

**RURAL MUNICIPALITY OF HARRIS NO. 316**

**Auditor's Report**

**Financial Statements**

**December 31, 2019**

## 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. The preparation of the statements necessarily includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgments and estimates by management is required.

In discharging its responsibilities for the integrity and fair presentation of the financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are properly maintained to provide reliable information for the preparation of the 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

## 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, 2019** 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, 2019** 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  
May 27, 2020

  
Chartered Professional Accountants

# RURAL MUNICIPALITY OF HARRIS NO. 316

Statement 1

## STATEMENT OF FINANCIAL POSITION

**December 31, 2019**  
with comparative figures for 2018

	<u>2019</u>	<u>2018</u>
<b><u>ASSETS</u></b>		
Financial assets:		
Cash and temporary investments (Note 2)	\$ 2,494,957	2,422,010
Taxes receivable - Municipal (Note 3)	57,659	43,353
Other accounts receivable (Note 4)	97,491	81,550
Land for re-sale	-	-
Long-term investments (Note 5)	45,416	42,513
Other	-	-
	2,695,523	2,589,426
Total financial assets		
<b><u>LIABILITIES</u></b>		
Bank indebtedness (Note 6)	-	-
Accounts payable	83,645	19,981
Accrued liabilities payable	-	-
Deposits	-	-
Deferred revenue	662	680
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Long-term debt (Note 7)	-	-
Lease obligations	-	-
	84,307	20,661
Total liabilities		
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>2,611,216</b>	<b>2,568,765</b>
Non-financial assets:		
Tangible capital assets (Schedule 6, 7)	2,441,628	2,338,856
Prepaid and deferred charges	4,487	108
Stock and supplies	204,073	246,480
	2,650,188	2,585,444
Total non-financial assets		
Accumulated Surplus (Schedule 8)	\$ 5,261,404	5,154,209

**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, 2019**  
with comparative figures for 2018

		<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>Revenues:</b>				
Taxes and other unconditional revenue	(Schedule 1)	\$ 991,294	990,977	971,611
Fees and charges	(Schedule 4, 5)	63,000	60,122	57,721
Conditional grants	(Schedule 4, 5)	67,203	68,798	65,071
Tangible capital asset sales - gain (loss)	(Schedule 4, 5)	-	(19,594)	-
Land sales - gain (loss)	(Schedule 4, 5)	-	-	-
Investment income and commissions	(Schedule 4, 5)	22,300	25,779	19,137
Restructurings	(Schedule 4, 5)	-	-	-
Other revenues	(Schedule 4, 5)	-	-	-
<b>Total Revenues</b>		<u>1,143,797</u>	<u>1,126,082</u>	<u>1,113,540</u>
<b>Expenditures:</b>				
General government services	(Schedule 3)	160,929	331,165	143,895
Protective services	(Schedule 3)	16,041	11,487	24,115
Transportation services	(Schedule 3)	794,967	668,761	641,813
Environmental and public health services	(Schedule 3)	39,740	25,645	22,451
Planning and development services	(Schedule 3)	400	-	2,488
Recreation and cultural services	(Schedule 3)	2,772	2,537	2,603
Utility services	(Schedule 3)	7,113	6,243	6,067
Restructurings	(Schedule 3)	-	-	-
<b>Total Expenditures</b>		<u>1,021,962</u>	<u>1,045,838</u>	<u>843,432</u>
Surplus (deficit) of revenues over expenditures before other capital contributions		<u>121,835</u>	<u>80,244</u>	<u>270,108</u>
Provincial/Federal capital grants and contributions	(Schedule 4, 5)	<u>14,000</u>	<u>26,951</u>	<u>13,686</u>
Surplus (deficit) of revenues over expenditures		135,835	107,195	283,794
Accumulated surplus (deficit), beginning of year		<u>5,154,209</u>	<u>5,154,209</u>	<u>4,870,415</u>
Accumulated surplus (deficit), end of year		<u>\$ 5,290,044</u>	<u>5,261,404</u>	<u>5,154,209</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, 2019**  
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>Surplus (deficit)</b>	\$ <u>135,835</u>	<u>107,195</u>	<u>283,794</u>
(Acquisition) of tangible capital assets	-	(456,496)	(63,441)
Amortization of tangible capital assets	-	156,430	173,781
Proceeds on disposal of tangible capital assets	-	177,700	-
Loss (gain) on disposal of tangible capital assets	-	19,594	-
Transfer of assets/liabilities in restructuring transactions	<u>-</u>	<u>-</u>	<u>-</u>
<b>Surplus (deficit) of capital expenses over expenditures</b>	<u>-</u>	<u>(102,772)</u>	<u>110,340</u>
(Acquisition) of supplies inventories	-	5,017	(12,243)
(Acquisition) of prepaid expenses	-	(4,380)	110
Consumption of supplies inventories	-	37,391	48,048
Use of prepaid expenses	<u>-</u>	<u>-</u>	<u>382</u>
<b>Surplus (deficit) of expenses of other non-financial over expenditures</b>	<u>-</u>	<u>38,028</u>	<u>36,297</u>
<b>Increase (decrease) in Net Financial Assets</b>	135,835	42,451	430,431
<b>Net Financial Assets (Debt) - Beginning of the year</b>	<u>2,568,765</u>	<u>2,568,765</u>	<u>2,138,334</u>
<b>Net Financial Assets (Debt)- End of year</b>	<u>\$ 2,704,600</u>	<u>2,611,216</u>	<u>2,568,765</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, 2019  
with comparative figures for 2018

	<u>2019</u>	<u>2018</u>
<b>Cash provided by (used in) the following activities:</b>		
Operating:		
Surplus (deficit)	\$ 107,195	283,794
Amortization	156,430	173,781
Loss (gain) on disposal of tangible capital assets	<u>19,594</u>	<u>-</u>
	283,219	457,575
Change in assets/liabilities		
Taxes receivable - Municipal	(14,304)	(11,261)
Other accounts receivable	(15,941)	54,171
Land for re-sale	-	-
Other financial assets	-	-
Accounts and accrued liabilities payable	63,663	(1,501)
Deposits	-	-
Deferred revenue	(18)	1
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Stock and supplies	42,407	35,805
Prepayments and deferred charges	(4,379)	492
Other	<u>-</u>	<u>-</u>
Net cash from operations	<u>354,647</u>	<u>535,282</u>
Capital:		
Acquisition of capital assets	(456,496)	(63,441)
Proceeds from the disposal of capital assets	177,700	-
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(278,796)</u>	<u>(63,441)</u>
Investing:		
Long-term investments	(2,904)	707
Other investments	<u>-</u>	<u>-</u>
Net cash from (used for) investing	<u>(2,904)</u>	<u>707</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	72,947	472,548
Cash and temporary investments, beginning of year	<u>2,422,010</u>	<u>1,949,462</u>
Cash and temporary investments, end of year (Note 2)	<u>\$ 2,494,957</u>	<u>2,422,010</u>

See accompanying notes to the financial statements.

# RURAL MUNICIPALITY OF HARRIS NO. 316

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

### 1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the municipality are prepared by management in accordance with the local government accounting standards established by the Public Sector Accounting Board. 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, 2019

### 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, 2019

### 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 was updated February 2019 and are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land improvements	15 years
Buildings	50 years
<i>Vehicles and equipment</i>	
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.

**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 (2019 - \$55,458; 2018 - \$25,458).

# RURAL MUNICIPALITY OF HARRIS NO. 316

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

### 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.

#### (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.

# RURAL MUNICIPALITY OF HARRIS NO. 316

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

Effective January 1, 2019, the Municipality adopted the following Canadian public sector accounting standard:

**PS 3430 Restructuring Transactions** defines a restructuring transaction and establishes standards for measuring assets and liabilities transferred in a restructuring transactions. The Municipality did not have any restructuring transactions.

### 2. CASH AND TEMPORARY INVESTMENTS

	<u>2019</u>	<u>2018</u>
Cash	\$ 2,494,957	2,422,010
Temporary investments	<u>-</u>	<u>-</u>
	<u>\$ 2,494,957</u>	<u>2,422,010</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, 2019

### 3. TAXES AND GRANTS IN LIEU RECEIVABLE

	<u>2019</u>	<u>2018</u>
Municipal: - Current	\$ 47,931	36,672
- Arrears	<u>11,728</u>	<u>8,681</u>
	59,659	45,353
Less: allowance for uncollectibles	<u>(2,000)</u>	<u>(2,000)</u>
Total municipal taxes receivable	<u>57,659</u>	<u>43,353</u>
School: - Current	11,136	8,608
- Arrears	<u>2,580</u>	<u>1,742</u>
Total school taxes receivable	<u>13,716</u>	<u>10,350</u>
Other: - Current	9,465	10,185
- Arrears	<u>-</u>	<u>-</u>
Total other collections receivable	<u>9,465</u>	<u>10,185</u>
Total taxes and grants in lieu receivable	80,840	63,888
Deduct taxes receivable to be collected on behalf of other organizations	<u>(23,180)</u>	<u>(20,535)</u>
Total taxes receivable - Municipal	<u>\$ 57,659</u>	<u>43,353</u>

### 4. OTHER ACCOUNTS RECEIVABLE

	<u>2019</u>	<u>2018</u>
Federal government	\$ 25,976	13,017
Provincial government	63,300	63,300
Local government	-	-
Utility	-	-
Trade	3,425	525
Other	<u>4,790</u>	<u>4,708</u>
Total other accounts receivable	97,491	81,550
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Net other accounts receivable	<u>\$ 97,491</u>	<u>81,550</u>

# RURAL MUNICIPALITY OF HARRIS NO. 316

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

### 5. LONG-TERM INVESTMENTS

	<u>2019</u>	<u>2018</u>
Sask. Assoc. of Rural Municipalities - Self-insurance fund	\$ <u>45,311</u>	<u>42,408</u>
Other long term investments:		
Co-op shares	100	100
Credit Union shares	<u>5</u>	<u>5</u>
Total long term investments	\$ <u>45,416</u>	<u>42,513</u>

### 6. BANK INDEBTEDNESS

#### **Credit Arrangements**

At December 31, 2019, the Municipality had a line of credit totaling \$150,000, none of which was drawn.

### 7. LONG-TERM DEBT

The authorized debt limit for the Municipality is \$583,044. 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.

### 8. LOSS DUE TO THEFT

In December of 2019, the Municipality lost \$175,000 in funds as a result of a cyber attack. The loss is not expected to be covered by insurance or be otherwise recoverable, so the entire amount has been expensed. The Municipality is working with SARM to find an insurance policy to cover such losses.

### 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 2019 was \$25,318 (2018 - \$21,957). 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.

Based on the latest information available (December 31, 2018 Audited Financial Statements) the Municipal Employees Pension Plan had a surplus in the net assets available for benefits of \$463,236,000. This is based on the most recent actuarial valuation, completed December 31, 2017. The Rural Municipality's portion of this is not readily determinable.

# RURAL MUNICIPALITY OF HARRIS NO. 316

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

### 11. RECENT ACCOUNTING PRONOUNCEMENTS

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

#### **Standards Effective On Or After April 1, 2021**

**PS 1201 Financial Statement Presentation** replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure in government financial statements. The standard is effective in the period PS 3450 and PS 2601 are adopted.

**PS 2601 Foreign Currency Translation** replaces PS 2600 with revised guidance on the recognition, presentation and disclosure of transactions that are denominated in foreign currency.

**PS 3041 Portfolio Investments** replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of portfolio investments. The standard is effective in the period PS 3450, PS 2601 and PS 1201 are adopted.

**PS 3450 Financial Instruments** is a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives.

**PS 3280 Asset Retirement Obligations** is a new standard establishing guidance on the recognition, measurement, presentation and disclosure of a liability for retirement of a tangible capital asset. As this standard includes solid waste landfill sites active and post-closing obligations upon adoption of the new standard, existing Solid Waste Landfill Closure and Post-Closure Liability Section 3270 will be withdrawn.

#### **Standards Effective On Or After April 1, 2022**

**PS 3400 Revenue** is a new standard establishing guidance on the recognition, measurement, presentation and disclosure of revenue

The Rural 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, 2019  
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>TAXES</b>			
General municipal tax levy	\$ 611,160	611,160	606,278
Abatements and adjustments	-	-	-
Discount on current year taxes	<u>(25,000)</u>	<u>(26,329)</u>	<u>(27,872)</u>
<b>Net municipal taxes</b>	586,160	584,831	578,406
Potash tax share	52,982	52,865	49,023
Trailer license fees	-	-	-
Penalties on tax arrears	3,000	3,583	2,017
Special tax levy	100,500	101,039	100,236
Other	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Taxes</b>	<u>742,642</u>	<u>742,318</u>	<u>729,682</u>
<b>UNCONDITIONAL GRANTS</b>			
Revenue sharing	244,252	244,252	237,522
Organized Hamlet	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Unconditional Grants</b>	<u>244,252</u>	<u>244,252</u>	<u>237,522</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 - Central Services	-	-	-
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>\$ 991,294</u>	<u>990,977</u>	<u>971,611</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, 2019  
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ -	257	-
Sales of supplies	1,000	948	1,499
Other (Permits)	100	-	100
Total Fees and Charges	<u>1,100</u>	<u>1,205</u>	<u>1,599</u>
Tangible capital asset sales - gain (loss)	-	-	-
Land sales - gain (loss)	-	-	-
Investment income and commissions	22,300	25,779	19,137
Other	-	-	-
Total other segmented revenue	<u>23,400</u>	<u>26,984</u>	<u>20,736</u>
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Operating</b>	<u>23,400</u>	<u>26,984</u>	<u>20,736</u>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Restructuring Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total General Government Services</b>	<u>23,400</u>	<u>26,984</u>	<u>20,736</u>
<b>PROTECTIVE SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
PS - Fire Fees	-	-	-
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	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Operating</b>	<u>-</u>	<u>-</u>	<u>-</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>Restructuring Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Protective Services</b>	<u>-</u>	<u>-</u>	<u>-</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, 2019  
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 2,000	10,605	4,912
Sales of supplies	39,700	12,029	12,590
Road Maintenance and Restoration Agreements	20,000	36,033	37,985
Frontage	-	-	-
Other	-	-	-
Total Fees and Charges	<u>61,700</u>	<u>58,667</u>	<u>55,487</u>
Tangible capital asset sales - gain (loss)	-	(19,594)	-
Other	-	-	-
Total other segmented revenue	<u>61,700</u>	<u>39,073</u>	<u>55,487</u>
Conditional Grants			
TS-Federal - 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>125,000</u>	<u>102,373</u>	<u>118,787</u>
<b>Capital</b>			
Conditional Grants			
Federal Gas Tax	14,000	26,951	13,686
MREP (Heavy Haul, CTP, Municipal Bridges)	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
<b>Total Capital</b>	<u>14,000</u>	<u>26,951</u>	<u>13,686</u>
<b>Restructuring Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Transportation Services</b>	<u>139,000</u>	<u>129,324</u>	<u>132,473</u>
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Waste and Disposal Fees	-	-	-
Other (Sale of Pest Control Products)	150	230	390
Total Fees and Charges	<u>150</u>	<u>230</u>	<u>390</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	<u>150</u>	<u>230</u>	<u>390</u>
Conditional Grants			
Student employment	-	-	-
TAPD	-	-	-
Local government	300	530	530
Other (Rat Rebate Program)	3,603	4,968	1,241
Total Conditional Grants	<u>3,903</u>	<u>5,498</u>	<u>1,771</u>
<b>Total Operating</b>	<u>4,053</u>	<u>5,728</u>	<u>2,161</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>Restructuring Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Environmental and Public Health Services Services</b>	<u>4,053</u>	<u>5,728</u>	<u>2,161</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, 2019  
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</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>Restructuring Revenue</b>	-	-	-
<b>Total Planning and Development Services</b>	-	-	125
<b>RECREATION AND CULTURAL SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Sales of supplies	-	-	-
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>Restructuring Revenue</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, 2019  
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
Water	\$ -	-	-
Sewer	-	-	-
Other (Water - Well Key Sales)	50	20	120
Total Fees and Charges	<u>50</u>	<u>20</u>	<u>120</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	<u>50</u>	<u>20</u>	<u>120</u>
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Operating</b>	<u>50</u>	<u>20</u>	<u>120</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>Restructuring Revenue</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Utility Services</b>	<u>50</u>	<u>20</u>	<u>120</u>
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<u>\$ 166,503</u>	<u>162,056</u>	<u>155,615</u>
<b>SUMMARY</b>			
Total Other Segmented Revenue	\$ 85,300	66,307	76,858
Total Conditional Grants	67,203	68,798	65,071
Total Capital Grants and Contributions	14,000	26,951	13,686
Restructuring Revenue	-	-	-
<b>TOTAL REVENUE BY FUNCTION</b>	<u>\$ 166,503</u>	<u>162,056</u>	<u>155,615</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF HARRIS NO. 316

## TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2019  
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	\$ 22,100	19,049	16,891
Wages and benefits	91,059	90,950	84,572
Professional/Contractual services	25,270	23,601	21,397
Utilities	5,300	4,705	4,609
Maintenance, materials, and supplies	12,400	14,304	13,054
Grants and contributions	1,000	402	695
			-operating
			-capital
Amortization	-	1,028	-
Interest	900	702	649
Allowance for uncollectibles	-	-	-
Other	2,900	1,424	2,028
Loss due to theft (Note 8)	-	175,000	-
<b>General Government Services</b>	<u>160,929</u>	<u>331,165</u>	<u>143,895</u>
<b>Restructuring</b>	-	-	-
<b>Total General Government Services</b>	<u>160,929</u>	<u>331,165</u>	<u>143,895</u>
<b>PROTECTIVE SERVICES</b>			
<b>Police protection</b>			
Wages and benefits	-	-	-
Professional/Contractual services	9,800	8,973	8,809
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
			-operating
			-capital
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
<b>Fire protection</b>			
Wages and benefits	-	-	-
Professional/Contractual services	6,241	2,514	2,744
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
			-operating
			-capital
Amortization	-	-	12,562
Interest	-	-	-
Other	-	-	-
<b>Protective Services</b>	<u>16,041</u>	<u>11,487</u>	<u>24,115</u>
<b>Restructuring</b>	-	-	-
<b>Total Protective Services</b>	<u>16,041</u>	<u>11,487</u>	<u>24,115</u>
<b>TRANSPORTATION SERVICES</b>			
Council remuneration and travel	7,600	8,158	7,467
Wages and benefits	258,400	256,965	245,072
Professional/Contractual services	45,300	19,620	24,403
Utilities	8,750	7,498	7,472
Maintenance, materials, and supplies	215,250	173,445	139,991
Gravel	90,000	41,829	47,741
Grants and contributions	-	-	-
			-operating
			-capital
Amortization	169,667	151,289	169,667
Interest	-	-	-
Other	-	9,957	-
<b>Transportation Services</b>	<u>794,967</u>	<u>668,761</u>	<u>641,813</u>
<b>Restructuring</b>	-	-	-
<b>Total Transportation Services</b>	<u>794,967</u>	<u>668,761</u>	<u>641,813</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF HARRIS NO. 316

## TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2019  
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Wages and benefits	11,900	9,334	8,680
Professional/Contractual services	21,860	11,770	7,655
Utilities	-	-	-
Maintenance, materials, and supplies	4,500	3,061	4,636
Grants and contributions			
-operating			
Waste disposal	1,080	1,080	1,080
Public health	400	400	400
-capital			
Waste disposal	-	-	-
Public health	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
<b>Environmental and Public Health Services</b>	<u>39,740</u>	<u>25,645</u>	<u>22,451</u>
<b>Restructuring</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Environmental and Public Health Services</b>	<u>39,740</u>	<u>25,645</u>	<u>22,451</u>
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
Wages and benefits	-	-	-
Professional/Contractual services	200	-	2,291
Grants and contributions			
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other (Joint Harris Website)	200	-	197
<b>Planning and Development Services</b>	<u>400</u>	<u>-</u>	<u>2,488</u>
<b>Restructuring</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Planning and Development Services</b>	<u>400</u>	<u>-</u>	<u>2,488</u>
<b>RECREATION AND CULTURAL SERVICES</b>			
Wages and benefits	-	-	-
Professional/Contractual services	652	652	652
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions			
-operating	2,100	1,865	1,931
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other (Rivers West Membership)	20	20	20
<b>Recreation and Cultural Services</b>	<u>2,772</u>	<u>2,537</u>	<u>2,603</u>
<b>Restructuring</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Recreation and Cultural Services</b>	<u>2,772</u>	<u>2,537</u>	<u>2,603</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF HARRIS NO. 316

## TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2019  
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>UTILITY SERVICES</b>			
Wages and benefits	-	-	-
Professional/Contractual services	1,500	494	1,340
Utilities	1,500	737	614
Maintenance, materials, and supplies	-	899	-
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	4,113	4,113	4,113
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other	-	-	-
<b>Utility Services</b>	<u>7,113</u>	<u>6,243</u>	<u>6,067</u>
<b>Restructuring</b>	-	-	-
<b>Total Utility Services</b>	<u>7,113</u>	<u>6,243</u>	<u>6,067</u>
<b>TOTAL EXPENDITURES BY FUNCTION</b>	<u>\$ 1,021,962</u>	<u>1,045,838</u>	<u>843,432</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF HARRIS NO. 316

SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2019

	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	\$ 1,205	-	58,667	230	-	-	20	60,122
Tangible capital asset sales - Gain (loss)	-	-	(19,594)	-	-	-	-	(19,594)
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	25,779	-	-	-	-	-	-	25,779
Other revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	63,300	5,498	-	-	-	68,798
Grants - Capital	-	-	26,951	-	-	-	-	26,951
Restructurings	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>26,984</b>	<b>-</b>	<b>129,324</b>	<b>5,728</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>162,056</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	109,999	-	265,123	9,334	-	-	-	384,456
Professional/Contractual Services	23,601	11,487	19,620	11,770	-	652	494	67,624
Utilities	4,705	-	7,498	-	-	-	737	12,940
Maintenance, materials and supplies	14,304	-	215,274	3,061	-	20	899	233,558
Grants and contributions	402	-	-	1,480	-	1,865	-	3,747
Amortization	1,028	-	151,289	-	-	-	4,113	156,430
Interest	702	-	-	-	-	-	-	702
Allowance for uncollectibles.	-	-	-	-	-	-	-	-
Other	176,424	-	9,957	-	-	-	-	186,381
Restructurings	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>331,165</b>	<b>11,487</b>	<b>668,761</b>	<b>25,645</b>	<b>-</b>	<b>2,537</b>	<b>6,243</b>	<b>1,045,838</b>
<b>Surplus (deficit) by function</b>	<b>(304,181)</b>	<b>(11,487)</b>	<b>(539,437)</b>	<b>(19,917)</b>	<b>-</b>	<b>(2,537)</b>	<b>(6,223)</b>	<b>(883,782)</b>
Taxation and other unconditional revenue (Schedule 1)								
<b>Net Surplus (Deficit)</b>								<b>\$ 990,977</b>
								<b>\$ 107,195</b>

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
Restructurings	-	-	-	-	-	-	-	-
<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	-	252,539	8,680	-	-	-	362,682
Professional/Contractual Services	21,397	11,553	24,403	7,655	2,291	652	1,340	69,291
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
Restructurings	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>143,895</b>	<b>24,115</b>	<b>641,813</b>	<b>22,451</b>	<b>2,488</b>	<b>2,603</b>	<b>6,067</b>	<b>843,432</b>
<b>Surplus (deficit) by function</b>	<b>(123,159)</b>	<b>(24,115)</b>	<b>(509,340)</b>	<b>(20,290)</b>	<b>(2,363)</b>	<b>(2,603)</b>	<b>(5,947)</b>	<b>(687,817)</b>
Taxation and other unconditional revenue (Schedule 1)								
<b>Net Surplus (Deficit)</b>								<b>\$ 971,611</b>
								<b>\$ 283,794</b>

See accompanying notes to the financial statements.



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

Year ended December 31, 2019  
with comparative figures for 2018

	2019						2018	
	General Assets		Infrastructure Assets		General / Infrastructure Assets Under Construction			
	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Total	Total	Total
<b>Asset cost</b>								
Opening asset costs	\$ 50,135	88,542	159,945	895,970	4,032,264	-	5,226,856	5,163,415
Additions during the year	-	-	24,343	320,853	111,300	-	456,496	63,441
Disposals and write-downs during the year	-	-	(35,509)	(304,080)	-	-	(339,589)	-
Transfers (from) assets under construction	-	-	-	-	-	-	-	-
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
<b>Closing asset costs</b>	<u>50,135</u>	<u>88,542</u>	<u>148,779</u>	<u>912,743</u>	<u>4,143,564</u>	<u>-</u>	<u>5,343,763</u>	<u>5,226,856</u>
<b>Accumulated amortization cost</b>								
Opening accumulated amortization costs	-	55,742	91,434	519,198	2,221,626	-	2,888,000	2,714,219
Add: Amortization taken	-	1,563	8,296	43,445	103,126	-	156,430	173,781
Less: Accumulated amortization on disposals	-	-	(20,663)	(121,632)	-	-	(142,295)	-
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
<b>Closing accumulated amortization costs</b>	<u>-</u>	<u>57,305</u>	<u>79,067</u>	<u>441,011</u>	<u>2,324,732</u>	<u>-</u>	<u>2,902,135</u>	<u>2,888,000</u>
<b>Net book value</b>	<u>\$ 50,135</u>	<u>31,237</u>	<u>69,712</u>	<u>471,732</u>	<u>1,818,812</u>	<u>-</u>	<u>2,441,628</u>	<u>2,338,856</u>

1. Total contributed/donated assets received in 2019: \$ -

2. List of assets recognized at nominal value in 2019 are:

-Infrastructure Assets \$ -

-Vehicles \$ -

-Machinery and Equipment \$ -

3. Amount of interest capitalized in 2019: \$ -

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF HARRIS NO. 316

## SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION

Year ended December 31, 2019

with comparative figures for 2018

	2019						2018	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total
<b>Asset cost</b>								
Opening asset costs	\$ 15,989	-	5,106,931	-	-	-	103,936	5,226,856
Additions during the year	-	-	456,496	-	-	-	-	456,496
Disposals and write-downs during the year	-	-	(339,589)	-	-	-	-	(339,589)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
<b>Closing asset costs</b>	<u>15,989</u>	<u>-</u>	<u>5,223,838</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,936</u>	<u>5,343,763</u>
<b>Accumulated amortization cost</b>								
Opening accumulated amortization costs	10,400	-	2,840,579	-	-	-	37,021	2,888,000
Add: Amortization taken	1,028	-	151,289	-	-	-	4,113	156,430
Less: Accumulated amortization on disposals	-	-	(142,295)	-	-	-	-	(142,295)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-
<b>Closing accumulated amortization costs</b>	<u>11,428</u>	<u>-</u>	<u>2,849,573</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,134</u>	<u>2,902,135</u>
<b>Net book value</b>	<u>\$ 4,561</u>	<u>-</u>	<u>2,374,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,802</u>	<u>2,441,628</u>
								<u>2,888,000</u>
								<u>5,226,856</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF HARRIS NO. 316

## SCHEDULE OF ACCUMULATED SURPLUS

Year ended December 31, 2019

	<u>2018</u>	<u>Changes</u>	<u>2019</u>
<b>UNAPPROPRIATED SURPLUS</b>	\$ <u>1,438,198</u>	<u>(85,107)</u>	<u>1,353,091</u>
<b>APPROPRIATED RESERVES</b>			
Machinery and equipment	24,659	2,000	26,659
Public reserve	11,030	-	11,030
Capital trust	466,000	(91,170)	374,830
Utility	-	-	-
Other	<u>875,466</u>	<u>178,700</u>	<u>1,054,166</u>
<b>Total Appropriated</b>	<u>1,377,155</u>	<u>89,530</u>	<u>1,466,685</u>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>			
Tangible capital assets (Schedule 6)	2,338,856	102,772	2,441,628
Less: Related debt	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Investment in Tangible Capital Assets</b>	<u>2,338,856</u>	<u>102,772</u>	<u>2,441,628</u>
<b>Total Accumulated Surplus</b>	\$ <u>5,154,209</u>	<u>107,195</u>	<u>5,261,404</u>

See accompanying notes to the financial statements.

**RURAL MUNICIPALITY OF HARRIS NO. 316**

**SCHEDULE OF MILL RATES AND ASSESSMENTS**

Year ended December 31, 2019

	PROPERTY CLASS					Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	
Taxable Assessment	\$ 93,277,295	3,177,155	-	-	4,138,300	\$ 100,592,750
Regional Park Assessment						
Total Assessment						\$ 100,592,750
Mill Rate Factor(s)	0.9400	1.7500	1.0000	1.0000	2.5000	
Total Base/Minimum Tax (generated for each property class)	-	-	-	-	-	-
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ 517,316	32,804	-	-	61,040	611,160

**MILL RATES:**

Average Municipal*	6.076
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, 2019

<b>Position</b>	<b>Name</b>	<b><u>Remuneration</u></b>	<b><u>Reimbursed Costs</u></b>	<b><u>Total</u></b>
Reeve	David Husband	\$ 4,900	1,336	6,236
Councillor	Russell Gordon	1,300	400	1,700
Councillor	Marty Sigstad	1,600	460	2,060
Councillor	Bryce McKenzie	1,500	522	2,022
Councillor	James Richardson	1,500	648	2,148
Councillor	Donald Genest	2,500	500	3,000
Councillor	Kevin Genest	2,100	790	2,890
Total		<u>\$ 15,400</u>	<u>4,656</u>	<u>20,056</u>

See accompanying notes to the financial statements.

## RURAL MUNICIPALITY OF HARRIS NO. 316

## SCHEDULE OF RESTRUCTURING

Year ended December 31, 2019

## Carrying Amount of Assets and Liabilities Transferred/Received at Restructuring Date

Cash and temporary investments	\$	-
Taxes Receivable - Municipal		-
Other accounts receivable		-
Land for resale		-
Long-term investments		-
Debt charges recoverable		-
Bank indebtedness		-
Accounts payable		-
Accrued liabilities payable		-
Deposits		-
Deferred revenue		-
Accrued landfill costs		-
Liability for contaminated sites		-
Other liabilities		-
Long-term debt		-
Lease obligations		-
Tangible capital assets		-
Prepayments and deferred charges		-
Stock and supplies		-
Other		-
<b>Total Net Carrying Amount Received (Transferred)</b>	<b>\$</b>	<b>-</b>

See accompanying notes to the financial statements.