975
Taxes receivable - Municipal (Note 3)	178,113	247,420
Other accounts receivable (Note 4)	102,127	64,682
Land for re-sale (Note 5)	3,366	3,820
Long-term investments (Note 6)	50,780	49,845
Debt charges recoverable	-	-
Other	-	-
	<hr/>	<hr/>
Total financial assets	1,468,191	1,300,742
<b><u>LIABILITIES</u></b>		
Bank indebtedness	-	-
Accounts payable	6,923	52,739
Accrued liabilities payable	-	-
Deposits	-	-
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites (Note 7)	-	-
Other liabilities	-	-
Long-term debt (Note 8)	81,842	167,819
Lease obligations	-	-
	<hr/>	<hr/>
Total liabilities	88,765	220,558
<b>NET FINANCIAL ASSETS (DEBT)</b>	1,379,426	1,080,184
Non-financial assets:		
Tangible capital assets (Schedule 6, 7)	1,413,613	1,319,809
Prepaid and deferred charges	4,053	2,032
Stock and supplies	125,825	77,500
	<hr/>	<hr/>
Total non-financial assets	1,543,491	1,399,341
Accumulated Surplus (Deficit) (Schedule 8)	\$ 2,922,917	2,479,525

**APPROVED ON BEHALF OF COUNCIL:**

\_\_\_\_\_ Reeve

\_\_\_\_\_ Councillor

See accompanying notes to the financial statements.

# RURAL MUNICIPALITY OF MONTROSE #315

Statement 2

## STATEMENT OF FINANCIAL ACTIVITIES

Year ended December 31, 2017  
with comparative figures for 2016

		<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Revenues:				
Taxes and other unconditional revenue	(Schedule 1)	\$ 1,442,418	1,449,567	1,283,089
Fees and charges	(Schedule 4, 5)	86,700	97,746	82,986
Conditional grants	(Schedule 4, 5)	13,700	13,600	16,000
Tangible capital asset sales - gain (loss)	(Schedule 4, 5)	-	(36,667)	(68,654)
Land sales - gain (loss)	(Schedule 4, 5)	-	-	-
Investment income and commissions	(Schedule 4, 5)	6,000	5,770	5,931
Other revenues	(Schedule 4, 5)	-	-	1,687
Total Revenues		<u>1,548,818</u>	<u>1,530,016</u>	<u>1,321,039</u>
Expenditures:				
General government services	(Schedule 3)	211,750	250,323	204,240
Protective services	(Schedule 3)	77,420	77,140	75,411
Transportation services	(Schedule 3)	790,600	713,175	712,403
Environmental and public health services	(Schedule 3)	65,524	68,834	59,751
Planning and development services	(Schedule 3)	36,000	13,419	2,952
Recreation and cultural services	(Schedule 3)	5,518	7,023	6,018
Utility services	(Schedule 3)	-	-	-
Total Expenditures		<u>1,186,812</u>	<u>1,129,914</u>	<u>1,060,775</u>
Surplus (deficit) of revenues over expenditures before other capital contributions		<u>362,006</u>	<u>400,102</u>	<u>260,264</u>
Provincial/Federal capital grants and contributions	(Schedule 4, 5)	<u>35,000</u>	<u>43,290</u>	<u>54,298</u>
Surplus (deficit) of revenues over expenditures		397,006	443,392	314,562
Accumulated surplus (deficit), beginning of year		<u>2,479,525</u>	<u>2,479,525</u>	<u>2,164,963</u>
Accumulated surplus (deficit), end of year		<u>\$ 2,876,531</u>	<u>2,922,917</u>	<u>2,479,525</u>

See accompanying notes to the financial statements.

**RURAL MUNICIPALITY OF MONTROSE #315****Statement 3****STATEMENT OF CHANGES IN NET FINANCIAL ASSETS****Year ended December 31, 2017**  
with comparative figures for 2016

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
<b>Surplus (deficit)</b>	\$ 397,006	443,392	314,562
(Acquisition) of tangible capital assets	-	(243,023)	(413,026)
Amortization of tangible capital assets	-	107,302	90,685
Proceeds on disposal of tangible capital assets	-	5,250	132,000
Loss (gain) on disposal of tangible capital assets	-	36,667	68,654
<b>Surplus (deficit) of capital expenses over expenditures</b>	-	(93,804)	(121,687)
(Acquisition) of supplies inventories	-	(125,825)	-
(Acquisition) of prepaid expenses	-	(4,040)	(2,018)
Consumption of supplies inventories	-	77,500	81,849
Use of prepaid expenses	-	2,019	21
<b>Surplus (deficit) of expenses of other non-financial over expenditures</b>	-	(50,346)	79,852
<b>Increase (decrease) in Net Financial Assets</b>	397,006	299,242	272,727
<b>Net Financial Assets (Debt) - Beginning of the year</b>	1,080,184	1,080,184	807,457
<b>Net Financial Assets (Debt)- End of year</b>	\$ 1,477,190	1,379,426	1,080,184

See accompanying notes to the financial statements.

**RURAL MUNICIPALITY OF MONTROSE #315****Statement 4****STATEMENT OF CHANGES IN FINANCIAL POSITION****Year ended December 31, 2017**  
with comparative figures for 2016

<b>Cash provided by (used in) the following activities:</b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Operating:		
Surplus (deficit)	\$ 443,392	314,562
Amortization	107,302	90,685
Loss (gain) on disposal of tangible capital assets	<u>36,667</u>	<u>68,654</u>
	587,361	473,901
Change in assets/liabilities		
Taxes receivable - Municipal	69,307	(41,590)
Other accounts receivable	(37,445)	(20,655)
Land for re-sale	454	-
Other financial assets	-	-
Accounts and accrued liabilities payable	(45,817)	(65,153)
Deposits	-	-
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Stock and supplies	(48,325)	81,849
Prepayments and deferred charges	(2,021)	(1,998)
Other	<u>-</u>	<u>-</u>
Net cash from operations	<u>523,514</u>	<u>426,354</u>
Capital:		
Acquisition of capital assets	(243,023)	(413,026)
Proceeds from the disposal of capital assets	5,250	132,000
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(237,773)</u>	<u>(281,026)</u>
Investing:		
Long-term investments	(934)	(1,082)
Other investments	<u>-</u>	<u>-</u>
Net cash used for investing	<u>(934)</u>	<u>(1,082)</u>
Financing activities:		
Debt charges recovered	-	-
Long-term debt issued	-	200,000
Long-term debt repaid	(85,977)	(32,181)
Other financing	<u>-</u>	<u>-</u>
Net cash from (used for) financing	<u>(85,977)</u>	<u>167,819</u>
Increase (decrease) in cash resources	198,830	312,065
Cash and temporary investments, beginning of year	<u>934,975</u>	<u>622,910</u>
Cash and temporary investments, end of year (Note 2)	<u>\$ 1,133,805</u>	<u>934,975</u>

See accompanying notes to the financial statements.

# RURAL MUNICIPALITY OF MONTROSE #315

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

### 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the municipality are prepared by management in accordance with the local government accounting standards established by the Public Sector Accounting Board. Significant aspects of the accounting policies are as follows:

**(a) Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues 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.

**(b) Reporting Entity**

The financial statements consolidate the assets, liabilities and flow of resources of the Municipality. The entity is comprised of all organizations owned or controlled by the Municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

**(c) 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 the relevant legislation. The amounts collected are disclosed in Note 3.

**(d) Government Transfers**

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as 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.

**(e) 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.

**(f) Local Improvement Charges**

Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.



# RURAL MUNICIPALITY OF MONTROSE #315

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

**(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 designated are described on Schedule 8.

**(j) Property Tax Revenue**

Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by Council following the guidance of the Government of Saskatchewan. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.

**(k) Investments**

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment.

Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment. The long-term investments in the Saskatchewan Association of Rural Municipalities - Self Insurance Fund are accounted for on the equity basis.

**(l) 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 of the inventory in the ordinary course of business.

# RURAL MUNICIPALITY OF MONTROSE #315

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (m) 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 the contribution. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The costs 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>
<i>General Assets</i>	
Land	Indefinite
Land improvements	15 years
Buildings	50 years
Vehicles and equipment	
Vehicles	10 years
Machinery & Equipment	4 to 12 years
<i>Infrastructure Assets</i>	
Water and sewer	40 years
Road network assets	5 to 40 years

**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 statements 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 an operating lease and rental payments are expensed as incurred.

#### (n) Landfill liability

The Rural Municipality of Montrose #315 maintains a waste disposal site. The municipality is unable to estimate closure and post closure costs. No amount has been recorded as an asset or liability.

# RURAL MUNICIPALITY OF MONTROSE #315

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

**(o) Employee benefit plans**

Contributions to the municipality's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to its contributions.

**(p) Measurement Uncertainty**

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts 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 period in which they become known.

**(q) Basis of Segmentation/Segment Report**

The Municipality follows the Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the purpose of specific borrowing.

These 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 the delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

# RURAL MUNICIPALITY OF MONTROSE #315

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

### 2. CASH AND TEMPORARY INVESTMENTS

	<u>2017</u>	<u>2016</u>
Cash	\$ 1,133,805	934,975
Temporary investments	<u>-</u>	<u>-</u>
	<u>\$ 1,133,805</u>	<u>934,975</u>

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

### 3. TAXES AND GRANTS IN LIEU RECEIVABLE

	<u>2017</u>	<u>2016</u>
Municipal: - Current	\$ 120,591	117,256
- Arrears	<u>113,236</u>	<u>137,254</u>
	233,827	254,510
Less: allowance for uncollectibles	<u>(55,714)</u>	<u>(7,090)</u>
Total municipal taxes receivable	<u>178,113</u>	<u>247,420</u>
School: - Current	31,772	46,121
- Arrears	<u>19,206</u>	<u>38,884</u>
Total school taxes receivable	<u>50,978</u>	<u>85,005</u>
Other: - Current	2,296	16,798
- Arrears	<u>189</u>	<u>40</u>
Total other collections receivable	<u>2,485</u>	<u>16,838</u>
Total taxes and grants in lieu receivable	231,576	349,263
Deduct taxes receivable to be collected on behalf of other organizations	<u>(53,463)</u>	<u>(101,843)</u>
Total taxes receivable - Municipal	<u>\$ 178,113</u>	<u>247,420</u>

### 4. OTHER ACCOUNTS RECEIVABLE

	<u>2017</u>	<u>2016</u>
Federal government	\$ 17,624	12,840
Provincial government	83,511	-
Local government	-	-
Utility	-	-
Trade	992	51,842
Other	<u>-</u>	<u>-</u>
Total other accounts receivable	102,127	64,682
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Net other accounts receivable	<u>\$ 102,127</u>	<u>64,682</u>

# RURAL MUNICIPALITY OF MONTROSE #315

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

### 5. LAND FOR RESALE

	<u>2017</u>	<u>2016</u>
Tax title property	\$ 10,798	11,381
Less: - allowance for market value adjustment	(1,900)	(1,900)
- due to other taxing authorities	<u>(5,532)</u>	<u>(5,661)</u>
Net tax title Property	<u>3,366</u>	<u>3,820</u>
Other land	-	-
Less: - allowance for market value adjustment	<u>-</u>	<u>-</u>
Net other land	<u>-</u>	<u>-</u>
Total land for resale	<u>\$ 3,366</u>	<u>3,820</u>

### 6. LONG-TERM INVESTMENTS

	<u>2017</u>	<u>2016</u>
Sask. Assoc. of Rural Municipalities - Self-insurance fund	\$ <u>50,780</u>	<u>49,845</u>

The long term investments in the Saskatchewan Rural - Self Insurance Fund are accounted for on the equity basis.

# RURAL MUNICIPALITY OF MONTROSE #315

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

### 7. RECENT ACCOUNTING PRONOUNCEMENTS

A number of new and amended standards have been issued that may impact the Municipality:

#### Standards effective on or after April 1, 2017:

##### Assets

PS 3210, Assets, provides additional guidance on the definition of assets and new disclosure requirements for those assets not recognized in the government's financial statements.

##### Contingent Assets

PS 3380, Contingent Assets defines and establishes standards on the reporting and disclosure of possible assets that may arise from existing conditions or situations involving uncertainty.

##### Contractual Rights

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

##### Inter-Entity Transactions

PS 3420, Inter-Entity Transactions specifically addresses the reporting of transactions between entities controlled by a government that comprise the government's reporting entity from both a provider and recipient perspective.

##### Related Party Transactions

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

#### Standards Effective On Or After April 1, 2018

##### Restructuring Transactions

PS 3430, Restructuring Transactions establishes how to record and report restructuring transactions, for both transferors and recipients, the transfer of assets and/or liabilities together with related programs or operations responsibilities.

#### Standards Effective On Or After April 1, 2019

##### Financial Statement Presentation

PS 1201, Financial Statement Presentation requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currencies as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships.

##### Foreign Currency Translation

PS 2601, Foreign Currency Translation requires that monetary assets and liabilities denominated in a foreign currency and non-monetary items included in the fair value category, denominated in foreign currency, be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses are to be presented in the statement of re-measurement gains and losses.

# RURAL MUNICIPALITY OF MONTROSE #315

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

### 7. RECENT ACCOUNTING PRONOUNCEMENTS (continued)

Portfolio Investments

PS 3041, Portfolio Investments has removed the distinction between temporary and portfolio investments. This section was amended to conform to PS 3450, Financial Instruments and now includes pooled investments in its scope. Upon adoption of PS 3450 and PS3041, PS 3030, Temporary Investments will no longer apply.

Financial Instruments

PS 3450, Financial Instruments establishes recognition, measurement and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments that are quoted in an active market; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of remeasurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

The Municipality continues to assess the impacts of the above accounting standards. The extent of impact resulting from the adoption of these standards is not known at this time.

### 8. LONG-TERM DEBT

a) The authorized debt limit for the Municipality is \$1,060,606. The authorized debt limit for a Municipality is the total amount of the Municipality's own source revenues for the preceding year (the *Municipalities Act* section 161(1)). The incremental debt above the debt limit authorized in the *Municipalities Act* is approved by the Saskatchewan Municipal Board.

b) Bank loans:

	<u>2017</u>	<u>2016</u>
Grader loan, repayable in monthly payments of \$5,800 including interest at \$2.81%.	\$ <u>81,842</u>	<u>167,819</u>

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Total	Prior Year Total
2017	\$ -	-	-	69,600
2018	68,177	1,423	69,600	69,600
2019	13,665	55	13,720	34,741
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance	\$ <u>81,842</u>	<u>1,478</u>	<u>83,320</u>	<u>173,941</u>

# RURAL MUNICIPALITY OF MONTROSE #315

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

### 9. 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.

### 10. PENSION PLAN

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality pension expense in 2017 was \$21,643 (2016 - \$19,363). The benefits accrued to the municipality's employees from MEPP are calculated using the following: pensionable years of service, highest average salary, and the plan accrual rate.

### 11. BUDGET

The Financial Plan (Budget) adopted by Council on August 10, 2017 was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budgeted surplus does not include amounts transferred to reserves, purchases of capital assets, or principal repayments of debt. As a result, the budget figures presented in the statements of operations and change in net financial assets include the following adjustments:

Budgeted surplus - per Bylaw	\$ -
Add:	
Transfer to reserves	108,206
Purchase of capital assets	219,200
Principal repayments of debt	<u>69,600</u>
Budgeted surplus - per statement of operations	<u>\$ 397,006</u>



## RURAL MUNICIPALITY OF MONTROSE #315

## SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES

Year ended December 31, 2017  
with comparative figures for 2016

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
<b>TAXES</b>			
General municipal tax levy	\$ 891,172	889,440	693,643
Abatements and adjustments	(1,000)	-	(1,609)
Discount on current year taxes	<u>(28,500)</u>	<u>(30,631)</u>	<u>(22,259)</u>
<b>Net municipal taxes</b>	861,672	858,809	669,775
Potash tax share	331,746	331,760	342,259
Trailer license fees	-	-	-
Penalties on tax arrears	20,000	27,785	26,622
Special tax levy	-	-	-
Other	-	-	-
<b>Total Taxes</b>	<u>1,213,418</u>	<u>1,218,354</u>	<u>1,038,656</u>
<b>UNCONDITIONAL GRANTS</b>			
Revenue Sharing	201,000	201,408	223,777
Organized Hamlet	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Unconditional Grants</b>	<u>201,000</u>	<u>201,408</u>	<u>223,777</u>
<b>GRANTS IN LIEU OF TAXES</b>			
Federal	28,000	29,805	16,920
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
TransGas	-	-	-
Provincial - SPMC - Municipal Share	-	-	-
Sasktel	-	-	3,736
Other	-	-	-
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other	-	-	-
Other Government Transfers			
S.P.C. Surcharge	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Grants in Lieu of Taxes</b>	<u>28,000</u>	<u>29,805</u>	<u>20,656</u>
<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<u>\$ 1,442,418</u>	<u>1,449,567</u>	<u>1,283,089</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF MONTROSE #315

## SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2017  
with comparative figures for 2016

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ -	695	-
Sales of supplies	1,950	3,590	1,970
Other (permits)	-	1,071	540
Total Fees and Charges	<u>1,950</u>	<u>5,356</u>	<u>2,510</u>
Tangible capital asset sales - gain (loss)	-	-	-
Land sales - gain (loss)	-	-	-
Investment income and commissions	6,000	5,770	5,931
Other	-	-	-
Total other segmented revenue	<u>7,950</u>	<u>11,126</u>	<u>8,441</u>
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Operating</b>	<u>7,950</u>	<u>11,126</u>	<u>8,441</u>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total General Government Services</b>	<u>7,950</u>	<u>11,126</u>	<u>8,441</u>
<b>PROTECTIVE SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Other (call out fees)	4,000	22,820	6,500
Total Fees and Charges	<u>4,000</u>	<u>22,820</u>	<u>6,500</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other (donation)	-	-	1,687
Total other segmented revenue	<u>4,000</u>	<u>22,820</u>	<u>8,187</u>
Conditional Grants			
Student employment	-	-	-
Local government	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Operating</b>	<u>4,000</u>	<u>22,820</u>	<u>8,187</u>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Local government	-	-	-
Other	-	-	-
<b>Total Capital</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Protective Services</b>	<u>4,000</u>	<u>22,820</u>	<u>8,187</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF MONTROSE #315

## SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2017  
with comparative figures for 2016

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 6,500	5,090	8,405
Sales of supplies	47,000	15,888	47,492
Road Maintenance and Restoration Agreements	18,000	4,430	8,156
Frontage	-	-	-
Other (rental fees)	250	250	50
Total Fees and Charges	<u>71,750</u>	<u>25,658</u>	<u>64,103</u>
Tangible capital asset sales - gain (loss)	-	(36,667)	(68,654)
Other	-	-	-
Total other segmented revenue	<u>71,750</u>	<u>(11,009)</u>	<u>(4,551)</u>
Conditional Grants			
TS-Federal - Primary Weight Corridor	11,200	10,200	11,288
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>11,200</u>	<u>10,200</u>	<u>11,288</u>
<b>Total Operating</b>	<u>82,950</u>	<u>(809)</u>	<u>6,737</u>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	35,000	43,290	41,438
MREP (Heavy Haul, CTP, Municipal Bridges)	-	-	-
Provincial Disaster Assistance	-	-	-
Other (donation-in-kind)	-	-	12,860
<b>Total Capital</b>	<u>35,000</u>	<u>43,290</u>	<u>54,298</u>
<b>Total Transportation Services</b>	<u>117,950</u>	<u>42,481</u>	<u>61,035</u>
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Waste and Disposal Fees	7,000	43,051	6,991
Other (cemetery fees)	-	36	31
Total Fees and Charges	<u>7,000</u>	<u>43,087</u>	<u>7,022</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other (pest control)	-	-	-
Total other segmented revenue	<u>7,000</u>	<u>43,087</u>	<u>7,022</u>
Conditional Grants			
Student employment	-	-	-
TAPD	-	-	-
Local government	-	-	-
Other	2,500	1,400	3,207
Total Conditional Grants	<u>2,500</u>	<u>1,400</u>	<u>3,207</u>
<b>Total Operating</b>	<u>9,500</u>	<u>44,487</u>	<u>10,229</u>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
TAPD	-	-	-
Provincial Disaster Assistance	-	-	-
Other (pest control)	-	-	-
<b>Total Capital</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Environmental and Public Health Services Services</b>	<u>9,500</u>	<u>44,487</u>	<u>10,229</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF MONTROSE #315

## SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2017  
with comparative figures for 2016

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Maintenance and Development Charges	\$ 1,500	500	2,336
Other	-	-	-
Total Fees and Charges	<u>1,500</u>	<u>500</u>	<u>2,336</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	<u>1,500</u>	<u>500</u>	<u>2,336</u>
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Operating</b>	<u>1,500</u>	<u>500</u>	<u>2,336</u>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Planning and Development Services</b>	<u>1,500</u>	<u>500</u>	<u>2,336</u>
<b>RECREATION AND CULTURAL SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Other	-	-	-
Total Fees and Charges	<u>-</u>	<u>-</u>	<u>-</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	<u>-</u>	<u>-</u>	<u>-</u>
Conditional Grants			
Student employment	-	-	-
Local government	-	-	-
Donations	-	2,000	-
Other (Sask Lotteries)	-	-	1,505
Total Conditional Grants	<u>-</u>	<u>2,000</u>	<u>1,505</u>
<b>Total Operating</b>	<u>-</u>	<u>2,000</u>	<u>1,505</u>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
Local government	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Recreation and Cultural Services</b>	<u>-</u>	<u>2,000</u>	<u>1,505</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF MONTROSE #315

## SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2017  
with comparative figures for 2016

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Water	\$ 500	325	515
Sewer	-	-	-
Other	-	-	-
Total Fees and Charges	<u>500</u>	<u>325</u>	<u>515</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	<u>500</u>	<u>325</u>	<u>515</u>
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Operating</b>	<u>500</u>	<u>325</u>	<u>515</u>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
New Building Canada Fund (SCF, NRP)	-	-	-
Clean Water and Wastewater Fund	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Utility Services</b>	<u>500</u>	<u>325</u>	<u>515</u>
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<u>\$ 141,400</u>	<u>123,739</u>	<u>92,248</u>
<b>SUMMARY</b>			
Total Other Segmented Revenue	\$ 92,700	66,849	21,950
Total Conditional Grants	13,700	13,600	16,000
Total Capital Grants and Contributions	<u>35,000</u>	<u>43,290</u>	<u>54,298</u>
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<u>\$ 141,400</u>	<u>123,739</u>	<u>92,248</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF MONTROSE #315

## TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2017  
with comparative figures for 2016

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	\$ 28,000	25,506	26,445
Wages and benefits	92,700	84,213	44,261
Professional/Contractual services	62,750	65,506	104,293
Utilities	2,100	752	2,100
Maintenance, materials, and supplies	24,200	15,574	17,968
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	446	446
Interest	-	-	24
Allowance for uncollectibles	-	55,714	5,501
Other (elections)	2,000	2,612	3,202
<b>Total Government Services</b>	<u>211,750</u>	<u>250,323</u>	<u>204,240</u>
<b>PROTECTIVE SERVICES</b>			
<b>Police protection</b>			
Wages and benefits	-	-	-
Professional/Contractual services	34,500	32,006	30,740
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
<b>Fire protection</b>			
Wages and benefits	-	-	-
Professional/Contractual services	21,360	26,462	17,032
Utilities	1,800	1,829	2,086
Maintenance, materials, and supplies	19,760	14,049	22,758
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	2,794	2,795
Interest	-	-	-
Other	-	-	-
<b>Total Protective Services</b>	<u>77,420</u>	<u>77,140</u>	<u>75,411</u>
<b>TRANSPORTATION SERVICES</b>			
Wages and benefits	282,700	255,778	257,714
Professional/Contractual services	154,500	82,236	82,686
Utilities	11,400	14,630	9,015
Maintenance, materials, and supplies	137,000	123,049	108,069
Gravel	205,000	129,805	164,854
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	104,062	87,444
Interest	-	3,615	2,621
Other	-	-	-
<b>Total Transportation Services</b>	<u>790,600</u>	<u>713,175</u>	<u>712,403</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF MONTROSE #315

## TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2017  
with comparative figures for 2016

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Wages and benefits	-	-	-
Professional/Contractual services	62,600	66,401	57,327
Utilities	-	-	-
Maintenance, materials, and supplies	1,500	1,009	1,000
Grants and contributions			
-operating			
Waste disposal	-	-	-
Public Health	1,424	1,424	1,424
-capital			
Waste disposal	-	-	-
Public Health	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
<b>Total Environmental and Public Health Services</b>	<u>65,524</u>	<u>68,834</u>	<u>59,751</u>
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
Wages and benefits	-	-	-
Professional/Contractual services	36,000	13,419	2,952
Grants and contributions			
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
<b>Total Planning and Development Services</b>	<u>36,000</u>	<u>13,419</u>	<u>2,952</u>
<b>RECREATION AND CULTURAL SERVICES</b>			
Wages and benefits	-	-	-
Professional/Contractual services	-	-	-
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions			
-operating	5,518	7,023	6,018
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other	-	-	-
<b>Total Recreation and Cultural Services</b>	<u>5,518</u>	<u>7,023</u>	<u>6,018</u>
<b>UTILITY SERVICES</b>			
Wages and benefits	-	-	-
Professional/Contractual services	-	-	-
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions			
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other	-	-	-
<b>Total Utility Services</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES BY FUNCTION</b>	<u>\$ 1,186,812</u>	<u>1,129,914</u>	<u>1,060,775</u>

See accompanying notes to the financial statements.

**RURAL MUNICIPALITY OF MONTROSE #315**

**Schedule 4**

**SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION**

**Year ended December 31, 2017**

	<b>General Government</b>	<b>Protective Services</b>	<b>Transportation Services</b>	<b>Environmental &amp; Public Health</b>	<b>Planning and Development</b>	<b>Recreation and Culture</b>	<b>Utility Services</b>	<b>Total</b>
<b>Revenues (Schedule 2)</b>								
Fees and charges	\$ 5,356	22,820	25,658	43,087	500	-	325	97,746
Tangible capital asset sales - Gain (loss)	-	-	(36,667)	-	-	-	-	(36,667)
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	5,770	-	-	-	-	-	-	5,770
Other revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	10,200	1,400	-	2,000	-	13,600
Grants - Capital	-	-	43,290	-	-	-	-	43,290
<b>Total revenues</b>	<b>11,126</b>	<b>22,820</b>	<b>42,481</b>	<b>44,487</b>	<b>500</b>	<b>2,000</b>	<b>325</b>	<b>123,739</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	109,719	-	255,778	-	-	-	-	365,497
Professional/Contractual Services	65,506	58,468	82,236	66,401	13,419	-	-	286,030
Utilities	752	1,829	14,630	-	-	-	-	17,211
Maintenance, materials and supplies	15,574	14,049	252,854	1,009	-	-	-	283,486
Grants and contributions	-	-	-	1,424	-	7,023	-	8,447
Amortization	446	2,794	104,062	-	-	-	-	107,302
Interest	-	-	3,615	-	-	-	-	3,615
Allowance for uncollectibles.	55,714	-	-	-	-	-	-	55,714
Other	2,612	-	-	-	-	-	-	2,612
<b>Total expenses</b>	<b>250,323</b>	<b>77,140</b>	<b>713,175</b>	<b>68,834</b>	<b>13,419</b>	<b>7,023</b>	<b>-</b>	<b>1,129,914</b>
<b>Surplus (deficit) by function</b>	<b>(239,197)</b>	<b>(54,320)</b>	<b>(670,694)</b>	<b>(24,347)</b>	<b>(12,919)</b>	<b>(5,023)</b>	<b>325</b>	<b>(1,006,175)</b>
Taxation and other unconditional revenue (Schedule 1)								1,449,567
<b>Net Surplus (Deficit)</b>								<b>\$ 443,392</b>

See accompanying notes to the financial statements.



**RURAL MUNICIPALITY OF MONTROSE #315**

**Schedule 5**

**SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION**

**Year ended December 31, 2016**

	<b>General Government</b>	<b>Protective Services</b>	<b>Transportation Services</b>	<b>Environmental &amp; Public Health</b>	<b>Planning and Development</b>	<b>Recreation and Culture</b>	<b>Utility Services</b>	<b>Total</b>
<b>Revenues (Schedule 2)</b>								
Fees and charges	\$ 2,510	6,500	64,103	7,022	2,336	-	515	82,986
Tangible capital asset sales - Gain (loss)	-	-	(68,654)	-	-	-	-	(68,654)
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	5,931	-	-	-	-	-	-	5,931
Other revenues	-	1,687	-	-	-	-	-	1,687
Grants - Conditional	-	-	11,288	3,207	-	1,505	-	16,000
Grants - Capital	-	-	54,298	-	-	-	-	54,298
<b>Total revenues</b>	<u>8,441</u>	<u>8,187</u>	<u>61,035</u>	<u>10,229</u>	<u>2,336</u>	<u>1,505</u>	<u>515</u>	<u>92,248</u>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	70,706	-	257,714	-	-	-	-	328,420
Professional/Contractual Services	104,293	47,772	82,686	57,327	2,952	-	-	295,030
Utilities	2,100	2,086	9,015	-	-	-	-	13,201
Maintenance, materials and supplies	17,968	22,758	272,923	1,000	-	-	-	314,649
Grants and contributions	-	-	-	1,424	-	6,018	-	7,442
Amortization	446	2,795	87,444	-	-	-	-	90,685
Interest	24	-	2,621	-	-	-	-	2,645
Allowance for uncollectibles.	5,501	-	-	-	-	-	-	5,501
Other	3,202	-	-	-	-	-	-	3,202
<b>Total expenses</b>	<u>204,240</u>	<u>75,411</u>	<u>712,403</u>	<u>59,751</u>	<u>2,952</u>	<u>6,018</u>	<u>-</u>	<u>1,060,775</u>
<b>Surplus (deficit) by function</b>	(195,799)	(67,224)	(651,368)	(49,522)	(616)	(4,513)	515	(968,527)
Taxation and other unconditional revenue (Schedule 1)								<u>1,283,089</u>
<b>Net Surplus (Deficit)</b>								<u>\$ 314,562</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF MONTROSE #315

## SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

Year ended December 31, 2017  
with comparative figures for 2016

	2017							2016	
	General Assets					Infrastructure Assets	General / Infrastructure Assets Under Construction	Total	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
<b>Asset cost</b>									
Opening asset costs	\$ -	37,722	141,124	197,009	969,913	3,027,725	-	4,373,493	4,257,117
Additions during the year	-	-	-	-	16,445	226,578	-	243,023	413,026
Disposals and write-downs during the year	-	-	-	-	-	(114,787)	-	(114,787)	(296,650)
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-
<b>Closing asset costs</b>	<u>-</u>	<u>37,722</u>	<u>141,124</u>	<u>197,009</u>	<u>986,358</u>	<u>3,139,516</u>	<u>-</u>	<u>4,501,729</u>	<u>4,373,493</u>
<b>Accumulated amortization cost</b>									
Opening accumulated amortization costs	-	-	44,020	132,403	189,934	2,687,327	-	3,053,684	3,058,995
Add: Amortization taken	-	-	2,873	6,762	75,001	22,666	-	107,302	90,685
Less: Accumulated amortization on disposals	-	-	-	-	-	(72,870)	-	(72,870)	(95,996)
<b>Closing accumulated amortization costs</b>	<u>-</u>	<u>-</u>	<u>46,893</u>	<u>139,165</u>	<u>264,935</u>	<u>2,637,123</u>	<u>-</u>	<u>3,088,116</u>	<u>3,053,684</u>
<b>Net book value</b>	<u>\$ -</u>	<u>37,722</u>	<u>94,231</u>	<u>57,844</u>	<u>721,423</u>	<u>502,393</u>	<u>-</u>	<u>1,413,613</u>	<u>1,319,809</u>

1. Total contributed/donated assets received in 2017: \$ -
2. List of assets recognized at nominal value in 2017 are:
  - Infrastructure Assets \$ -
  - Vehicles \$ -
  - Machinery and Equipment \$ -
3. Amount of interest capitalized in 2017: \$ -

See accompanying notes to the financial statements.

**RURAL MUNICIPALITY OF MONTROSE #315**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION**

**Year ended December 31, 2017**  
with comparative figures for 2016

	2017							2016	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
<b>Asset cost</b>									
Opening asset costs	\$ 42,615	186,247	4,109,270	12,728	-	-	22,633	4,373,493	4,257,117
Additions during the year	-	-	243,023	-	-	-	-	243,023	413,026
Disposals and write-downs during the year	-	-	(114,787)	-	-	-	-	(114,787)	(296,650)
<b>Closing asset costs</b>	<u>42,615</u>	<u>186,247</u>	<u>4,237,506</u>	<u>12,728</u>	<u>-</u>	<u>-</u>	<u>22,633</u>	<u>4,501,729</u>	<u>4,373,493</u>
<b>Accumulated amortization cost</b>									
Opening accumulated amortization costs	24,109	103,275	2,926,300	-	-	-	-	3,053,684	3,058,995
Add: Amortization taken	446	2,794	104,062	-	-	-	-	107,302	90,685
Less: Accumulated amortization on disposals	-	-	(72,870)	-	-	-	-	(72,870)	(95,996)
<b>Closing accumulated amortization costs</b>	<u>24,555</u>	<u>106,069</u>	<u>2,957,492</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,088,116</u>	<u>3,053,684</u>
<b>Net book value</b>	<u>\$ 18,060</u>	<u>80,178</u>	<u>1,280,014</u>	<u>12,728</u>	<u>-</u>	<u>-</u>	<u>22,633</u>	<u>1,413,613</u>	<u>1,319,809</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF MONTROSE #315

## SCHEDULE OF ACCUMULATED SURPLUS

Year ended December 31, 2017

	<u>2016</u>	<u>Changes</u>	<u>2017</u>
<b>UNAPPROPRIATED SURPLUS</b>	\$ <u>1,022,354</u>	<u>361,529</u>	<u>1,383,883</u>
<b>APPROPRIATED RESERVES</b>			
Machinery and equipment	-	108,206	108,206
Public reserve	17,042	-	17,042
Capital trust	-	-	-
Utility	-	-	-
Other	<u>120,320</u>	<u>(120,147)</u>	<u>173</u>
<b>Total Appropriated</b>	<u>137,362</u>	<u>(11,941)</u>	<u>125,421</u>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>			
Tangible capital assets (Schedule 6)	1,319,809	93,804	1,413,613
Less: Related debt	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Investment in Tangible Capital Assets</b>	<u>1,319,809</u>	<u>93,804</u>	<u>1,413,613</u>
<b>Total Accumulated Surplus</b>	\$ <u><u>2,479,525</u></u>	<u><u>443,392</u></u>	<u><u>2,922,917</u></u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF MONTROSE #315

SCHEDULE OF MILL RATES AND ASSESSMENTS

Year ended December 31, 2017  
with comparative figures for 2016

	PROPERTY CLASS						Total
	<u>Agriculture</u>	<u>Residential</u>	<u>Residential Condominium</u>	<u>Seasonal Residential</u>	<u>Commercial &amp; Industrial</u>	<u>Potash Mine(s)</u>	
<b>Taxable Assessment</b>	\$ 72,019,730	29,265,585	-	-	6,165,400	-	\$ 107,450,715
<b>Regional Park Assessment</b>							-
<b>Total Assessment</b>							\$ 107,450,715
<b>Mill Rate Factor(s)</b>	1.0000	0.8000	1.0000	1.0000	1.0000		
<b>Total Base/Minimum Tax</b> (generated for each property class)	<u>23,936</u>	<u>160,400</u>	<u>-</u>	<u>-</u>	<u>8,610</u>		
<b>Total Municipal Tax Levy</b> (include base and/or minimum tax and special levies)	<u>\$ 517,556</u>	<u>324,287</u>	<u>-</u>	<u>-</u>	<u>47,597</u>		

<u>MILL RATES:</u>	<u>MILLS</u>
Average Municipal*	8.278
Average School*	2.509
Potash Mill Rate	-
Uniform Municipal Mill Rate	7.000

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

See accompanying notes to the financial statements.

**RURAL MUNICIPALITY OF MONTROSE #315****SCHEDULE OF COUNCIL REMUNERATION**

**Year ended December 31, 2017**  
with comparative figures for 2016

<b>Position</b>	<b>Name</b>	<b><u>Remuneration</u></b>	<b><u>Reimbursed Costs</u></b>	<b><u>Total</u></b>
Reeve	Murray Purcell	\$ 5,475	2,838	8,313
Councillor	Dennis Goll	750	180	930
Councillor	Glen Kearnan	2,850	264	3,114
Councillor	Greg Anderson	3,525	520	4,045
Councillor	Joel Abraham	2,850	98	2,948
Councillor	Robert Haugen	2,700	500	3,200
Councillor	Tim Kuiack	2,700	630	3,330
Councillor	Shelby Corey	<u>150</u>	<u>30</u>	<u>180</u>
Total		<u>\$ 21,000</u>	<u>5,060</u>	<u>26,060</u>

See accompanying notes to the financial statements.