

RURAL MUNICIPALITY OF MONTROSE #315

Auditor's Report

Financial Statements

December 31, 2019

MANAGEMENT'S RESPONSIBILITY

To the Ratepayers of
Rural Municipality of Montrose #315 :

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. 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 Montrose #315**

Report on the Financial Statements

Opinion

We have audited the financial statements of **Rural Municipality of Montrose #315**, 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 20, 2020

Chartered Professional Accountants

RURAL MUNICIPALITY OF MONTROSE #315

Statement 1

STATEMENT OF FINANCIAL POSITION

December 31, 2019
with comparative figures for 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Financial assets:		
Cash and temporary investments (Note 2)	\$ 1,817,517	1,507,669
Taxes receivable - Municipal (Note 3)	150,031	178,909
Other accounts receivable (Note 4)	50,291	39,279
Land for re-sale (Note 5)	10,612	4,899
Long-term investments (Note 6)	58,277	52,565
Debt charges recoverable	-	-
Other	-	-
	<hr/>	<hr/>
Total financial assets	2,086,728	1,783,321
<u>LIABILITIES</u>		
Bank indebtedness	-	-
Accounts payable	25,339	46,176
Accrued liabilities payable	-	-
Deposits	-	-
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Long-term debt (Note 7)	343,760	-
Lease obligations	-	-
	<hr/>	<hr/>
Total liabilities	369,099	46,176
NET FINANCIAL ASSETS (DEBT)	1,717,629	1,737,145
Non-financial assets:		
Tangible capital assets (Schedule 6, 7)	2,060,879	1,522,744
Prepaid and deferred charges	1,722	1,418
Stock and supplies	245,773	194,426
	<hr/>	<hr/>
Total non-financial assets	2,308,374	1,718,588
Accumulated Surplus (Deficit) (Schedule 8)	\$ <u>4,026,003</u>	<u>3,455,733</u>

APPROVED ON BEHALF OF COUNCIL:

_____ Reeve

_____ Councillor

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF MONTROSE #315

Statement 2

STATEMENT OF FINANCIAL ACTIVITIES

Year ended December 31, 2019
with comparative figures for 2018

		<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Revenues:				
Taxes and other unconditional revenue	(Schedule 1)	\$ 1,358,069	1,343,390	1,323,402
Fees and charges	(Schedule 4, 5)	183,205	233,977	166,181
Conditional grants	(Schedule 4, 5)	18,200	10,007	22,618
Tangible capital asset sales - gain (loss)	(Schedule 4, 5)	-	783	3,939
Land sales - gain (loss)	(Schedule 4, 5)	-	1,566	-
Investment income and commissions	(Schedule 4, 5)	7,100	25,974	8,198
Restructurings	(Schedule 4, 5)	-	-	-
Other revenues	(Schedule 4, 5)	-	<u>22,772</u>	-
Total Revenues		<u>1,566,574</u>	<u>1,638,469</u>	<u>1,524,338</u>
Expenditures:				
General government services	(Schedule 3)	242,620	220,854	200,365
Protective services	(Schedule 3)	103,800	107,996	112,854
Transportation services	(Schedule 3)	675,250	749,610	644,724
Environmental and public health services	(Schedule 3)	62,475	62,616	60,836
Planning and development services	(Schedule 3)	17,712	10,036	10,657
Recreation and cultural services	(Schedule 3)	5,600	5,660	5,589
Utility services	(Schedule 3)	-	-	-
Restructurings	(Schedule 3)	-	-	-
Total Expenditures		<u>1,107,457</u>	<u>1,156,772</u>	<u>1,035,025</u>
Surplus (deficit) of revenues over expenditures before other capital contributions		<u>459,117</u>	<u>481,697</u>	<u>489,313</u>
Provincial/Federal capital grants and contributions	(Schedule 4, 5)	<u>44,500</u>	<u>88,573</u>	<u>43,503</u>
Surplus (deficit) of revenues over expenditures		503,617	570,270	532,816
Accumulated surplus (deficit), beginning of year		<u>3,455,733</u>	<u>3,455,733</u>	<u>2,922,917</u>
Accumulated surplus (deficit), end of year		<u>\$ 3,959,350</u>	<u>4,026,003</u>	<u>3,455,733</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF MONTROSE #315**Statement 3****STATEMENT OF CHANGES IN NET FINANCIAL ASSETS****Year ended December 31, 2019**
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Surplus (deficit)	\$ 503,617	570,270	532,816
(Acquisition) of tangible capital assets	-	(783,889)	(247,748)
Amortization of tangible capital assets	-	235,156	138,618
Proceeds on disposal of tangible capital assets	-	11,381	3,939
Loss (gain) on disposal of tangible capital assets	-	(783)	(3,939)
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (deficit) of capital expenses over expenditures	-	(538,135)	(109,130)
(Acquisition) of supplies inventories	-	(51,346)	(363,813)
(Acquisition) of prepaid expenses	-	(305)	2,461
Consumption of supplies inventories	-	-	295,212
Use of prepaid expenses	-	-	174
Surplus (deficit) of expenses of other non-financial over expenditures	-	(51,651)	(65,966)
Increase (decrease) in Net Financial Assets	503,617	(19,516)	357,720
Net Financial Assets (Debt) - Beginning of the year	1,737,145	1,737,145	1,379,425
Net Financial Assets (Debt)- End of year	<u>\$ 2,240,762</u>	<u>1,717,629</u>	<u>1,737,145</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF MONTROSE #315**Statement 4****STATEMENT OF CHANGES IN FINANCIAL POSITION**

Year ended December 31, 2019
with comparative figures for 2018

Cash provided by (used in) the following activities:	<u>2019</u>	<u>2018</u>
Operating:		
Surplus (deficit)	\$ 570,270	532,816
Amortization	235,156	138,618
Loss (gain) on disposal of tangible capital assets	<u>(783)</u>	<u>(3,939)</u>
	804,643	667,495
Change in assets/liabilities		
Taxes receivable - Municipal	28,880	(797)
Other accounts receivable	(11,011)	62,848
Land for re-sale	(5,713)	(1,532)
Other financial assets	-	-
Accounts and accrued liabilities payable	(20,839)	39,251
Deposits	-	-
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Stock and supplies	(51,348)	(68,601)
Prepayments and deferred charges	(304)	2,636
Other	<u>-</u>	<u>-</u>
Net cash from operations	<u>744,308</u>	<u>701,300</u>
Capital:		
Acquisition of capital assets	(783,889)	(247,748)
Proceeds from the disposal of capital assets	11,381	3,939
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(772,508)</u>	<u>(243,809)</u>
Investing:		
Long-term investments	(5,712)	(1,785)
Other investments	<u>-</u>	<u>-</u>
Net cash used for investing	<u>(5,712)</u>	<u>(1,785)</u>
Financing activities:		
Debt charges recovered	-	-
Long-term debt issued	357,770	-
Long-term debt repaid	(14,010)	(81,842)
Other financing	<u>-</u>	<u>-</u>
Net cash from (used for) financing	<u>343,760</u>	<u>(81,842)</u>
Increase (decrease) in cash resources	309,848	373,864
Cash and temporary investments, beginning of year	<u>1,507,669</u>	<u>1,133,805</u>
Cash and temporary investments, end of year (Note 2)	<u>\$ 1,817,517</u>	<u>1,507,669</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF MONTROSE #315

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 MONTROSE #315

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 MONTROSE #315

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 are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land improvements	15 years
Buildings	50 years
Vehicles and equipment	
Vehicles	10 years
Machinery & Equipment	4 to 12 years
<i>Infrastructure Assets</i>	
Water and sewer	40 years
Road network assets	5 to 40 years

Government contributions: Government contributions for the acquisition of capital assets are reported as capital revenue and do not reduce the cost of the related asset.

Works of art and other unrecognized assets: 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.

RURAL MUNICIPALITY OF MONTROSE #315

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

1. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

(n) **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.

(o) **Employee benefit plans**

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

(p) **Measurement Uncertainty**

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

The measurement of materials and supplies are based on estimates of volume and quality.

The 'Opening asset costs' of tangible capital assets have been estimated where actual costs were not available. Amortization is based on the estimated useful lives of tangible capital assets.

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

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

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

These segments (functions) are as follows:

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

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

RURAL MUNICIPALITY OF MONTROSE #315

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.

(r) **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	\$ 1,817,517	1,507,669
Temporary investments	<u>-</u>	<u>-</u>
	<u>\$ 1,817,517</u>	<u>1,507,669</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 MONTROSE #315

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

3. TAXES AND GRANTS IN LIEU RECEIVABLE

	<u>2019</u>	<u>2018</u>
Municipal: - Current	\$ 101,735	107,152
- Arrears	<u>48,296</u>	<u>71,757</u>
	150,031	178,909
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Total municipal taxes receivable	<u>150,031</u>	<u>178,909</u>
School: - Current	23,683	28,264
- Arrears	<u>9,474</u>	<u>16,066</u>
Total school taxes receivable	<u>33,157</u>	<u>44,330</u>
Other: - Current	1,087	3,079
- Arrears	<u>417</u>	<u>697</u>
Total other collections receivable	<u>1,504</u>	<u>3,776</u>
Total taxes and grants in lieu receivable	184,692	227,015
Deduct taxes receivable to be collected on behalf of other organizations	<u>(34,660)</u>	<u>(48,106)</u>
Total taxes receivable - Municipal	<u>\$ 150,031</u>	<u>178,909</u>

4. OTHER ACCOUNTS RECEIVABLE

	<u>2019</u>	<u>2018</u>
Federal government	\$ 40,862	10,291
Provincial government	-	-
Local government	-	-
Utility	-	-
Trade	9,429	28,988
Other	<u>-</u>	<u>-</u>
Total other accounts receivable	50,291	39,279
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Net other accounts receivable	<u>\$ 50,291</u>	<u>39,279</u>

RURAL MUNICIPALITY OF MONTROSE #315

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

5. LAND FOR RESALE

	<u>2019</u>	<u>2018</u>
Tax title property	\$ 85,022	79,275
Less: - allowance for market value adjustment	(64,240)	(64,240)
- due to other taxing authorities	<u>(10,170)</u>	<u>(10,136)</u>
Net tax title Property	<u>10,612</u>	<u>4,899</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>\$ 10,612</u>	<u>4,899</u>

6. LONG-TERM INVESTMENTS

	<u>2019</u>	<u>2018</u>
Sask. Assoc. of Rural Municipalities - Self-insurance fund	<u>\$ 58,277</u>	<u>52,565</u>

RURAL MUNICIPALITY OF MONTROSE #315

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

7. LONG-TERM DEBT

The authorized debt limit for the Municipality is \$1,038,679. 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.

a) Debenture debt:

	<u>2019</u>	<u>2018</u>
Debenture, repayable in annual payments of \$24,587 including interest at 2.7%; matures in 2034.	\$ <u>300,000</u>	<u>-</u>
	\$ <u>300,000</u>	<u>-</u>

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Total
2020	\$ 16,488	\$ 8,100	\$ 24,588
2021	16,933	7,655	24,588
2022	17,390	7,198	24,588
2023	17,860	6,728	24,588
2024	18,342	6,246	24,588
Thereafter	<u>212,987</u>	<u>32,891</u>	<u>245,878</u>
Balance	\$ <u>300,000</u>	\$ <u>68,818</u>	\$ <u>368,818</u>

b) Bank loans:

	<u>2019</u>	<u>2018</u>
Royal Bank loan, repayable in monthly payments of \$1716 including interest at 3.69%, maturing March 30, 2022	\$ <u>43,760</u>	<u>-</u>
	\$ <u>43,760</u>	<u>-</u>

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Total
2020	\$ 19,302	1,291	20,593
2021	20,026	566	20,592
2022	4,432	25	4,457
2023	-	-	-
2024	-	-	-
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>
Balance	\$ <u>43,760</u>	<u>1,882</u>	<u>45,642</u>

RURAL MUNICIPALITY OF MONTROSE #315

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

8. 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.

9. 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 \$25,167 (2018 - \$21,470). 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.

10. 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 MONTROSE #315

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

11. BUDGET

The Financial Plan (Budget) adopted by Council on June 13, 2019, was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets include the following adjustments:

	<u>2019</u>
Budget net surplus	\$ 427,617
Add: Principal repayments of debt	<u>76,000</u>
Budget surplus per statement of operations	<u>\$ 503,617</u>

RURAL MUNICIPALITY OF MONTROSE #315

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>
TAXES			
General municipal tax levy	\$ 933,000	933,040	930,651
Abatements and adjustments	(500)	(1,447)	(1,929)
Discount on current year taxes	<u>(32,000)</u>	<u>(33,804)</u>	<u>(32,293)</u>
Net municipal taxes	900,500	897,789	896,429
Potash tax share	234,870	234,353	217,448
Trailer license fees	-	-	-
Penalties on tax arrears	25,000	15,697	24,669
Special tax levy	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Taxes	<u>1,160,370</u>	<u>1,147,839</u>	<u>1,138,546</u>
UNCONDITIONAL GRANTS			
Revenue sharing	191,505	191,505	184,856
Organized Hamlet	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Unconditional Grants	<u>191,505</u>	<u>191,505</u>	<u>184,856</u>
GRANTS IN LIEU OF TAXES			
Federal	-	-	-
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
TransGas	-	-	-
Provincial - Central Services	-	-	-
Sasktel	6,194	4,046	-
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>
Total Grants in Lieu of Taxes	<u>6,194</u>	<u>4,046</u>	<u>-</u>
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	<u>\$ 1,358,069</u>	<u>1,343,390</u>	<u>1,323,402</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF MONTROSE #315

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2019
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 540	1,960	149
Sales of supplies	2,200	2,256	2,434
Other (Room Rental for Federal Election)	-	186	-
Total Fees and Charges	<u>2,740</u>	<u>4,402</u>	<u>2,583</u>
Tangible capital asset sales - gain (loss)	-	-	-
Land sales - gain (loss)	-	1,566	-
Investment income and commissions	7,100	25,974	8,198
Other	-	-	-
Total other segmented revenue	<u>9,840</u>	<u>31,942</u>	<u>10,781</u>
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>9,840</u>	<u>31,942</u>	<u>10,781</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total General Government Services	<u>9,840</u>	<u>31,942</u>	<u>10,781</u>
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
PS - Other Fees and Charges (Fire Fees)	30,000	56,070	56,563
Total Fees and Charges	<u>30,000</u>	<u>56,070</u>	<u>56,563</u>
Tangible capital asset sales - gain (loss)	-	9,000	-
Other (Donations, Fundraisers)	-	22,772	-
Total other segmented revenue	<u>30,000</u>	<u>87,842</u>	<u>56,563</u>
Conditional Grants			
Student employment	-	-	-
Local government	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>30,000</u>	<u>87,842</u>	<u>56,563</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Local government	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Protective Services	<u>30,000</u>	<u>87,842</u>	<u>56,563</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF MONTROSE #315

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2019
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 8,500	29,149	8,190
Sales of supplies	65,000	69,628	11,471
Road Maintenance and Restoration Agreements	25,000	21,539	37,926
Other (Road Allowance Rental)	-	545	-
Total Fees and Charges	<u>98,500</u>	<u>120,861</u>	<u>57,587</u>
Tangible capital asset sales - gain (loss)	-	(8,217)	3,939
Other	-	-	-
Total other segmented revenue	<u>98,500</u>	<u>112,644</u>	<u>61,526</u>
Conditional Grants			
TS-Federal - Primary Weight Corridor	10,200	10,200	10,200
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>10,200</u>	<u>10,200</u>	<u>10,200</u>
Total Operating	<u>108,700</u>	<u>122,844</u>	<u>71,726</u>
Capital			
Conditional Grants			
Federal Gas Tax	44,500	88,573	43,503
MREP (Heavy Haul, CTP, Municipal Bridges)	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>44,500</u>	<u>88,573</u>	<u>43,503</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Transportation Services	<u>153,200</u>	<u>211,417</u>	<u>115,229</u>
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Waste and Disposal Fees	51,125	52,092	48,310
Other (Cemetery Fees)	40	12	68
Total Fees and Charges	<u>51,165</u>	<u>52,104</u>	<u>48,378</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	<u>51,165</u>	<u>52,104</u>	<u>48,378</u>
Conditional Grants			
Student employment	-	-	-
TAPD	-	-	-
Local government	-	-	-
Other (Pest Control)	5,000	(193)	7,418
Total Conditional Grants	<u>5,000</u>	<u>(193)</u>	<u>7,418</u>
Total Operating	<u>56,165</u>	<u>51,911</u>	<u>55,796</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
TAPD	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Environmental and Public Health Services Services	<u>56,165</u>	<u>51,911</u>	<u>55,796</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF MONTROSE #315

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2019
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Maintenance and Development Charges	\$ 500	200	700
Other	-	-	-
Total Fees and Charges	<u>500</u>	<u>200</u>	<u>700</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	<u>500</u>	<u>200</u>	<u>700</u>
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>500</u>	<u>200</u>	<u>700</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Planning and Development Services	<u>500</u>	<u>200</u>	<u>700</u>
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Sales of supplies	-	-	-
Other	-	-	-
Total Fees and Charges	<u>-</u>	<u>-</u>	<u>-</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other (Insurance proceeds)	-	-	-
Total other segmented revenue	<u>-</u>	<u>-</u>	<u>-</u>
Conditional Grants			
Student Employment	-	-	-
Local government	-	-	-
Donations	3,000	-	5,000
Other	-	-	-
Total Conditional Grants	<u>3,000</u>	<u>-</u>	<u>5,000</u>
Total Operating	<u>3,000</u>	<u>-</u>	<u>5,000</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Local government	-	-	-
Provincial Disaster Assistance	-	-	-
Other (CIF, Affinity CU)	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Recreation and Cultural Services	<u>3,000</u>	<u>-</u>	<u>5,000</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF MONTROSE #315

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2019
with comparative figures for 2018

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Water	\$ 300	340	370
Sewer	-	-	-
Other	-	-	-
Total Fees and Charges	<u>300</u>	<u>340</u>	<u>370</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	<u>300</u>	<u>340</u>	<u>370</u>
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>300</u>	<u>340</u>	<u>370</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
New Building Canada Fund (SCF, NRP)	-	-	-
Clean Water and Wastewater Fund	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Services	<u>300</u>	<u>340</u>	<u>370</u>
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 253,005</u>	<u>383,652</u>	<u>244,439</u>
SUMMARY			
Total Other Segmented Revenue	\$ 190,305	285,072	178,318
Total Conditional Grants	18,200	10,007	22,618
Total Capital Grants and Contributions	44,500	88,573	43,503
Restructuring Revenue	-	-	-
TOTAL REVENUE BY FUNCTION	<u>\$ 253,005</u>	<u>383,652</u>	<u>244,439</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF MONTROSE #315

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>
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 36,920	29,170	20,747
Wages and benefits	122,400	110,178	83,386
Professional/Contractual services	64,100	64,852	60,536
Utilities	1,200	1,399	1,179
Maintenance, materials, and supplies	16,800	11,813	24,237
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	444	446
Interest	-	-	-
Allowance for uncollectibles	-	-	6,626
Other (Property Sale Gain, Social)	1,200	2,998	3,208
General Government Services	<u>242,620</u>	<u>220,854</u>	<u>200,365</u>
Restructuring	-	-	-
Total General Government Services	<u>242,620</u>	<u>220,854</u>	<u>200,365</u>
PROTECTIVE SERVICES			
Police protection			
Wages and benefits	-	-	-
Professional/Contractual services	35,200	33,725	34,330
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Fire protection			
Wages and benefits	-	-	-
Professional/Contractual services	26,600	42,303	49,606
Utilities	-	-	-
Maintenance, materials, and supplies	42,000	24,487	26,628
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	7,481	2,290
Interest	-	-	-
Other	-	-	-
Protective Services	<u>103,800</u>	<u>107,996</u>	<u>112,854</u>
Restructuring	-	-	-
Total Protective Services	<u>103,800</u>	<u>107,996</u>	<u>112,854</u>
TRANSPORTATION SERVICES			
Wages and benefits	277,750	242,733	231,323
Professional/Contractual services	102,500	74,480	89,918
Utilities	33,500	19,367	18,798
Maintenance, materials, and supplies	151,500	142,678	107,044
Gravel	110,000	41,686	60,632
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	227,231	135,882
Interest	-	1,435	1,127
Other	-	-	-
Transportation Services	<u>675,250</u>	<u>749,610</u>	<u>644,724</u>
Restructuring	-	-	-
Total Transportation Services	<u>675,250</u>	<u>749,610</u>	<u>644,724</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF MONTROSE #315

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>
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	-	668	-
Professional/Contractual services	60,000	59,524	58,412
Utilities	-	-	-
Maintenance, materials, and supplies	1,050	1,000	1,000
Grants and contributions			
-operating			
Waste disposal	-	-	-
Public health	1,425	1,424	1,424
-capital			
Waste disposal	-	-	-
Public health	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Environmental and Public Health Services	<u>62,475</u>	<u>62,616</u>	<u>60,836</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Environmental and Public Health Services	<u>62,475</u>	<u>62,616</u>	<u>60,836</u>
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	17,712	10,036	10,657
Grants and contributions			
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Planning and Development Services	<u>17,712</u>	<u>10,036</u>	<u>10,657</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Planning and Development Services	<u>17,712</u>	<u>10,036</u>	<u>10,657</u>
RECREATION AND CULTURAL SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	-	-	-
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions			
-operating	5,600	5,660	5,589
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other	-	-	-
Recreation and Cultural Services	<u>5,600</u>	<u>5,660</u>	<u>5,589</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Recreation and Cultural Services	<u>5,600</u>	<u>5,660</u>	<u>5,589</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF MONTROSE #315

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>
UTILITY SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	-	-	-
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other	-	-	-
Utility Services	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Services	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES BY FUNCTION	<u>\$ 1,107,457</u>	<u>1,156,772</u>	<u>1,035,025</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF MONTROSE #315

Schedule 4

SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2019

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and charges	\$ 4,402	56,070	120,861	52,104	200	-	340	233,977
Tangible capital asset sales - Gain (loss)	-	9,000	(8,217)	-	-	-	-	783
Land sales - Gain (loss)	1,566	-	-	-	-	-	-	1,566
Investment income and commissions	25,974	-	-	-	-	-	-	25,974
Other revenues	-	22,772	-	-	-	-	-	22,772
Grants - Conditional	-	-	10,200	(193)	-	-	-	10,007
Grants - Capital	-	-	88,573	-	-	-	-	88,573
Restructurings	-	-	-	-	-	-	-	-
Total revenues	<u>31,942</u>	<u>87,842</u>	<u>211,417</u>	<u>51,911</u>	<u>200</u>	<u>-</u>	<u>340</u>	<u>383,652</u>
Expenses (Schedule 3)								
Wages & Benefits	139,348	-	242,733	668	-	-	-	382,749
Professional/Contractual Services	64,852	76,028	74,480	59,524	10,036	-	-	284,920
Utilities	1,399	-	19,367	-	-	-	-	20,766
Maintenance, materials and supplies	11,813	24,487	184,364	1,000	-	-	-	221,664
Grants and contributions	-	-	-	1,424	-	5,660	-	7,084
Amortization	444	7,481	227,231	-	-	-	-	235,156
Interest	-	-	1,435	-	-	-	-	1,435
Allowance for uncollectibles.	-	-	-	-	-	-	-	-
Other	2,998	-	-	-	-	-	-	2,998
Restructurings	-	-	-	-	-	-	-	-
Total expenses	<u>220,854</u>	<u>107,996</u>	<u>749,610</u>	<u>62,616</u>	<u>10,036</u>	<u>5,660</u>	<u>-</u>	<u>1,156,772</u>
Surplus (deficit) by function	(188,912)	(20,154)	(538,193)	(10,705)	(9,836)	(5,660)	340	(773,120)
Taxation and other unconditional revenue (Schedule 1)								<u>1,343,390</u>
Net Surplus (Deficit)								<u>\$ 570,270</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF MONTROSE #315

Schedule 5

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
Revenues (Schedule 2)								
Fees and charges	\$ 2,583	56,563	57,587	48,378	700	-	370	166,181
Tangible capital asset sales - Gain (loss)	-	-	3,939	-	-	-	-	3,939
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	8,198	-	-	-	-	-	-	8,198
Other revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	10,200	7,418	-	5,000	-	22,618
Grants - Capital	-	-	43,503	-	-	-	-	43,503
Restructurings	-	-	-	-	-	-	-	-
Total revenues	<u>10,781</u>	<u>56,563</u>	<u>115,229</u>	<u>55,796</u>	<u>700</u>	<u>5,000</u>	<u>370</u>	<u>244,439</u>
Expenses (Schedule 3)								
Wages & Benefits	104,133	-	231,323	-	-	-	-	335,456
Professional/Contractual Services	60,536	83,936	89,918	58,412	10,657	-	-	303,459
Utilities	1,179	-	18,798	-	-	-	-	19,977
Maintenance, materials and supplies	24,237	26,628	167,676	1,000	-	-	-	219,541
Grants and contributions	-	-	-	1,424	-	5,589	-	7,013
Amortization	446	2,290	135,882	-	-	-	-	138,618
Interest	-	-	1,127	-	-	-	-	1,127
Allowance for uncollectibles.	6,626	-	-	-	-	-	-	6,626
Other	3,208	-	-	-	-	-	-	3,208
Restructurings	-	-	-	-	-	-	-	-
Total expenses	<u>200,365</u>	<u>112,854</u>	<u>644,724</u>	<u>60,836</u>	<u>10,657</u>	<u>5,589</u>	<u>-</u>	<u>1,035,025</u>
Surplus (deficit) by function	(189,584)	(56,291)	(529,495)	(5,040)	(9,957)	(589)	370	(790,586)
Taxation and other unconditional revenue (Schedule 1)								<u>1,323,402</u>
Net Surplus (Deficit)								<u>\$ 532,816</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF MONTROSE #315

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	Total	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
Asset cost									
Opening asset costs	\$ -	37,722	141,124	248,944	1,099,303	3,198,884	-	4,725,977	4,501,729
Additions during the year	-	-	510,412	57,773	46,960	168,744	-	783,889	247,748
Disposals and write-downs during the year	-	-	-	(86,149)	(15,993)	-	-	(102,142)	(23,500)
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing asset costs	<u>-</u>	<u>37,722</u>	<u>651,536</u>	<u>220,568</u>	<u>1,130,270</u>	<u>3,367,628</u>	<u>-</u>	<u>5,407,724</u>	<u>4,725,977</u>
Accumulated amortization cost									
Opening accumulated amortization costs	-	-	49,766	145,425	317,807	2,690,235	-	3,203,233	3,088,115
Add: Amortization taken	-	-	2,869	10,812	87,743	133,732	-	235,156	138,618
Less: Accumulated amortization on disposals	-	-	-	(86,149)	(5,395)	-	-	(91,544)	(23,500)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	<u>-</u>	<u>-</u>	<u>52,635</u>	<u>70,088</u>	<u>400,155</u>	<u>2,823,967</u>	<u>-</u>	<u>3,346,845</u>	<u>3,203,233</u>
Net book value	<u>\$ -</u>	<u>37,722</u>	<u>598,901</u>	<u>150,480</u>	<u>730,115</u>	<u>543,661</u>	<u>-</u>	<u>2,060,879</u>	<u>1,522,744</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 MONTROSE #315
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	Total
Asset cost									
Opening asset costs	\$ 42,615	238,182	4,409,819	12,728	-	-	22,633	4,725,977	4,501,729
Additions during the year	-	33,960	749,929	-	-	-	-	783,889	247,748
Disposals and write-downs during the year	-	(83,262)	(18,880)	-	-	-	-	(102,142)	(23,500)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing asset costs	<u>42,615</u>	<u>188,880</u>	<u>5,140,868</u>	<u>12,728</u>	<u>-</u>	<u>-</u>	<u>22,633</u>	<u>5,407,724</u>	<u>4,725,977</u>
Accumulated amortization cost									
Opening accumulated amortization costs	25,001	108,359	3,069,873	-	-	-	-	3,203,233	3,088,115
Add: Amortization taken	444	7,481	227,231	-	-	-	-	235,156	138,618
Less: Accumulated amortization on disposals	-	(72,664)	(18,880)	-	-	-	-	(91,544)	(23,500)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	<u>25,445</u>	<u>43,176</u>	<u>3,278,224</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,346,845</u>	<u>3,203,233</u>
Net book value	<u>\$ 17,170</u>	<u>145,704</u>	<u>1,862,644</u>	<u>12,728</u>	<u>-</u>	<u>-</u>	<u>22,633</u>	<u>2,060,879</u>	<u>1,522,744</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF MONTROSE #315

SCHEDULE OF ACCUMULATED SURPLUS

Year ended December 31, 2019

	<u>2018</u>	<u>Changes</u>	<u>2019</u>
UNAPPROPRIATED SURPLUS	\$ <u>1,747,588</u>	<u>(717,865)</u>	<u>1,029,723</u>
APPROPRIATED RESERVES			
Machinery and equipment	108,206	210,153	318,359
Public reserve	17,042	-	17,042
Capital trust	-	-	-
Utility	-	-	-
Other	<u>60,153</u>	<u>539,847</u>	<u>600,000</u>
Total Appropriated	<u>185,401</u>	<u>750,000</u>	<u>935,401</u>
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	1,522,744	538,135	2,060,879
Less: Related debt	<u>-</u>	<u>-</u>	<u>-</u>
Net Investment in Tangible Capital Assets	<u>1,522,744</u>	<u>538,135</u>	<u>2,060,879</u>
Total Accumulated Surplus	<u>\$ 3,455,733</u>	<u>570,270</u>	<u>4,026,003</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF MONTROSE #315

SCHEDULE OF MILL RATES AND ASSESSMENTS

Year ended December 31, 2019

	PROPERTY CLASS						Total
	<u>Agriculture</u>	<u>Residential</u>	<u>Residential Condominium</u>	<u>Seasonal Residential</u>	<u>Commercial & Industrial</u>	<u>Potash Mine(s)</u>	
Taxable Assessment	\$ 75,562,570	30,661,980	-	107,040	6,114,200	-	\$ 112,445,790
Regional Park Assessment							-
Total Assessment							\$ 112,445,790
Mill Rate Factor(s)	1.0000	0.8500	-	0.8500	1.0000		
Total Base/Minimum Tax (generated for each property class)	<u>27,392</u>	<u>159,600</u>	<u>-</u>	<u>-</u>	<u>7,790</u>		
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ <u>543,324</u>	<u>342,039</u>	<u>-</u>	<u>637</u>	<u>47,040</u>		

<u>MILL RATES:</u>	<u>MILLS</u>
Average Municipal*	8.298
Average School*	2.506
Potash Mill Rate	-
Uniform Municipal Mill Rate	7.000

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

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF MONTROSE #315**SCHEDULE OF COUNCIL REMUNERATION****Year ended December 31, 2019**

Position	Name	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Reeve	Murray Purcell	\$ 4,600	1,330	5,930
Councillor	Shelby Corey	3,900	719	4,619
Councillor	Glen Kearnan	4,600	366	4,966
Councillor	Joel Abraham	3,100	188	3,288
Councillor	Bob Haugen	3,700	504	4,204
Councillor	Tim Kuiack	3,600	756	4,356
Councillor	Greg Anderson	3,900	658	4,558
Total		<u>\$ 27,400</u>	<u>4,521</u>	<u>31,921</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF MONTROSE #315

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		-
Total Net Carrying Amount Received (Transferred)	\$	-

See accompanying notes to the financial statements.