

RURAL MUNICIPALITY OF LEASK NO. 464

Auditor's Report

Financial Statements

December 31, 2018

MANAGEMENT'S RESPONSIBILITY

To the Ratepayers of
Rural Municipality of Leask No. 464 :

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

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

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

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



Reeve



Administrator

INDEPENDENT AUDITOR'S REPORT

To the **Reeve and Council of Rural Municipality of Leask No. 464**

Report on the Financial Statements

Opinion

We have audited the financial statements of **Rural Municipality of Leask No. 464**, which comprise the statement of financial position as at **December 31, 2018** and the statements of financial activities, changes in net financial assets, and changes in financial position for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Other Matters

The financial statements of **Rural Municipality of Leask No. 464** for the year ended December 31, 2017 were audited by another auditor who expressed an unmodified opinion on those statements on September 12, 2018.

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 29, 2019

Chartered Professional Accountants

RURAL MUNICIPALITY OF LEASK NO. 464

Statement 1

STATEMENT OF FINANCIAL POSITION

December 31, 2018
with comparative figures for 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Financial assets:		
Cash and temporary investments (Note 2)	\$ 292,630	406,505
Taxes receivable - Municipal (Note 3)	203,920	159,374
Other accounts receivable (Note 4)	88,998	121,575
Land for re-sale	-	-
Long-term investments (Note 5)	84,113	82,696
Debt charges recoverable	-	-
Other	-	-
Total financial assets	669,661	770,150
<u>LIABILITIES</u>		
Bank indebtedness (Note 6)	-	-
Accounts payable	87,667	19,988
Accrued liabilities payable	-	-
Deposits	17,534	16,808
Deferred revenue	-	-
Accrued landfill costs (Note 7)	30,000	30,000
Liability for contaminated sites	-	-
Other liabilities	-	-
Long-term debt (Note 8)	386,720	375,031
Lease obligations (Note 9)	-	-
Total liabilities	<u>521,921</u>	<u>441,827</u>
NET FINANCIAL ASSETS (DEBT)	147,740	328,323
Non-financial assets:		
Tangible capital assets (Schedule 6, 7)	5,125,753	5,171,114
Prepaid and deferred charges	5,068	1,099
Stock and supplies	<u>238,505</u>	<u>51,001</u>
Total non-financial assets	<u>5,369,326</u>	<u>5,223,214</u>
Accumulated Surplus (Deficit) (Schedule 8)	<u>\$ 5,517,066</u>	<u>5,551,537</u>

APPROVED ON BEHALF OF COUNCIL:

Reeve

Councillor

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF LEASK NO. 464

Statement 2

STATEMENT OF FINANCIAL ACTIVITIES

Year ended December 31, 2018
with comparative figures for 2017

		<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Revenues:				
Taxes and other unconditional revenue	(Schedule 1)	\$ 1,803,279	1,772,365	1,484,860
Fees and charges	(Schedule 4, 5)	102,500	163,400	106,705
Conditional grants	(Schedule 4, 5)	18,800	26,866	24,870
Tangible capital asset sales - gain (loss)	(Schedule 4, 5)	-	-	(5,519)
Land sales - gain (loss)	(Schedule 4, 5)	-	-	-
Investment income and commissions	(Schedule 4, 5)	3,000	2,204	8,642
Other revenues	(Schedule 4, 5)	-	500	-
Total Revenues		<u>1,927,579</u>	<u>1,965,335</u>	<u>1,619,558</u>
Expenditures:				
General government services	(Schedule 3)	394,600	374,054	329,156
Protective services	(Schedule 3)	119,825	121,190	107,883
Transportation services	(Schedule 3)	1,347,750	1,464,420	1,441,703
Environmental and public health services	(Schedule 3)	51,080	41,993	55,791
Planning and development services	(Schedule 3)	15,000	18,400	13,949
Recreation and cultural services	(Schedule 3)	93,639	66,610	65,759
Utility services	(Schedule 3)	-	-	-
Total Expenditures		<u>2,021,894</u>	<u>2,086,667</u>	<u>2,014,241</u>
Surplus (deficit) of revenues over expenditures before other capital contributions		<u>(94,315)</u>	<u>(121,332)</u>	<u>(394,683)</u>
Provincial/Federal capital grants and contributions	(Schedule 4, 5)	<u>96,410</u>	<u>86,861</u>	<u>83,965</u>
Surplus (deficit) of revenues over expenditures		2,095	(34,471)	(310,718)
Accumulated surplus (deficit), beginning of year		<u>5,551,537</u>	<u>5,551,537</u>	<u>5,862,255</u>
Accumulated surplus (deficit), end of year		<u>\$ 5,553,632</u>	<u>5,517,066</u>	<u>5,551,537</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF LEASK NO. 464

Statement 3

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2018
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Surplus (deficit)	\$ 2,095	(34,471)	(310,718)
(Acquisition) of tangible capital assets	-	(329,390)	(634,010)
Amortization of tangible capital assets	-	374,751	232,252
Proceeds on disposal of tangible capital assets	-	-	9,258
Loss (gain) on disposal of tangible capital assets	-	-	5,519
Surplus (deficit) of capital expenses over expenditures	-	45,361	(386,981)
(Acquisition) of supplies inventories	-	(238,505)	(51,001)
(Acquisition) of prepaid expenses	-	(5,068)	(1,098)
Consumption of supplies inventories	-	51,001	22,220
Use of prepaid expenses	-	1,099	322
Surplus (deficit) of expenses of other non-financial over expenditures	-	(191,473)	(29,557)
Increase (decrease) in Net Financial Assets	2,095	(180,583)	(727,256)
Net Financial Assets (Debt) - Beginning of the year	328,323	328,323	1,055,579
Net Financial Assets (Debt)- End of year	\$ 330,418	147,740	328,323

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF LEASK NO. 464**Statement 4****STATEMENT OF CHANGES IN FINANCIAL POSITION**

Year ended December 31, 2018
with comparative figures for 2017

Cash provided by (used in) the following activities:	<u>2018</u>	<u>2017</u>
Operating:		
Surplus (deficit)	\$ (34,471)	(310,718)
Amortization	374,751	232,252
Loss (gain) on disposal of tangible capital assets	-	5,519
	<u>340,280</u>	<u>(72,947)</u>
Change in assets/liabilities		
Taxes receivable - Municipal	(44,547)	12,093
Other accounts receivable	32,577	(75,527)
Land for re-sale	-	-
Other financial assets	-	-
Accounts and accrued liabilities payable	67,682	(114,903)
Deposits	726	(812)
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Stock and supplies	(187,505)	(28,781)
Prepayments and deferred charges	(3,969)	(777)
Other	-	-
Net cash from (used for) operations	<u>205,244</u>	<u>(281,654)</u>
Capital:		
Acquisition of capital assets	(329,390)	(634,010)
Proceeds from the disposal of capital assets	-	9,258
Other capital	-	-
Net cash used for capital	<u>(329,390)</u>	<u>(624,752)</u>
Investing:		
Long-term investments	(1,417)	(2,128)
Other investments	-	-
Net cash used for investing	<u>(1,417)</u>	<u>(2,128)</u>
Financing activities:		
Debt charges recovered	-	-
Long-term debt issued	184,900	433,500
Long-term debt repaid	(173,212)	(235,513)
Other financing	-	-
Net cash from financing	<u>11,688</u>	<u>197,987</u>
Increase (decrease) in cash resources	(113,875)	(710,547)
Cash and temporary investments, beginning of year	<u>406,505</u>	<u>1,117,052</u>
Cash and temporary investments, end of year (Note 2)	<u>\$ 292,630</u>	<u>406,505</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF LEASK NO. 464

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) **Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

(b) **Reporting Entity**

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

(c) **Collection of funds for other authorities**

Collection of funds by the municipality for the school board, municipal hail and conservation and development authorities are collected and remitted in accordance with the relevant legislation. The amounts collected are disclosed in Note 3.

(d) **Government Transfers**

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as either expenditures or revenues in the period that the events giving rise to the transfer occurred, as long as:

- a) the transfer is authorized;
- b) eligibility criteria have been met by the recipient; and
- c) a reasonable estimate of the amount can be made

Unearned government transfer amounts received but not earned will be recorded as deferred revenue. Earned government transfer amounts not received will be recorded as an amount receivable.

(e) **Deferred Revenue - Fees and Charges**

Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.

(f) **Local Improvement Charges**

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

RURAL MUNICIPALITY OF LEASK NO. 464

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Net-Financial Assets

Net-financial assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.

(h) Non-Financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

(i) Appropriated Reserves

Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts designated are described on Schedule 8.

(j) Property Tax Revenue

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

(k) Investments

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

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

(l) Inventories

Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price of the inventory in the ordinary course of business.

RURAL MUNICIPALITY OF LEASK NO. 464

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) **Tangible Capital Assets**

All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of the contribution. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The costs of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The Municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land improvements	5-20 years
Buildings	10-50 years
Vehicles and equipment	
Vehicles	5-10 years
Machinery & Equipment	5-10 years
<i>Infrastructure Assets</i>	
Water and sewer	30-75 years
Road network assets	30-75 years

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

Works of art: Assets that have a historical or cultural significance, which include works of art, monuments and other cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with this property cannot be made.

Capitalization of interest: The Municipality does not capitalize interest incurred while a tangible capital asset is under construction.

Leases: All leases are recorded on the financial statements as either a capital or operating lease. Any lease that transfers the majority of benefits and risk associated with the leased asset is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. Assets under capital leases are amortized on a straight line basis, over their estimated useful lives (lease term). Any other lease not meeting the before-mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

RURAL MUNICIPALITY OF LEASK NO. 464

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

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.

(o) **Trust Funds**

Funds held in trust for others are neither included in the Municipality's assets or equity. They are disclosed in Note 12.

(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 LEASK NO. 464

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

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

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

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

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

The Municipality does not have any reportable contingent assets.

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

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

RURAL MUNICIPALITY OF LEASK NO. 464

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

2. CASH AND TEMPORARY INVESTMENTS

	<u>2018</u>	<u>2017</u>
Cash	\$ 292,630	406,505
Temporary investments	<u>-</u>	<u>-</u>
	<u>\$ 292,630</u>	<u>406,505</u>

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

3. TAXES AND GRANTS IN LIEU RECEIVABLE

	<u>2018</u>	<u>2017</u>
Municipal: - Current	\$ 98,762	147,786
- Arrears	<u>107,940</u>	<u>14,370</u>
	206,702	162,156
Less: allowance for uncollectibles	<u>(2,782)</u>	<u>(2,782)</u>
Total municipal taxes receivable	<u>203,920</u>	<u>159,374</u>
School: - Current	90,657	80,969
- Arrears	<u>-</u>	<u>-</u>
Total school taxes receivable	<u>90,657</u>	<u>80,969</u>
Other: - Current	9,542	2,310
- Arrears	<u>-</u>	<u>-</u>
Total other collections receivable	<u>9,542</u>	<u>2,310</u>
Total taxes and grants in lieu receivable	304,119	242,653
Deduct taxes receivable to be collected on behalf of other organizations	<u>(100,199)</u>	<u>(83,279)</u>
Total taxes receivable - Municipal	<u>\$ 203,920</u>	<u>159,374</u>

4. OTHER ACCOUNTS RECEIVABLE

	<u>2018</u>	<u>2017</u>
Federal government	\$ 30,405	79,817
Provincial government	35,558	31,370
Local government	-	-
Utility	-	-
Trade	23,035	10,388
Other	<u>-</u>	<u>-</u>
Total other accounts receivable	88,998	121,575
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Net other accounts receivable	<u>\$ 88,998</u>	<u>121,575</u>

RURAL MUNICIPALITY OF LEASK NO. 464

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

5. LONG-TERM INVESTMENTS

	<u>2018</u>	<u>2017</u>
Sask. Assoc. of Rural Municipalities - Self-insurance fund	\$ <u>84,113</u>	<u>82,696</u>

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

6. BANK INDEBTEDNESS

Credit Arrangements

At December 31, 2018, the Municipality had a line of credit totaling \$450,000, none of which was drawn.

7. ACCRUED LANDFILL COSTS

	<u>2018</u>	<u>2017</u>
Accrued landfill costs	\$ <u>30,000</u>	\$ <u>30,000</u>

In 2018 the Municipality has accrued an overall liability for environmental matters which represents management's best estimate of this liability. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

RURAL MUNICIPALITY OF LEASK NO. 464

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

8. LONG-TERM DEBT

a) The authorized debt limit for the Municipality is \$1,078,114. The authorized debt limit for a Municipality is the total amount of the Municipality's own source revenues for the preceding year (the *Municipalities Act* section 161(1)). The incremental debt above the debt limit authorized in the *Municipalities Act* is approved by the Saskatchewan Municipal Board.

b) Bank loans:

	<u>2018</u>	<u>2017</u>
RBC loan payable in monthly instalments of \$10,137 including interest at 2.26%, maturing July, 2020.	\$ 189,010	304,956
RBC loan payable in monthly instalments of \$2,329 including interest at 2.26%, maturing July, 2020.	43,433	70,075
RBC loan payable in monthly instalments of \$2,016 plus interest at 3.37%, maturing June, 2021.	56,804	-
RBC loan payable in monthly instalments of \$3,393 including interest at 3.37%, maturing June, 2021.	<u>97,473</u>	<u>-</u>
	<u>\$ 386,720</u>	<u>375,031</u>

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Total	Prior Year Total
2018	\$ -	-	-	149,595
2019	208,096	7,936	216,032	149,595
2020	150,093	2,760	152,853	87,261
2021	28,531	258	28,789	-
2022	-	-	-	-
2023	-	-	-	-
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance	<u>\$ 386,720</u>	<u>10,954</u>	<u>397,674</u>	<u>386,451</u>

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.

The Municipality has been named as a defendant in a claim for compensation for road maintenance expenses. This matter may give rise to a future liability. The outcome of this action is not determinable as at the financial statement date, and no provision has been made in these financial statements for any liability that may result.

RURAL MUNICIPALITY OF LEASK NO. 464

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

10. BUDGET

The Financial Plan (Budget) adopted by Council on June 13, 2018 was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budgeted surplus does not include amounts budgeted for capital purchases, issuance or repayment of debt, or transfers to or from reserves. As a result, the budget figures presented in the statements of operations and change in net financial assets include the following adjustments:

Budgeted surplus	\$	195
Add:		
Purchase/construction of capital assets		378,300
Debt repaid		178,600
Less:		
Transfer from reserves		(168,000)
Debt issued		<u>(387,000)</u>
Budgeted surplus - per statement of operations	\$	<u>2,095</u>

11. PENSION PLAN

The Municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The Municipality's pension expense in 2018 was \$35,614 (2017 - \$52,951). The benefits accrued to the Municipality's employees from MEPP are calculated using the following: pensionable years of service, highest average salary, and the plan accrual rate.

12. TRUSTS ADMINISTERED BY THE MUNICIPALITY

A summary of trust fund activity by the municipality during the year is as follows:

Green Fund	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 111,021	133,962
Interest	39	1,781
Expenditures	<u>(13,887)</u>	<u>(24,722)</u>
Balance, end of year	<u>\$ 97,173</u>	<u>111,021</u>

13. COMPARATIVE FIGURES

The prior year's comparative figures have been reclassified to conform to the current year's method of presentation.

RURAL MUNICIPALITY OF LEASK NO. 464

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

14. RECENT ACCOUNTING PRONOUNCEMENTS

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

Standards Effective On Or After April 1, 2018

Restructuring Transactions

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

Standards Effective On Or After April 1, 2021

Financial Statement Presentation

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

Foreign Currency Translation

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

Portfolio Investments

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

Financial Instruments

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

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

RURAL MUNICIPALITY OF LEASK NO. 464

SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES

Year ended December 31, 2018
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
TAXES			
General municipal tax levy	\$ 1,383,010	1,375,234	1,017,683
Abatements and adjustments	(2,000)	(20,694)	(762)
Discount on current year taxes	<u>(50,630)</u>	<u>(61,149)</u>	<u>(43,973)</u>
Net municipal taxes	1,330,380	1,293,391	972,948
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	20,000	22,261	24,686
Special tax levy	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Taxes	<u>1,350,380</u>	<u>1,315,652</u>	<u>997,634</u>
UNCONDITIONAL GRANTS			
Revenue sharing	425,149	425,149	459,117
Organized Hamlet	6,500	6,211	6,576
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Unconditional Grants	<u>431,649</u>	<u>431,360</u>	<u>465,693</u>
GRANTS IN LIEU OF TAXES			
Federal	3,500	399	3,350
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
TransGas	750	2,438	938
Provincial - SPMC - Municipal Share	-	-	-
Sasktel	-	-	-
Other	17,000	22,516	17,245
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other	-	-	-
Other Government Transfers			
S.P.C. Surcharge	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Grants in Lieu of Taxes	<u>21,250</u>	<u>25,353</u>	<u>21,533</u>
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ <u>1,803,279</u>	<u>1,772,365</u>	<u>1,484,860</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF LEASK NO. 464

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2018
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 100	-	522
Sales of supplies	4,000	3,653	4,204
Other	3,400	19,712	17,059
Total Fees and Charges	7,500	23,365	21,785
Tangible capital asset sales - gain (loss)	-	-	-
Land sales - gain (loss)	-	-	-
Investment income and commissions	3,000	2,204	8,642
Other	-	-	-
Total other segmented revenue	10,500	25,569	30,427
Conditional Grants			
Student employment	-	-	7,500
Other	-	-	-
Total Conditional Grants	-	-	7,500
Total Operating	10,500	25,569	37,927
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Total General Government Services	10,500	25,569	37,927
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other (fire fees)	30,000	89,434	19,021
Total Fees and Charges	30,000	89,434	19,021
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	500	-
Total other segmented revenue	30,000	89,934	19,021
Conditional Grants			
Student employment	-	-	-
Local government	-	4,589	-
Other	-	-	-
Total Conditional Grants	-	4,589	-
Total Operating	30,000	94,523	19,021
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Local government	-	-	-
Other	-	-	-
Total Capital	-	-	-
Total Protective Services	30,000	94,523	19,021

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF LEASK NO. 464

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2018
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 27,000	10,192	20,753
Sales of supplies	6,000	11,376	11,401
Road Maintenance and Restoration Agreements	10,000	10,660	11,034
Frontage	-	-	-
Other (gravel licenses)	7,000	-	6,718
Total Fees and Charges	50,000	32,228	49,906
Tangible capital asset sales - gain (loss)	-	-	(5,519)
Other	-	-	-
Total other segmented revenue	50,000	32,228	44,387
Conditional Grants			
TS-Federal - Primary Weight Corridor	-	-	-
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	<u>50,000</u>	<u>32,228</u>	<u>44,387</u>
Capital			
Conditional Grants			
Federal Gas Tax	46,190	47,353	47,120
MREP (Heavy Haul, CTP, Municipal Bridges)	25,500	25,500	25,500
Provincial Disaster Assistance	-	-	4,645
Other	-	-	-
Total Capital	<u>71,690</u>	<u>72,853</u>	<u>77,265</u>
Total Transportation Services	<u>121,690</u>	<u>105,081</u>	<u>121,652</u>
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Waste and Disposal Fees	3,500	2,793	3,256
Other (pound fees)	-	922	1,420
Total Fees and Charges	3,500	3,715	4,676
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	3,500	3,715	4,676
Conditional Grants			
Student employment	-	-	-
TAPD	-	-	-
Local government	-	-	-
Other (beaver bounty/PREP)	18,800	22,277	17,370
Total Conditional Grants	18,800	22,277	17,370
Total Operating	<u>22,300</u>	<u>25,992</u>	<u>22,046</u>
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
TAPD	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Total Environmental and Public Health Services Services	<u>22,300</u>	<u>25,992</u>	<u>22,046</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF LEASK NO. 464

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2018
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Maintenance and Development Charges	\$ -	-	-
Other (permits)	11,500	14,658	11,317
Total Fees and Charges	11,500	14,658	11,317
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	11,500	14,658	11,317
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	11,500	14,658	11,317
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Total Planning and Development Services	11,500	14,658	11,317
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	-	-
Conditional Grants			
Student Employment	-	-	-
Local government	-	-	-
Donations	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
Local government	-	-	-
Provincial Disaster Assistance	-	-	-
Other (Green fund)	24,720	14,008	6,700
Total Capital	24,720	14,008	6,700
Total Recreation and Cultural Services	24,720	14,008	6,700

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF LEASK NO. 464

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2018
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Water	\$ -	-	-
Sewer	-	-	-
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	-	-
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
Federal Gas Tax	-	-	-
New Building Canada Fund (SCF, NRP)	-	-	-
Clean Water and Wastewater Fund	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Total Utility Services	-	-	-
 TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	 \$ <u>220,710</u>	 <u>279,831</u>	 <u>218,663</u>
 SUMMARY			
Total Other Segmented Revenue	\$ 105,500	166,104	109,828
Total Conditional Grants	18,800	26,866	24,870
Total Capital Grants and Contributions	<u>96,410</u>	<u>86,861</u>	<u>83,965</u>
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ <u>220,710</u>	<u>279,831</u>	<u>218,663</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF LEASK NO. 464

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2018

with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 66,000	48,813	60,203
Wages and benefits	195,000	197,135	164,619
Professional/Contractual services	115,400	106,163	87,311
Utilities	8,700	8,594	6,545
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating	1,000	1,813	-
-capital	-	-	-
Amortization	-	2,994	3,267
Interest	8,500	8,542	7,211
Allowance for uncollectibles	-	-	-
Total Government Services	<u>394,600</u>	<u>374,054</u>	<u>329,156</u>
PROTECTIVE SERVICES			
Police protection			
Wages and benefits	-	-	-
Professional/Contractual services	55,300	47,317	50,434
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Fire protection			
Wages and benefits	17,900	20,300	17,870
Professional/Contractual services	8,000	7,105	7,839
Utilities	12,200	10,465	11,124
Maintenance, materials, and supplies	26,425	34,113	20,616
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	800	-
Interest	-	1,090	-
Other	-	-	-
Total Protective Services	<u>119,825</u>	<u>121,190</u>	<u>107,883</u>
TRANSPORTATION SERVICES			
Wages and benefits	349,250	388,891	364,481
Professional/Contractual services	176,200	102,095	105,580
Utilities	8,700	8,204	7,753
Maintenance, materials, and supplies	259,500	271,173	216,841
Gravel	547,500	320,696	519,931
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	369,572	226,395
Interest	6,600	3,789	722
Other	-	-	-
Total Transportation Services	<u>1,347,750</u>	<u>1,464,420</u>	<u>1,441,703</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF LEASK NO. 464

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2018
with comparative figures for 2017

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	7,650	5,559	7,297
Professional/Contractual services	38,500	33,004	43,564
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions			
-operating			
Waste disposal	1,500	-	1,500
Public Health	3,430	3,430	3,430
-capital			
Waste disposal	-	-	-
Public Health	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Total Environmental and Public Health Services	<u>51,080</u>	<u>41,993</u>	<u>55,791</u>
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	15,000	18,400	13,949
Grants and contributions			
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Total Planning and Development Services	<u>15,000</u>	<u>18,400</u>	<u>13,949</u>
RECREATION AND CULTURAL SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	3,675	6,045	2,389
Utilities	-	-	-
Maintenance, materials, and supplies	350	664	335
Grants and contributions			
-operating	37,220	25,209	17,861
-capital	-	-	-
Amortization	-	1,385	2,590
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other (Hamlet activities)	52,394	33,307	42,584
Total Recreation and Cultural Services	<u>93,639</u>	<u>66,610</u>	<u>65,759</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	-	-	-
Total Utility Services	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES BY FUNCTION	<u>\$ 2,021,894</u>	<u>2,086,667</u>	<u>2,014,241</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF LEASK NO. 464
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	\$ 23,365	89,434	32,228	3,715	14,658	-	-	163,400
Tangible capital asset sales - Gain (loss)	-	-	-	-	-	-	-	-
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	2,204	-	-	-	-	-	-	2,204
Other revenues	-	500	-	-	-	-	-	500
Grants - Conditional	-	4,589	-	22,277	-	-	-	26,866
Grants - Capital	-	-	72,853	-	-	14,008	-	86,861
Total revenues	25,569	94,523	105,081	25,992	14,658	14,008	-	279,831
Expenses (Schedule 3)								
Wages & Benefits	245,948	20,300	388,891	5,559	-	-	-	660,698
Professional/Contractual Services	106,163	54,422	102,095	33,004	18,400	6,045	-	320,129
Utilities	8,594	10,465	8,204	-	-	-	-	27,263
Maintenance, materials and supplies	-	34,113	591,869	-	-	33,971	-	659,953
Grants and contributions	1,813	-	-	3,430	-	25,209	-	30,452
Amortization	2,994	800	369,572	-	-	1,385	-	374,751
Interest	8,542	1,090	3,789	-	-	-	-	13,421
Allowance for uncollectibles.	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total expenses	374,054	121,190	1,464,420	41,993	18,400	66,610	-	2,086,667
Surplus (deficit) by function	(348,485)	(26,667)	(1,359,339)	(16,001)	(3,742)	(52,602)	-	(1,806,836)
Taxation and other unconditional revenue (Schedule 1)								<u>1,772,365</u>
Net Surplus (Deficit)								<u>\$ (34,471)</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF LEASK NO. 464
SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2017

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and charges	\$ 21,785	19,021	49,906	4,676	11,317	-	-	106,705
Tangible capital asset sales - Gain (loss)	-	-	(5,519)	-	-	-	-	(5,519)
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	8,642	-	-	-	-	-	-	8,642
Other revenues	-	-	-	-	-	-	-	-
Grants - Conditional	7,500	-	-	17,370	-	-	-	24,870
Grants - Capital	-	-	77,265	-	-	6,700	-	83,965
Total revenues	<u>37,927</u>	<u>19,021</u>	<u>121,652</u>	<u>22,046</u>	<u>11,317</u>	<u>6,700</u>	<u>-</u>	<u>218,663</u>
Expenses (Schedule 3)								
Wages & Benefits	224,822	17,870	364,481	7,297	-	-	-	614,470
Professional/Contractual Services	87,311	58,273	105,580	43,564	13,949	2,389	-	311,066
Utilities	6,545	11,124	7,753	-	-	-	-	25,422
Maintenance, materials and supplies	-	20,616	736,772	-	-	42,919	-	800,307
Grants and contributions	-	-	-	4,930	-	17,861	-	22,791
Amortization	3,267	-	226,395	-	-	2,590	-	232,252
Interest	7,211	-	722	-	-	-	-	7,933
Allowance for uncollectibles.	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total expenses	<u>329,156</u>	<u>107,883</u>	<u>1,441,703</u>	<u>55,791</u>	<u>13,949</u>	<u>65,759</u>	<u>-</u>	<u>2,014,241</u>
Surplus (deficit) by function	(291,229)	(88,862)	(1,320,051)	(33,745)	(2,632)	(59,059)	-	(1,795,578)
Taxation and other unconditional revenue (Schedule 1)								1,484,860
Net Surplus (Deficit)								<u>\$ (310,718)</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF LEASK NO. 464

SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

Year ended December 31, 2018
with comparative figures for 2017

	2018						2017	
	General Assets			Infrastructure Assets		General / Infrastructure Assets Under Construction	Total	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment			
Asset cost								
Opening asset costs	\$ 87,858	10,626	87,952	212,808	1,327,231	8,579,298	-	10,305,773
Additions during the year	-	-	-	72,900	120,737	135,753	-	329,390
Disposals and write-downs during the year	-	-	-	-	-	-	-	-
Transfers (from) assets under construction	-	-	-	-	-	-	-	-
Closing asset costs	<u>87,858</u>	<u>10,626</u>	<u>87,952</u>	<u>285,708</u>	<u>1,447,968</u>	<u>8,715,051</u>	<u>-</u>	<u>10,305,773</u>
Accumulated amortization cost								
Opening accumulated amortization costs	-	5,024	70,622	38,058	374,293	4,646,662	-	5,134,659
Add: Amortization taken	-	1,005	4,019	28,082	128,789	212,856	-	374,751
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	<u>-</u>	<u>6,029</u>	<u>74,641</u>	<u>66,140</u>	<u>503,082</u>	<u>4,859,518</u>	<u>-</u>	<u>5,509,410</u>
Net book value	<u>\$ 87,858</u>	<u>4,597</u>	<u>13,311</u>	<u>219,568</u>	<u>944,886</u>	<u>3,855,533</u>	<u>-</u>	<u>5,171,114</u>
1. Total contributed/donated assets received in 2018:	\$ -							
2. List of assets recognized at nominal value in 2018 are:								
-Infrastructure Assets	\$ -							
-Vehicles	\$ -							
-Machinery and Equipment	\$ -							
3. Amount of interest capitalized in 2018:	\$ -							

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF LEASK NO. 464 **SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION**

Year ended December 31, 2018
with comparative figures for 2017

	2018							2017	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
Asset cost									
Opening asset costs	\$ 40,747	21,655	10,130,282	577	-	112,512	-	10,305,773	9,707,393
Additions during the year	-	68,900	255,490	-	-	5,000	-	329,390	634,009
Disposals and write-downs during the year	-	-	-	-	-	-	-	-	(35,629)
Closing asset costs	<u>40,747</u>	<u>90,555</u>	<u>10,385,772</u>	<u>577</u>	<u>-</u>	<u>117,512</u>	<u>-</u>	<u>10,635,163</u>	<u>10,305,773</u>
Accumulated amortization cost									
Opening accumulated amortization costs	28,220	18,455	5,081,440	-	-	6,544	-	5,134,659	4,923,259
Add: Amortization taken	2,994	800	369,572	-	-	1,385	-	374,751	232,252
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	-	(20,852)
Closing accumulated amortization costs	<u>31,214</u>	<u>19,255</u>	<u>5,451,012</u>	<u>-</u>	<u>-</u>	<u>7,929</u>	<u>-</u>	<u>5,509,410</u>	<u>5,134,659</u>
Net book value	<u>\$ 9,533</u>	<u>71,300</u>	<u>4,934,760</u>	<u>577</u>	<u>-</u>	<u>109,583</u>	<u>-</u>	<u>5,125,753</u>	<u>5,171,114</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF LEASK NO. 464

SCHEDULE OF ACCUMULATED SURPLUS

Year ended December 31, 2018

	<u>2017</u>	<u>Changes</u>	<u>2018</u>
UNAPPROPRIATED SURPLUS	\$ <u>699,235</u>	<u>(309,444)</u>	<u>389,791</u>
APPROPRIATED RESERVES			
Machinery and equipment	754	290,114	290,868
Public reserve	2,190	25,640	27,830
Capital trust	-	-	-
Utility	-	-	-
Other	-	8,624	8,624
Total Appropriated	<u>2,944</u>	<u>324,378</u>	<u>327,322</u>
ORGANIZED HAMLETS			
Hamlet of Pelican Cove	53,275	7,644	60,919
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	5,171,114	(45,361)	5,125,753
Less: Related debt	<u>(375,031)</u>	<u>(11,688)</u>	<u>(386,719)</u>
Net Investment in Tangible Capital Assets	<u>4,796,083</u>	<u>(57,049)</u>	<u>4,739,034</u>
Total Accumulated Surplus	\$ <u>5,551,537</u>	<u>(34,471)</u>	<u>5,517,066</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF LEASK NO. 464

SCHEDULE OF MILL RATES AND ASSESSMENTS

Year ended December 31, 2018
with comparative figures for 2017

	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	\$ 104,407,410	25,306,880	105,520	46,154,870	2,763,800	\$ 178,738,480
Regional Park Assessment						
Total Assessment						\$ 178,738,480
Mill Rate Factor(s)	1.0000	0.8600	0.8600	0.8600	1.6500	
Total Base/Minimum Tax (generated for each property class)	-	-	-	-	-	-
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ 908,344	184,824	790	241,602	39,674	1,375,234

MILL RATES:	<u>MILLS</u>
Average Municipal*	7.694
Average School*	2.582
Potash Mill Rate	-
Uniform Municipal Mill Rate	8.700

* 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 LEASK NO. 464**SCHEDULE OF COUNCIL REMUNERATION**

Year ended December 31, 2018
with comparative figures for 2017

Position	Name	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Reeve	Len Cantin	\$ 7,300	2,664	9,964
Councillor	Real Diehl	5,120	1,837	6,957
Councillor	Robert Girod	5,650	2,075	7,725
Councillor	Clarke Gossen	1,000	425	1,425
Councillor	Edward Musich	3,660	667	4,327
Councillor	Gordon Stieb	5,310	2,035	7,345
Councillor	Grant Thiel	2,520	1,013	3,533
Councillor	Victor Unyi	-	270	270
Total		<u>\$ 30,560</u>	<u>10,986</u>	<u>41,546</u>

See accompanying notes to the financial statements.