

**RURAL MUNICIPALITY OF HARRIS NO. 316**

**Auditor's Report**

**Financial Statements**

**December 31, 2018**

## MANAGEMENT'S RESPONSIBILITY

To the Ratepayers of  
**Rural Municipality of Harris No. 316 :**

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.



Reeve



Administrator



CHARTERED PROFESSIONAL ACCOUNTANTS

Bill Jensen, C.P.A. Prof. Corp.  
Jeff Stromberg, C.P.A. Prof. Corp.

## INDEPENDENT AUDITOR'S REPORT

To the **Reeve** and Council of **Rural Municipality of Harris No. 316**

### *Report on the Financial Statements*

#### *Opinion*

We have audited the financial statements of **Rural Municipality of Harris No. 316**, which comprise the statement of financial position as at **December 31, 2018** and the statements of financial activities, changes in net financial assets, and changes in financial position for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Rural Municipality as at **December 31, 2018** and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Rural Municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Rural Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and the use of the going concern basis of accounting unless management either intends to liquidate the Rural Municipality or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Rural Municipality's financial reporting process.

#### *Auditor's Responsibility for the Audit of the Financial Statements*


Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Rural Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Rural Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Rural Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Saskatoon, Saskatchewan  
April 8, 2019

  
Chartered Professional Accountants

# RURAL MUNICIPALITY OF HARRIS NO. 316

Statement 1

## STATEMENT OF FINANCIAL POSITION

**December 31, 2018**  
with comparative figures for 2017

	<u>2018</u>	<u>2017</u>
<b><u>ASSETS</u></b>		
Financial assets:		
Cash and temporary investments (Note 2)	\$ 2,422,010	1,949,462
Taxes receivable - Municipal (Note 3)	43,353	32,093
Other accounts receivable (Note 4)	81,550	135,722
Land for re-sale (Note 5)	-	-
Long-term investments (Note 6)	42,513	43,220
Debt charges recoverable	-	-
Other	-	-
	2,589,426	2,160,497
<b><u>LIABILITIES</u></b>		
Bank indebtedness (Note 7)	-	-
Accounts payable	19,981	21,484
Accrued liabilities payable	-	-
Deposits	-	-
Deferred revenue (Note 8)	680	679
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Long-term debt (Note 9)	-	-
Lease obligations	-	-
	20,661	22,163
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>2,568,765</b>	<b>2,138,334</b>
Non-financial assets:		
Tangible capital assets (Schedule 6, 7)	2,338,858	2,449,197
Prepaid and deferred charges	108	600
Stock and supplies	246,480	282,285
	2,585,446	2,732,082
<b>Total non-financial assets</b>	<b>2,585,446</b>	<b>2,732,082</b>
<b>Accumulated Surplus (Schedule 8)</b>	<b>\$ 5,154,211</b>	<b>4,870,416</b>

**APPROVED ON BEHALF OF COUNCIL:**

\_\_\_\_\_ Reeve

\_\_\_\_\_ Councillor

See accompanying notes to the financial statements.

# RURAL MUNICIPALITY OF HARRIS NO. 316

Statement 2

## STATEMENT OF FINANCIAL ACTIVITIES

**Year ended December 31, 2018**  
with comparative figures for 2017

		<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
<b>Revenues:</b>				
Taxes and other unconditional revenue	(Schedule 1)	\$ 974,492	971,611	1,015,539
Fees and charges	(Schedule 4, 5)	60,450	57,721	53,200
Conditional grants	(Schedule 4, 5)	67,300	65,071	68,060
Tangible capital asset sales - gain (loss)	(Schedule 4, 5)	-	-	-
Land sales - gain (loss)	(Schedule 4, 5)	-	-	-
Investment income and commissions	(Schedule 4, 5)	15,300	19,137	15,296
Other revenues	(Schedule 4, 5)	-	-	-
<b>Total Revenues</b>		<u>1,117,542</u>	<u>1,113,540</u>	<u>1,152,095</u>
<b>Expenditures:</b>				
General government services	(Schedule 3)	159,067	143,894	141,906
Protective services	(Schedule 3)	29,280	24,115	10,481
Transportation services	(Schedule 3)	733,280	641,813	678,968
Environmental and public health services	(Schedule 3)	24,580	22,451	34,158
Planning and development services	(Schedule 3)	2,150	2,483	2,836
Recreation and cultural services	(Schedule 3)	2,870	2,603	3,044
Utility services	(Schedule 3)	5,613	6,067	9,701
<b>Total Expenditures</b>		<u>956,840</u>	<u>843,431</u>	<u>881,094</u>
Surplus (deficit) of revenues over expenditures before other capital contributions		<u>160,702</u>	<u>270,109</u>	<u>271,001</u>
Provincial/Federal capital grants and contributions	(Schedule 4, 5)	<u>13,600</u>	<u>13,686</u>	<u>13,619</u>
Surplus (deficit) of revenues over expenditures		174,302	283,795	284,620
Accumulated surplus (deficit), beginning of year		<u>4,870,416</u>	<u>4,870,416</u>	<u>4,585,796</u>
Accumulated surplus (deficit), end of year		<u>\$ 5,044,718</u>	<u>5,154,211</u>	<u>4,870,416</u>

See accompanying notes to the financial statements.

# RURAL MUNICIPALITY OF HARRIS NO. 316

Statement 3

## STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2018  
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
<b>Surplus (deficit)</b>	\$ 174,302	283,795	284,620
(Acquisition) of tangible capital assets	174,113	(63,441)	(5,420)
Amortization of tangible capital assets	-	173,780	176,736
Proceeds on disposal of tangible capital assets	-	-	-
Loss (gain) on disposal of tangible capital assets	-	-	-
<b>Surplus (deficit) of capital expenses over expenditures</b>	<u>174,113</u>	<u>110,339</u>	<u>171,316</u>
(Acquisition) of supplies inventories	-	(12,243)	(190,162)
(Acquisition) of prepaid expenses	-	110	(384)
Consumption of supplies inventories	-	48,048	62,484
Use of prepaid expenses	-	382	626
<b>Surplus (deficit) of expenses of other non-financial over expenditures</b>	<u>-</u>	<u>36,297</u>	<u>(127,436)</u>
<b>Increase (decrease) in Net Financial Assets</b>	348,415	430,431	328,500
<b>Net Financial Assets (Debt) - Beginning of the year</b>	<u>2,138,334</u>	<u>2,138,334</u>	<u>1,809,834</u>
<b>Net Financial Assets (Debt)- End of year</b>	<u>\$ 2,486,749</u>	<u>2,568,765</u>	<u>2,138,334</u>

See accompanying notes to the financial statements.

# RURAL MUNICIPALITY OF HARRIS NO. 316

Statement 4

## STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 2018  
with comparative figures for 2017

<b>Cash provided by (used in) the following activities:</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Operating:		
Surplus (deficit)	\$ 283,795	284,620
Amortization	173,780	176,736
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>-</u>
	457,575	461,356
Change in assets/liabilities		
Taxes receivable - Municipal	(11,261)	179
Other accounts receivable	54,171	(104,299)
Land for re-sale	-	-
Other financial assets	-	-
Accounts and accrued liabilities payable	(1,501)	(1,381)
Deposits	-	-
Deferred revenue	1	(136)
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Stock and supplies	35,805	(127,678)
Prepayments and deferred charges	492	243
Other	<u>-</u>	<u>-</u>
Net cash from operations	<u>535,282</u>	<u>228,284</u>
Capital:		
Acquisition of capital assets	(63,441)	(5,420)
Proceeds from the disposal of capital assets	-	-
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(63,441)</u>	<u>(5,420)</u>
Investing:		
Long-term investments	707	(1,014)
Other investments	<u>-</u>	<u>-</u>
Net cash from (used for) investing	<u>707</u>	<u>(1,014)</u>
Financing activities:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	-	-
Other financing	<u>-</u>	<u>-</u>
Net cash from financing	<u>-</u>	<u>-</u>
Increase (decrease) in cash resources	472,548	221,850
Cash and temporary investments, beginning of year	<u>1,949,462</u>	<u>1,727,612</u>
Cash and temporary investments, end of year (Note 2)	<u>\$ 2,422,010</u>	<u>1,949,462</u>

See accompanying notes to the financial statements.

# RURAL MUNICIPALITY OF HARRIS NO. 316

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

### 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 HARRIS NO. 316

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

### 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 HARRIS NO. 316

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

### 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	10 to 15 years
<i>Infrastructure Assets</i>	
Water and sewer	40 years
Road network assets	15 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 Harris No. 316 jointly maintains a waste disposal site with the Village of Harris. The Municipality is in the process of obtaining and assessment of closure and post closure costs. No amount has been recorded as an asset or liability. The Municipality maintains a reserve for the potential closure costs (2018 - \$25,458; 2017 - \$30,000).

# RURAL MUNICIPALITY OF HARRIS NO. 316

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (o) **Liability for Contaminated Sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- a) an environmental standard exists
- b) contamination exceeds the environmental standard
- c) the Municipality:
  - i. is directly responsible; or
  - ii. accepts responsibility;
- d) it is expected that future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

The Municipality does not have any contaminated sites.

#### (p) **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.

#### (q) **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.

# RURAL MUNICIPALITY OF HARRIS NO. 316

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (r) **Basis of Segmentation/Segment Report**

The Municipality follows the Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the purpose of specific 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 HARRIS NO. 316

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (s) **New Accounting Standards**

Effective January 1, 2018, the Municipality adopted the following Canadian public sector accounting standards. The description of these changes and their impact on the consolidated financial statements is as follows:

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

The Municipality does not have any significant related party transactions to disclose.

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

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

The Municipality does not have any reportable contingent assets.

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

The Municipality does not have any contractual rights to disclose.

PS 3240 Inter-Entity Transactions establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

The Municipality does not have any inter-entity transactions to report.

### 2. CASH AND TEMPORARY INVESTMENTS

	<u>2018</u>	<u>2017</u>
Cash	\$ 2,422,010	1,949,462
Temporary investments	<u>-</u>	<u>-</u>
	<u>\$ 2,422,010</u>	<u>1,949,462</u>

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

# RURAL MUNICIPALITY OF HARRIS NO. 316

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

### 3. TAXES AND GRANTS IN LIEU RECEIVABLE

	<u>2018</u>	<u>2017</u>
Municipal: - Current	\$ 36,672	21,642
- Arrears	<u>8,681</u>	<u>12,451</u>
	45,353	34,093
Less: allowance for uncollectibles	<u>(2,000)</u>	<u>(2,000)</u>
Total municipal taxes receivable	<u>43,353</u>	<u>32,093</u>
School: - Current	8,608	5,396
- Arrears	<u>1,742</u>	<u>3,910</u>
Total school taxes receivable	<u>10,350</u>	<u>9,306</u>
Other: - Current	10,185	1,560
- Arrears	<u>-</u>	<u>-</u>
Total other collections receivable	<u>10,185</u>	<u>1,560</u>
Total taxes and grants in lieu receivable	63,888	42,959
Deduct taxes receivable to be collected on behalf of other organizations	<u>(20,535)</u>	<u>(10,866)</u>
Total taxes receivable - Municipal	<u>\$ 43,353</u>	<u>32,093</u>

### 4. OTHER ACCOUNTS RECEIVABLE

	<u>2018</u>	<u>2017</u>
Federal government	\$ 13,017	45,031
Provincial government	63,300	80,907
Local government	-	-
Utility	-	-
Trade	525	4,390
Other	<u>4,708</u>	<u>5,394</u>
Total other accounts receivable	81,550	135,722
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Net other accounts receivable	<u>\$ 81,550</u>	<u>135,722</u>

# RURAL MUNICIPALITY OF HARRIS NO. 316

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

### 5. LAND FOR RESALE

	<u>2018</u>	<u>2017</u>
Tax title property	\$ -	-
Less: - allowance for market value adjustment	<u>-</u>	<u>-</u>
Net tax title Property	<u>-</u>	<u>-</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>\$ -</u>	<u>-</u>

### 6. LONG-TERM INVESTMENTS

	<u>2018</u>	<u>2017</u>
Sask. Assoc. of Rural Municipalities - Self-insurance fund	\$ <u>42,408</u>	<u>43,115</u>
Other long term investments:		
Co-op shares	100	100
Credit union shares	<u>5</u>	<u>5</u>
Total long term investments	<u>\$ 42,513</u>	<u>43,220</u>

### 7. BANK INDEBTEDNESS

#### Credit Arrangements

At December 31, 2018, the Municipality had a line of credit totaling \$150,000, none of which was drawn.

### 8. DEFERRED REVENUE

	<u>2018</u>	<u>2017</u>
Prepaid taxes	\$ <u>680</u>	\$ <u>679</u>

### 9. LONG-TERM DEBT

a) The authorized debt limit for the Municipality is \$588,816. 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.

# RURAL MUNICIPALITY OF HARRIS NO. 316

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

### 10. 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.

### 11. 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 2018 was \$21,957 (2017 - \$20,952). 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.

### 12. BUDGET

The Financial Plan (Budget) adopted by Council on May 2, 2018, 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. As a result, the budget figures presented in the statements of operations and change in net financial assets include the following adjustments:

	<u>2018</u>
Budget net surplus	\$ 344,302
Less: Amortization of tangible capital assets	<u>170,000</u>
Budget surplus per statement of operations	<u>\$ 174,302</u>

# RURAL MUNICIPALITY OF HARRIS NO. 316

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

### 13. 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, 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, 2021:

##### 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.

##### 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 PS 3041, 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 re-measurement 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.

**RURAL MUNICIPALITY OF HARRIS NO. 316**  
**SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES**

Year ended December 31, 2018  
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
<b>TAXES</b>			
General municipal tax levy	\$ 605,165	606,278	598,390
Abatements and adjustments	-	-	(442)
Discount on current year taxes	<u>(25,000)</u>	<u>(27,872)</u>	<u>(26,527)</u>
<b>Net municipal taxes</b>	580,165	578,406	571,421
Potash tax share	48,714	49,023	81,982
Trailer license fees	-	-	-
Penalties on tax arrears	4,000	2,017	2,573
Special tax levy	99,676	100,236	102,381
Other	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Taxes</b>	<u>732,555</u>	<u>729,682</u>	<u>758,357</u>
<b>UNCONDITIONAL GRANTS</b>			
Revenue Sharing	237,537	237,522	252,775
Organized Hamlet	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Unconditional Grants</b>	<u>237,537</u>	<u>237,522</u>	<u>252,775</u>
<b>GRANTS IN LIEU OF TAXES</b>			
Federal	1,500	1,478	1,478
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
TransGas	1,000	1,000	1,000
Provincial - SPMC - Municipal Share	-	-	-
Sasktel	1,900	1,929	1,929
Other	<u>-</u>	<u>-</u>	<u>-</u>
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Other Government Transfers			
S.P.C. Surcharge	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Grants in Lieu of Taxes</b>	<u>4,400</u>	<u>4,407</u>	<u>4,407</u>
<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<u>\$ 974,492</u>	<u>971,611</u>	<u>1,015,539</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF HARRIS NO. 316

## SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2018  
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ -	-	-
Sales of supplies	1,000	1,499	1,080
Other	<u>200</u>	<u>100</u>	<u>-</u>
Total Fees and Charges	1,200	1,599	1,080
Tangible capital asset sales - gain (loss)	-	-	-
Land sales - gain (loss)	-	-	-
Investment income and commissions	15,300	19,137	15,296
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total other segmented revenue	<u>16,500</u>	<u>20,736</u>	<u>16,376</u>
Conditional Grants			
Student employment	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Operating</b>	<u>16,500</u>	<u>20,736</u>	<u>16,376</u>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Capital</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total General Government Services</b>	<u>16,500</u>	<u>20,736</u>	<u>16,376</u>
<b>PROTECTIVE SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Other	<u>-</u>	<u>-</u>	<u>357</u>
Total Fees and Charges	<u>-</u>	<u>-</u>	<u>357</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total other segmented revenue	<u>-</u>	<u>-</u>	<u>357</u>
Conditional Grants			
Student employment	-	-	-
Local government	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Operating</b>	<u>-</u>	<u>-</u>	<u>357</u>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Local government	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Capital</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Protective Services</b>	<u>-</u>	<u>-</u>	<u>357</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF HARRIS NO. 316

## SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2018  
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 2,000	4,912	7,980
Sales of supplies	37,000	12,590	15,361
Road Maintenance and Restoration Agreements	20,000	37,985	28,257
Frontage	-	-	-
Other	-	-	-
Total Fees and Charges	<u>59,000</u>	<u>55,487</u>	<u>51,598</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	<u>59,000</u>	<u>55,487</u>	<u>51,598</u>
Conditional Grants			
Primary Weight Corridor	63,300	63,300	63,300
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>63,300</u>	<u>63,300</u>	<u>63,300</u>
<b>Total Operating</b>	<u>122,300</u>	<u>118,787</u>	<u>114,898</u>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	13,600	13,686	13,619
MREP (Heavy Haul, CTP, Municipal Bridges)	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	<u>13,600</u>	<u>13,686</u>	<u>13,619</u>
<b>Total Transportation Services</b>	<u>135,900</u>	<u>132,473</u>	<u>128,517</u>
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Waste and Disposal Fees	-	-	-
Other	200	390	100
Total Fees and Charges	<u>200</u>	<u>390</u>	<u>100</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	<u>200</u>	<u>390</u>	<u>100</u>
Conditional Grants			
Student employment	-	-	-
TAPD	-	-	-
Local government	-	530	300
Other	4,000	1,241	4,460
Total Conditional Grants	<u>4,000</u>	<u>1,771</u>	<u>4,760</u>
<b>Total Operating</b>	<u>4,200</u>	<u>2,161</u>	<u>4,860</u>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
TAPD	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Environmental and Public Health Services Services</b>	<u>4,200</u>	<u>2,161</u>	<u>4,860</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF HARRIS NO. 316

## SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2018  
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Maintenance and Development Charges	\$ -	125	-
Other	-	-	-
Total Fees and Charges	-	125	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	125	-
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	-	125	-
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	-	-	-
<b>Total Planning and Development Services</b>	-	125	-
<b>RECREATION AND CULTURAL SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	-	-
Conditional Grants			
Student employment	-	-	-
Local government	-	-	-
Donations	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	-	-	-
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
Local government	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	-	-	-
<b>Total Recreation and Cultural Services</b>	-	-	-

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF HARRIS NO. 316

## SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2018  
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Water	\$ -	-	-
Sewer	-	-	-
Other	50	120	65
Total Fees and Charges	<u>50</u>	<u>120</u>	<u>65</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	<u>50</u>	<u>120</u>	<u>65</u>
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Operating</b>	<u>50</u>	<u>120</u>	<u>65</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>50</u>	<u>120</u>	<u>65</u>
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<u>\$ 156,650</u>	<u>155,615</u>	<u>150,175</u>
<b>SUMMARY</b>			
Total Other Segmented Revenue	\$ 75,750	76,858	68,496
Total Conditional Grants	67,300	65,071	68,060
Total Capital Grants and Contributions	13,600	13,686	13,619
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<u>\$ 156,650</u>	<u>155,615</u>	<u>150,175</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF HARRIS NO. 316

## TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2018  
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	\$ 21,100	16,891	17,779
Wages and benefits	84,067	84,572	81,184
Professional/Contractual services	28,300	21,396	26,822
Utilities	5,300	4,609	4,196
Maintenance, materials, and supplies	16,200	13,054	9,575
Grants and contributions	1,000	695	657
	-operating		
	-capital	-	-
Amortization	-	-	-
Interest	900	649	907
Allowance for uncollectibles	-	-	-
Other	2,200	2,028	786
<b>Total Government Services</b>	<u>159,067</u>	<u>143,894</u>	<u>141,906</u>
<b>PROTECTIVE SERVICES</b>			
<b>Police protection</b>			
Wages and benefits	-	-	-
Professional/Contractual services	9,800	8,809	8,828
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
	-operating		
	-capital	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
<b>Fire protection</b>			
Wages and benefits	-	-	-
Professional/Contractual services	19,480	2,744	1,653
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
	-operating		
	-capital	12,562	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
<b>Total Protective Services</b>	<u>29,280</u>	<u>24,115</u>	<u>10,481</u>
<b>TRANSPORTATION SERVICES</b>			
Council remuneration and travel	7,600	7,467	7,000
Wages and benefits	225,300	245,072	256,382
Professional/Contractual services	41,700	24,403	39,159
Utilities	7,680	7,472	7,395
Maintenance, materials, and supplies	191,000	139,991	141,164
Gravel	90,000	47,741	55,245
Grants and contributions	-	-	-
	-operating		
	-capital	-	-
Amortization	170,000	169,667	172,623
Interest	-	-	-
Other	-	-	-
<b>Total Transportation Services</b>	<u>733,280</u>	<u>641,813</u>	<u>678,968</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF HARRIS NO. 316

## TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2018  
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Wages and benefits	9,300	8,680	8,488
Professional/Contractual services	9,300	7,655	22,513
Utilities	-	-	-
Maintenance, materials, and supplies	4,500	4,636	2,277
Grants and contributions			
-operating			
Waste disposal	1,080	1,080	80
Public Health	400	400	800
-capital			
Waste disposal	-	-	-
Public Health	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
<b>Total Environmental and Public Health Services</b>	<u>24,580</u>	<u>22,451</u>	<u>34,158</u>
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
Wages and benefits	-	-	-
Professional/Contractual services	2,000	2,291	2,728
Grants and contributions			
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	150	197	108
<b>Total Planning and Development Services</b>	<u>2,150</u>	<u>2,488</u>	<u>2,836</u>
<b>RECREATION AND CULTURAL SERVICES</b>			
Wages and benefits	-	-	-
Professional/Contractual services	700	652	652
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions			
-operating	2,150	1,931	2,392
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other	20	20	-
<b>Total Recreation and Cultural Services</b>	<u>2,870</u>	<u>2,603</u>	<u>3,044</u>
<b>UTILITY SERVICES</b>			
Wages and benefits	-	-	-
Professional/Contractual services	-	1,340	222
Utilities	1,000	614	1,341
Maintenance, materials, and supplies	500	-	4,025
Grants and contributions			
-operating	-	-	-
-capital	-	-	-
Amortization	4,113	4,113	4,113
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other	-	-	-
<b>Total Utility Services</b>	<u>5,613</u>	<u>6,067</u>	<u>9,701</u>
<b>TOTAL EXPENDITURES BY FUNCTION</b>	<u>\$ 956,840</u>	<u>843,431</u>	<u>881,094</u>

See accompanying notes to the financial statements.

**RURAL MUNICIPALITY OF HARRIS NO. 316**  
**SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION**  
 Year ended December 31, 2018

	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	\$ 1,599	-	55,487	390	125	-	120	57,721
Tangible capital asset sales - Gain (loss)	-	-	-	-	-	-	-	-
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	19,137	-	-	-	-	-	-	19,137
Other revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	63,300	1,771	-	-	-	65,071
Grants - Capital	-	-	13,686	-	-	-	-	13,686
<b>Total revenues</b>	<b>20,736</b>	<b>-</b>	<b>132,473</b>	<b>2,161</b>	<b>125</b>	<b>-</b>	<b>120</b>	<b>155,615</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	101,463	-	245,072	8,680	-	-	-	355,215
Professional/Contractual Services	21,396	11,553	24,403	7,655	2,291	652	1,340	69,290
Utilities	4,609	-	7,472	-	-	-	614	12,695
Maintenance, materials and supplies	13,054	-	187,732	4,636	-	20	-	205,442
Grants and contributions	695	12,562	-	1,480	-	1,931	-	16,668
Amortization	-	-	169,667	-	-	-	4,113	173,780
Interest	649	-	-	-	-	-	-	649
Allowance for uncollectibles	-	-	-	-	-	-	-	-
Other	2,028	-	-	-	197	-	-	2,225
<b>Total expenses</b>	<b>143,894</b>	<b>24,115</b>	<b>634,346</b>	<b>22,451</b>	<b>2,488</b>	<b>2,603</b>	<b>6,067</b>	<b>835,964</b>
<b>Surplus (deficit) by function</b>	<b>(123,158)</b>	<b>(24,115)</b>	<b>(501,873)</b>	<b>(20,290)</b>	<b>(2,363)</b>	<b>(2,603)</b>	<b>(5,947)</b>	<b>(680,349)</b>
Taxation and other unconditional revenue (Schedule 1)								
<b>Net Surplus (Deficit)</b>								<b>\$ 971,611</b>
								<b>\$ 291,262</b>

See accompanying notes to the financial statements.



**RURAL MUNICIPALITY OF HARRIS NO. 316**  
**SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION**

Year ended December 31, 2017

	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	\$ 1,080	357	51,598	100	-	-	65	53,200
Tangible capital asset sales - Gain (loss)	-	-	-	-	-	-	-	-
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	15,296	-	-	-	-	-	-	15,296
Other revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	63,300	4,760	-	-	-	68,060
Grants - Capital	-	-	13,619	-	-	-	-	13,619
<b>Total revenues</b>	<u>16,376</u>	<u>357</u>	<u>128,517</u>	<u>4,860</u>	<u>-</u>	<u>-</u>	<u>65</u>	<u>150,175</u>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	98,963	-	256,382	8,488	-	-	-	363,833
Professional/Contractual Services	26,822	10,481	39,159	22,513	2,728	652	222	102,577
Utilities	4,196	-	7,395	-	-	-	1,341	12,932
Maintenance, materials and supplies	9,575	-	196,409	2,277	-	-	4,025	212,286
Grants and contributions	657	-	-	880	-	2,392	-	3,929
Amortization	-	-	172,623	-	-	-	4,113	176,736
Interest	907	-	-	-	-	-	-	907
Allowance for uncollectibles	-	-	-	-	-	-	-	-
Other	786	-	-	-	108	-	-	894
<b>Total expenses</b>	<u>141,906</u>	<u>10,481</u>	<u>671,968</u>	<u>34,158</u>	<u>2,836</u>	<u>3,044</u>	<u>9,701</u>	<u>874,094</u>
<b>Surplus (deficit) by function</b>	(125,530)	(10,124)	(543,451)	(29,298)	(2,836)	(3,044)	(9,636)	(723,919)
Taxation and other unconditional revenue (Schedule 1)								1,015,539
<b>Net Surplus (Deficit)</b>								<u>\$ 291,620</u>

See accompanying notes to the financial statements.



**RURAL MUNICIPALITY OF HARRIS NO. 316**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT**

Year ended December 31, 2018  
with comparative figures for 2017

	2018						2017
	General Assets			Infrastructure Assets	General / Infrastructure Assets Under Construction	Total	Total
	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets		
<b>Asset cost</b>							
Opening asset costs	\$ 50,135	88,542	159,945	890,829	3,973,964	-	5,163,415
Additions during the year	-	-	-	5,141	58,300	-	63,441
Disposals and write-downs during the year	-	-	-	-	-	-	-
Transfers (from) assets under construction	-	-	-	-	-	-	-
<b>Closing asset costs</b>	<u>50,135</u>	<u>88,542</u>	<u>159,945</u>	<u>895,970</u>	<u>4,032,264</u>	<u>-</u>	<u>5,226,856</u>
<b>Accumulated amortization cost</b>							
Opening accumulated amortization costs	-	54,179	80,357	456,510	2,123,172	-	2,714,218
Add: Amortization taken	-	1,563	11,077	62,688	98,452	-	173,780
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-
<b>Closing accumulated amortization costs</b>	<u>-</u>	<u>55,742</u>	<u>91,434</u>	<u>519,198</u>	<u>2,221,624</u>	<u>-</u>	<u>2,887,998</u>
<b>Net book value</b>	<u>\$ 50,135</u>	<u>32,800</u>	<u>68,511</u>	<u>376,772</u>	<u>1,810,640</u>	<u>-</u>	<u>2,338,858</u>

1. Total contributed/donated assets received in 2018: \$ -

2. List of assets recognized at nominal value in 2018 are:

-Infrastructure Assets

-Vehicles

-Machinery and Equipment

3. Amount of interest capitalized in 2018: \$ -

See accompanying notes to the financial statements.

**RURAL MUNICIPALITY OF HARRIS NO. 316**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION**

Year ended December 31, 2018  
with comparative figures for 2017

	2018						2017	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total
<b>Asset cost</b>								
Opening asset costs	\$ 10,848	-	5,048,631	-	-	-	103,936	5,157,995
Additions during the year	5,141	-	58,300	-	-	-	-	5,420
Disposals and write-downs during the year	-	-	-	-	-	-	-	-
<b>Closing asset costs</b>	<u>15,989</u>	<u>-</u>	<u>5,106,931</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,936</u>	<u>5,163,415</u>
<b>Accumulated amortization cost</b>								
Opening accumulated amortization costs	10,400	-	2,670,910	-	-	-	32,908	2,537,482
Add: Amortization taken	-	-	169,667	-	-	-	4,113	176,736
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	-
<b>Closing accumulated amortization costs</b>	<u>10,400</u>	<u>-</u>	<u>2,840,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,021</u>	<u>2,714,218</u>
<b>Net book value</b>	<u>\$ 5,589</u>	<u>-</u>	<u>2,266,354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,915</u>	<u>2,449,197</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF HARRIS NO. 316

## SCHEDULE OF ACCUMULATED SURPLUS

Year ended December 31, 2018

	<u>2017</u>	<u>Changes</u>	<u>2018</u>
<b>UNAPPROPRIATED SURPLUS</b>	\$ <u>1,245,222</u>	<u>192,976</u>	<u>1,438,198</u>
<b>APPROPRIATED RESERVES</b>			
Machinery and equipment	20,659	4,000	24,659
Public reserve	11,030	-	11,030
Capital trust	426,000	40,000	466,000
Utility	-	-	-
Other	<u>718,308</u>	<u>157,158</u>	<u>875,466</u>
<b>Total Appropriated</b>	<u>1,175,997</u>	<u>201,158</u>	<u>1,377,155</u>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>			
Tangible capital assets (Schedule 6)	2,449,197	(110,339)	2,338,858
Less: Related debt	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Investment in Tangible Capital Assets</b>	<u>2,449,197</u>	<u>(110,339)</u>	<u>2,338,858</u>
<b>Total Accumulated Surplus</b>	<u>\$ 4,870,416</u>	<u>283,795</u>	<u>5,154,211</u>

See accompanying notes to the financial statements.

**RURAL MUNICIPALITY OF HARRIS NO. 316**  
**SCHEDULE OF MILL RATES AND ASSESSMENTS**

Year ended December 31, 2018  
 with comparative figures for 2017

	PROPERTY CLASS					Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	
Taxable Assessment	\$ 93,276,745	3,155,395	-	-	4,138,300	\$ 100,570,440
Regional Park Assessment						
Total Assessment	0.9400	1.5000	1.0000	1.0000	2.5000	\$ 100,570,440
Mill Rate Factor(s)						
Total Base/Minimum Tax (generated for each property class)						
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ 517,313	27,925	-	-	61,040	606,278

**MILL RATES:**

Average Municipal*	6.028
Average School*	1.735
Potash Mill Rate	-
Uniform Municipal Mill Rate	5.900

\* 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 HARRIS NO. 316

## SCHEDULE OF COUNCIL REMUNERATION

Year ended December 31, 2018  
with comparative figures for 2017

Position	Name	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Reeve	David Husband	\$ 4,300	1,007	5,307
Councillor	Russell Gordon	2,000	-	2,000
Councillor	Lester Twordik	1,600	462	2,062
Councillor	Bryce McKenzie	2,200	162	2,362
Councillor	James Richardson	1,800	420	2,220
Councillor	Donald Genest	1,800	740	2,540
Councillor	Owen Crawley	1,700	499	2,199
Councillor	Marty Sigstad	400	46	446
Councillor	Kevin Genest	400	42	442
Total		<u>\$ 16,200</u>	<u>3,378</u>	<u>19,578</u>

See accompanying notes to the financial statements.