

**RURAL MUNICIPALITY OF ROSTHERN NO. 403**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2019**

RURAL MUNICIPALITY OF ROSTHERN NO. 403  
Index to Consolidated Financial Statements  
Year Ended December 31, 2019

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	Page
MANAGEMENT'S RESPONSIBILITY	1
INDEPENDENT AUDITORS' REPORT	2 - 3
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations and Accumulated Surplus	5
Consolidated Statement of Change in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 18
Taxes and Other Unconditional Revenue ( <i>Schedule 1</i> )	19
Schedule of Operating and Capital Revenue by Function ( <i>Schedule 2 - 1</i> )	20
Schedule of Operating and Capital Revenue by Function ( <i>Schedule 2 - 2</i> )	21
Schedule of Operating and Capital Revenue by Function ( <i>Schedule 2 - 3</i> )	22
Schedule of Operating and Capital Revenue by Function ( <i>Schedule 2 - 4</i> )	23
Total Expenses by Function ( <i>Schedule 3 - 1</i> )	24
Total Expenses by Function ( <i>Schedule 3 - 2</i> )	25
Total Expenses by Function ( <i>Schedule 3 - 3</i> )	26
Consolidated Schedule of Segment Disclosure by Function ( <i>Schedule 4</i> )	27
Consolidated Schedule of Segment Disclosure by Function ( <i>Schedule 5</i> )	28
Consolidated Schedule of Tangible Capital Assets by Object ( <i>Schedule 6</i> )	29
Consolidated Schedule of Tangible Capital Assets by Function ( <i>Schedule 7</i> )	30
Consolidated Schedule of Accumulated Surplus ( <i>Schedule 8</i> )	31
Schedule of Mill Rates and Assessments ( <i>Schedule 9</i> )	32
Schedule of Council Remuneration ( <i>Schedule 10</i> )	33
Consolidated Schedule of Restructuring ( <i>Schedule 11</i> )	34

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## Management's Responsibility

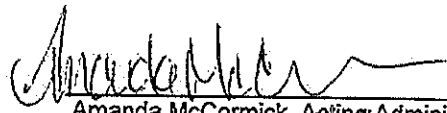
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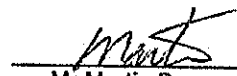
The municipality's management is responsible for the preparation and presentation of the accompanying consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgments and estimates by management are required.

In discharging its responsibilities for the integrity and fair presentation of the consolidated 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 consolidated 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 management and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the municipality's external auditors.

Grant Thornton LLP, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the consolidated 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 management to discuss their audit findings.

  
Amanda McCormick, Acting Administrator

  
Mr Martin Penner, Reeve

Rosthern, SK

Date: August 11/2020

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## INDEPENDENT AUDITOR'S REPORT

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To the Council of the Rural Municipality of Rosthern No. 403

### *Qualified Opinion*

We have audited the consolidated financial statements of the Rural Municipality of Rosthern No. 403 (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations and accumulated surplus and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Qualified Opinion*

We were not able to observe the counting of inventories at January 1, 2019 or December 31, 2019 or satisfy ourselves by alternative means concerning inventory quantities as at those dates. Since opening and closing inventories enter into the determination of the financial performance and cash flows, we were unable to determine whether adjustments might have been necessary in respect of the surplus of revenues over expenses for the year reported in the statement of operations, inventory reported on the statement of financial position and the cash flows from operating activities reported in the statement of cash flows. As a result, our audit opinion on the financial statements for the year ended December 31, 2019 is modified because of the possible effects of this limitation in scope.

As outlined in Note 10 to the financial statements, the Municipality maintains a solid waste landfill site for which it has recorded an estimate of its closure and post-closure liabilities, but in a manner that is not consistent with Canadian public sector accounting standards. This constitutes a departure from Canadian public sector accounting standards, which require the closure and post-closure liabilities to be recognized on a volumetric basis as the landfill site capacity is used, beginning when the site first accepts waste. This is the result of a cost-benefit decision taken by management not to engage a third party to determine the liability until the site is closed. The impact of this departure from Canadian public sector accounting standards has not been determined and therefore, we were not able to determine whether any adjustments might be necessary to the surplus of revenues over expenses and cash flows for the year ended December 31, 2019, landfill closure and post-closure liabilities as at December 31, 2019 and net financial assets as at January 1 and December 31, 2019. The predecessor's audit opinion on the financial statements for the year ended December 31, 2018 was not modified because of the effects of this departure from Canadian public sector accounting standards.

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 Consolidated Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### *Emphasis of Matter*

We draw attention to Note 23 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2018 has been restated. The consolidated financial statements for the year ended December 31, 2018 (prior to the adjustments that were applied to restate certain comparative information explained in Note 23) were audited by Cogent Chartered Professional Accountants LLP who expressed an unmodified opinion on those consolidated financial statements on May 2, 2019. Our opinion is not modified in respect of this matter. The partners and staff of Cogent CPA LLP joined Grant Thornton LLP on November 1, 2019.

### *Other Matter*

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. Schedules 1, 2, 3, 7, 9 and 10 are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.

## *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 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 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 consolidated 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 Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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, Canada  
August 11, 2020

*Grant Thornton LLP*

Chartered Professional Accountants

**RURAL MUNICIPALITY OF ROSTHERN NO. 403**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2019**  
**Statement 1**

	2019	2018 (restated - see note 23)
<b>FINANCIAL ASSETS</b>		
Cash and Temporary Investments (Note 2)	\$ 7,810,817	\$ 6,803,204
Taxes Receivable - Municipal (Note 3)	203,312	151,234
Other Accounts Receivable (Note 4)	148,794	206,667
Land for Resale (Note 5)	-	-
Long-Term Investments (Note 6)	-	103,225
Debt Charges Recoverable (Note 7)	-	-
Other (Subscriber loans of Sask Valley Rural Water Utility)	364,892	433,011
<b>Total financial assets</b>	<b>8,527,815</b>	<b>7,697,341</b>
<b>LIABILITIES</b>		
Bank indebtedness (Note 8)	-	-
Accounts Payable	254,524	116,045
Accrued Liabilities Payable	-	-
Deposits	43,600	56,600
Deferred Revenue (Note 9)	200	200
Accrued Landfill Costs (Note 10)	262,053	262,053
Liability for Contaminated Sites (Note 11)	-	-
Other Liabilities	-	-
Long-Term Debt (Note 12)	369,745	436,994
Lease Obligations (Note 13)	-	-
<b>Total liabilities</b>	<b>930,122</b>	<b>871,892</b>
<b>NET FINANCIAL ASSETS</b>	<b>7,597,693</b>	<b>6,825,449</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Schedule 6, 7)	6,240,106	5,879,329
Prepayments and Deferred Charges	32	184
Stock and Supplies	597,658	737,199
Other (Note 14)	-	-
<b>Total Non-Financial Assets</b>	<b>6,837,796</b>	<b>6,616,712</b>
<b>ACCUMULATED SURPLUS (Schedule 8)</b>	<b>\$ 14,435,489</b>	<b>\$ 13,442,161</b>

See notes to financial statements

**RURAL MUNICIPALITY OF ROSTHERN NO. 403**  
**Consolidated Statement of Operations and Accumulated Surplus**  
**As at December 31, 2019**  
**Statement 2**

	Budget	2019	2018 (restated - see note 23)
<b>REVENUES OTHER THAN PROVINCIAL/FEDERAL CAPITAL GRANTS AND CONTRIBUTIONS</b>			
Taxes and Other Unconditional Revenue (Schedule 1)	\$ 3,061,550	\$ 3,060,317	\$ 3,004,574
Fees and Charges (Schedule 4, 5)	121,630	979,189	747,141
Conditional Grants (Schedule 4, 5)	13,000	10,751	16,849
Tangible Capital Assets Sales - Gain (Loss) (Schedule 4, 5)	-	1,500	(10,842)
Land Sales - Gain (Loss) (Schedule 4, 5)	-	-	-
Investment Income and Commissions (Schedule 4, 5)	70,000	127,085	89,978
Restructurings (Schedule 4, 5)	-	-	-
Other Revenues (Schedule 4, 5)	500	12,856	3,317
<b>Total Revenues other than Provincial/Federal Capital Grants and Contributions</b>	<b>3,266,680</b>	<b>4,191,698</b>	<b>3,851,017</b>
<b>EXPENSES</b>			
General Government Services (Schedule 3)	379,450	405,524	375,139
Protective Services (Schedule 3)	245,800	302,392	203,999
Transportation Services (Schedule 3)	1,727,640	1,758,669	1,355,874
Environmental and Public Health Services (Schedule 3)	326,170	161,336	170,818
Planning and Development Services (Schedule 3)	49,590	26,163	49,586
Recreation and Cultural Services (Schedule 3)	224,100	244,337	151,244
Utility Services (Schedule 3)	-	559,023	549,862
Restructurings (Schedule 3)	-	-	-
<b>Total Expenses</b>	<b>2,952,750</b>	<b>3,457,444</b>	<b>2,856,522</b>
<b>Surplus (Deficit) of Revenues over Expenses before Provincial/Federal Capital Grants and Contributions</b>	<b>313,930</b>	<b>734,254</b>	<b>994,495</b>
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	60,000	259,074	123,117
<b>Surplus (Deficit) of Revenues over Expenses</b>	<b>373,930</b>	<b>993,328</b>	<b>1,117,612</b>
Accumulated Surplus (Deficit), Beginning of Year, As Previously Stated	9,963,419	9,963,419	8,862,200
Prior Period Adjustment (Note 23)	3,478,742	3,478,742	3,462,349
Accumulated Surplus (Deficit), Beginning of Year, As Restated	13,442,161	13,442,161	12,324,549
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b>\$ 14,435,491</b>	<b>\$ 14,435,489</b>	<b>\$ 13,442,161</b>

See notes to financial statements

**RURAL MUNICIPALITY OF ROSTHERN NO. 403**

**Consolidated Statement of Change in Net Financial Assets**

**As at December 31, 2019**

**Statement 3**

	Budget		2018 (restated - see note 23)
	2019	2019	
<b>Surplus (Deficit)</b>	<b>\$ 373,930</b>	<b>\$ 993,328</b>	<b>\$ 1,117,612</b>
(Acquisition) of tangible capital assets	(800,000)	(662,855)	(800,015)
Amortization of tangible capital assets	220,930	302,078	267,655
Proceeds on disposal of tangible capital assets	-	1,500	70,000
Loss (gain) on the disposal of tangible capital assets	-	(1,500)	10,842
Transfer of assets/liabilities in restructuring transactions	-	-	-
<b>Surplus (Deficit) of capital expenses over expenditures</b>	<b>(579,070)</b>	<b>(360,777)</b>	<b>(451,518)</b>
(Acquisition) of supplies inventories	-	(597,658)	(737,199)
(Acquisition) of prepaid expense	-	(32)	(184)
Consumption of supplies inventory	-	737,199	648,123
Use of prepaid expense	-	184	167
<b>Surplus (Deficit) of expenses of other non-financial over expenditures</b>	<b>-</b>	<b>139,693</b>	<b>(89,093)</b>
<b>Increase/Decrease in Net Financial Assets</b>	<b>(205,140)</b>	<b>772,244</b>	<b>577,001</b>
<b>Net Financial Assets (Debt) - Beginning of Year</b>	<b>6,825,449</b>	<b>6,825,449</b>	<b>6,248,448</b>
<b>Net Financial Assets (Debt) - End of Year</b>	<b>\$ 6,620,309</b>	<b>\$ 7,597,693</b>	<b>\$ 6,825,449</b>

See notes to financial statements



**RURAL MUNICIPALITY OF ROSTHERN NO. 403**

**Consolidated Statement of Cash Flows**

**As at December 31, 2019**

**Statement 4**

**Cash provided by (used for) the following activities**

	2019	2018 (restated - see note 23)
<b>Operating:</b>		
Surplus (Deficit)	\$ 993,328	\$ 1,117,612
Amortization	302,078	267,655
Loss (gain) on disposal of tangible capital assets	(1,500)	10,842
	<u>1,293,906</u>	<u>1,396,109</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	(52,078)	23,401
Other Receivables	57,873	(19,806)
Accounts Payable	138,477	36,824
Deferred Revenue	-	(4,008)
Prepayments and Deferred Charges	152	(17)
Stock and Supplies	139,541	(89,076)
SVRWU - subscriber loans	68,119	111,377
Deposits	(13,000)	(4,700)
Accrued Landfill Costs	-	33,658
	<u>339,084</u>	<u>87,653</u>
<b>Cash provided by operating transactions</b>	<u>1,632,990</u>	<u>1,483,762</u>
<b>Capital:</b>		
Acquisition of capital assets	(662,855)	(800,015)
Proceeds from the disposal of capital assets	1,500	70,000
<b>Cash applied to capital transactions</b>	<u>(661,355)</u>	<u>(730,015)</u>
<b>Investing:</b>		
Long-Term Investments	103,225	(103,225)
Other	-	-
<b>Cash provided by (applied to) investing transactions</b>	<u>103,225</u>	<u>(103,225)</u>
<b>Financing:</b>		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	(67,247)	(76,363)
Other financing	-	-
<b>Cash provided by (applied to) financing transactions</b>	<u>(67,247)</u>	<u>(76,363)</u>
<b>Change in Cash and Temporary Investments during the year</b>	<u>1,007,613</u>	<u>574,159</u>
<b>Cash and Temporary Investments - Beginning of Year</b>	<u>6,803,204</u>	<u>6,229,045</u>
<b>Cash and Temporary Investments - End of Year (Note 2)</b>	<u>\$ 7,810,817</u>	<u>\$ 6,803,204</u>

See notes to financial statements

**1. Significant accounting policies**

The consolidated financial statements of the municipality have been prepared by management in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the municipality are as follows:

**Basis of accounting:** The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting requires revenues to be recognized as they become available and measurable and 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.

**(a) Reporting Entity:**

The consolidated financial statements consolidate the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources. Entities included in these consolidated financial statements are as follows:

Entity  
Sask Valley Rural Water Utility

All inter-organizational transactions and balances have been eliminated.

**(b) Collection of funds for other authorities:**

Collection of funds by the municipality for school boards, municipal hall and conservation and development authorities are collected and remitted in accordance with relevant legislation.

**(c) 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 revenue in the period that the events giving rise to the transfer occur, providing:

- a) the transfers are authorized
- b) any eligibility criteria and stipulations have been met; and
- c) reasonable estimates of the amounts can be made.

Unearned government transfer amounts received will be recorded as deferred revenue until eligibility criteria or stipulations are met.

Earned government transfer amounts not received will be recorded as an amount receivable.

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

**(d) 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. Resources restricted by agreement with an external party are recognized as revenue in the municipality's financial statements in the period in which the resources are used for the purpose or purposes specified. An externally restricted inflow received before this criterion has been met is recorded as a liability until the resources are used for the purpose or purposes specified.

**(e) Local Improvement Charges:**

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

**(f) 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.

**(g) 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.

(continues)

1. Significant accounting policies *(continued)*

(h) Appropriated Reserves:

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

(i) 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, provided the revenues are expected to be collected. Requisitions operate as a flow through and are excluded from municipal revenue.

(j) Investments:

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with terms of 91 days to one year have been classified as other short-term investments and investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment.

(k) 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 in the ordinary course of business.

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# RURAL MUNICIPALITY OF ROSTHERN NO. 403

## Notes to Consolidated Financial Statements

As at December 31, 2019

### 1. Significant accounting policies (continued)

#### (l) 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 contribution. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. Tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<b>General Assets</b>	
Land	Indefinite
Land Improvements	5 to 20 Years
Buildings	10 to 50 Years
Vehicles & Equipment	
Vehicles	5 to 10 Years
Machinery and Equipment	5 to 10 Years

#### **Infrastructure Assets**

Infrastructure Assets	30 to 75 Years
Water & Sewer	30 to 75 Years
Road Network Assets	30 to 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 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 consolidated financial statements as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risk associated with the leased asset is classified as a capital lease and recorded as a tangible capital asset. 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 lease are amortized on a straight line basis, over their estimated useful lives. Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

#### (m) Landfill liability:

The municipality maintains a waste disposal site. The costs to close and maintain solid waste landfill sites are based on estimated future expenses, adjusted for inflation and discounted to current dollars. The annual provision is reported as an expense and the accumulated provision is reported as a liability on the Consolidated Statement of Financial Position. Recommended disclosure is provided in Note 10.

#### (n) Trust Funds:

Funds held in trust for others, under a trust agreement or statute, are not included in the consolidated financial statements as they are not controlled by the municipality. Trust fund activities administered by the municipality are disclosed in Note 18.

#### (o) Employee benefit plans:

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

(continues)

1. **Significant accounting policies** *(continued)*

(p) **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.

Any revisions to an amount previously recognized are accounted for in the period in which the revisions are made.

(q) **Measurement Uncertainty:**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount 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 periods 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 borrowings.

The segments (functions) are as follows:

**General Government:** Provides for the administration of the municipality.

**Protective Services:** Comprised of expenses for Police and Fire protection.

**Transportation Services:** 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:** Provides for neighbourhood development and sustainability.

**Recreation and Culture:** Provides for community services through the provision of recreation and leisure services.

**Utility Services:** Provides for delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

(s) **Budget Information:**

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on June 11, 2019.

*(continues)*

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## 1. Significant accounting policies (continued)

(i) New Accounting Standards:

Effective January 1, 2019, the municipality adopted the following standard to comply with Canadian public sector accounting standards (PSAS). This standard applies to all public sector entities for years beginning on or after April 1, 2018. Adoption of this standard requires all public sector entities to assess information using definitions, criteria and exceptions provided in the standards and apply professional judgement to comply with the disclosure requirements of each standard.

**PS 3430 Restructuring Transactions** provides guidance on how to account for and report restructuring transactions by transferors and recipients of assets and/or liabilities. The new standard has been adopted on a prospective basis.

For more information refer to Note 21.

**Future Accounting 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. 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 a foreign currency.

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

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

**PS 3280 Asset Retirement Obligations**, 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 this new standard, existing Solid Waste Landfill Closure and Post-Closure Liability section PS 3270 will be withdrawn.

**Effective On or After April 1, 2022:**

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

The extent of the impact on adoption of these future standards is not known at this time.

## 2. Cash and Temporary Investments

	2019	2018
Cash and Temporary Investments	\$ 4,937,898	\$ 4,224,487
Temporary Investments	2,262,792	2,100,396
Restricted Cash	610,127	478,321
<b>Total Cash and Temporary Investments</b>	<b>\$ 7,810,817</b>	<b>\$ 6,803,204</b>

Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for other than specific current purposes is included in restricted cash.

Included in restricted cash is the cash held by the Sask Valley Rural Water Utility.

**RURAL MUNICIPALITY OF ROSTHERN NO. 403**

**Notes to Consolidated Financial Statements**

**As at December 31, 2019**

**3. Taxes Receivable - Municipal**

	2019	2018
<u>Municipal</u>		
- current	\$ 143,937	\$ 112,733
- arrears	59,375	38,501
	203,312	151,234
Less - allowance for uncollectibles	-	-
Total municipal taxes receivable	203,312	151,234
<u>School</u>		
- current	57,641	47,375
- arrears	25,303	14,879
Total school taxes receivable	82,944	62,254
Other	1,040	-
Total taxes and grants in lieu receivable	287,296	213,488
Deduct taxes receivable to be collected on behalf of other organizations	(83,984)	(62,254)
<b>Total Taxes Receivable - Municipal</b>	<b>\$ 203,312</b>	<b>\$ 151,234</b>

**4. Other Accounts Receivable**

	2019	2018
Federal Government	\$ 79,343	\$ 34,207
Provincial Government	-	-
Local Government	-	-
Utility	-	-
Trade	25,356	13,913
Other (Utility and GST receivable of Sask Valley Rural Water Utility)	44,095	158,547
Total Other Accounts Receivable	148,794	206,667
Less: allowance for uncollectibles	-	-
<b>Net Other Accounts Receivable</b>	<b>\$ 148,794</b>	<b>\$ 206,667</b>

**5. Land for Resale**

	2019	2018
Tax Title Property	\$ 324	\$ 324
Allowance for market value adjustment	(324)	(324)
Net Tax Title Property	-	-
Other Land	-	-
Allowance for market value adjustment	-	-
Net Other Land	-	-
<b>Total Land for Resale</b>	<b>\$ -</b>	<b>\$ -</b>

**6. Investments**

	2019	2018
<b>Short-term Investments</b>		
<b>Long-term Investments</b>		
Term Deposits (held by Sask Valley Rural Water Utility)	\$ -	\$ 103,225
<b>Total Investments</b>	<b>\$ -</b>	<b>\$ 103,225</b>

# RURAL MUNICIPALITY OF ROSTHERN NO. 403

## Notes to Consolidated Financial Statements

As at December 31, 2019

### 7. Debt Charges Recoverable

	2019	2018
Current debt charges recoverable	\$ -	\$ -
Non-current debt charges recoverable	-	-
<b>Total Debt Charges Recoverable</b>	<b>\$ -</b>	<b>\$ -</b>

This note does not pertain to this municipality.

### 8. Bank Indebtedness

#### Credit Arrangements

At December 31, 2019, the municipality had lines of credit totaling \$300,000, none of which were drawn. The following has been collateralized in connection with this line of credit:

– General security agreemen

### 9. Deferred Revenue

	2019	2018
<u>Sask Valley Rural Water Utility</u>		
Balance - Beginning of Year	\$ 200	\$ 4,208
Additions during the year	-	-
Reductions during the year	-	(4,008)
<b>Balance - End of Year</b>	<b>\$ 200</b>	<b>\$ 200</b>

### 10. Accrued Landfill Costs

	2019	2018
Environmental Liabilities	\$ 262,053	\$ 262,053

In 2019 the municipality has accrued an overall liability for environmental matters in the amount of \$262,053 (prior year - \$262,053) which represents management's best estimate of this liability. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.

Included in environmental liabilities is \$262,053 (prior year - \$262,053) of the estimated total landfill closure and post-closure care expenses. The estimated liability for these expenses is recognized as the landfill site's capacity is used and the reported liability represents the portion of the estimated total expenses recognized as at December 31, 2019 based on the cumulative capacity used at that date, compared to the total estimated landfill capacity. Estimated total expenditures represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at the municipality's average long-term borrowing rate of 3.95 % (prior year - 3.95 %).

Landfill closure and post-closure care requirements have been defined in accordance with The Environmental Management and Protection Act and include final covering and landscaping of the landfill, pumping of ground water, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a 20-year period using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The estimated remaining capacity of the landfill is 0% – 0 cubic metres (prior year - 0% - 0 cubic metres) of its total estimated capacity and its estimated remaining life is 0 years (prior year – 0 years). The period for post-closure care is estimated to be 20 years (prior year – 20).

### 11. Liability for Contaminated Sites

The municipality does not currently have a liability for any contaminated sites in the community. All properties that have environmentally risky histories are still under the ownership of the corporation or individual that operated on the property and all property tax and/or other liabilities to the municipality are current. There is currently no risk that any of these properties will become the responsibility of the municipality.



RURAL MUNICIPALITY OF ROSTHERN NO. 403

Notes to Consolidated Financial Statements

As at December 31, 2019

12. Long-term Debt

The debt limit of the municipality is \$3,315,240. The 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)).

Bank loan held by Sask Valley Rural Water Utility is repayable at Affinity Credit Union bearing interest at 4.95% per annum, repayable in monthly blended payments of \$5,632. The loan matures in 2023.

Future principal and interest payments are as follows:

	Principal	Interest	2019	2018
Year				
2019	\$ -	\$ -	\$ -	\$ 67,584
2020	50,415	17,169	67,584	67,584
2021	52,968	14,616	67,584	67,584
2022	55,650	11,934	67,584	67,584
2023	210,712	9,744	220,456	235,149
	\$ 369,745	\$ 53,463	\$ 423,208	\$ 505,485

13. Lease Obligations

This note does not pertain to this municipality.

14. Other Non-financial Assets

2019	2018
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This note does not pertain to this municipality.

15. Contingent Liabilities

This note does not pertain to this municipality.

16. 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 \$35,862. 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.

17. Comparative Figures

Certain of the prior year comparative figures may have been restated to conform to the current year's presentation.

18. Trusts Administered by the Municipality

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

	2019	2018
Description of the trust goes here		
Balance - Beginning of Year	\$ -	\$ -
Revenue (specify)	-	-
Interest revenue	-	-
Subtotal	-	-
Expenditure (specify)	-	-
Balance - End of Year	\$ -	\$ -

This note does not pertain to this municipality.

RURAL MUNICIPALITY OF ROSTHERN NO. 403

Notes to Consolidated Financial Statements

As at December 31, 2019

19. Related Parties

The consolidated financial statements include transactions with related parties. The municipality is related to Sask Valley Rural Water Utility under the common control of the Council.

Transactions with these related parties are in the normal course of operations and are settled on normal trade terms.

20. Contingent Assets

Contingent assets are not recorded in the financial statements.

21. Restructuring Transactions

This note does not pertain to this municipality.

22. Budget Data

The reconciliation of the approved budget for the current year to the budget figures reported in these financial statements is as follows:

	2019
Budget surplus per Statement of Operations	373,930
Less: Capital expenditures	(800,000)
Add: Transfers to other funds	426,070
	<u>\$ -</u>

# RURAL MUNICIPALITY OF ROSTHERN NO. 403

## Notes to Consolidated Financial Statements

As at December 31, 2019

### 23. Prior period adjustment

During 2019 it was determined that the municipality had not in previous years consolidated its share of a reporting entity (Sask Valley Rural Water Utility) under its control. As a result, the previously recorded financial position and operations of the municipality required a re-statement and the financial statement items have been adjusted as follows:

	2018 Previously Reported	Adjustments	2018 Restated
<u>Consolidated Statement of Financial Position</u>			
Cash and Temporary Investments	\$ 6,324,883	\$ 478,321	\$ 6,803,204
Other Accounts Receivable	48,120	158,547	206,667
Long-term Investments	-	103,225	103,225
Other (Subscriber loans of Sask Valley Rural Water Utility)	-	433,011	433,011
Accounts Payable	(79,887)	(36,158)	(116,045)
Deferred Revenue	-	(200)	(200)
Long-Term Debt	-	(436,944)	(436,944)
Tangible Capital Assets	3,100,337	2,778,992	5,879,329
Accumulated Surplus	9,963,419	3,478,742	13,442,161
<u>Consolidated Statement of Operations and Accumulated Surplus</u>			
Revenues	\$ 3,407,877	\$ 566,257	\$ 3,974,134
Expenses	(2,306,660)	(549,862)	(2,856,522)
Annual Surplus	1,101,217	16,395	1,117,612
Accumulated Surplus beginning of year	8,862,200	3,462,349	12,324,549
Accumulated Surplus end of year	9,963,419	3,478,742	13,442,161
<u>Consolidated Statement of Change in Net Financial Assets</u>			
Net Financial Assets - beginning of year	\$ 5,605,187	\$ 643,261	\$ 6,248,448
Net Financial Assets - end of year	6,125,697	699,752	6,825,449
<u>Consolidated Statement of Cash Flows</u>			
Surplus (Deficit)	\$ 1,101,217	\$ 16,395	\$ 1,117,612
Cash and Temporary Investments - Beginning of year	5,706,250	522,795	6,229,045
Cash and Temporary Investments - End of Year	6,324,883	478,321	6,803,204

24. Contractual Rights

This note does not pertain to this municipality.

Contractual rights are rights to economic resources arising from contracts or agreements that will result in an asset and revenue in the future. Significant contractual rights of the municipality are as follows: (all lease shown are net of GST)

	2019	2020	2021	2022	2023	Thereafter	Maturity Date	Current Year Total	Prior Year Total
Type, Nature, Time & Extent									

24. Contractual Obligations and Commitments

The municipality has entered into multiple-year contracts for the delivery of services and the construction of tangible capital assets [identify those that apply]. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Significant contractual obligations and commitments of the municipality include:

Time, Nature, Time & Extent	2020	2021	2022	2023	2024	Thereafter	Maturity Date	Current Year Total	Prior Year Total
See Note 13 for Capital Lease Obligations									

**RURAL MUNICIPALITY OF ROSTHERN NO. 403**

**Schedule of Taxes and Other Unconditional Revenue**

**As at December 31, 2019**

**Schedule 1**

	Budget 2019	2019	2018
<b>TAXES</b>			
General municipal tax levy	\$ 2,620,460	\$ 2,607,820	\$ 2,573,505
Abatements and adjustments	-	(1,591)	(2,316)
Discount on current year taxes	(94,000)	(95,274)	(93,068)
<b>Net Municipal Taxes</b>	<b>2,526,460</b>	<b>2,510,955</b>	<b>2,478,121</b>
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	-	16,033	12,119
Special tax levy	-	-	-
Other	-	-	-
<b>Total Taxes</b>	<b>2,526,460</b>	<b>2,526,988</b>	<b>2,490,240</b>
<b>UNCONDITIONAL GRANTS</b>			
Equalization (Revenue Sharing)	440,000	438,072	421,242
Organized Hamlet	79,000	78,822	76,657
Other	-	-	-
<b>Total Unconditional Grants</b>	<b>519,000</b>	<b>516,894</b>	<b>497,899</b>
<b>GRANTS IN LIEU OF TAXES</b>			
Federal	11,000	11,347	11,347
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
Transgas	-	-	-
SPMC - Municipal share	-	-	-
SaskTel	-	-	-
Other	-	-	-
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty land Entitlement	5,090	5,088	5,088
Other	-	-	-
Other Government Transfers			
S.P.C. Surcharge	-	-	-
SaskEnergy Surcharge	-	-	-
Other	-	-	-
<b>Total Grants in Lieu of Taxes</b>	<b>16,090</b>	<b>16,435</b>	<b>16,435</b>
<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<b>\$ 3,061,550</b>	<b>\$ 3,060,317</b>	<b>\$ 3,004,574</b>

**RURAL MUNICIPALITY OF ROSTHERN NO. 403**

**Schedule of Operating and Capital Revenue by Function**

**As at December 31, 2019**

**Schedule 2 - 1**

	Budget 2019	2019	2018
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges	\$ -	\$ -	\$ -
- Custom work	-	-	-
- Sales of supplies	6,850	5,505	7,251
- Other - Permits & licenses	56,880	99,127	108,460
Total Fees and Charges	63,730	104,632	115,711
- Tangible capital asset sales - gain (loss)	-	-	-
- Land sales - gain (loss)	-	-	-
- Investment income and commissions	70,000	127,085	89,978
- Other	-	8,582	-
Total Other Segmented Revenue	133,730	240,299	205,689
Conditional Grants			
- Student Employment	-	-	-
- Other - Beaver Control	1,500	810	1,510
Total Conditional Grants	1,500	810	1,510
<b>Total Operating</b>	<b>135,230</b>	<b>241,109</b>	<b>207,199</b>
<b>Capital</b>			
Conditional Grants			
- Gas Tax	-	-	-
- Canada/Sask Municipal Rural Infrastructure Fund	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total General Government Services</b>	<b>135,230</b>	<b>241,109</b>	<b>207,199</b>
<b>PROTECTIVE SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and charges	30,000	89,657	27,724
- Other	-	-	-
Total Fees and Charges	30,000	89,657	27,724
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	30,000	89,657	27,724
Conditional Grants			
- Student Employment	-	-	-
- Local government	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	<b>30,000</b>	<b>89,657</b>	<b>27,724</b>
<b>Capital</b>			
Conditional Grants			
- Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Local government	-	-	-
- Other	-	-	-
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Protective Services</b>	<b>\$ 30,000</b>	<b>\$ 89,657</b>	<b>\$ 27,724</b>

See notes to financial statements

# RURAL MUNICIPALITY OF ROSTHERN NO. 403

## Schedule of Operating and Capital Revenue by Function

As at December 31, 2019

Schedule 2 - 2

	Budget 2019	2019	2018
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges	\$ -	\$ -	\$ -
- Custom work	9,900	5,848	10,300
- Sales of supplies	-	-	-
- Road Maintenance and Restoration Agreements	10,000	152,991	19,150
- Frontage	-	-	-
- Other - Culverts	-	-	-
Total Fees and Charges	19,900	158,839	29,450
- Tangible capital asset sales - gain (loss)	-	1,500	(10,842)
- Other - Donations	500	500	3,317
Total Other Segmented Revenue	20,400	160,839	21,925
Conditional Grants			
- Primary Weight Corridor	-	-	-
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	<b>20,400</b>	<b>160,839</b>	<b>21,925</b>
<b>Capital</b>			
Conditional Grants			
- Gas Tax	60,000	259,074	123,117
- Canada/Sask Municipal Rural Infrastructure Fund	-	-	-
- Heavy Haul	-	-	-
- Designated Municipal Roads and Bridges	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
<b>Total Capital</b>	<b>60,000</b>	<b>259,074</b>	<b>123,117</b>
<b>Total Transportation Services</b>	<b>80,400</b>	<b>419,913</b>	<b>145,042</b>
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges	-	-	-
- Waste and Disposal Fees	-	-	-
- Other - Pest Control Products	3,500	10,468	3,585
Total Fees and Charges	3,500	10,468	3,585
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	3,500	10,468	3,585
Conditional Grants			
- Student Employment	-	-	-
- Local government	11,500	9,941	15,339
- Other	-	-	-
Total Conditional Grants	11,500	9,941	15,339
<b>Total Operating</b>	<b>15,000</b>	<b>20,409</b>	<b>18,924</b>
<b>Capital</b>			
Conditional Grants			
- Gas Tax	-	-	-
- Canada/Sask Municipal Rural Infrastructure Fund	-	-	-
- Transit for Disabled	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Environmental and Public Health Services</b>	<b>\$ 15,000</b>	<b>\$ 20,409</b>	<b>\$ 18,924</b>

See notes to financial statements

**RURAL MUNICIPALITY OF ROSTHERN NO. 403**  
**Schedule of Operating and Capital Revenue by Function**

**As at December 31, 2019**  
**Schedule 2 - 3**

	Budget 2019	2019	2018
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges	\$ -	\$ -	\$ -
- Maintenance and Development Charges	-	-	-
- Other	-	-	-
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	-	-	-
<b>Capital</b>			
Conditional Grants			
- Gas Tax	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
<b>Total Capital</b>	-	-	-
<b>Total Planning and Development Services</b>	-	-	-
<b>RECREATION AND CULTURAL SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenues			
Fees and Charges	-	-	-
- Other - Hall Rental	4,500	5,794	4,414
Total Fees and Charges	4,500	5,794	4,414
- Tangible capital asset sales - gain (loss)	-	-	-
- Other - Donations	-	3,774	-
Total Other Segmented Revenue	4,500	9,568	4,414
Conditional Grants			
- Student Employment	-	-	-
- Local Government	-	-	-
- Donations	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	4,500	9,568	4,414
<b>Capital</b>			
Conditional Grants			
- Gas Tax	-	-	-
- Local government	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
<b>Total Capital</b>	-	-	-
<b>Total Recreation and Cultural Services</b>	\$ 4,500	\$ 9,568	\$ 4,414

See notes to financial statements



**RURAL MUNICIPALITY OF ROSTHERN NO. 403**

**Schedule of Operating and Capital Revenue by Function**

**As at December 31, 2019**

**Schedule 2 - 4**

	Budget 2019	2019	2018
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges	\$ -	\$ -	\$ -
- Water	-	-	-
- Sewer	-	-	-
- Other - Sask Valley Rural Water Utility	-	609,799	566,257
Total Fees and Charges	-	609,799	566,257
- Tangible capital asset sales - gain (loss)	-	-	-
- Other	-	-	-
Total Other Segmented Revenue	-	609,799	566,257
Conditional Grants			
- Student Employment	-	-	-
- Other	-	-	-
Total Conditional Grants	-	-	-
<b>Total Operating</b>	-	609,799	566,257
<b>Capital</b>			
Conditional Grants			
- Gas Tax	-	-	-
- Sask Water Corp.	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other	-	-	-
<b>Total Capital</b>	-	-	-
<b>Total Utility Services</b>	-	609,799	566,257
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>\$ 265,130</b>	<b>\$ 1,390,455</b>	<b>\$ 969,560</b>

**SUMMARY**

Total Other Segmented Revenue	\$ 192,130	\$ 1,120,630	\$ 829,594
Total Conditional Grants	13,000	10,751	16,849
Total Capital Grants and Contributions	60,000	259,074	123,117
Restructuring Revenue	-	-	-
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>\$ 265,130</b>	<b>\$ 1,390,455</b>	<b>\$ 969,560</b>

**RURAL MUNICIPALITY OF ROSTHERN NO. 403**

**Total Expenses by Function**

**As at December 31, 2019**

**Schedule 3 - 1**

	Budget 2019	2019	2018
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	\$ 57,000	\$ 47,552	\$ 48,744
Wages and benefits	151,100	167,397	134,158
Professional/Contractual services	147,900	165,084	167,124
Utilities	9,200	8,131	7,765
Maintenance, materials and supplies	14,000	15,079	15,067
Grants and contributions			
Grants and contributions - operating	-	-	-
Grants and Contributions - capital	-	-	-
Amortization	250	2,281	2,281
Interest	-	-	-
Allowance For Uncollectibles	-	-	-
Other	-	-	-
<b>General Government Services</b>	<b>379,450</b>	<b>405,524</b>	<b>375,139</b>
<b>Total General Government Services</b>	<b>379,450</b>	<b>405,524</b>	<b>375,139</b>
<b>PROTECTIVE SERVICES</b>			
<b>Police Protection</b>			
Wages and benefits	-	-	-
Professional/Contractual Services	114,000	129,009	104,973
Utilities	-	-	-
Maintenance, Materials and Supplies	20,000	32,678	18,939
Grants and contributions			
Grants and Contributions - Operating	-	-	-
Grants and Contributions - Capital	-	-	-
Other	-	-	-
<b>Fire Protection</b>			
Wages and benefits	71,000	69,419	48,163
Professional/Contractual Services	40,800	49,944	16,446
Utilities	-	-	-
Maintenance, Materials and Supplies	-	5,864	-
Grants and contributions			
Grants and Contributions - Operating	-	-	-
Grants and Contributions - Capital	-	-	-
Amortization	-	15,478	15,478
Interest	-	-	-
Other	-	-	-
<b>Protective Services</b>	<b>245,800</b>	<b>302,392</b>	<b>203,999</b>
<b>Total Protective Services</b>	<b>245,800</b>	<b>302,392</b>	<b>203,999</b>
<b>TRANSPORTATION SERVICES</b>			
Wages and Benefits	342,500	345,150	321,351
Professional/Contractual Services	9,000	17,961	7,613
Utilities	34,010	19,101	19,436
Maintenance, Materials and Supplies	869,020	760,211	506,719
Gravel	250,000	406,913	323,205
Grants and contributions			
Grants and Contributions - Operating	3,000	1,620	3,750
Grants and Contributions - Capital	-	-	-
Amortization	220,110	207,713	173,800
Interest	-	-	-
Other	-	-	-
<b>Transportation Services</b>	<b>1,727,640</b>	<b>1,758,669</b>	<b>1,355,874</b>
<b>Total Transportation Services</b>	<b>\$ 1,727,640</b>	<b>\$ 1,758,669</b>	<b>\$ 1,355,874</b>

See notes to financial statements

**RURAL MUNICIPALITY OF ROSTHERN NO. 403**

**Total Expenses by Function**

**As at December 31, 2019**

**Schedule 3 - 2**

	Budget 2019	2019	2018
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Wages and Benefits	\$ 11,000	\$ 9,584	\$ 9,280
Professional/Contractual Services	228,500	121,853	97,288
Utilities	800	643	631
Maintenance, Materials and Supplies	20,300	28,685	14,390
Grants and contributions			
Grants and contributions - operating	-	-	-
Grants and contributions - waste disposal	-	-	-
Grants and contributions - Public Health	15,000	-	15,000
Grants and contributions - capital	-	-	-
Grants and contributions - waste disposal	-	-	-
Grants and contributions - Public Health	-	-	-
Amortization	570	571	571
Interest	-	-	-
Other - Landfill Decommissioning	50,000	-	33,658
<b>Environmental and Public Health Services</b>	<b>326,170</b>	<b>161,336</b>	<b>170,818</b>
	-	-	-
<b>Total Environmental and Public Health Services</b>	<b>326,170</b>	<b>161,336</b>	<b>170,818</b>
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
Wages and Benefits	-	-	-
Professional/Contractual Services	49,590	26,163	49,586
Grants and contributions			
Grants and Contributions - Operating	-	-	-
Grants and Contributions - Capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
<b>Planning and Development Services</b>	<b>49,590</b>	<b>26,163</b>	<b>49,586</b>
	-	-	-
<b>Total Planning and Development Services</b>	<b>49,590</b>	<b>26,163</b>	<b>49,586</b>
<b>RECREATION AND CULTURAL SERVICES</b>			
Wages and Benefits	-	-	-
Professional/Contractual Services	98,700	80,227	25,738
Utilities	-	-	-
Maintenance, Materials, and Supplies	37,500	33,795	13,748
Grants and contributions			
Grants and Contributions - Operating	87,900	127,315	108,758
Grants and Contributions - Capital	-	-	-
Amortization	-	3,000	3,000
Interest	-	-	-
Allowance For Uncollectibles	-	-	-
Other	-	-	-
<b>Recreation and Cultural Services</b>	<b>224,100</b>	<b>244,337</b>	<b>151,244</b>
	-	-	-
<b>Total Recreation and Cultural Services</b>	<b>\$ 224,100</b>	<b>\$ 244,337</b>	<b>\$ 151,244</b>

RURAL MUNICIPALITY OF ROSTHERN NO. 403

Total Expenses by Function

As at December 31, 2019

Schedule 3 - 3

	Budget 2019	2019	2018
<b>UTILITY SERVICES</b>			
Wages and Benefits	\$ -	\$ -	\$ -
Professional/Contractual Services	-	-	-
Utilities	-	-	-
Maintenance, Materials and Supplies	-	-	-
Grants and contributions	-	-	-
Grants and Contributions - Operating	-	-	-
Grants and Contributions - Capital	-	-	-
Amortization (Sask Valley Rural Watre Utility)	-	73,035	72,525
Interest	-	-	-
Allowance For Uncollectibles	-	-	-
Other (Sask Valley Rural Water Utility)	-	485,988	477,337
<b>Utility Services</b>	-	559,023	549,862
	-	-	-
<b>Total Utility Services</b>	-	559,023	549,862
<b>TOTAL EXPENSES BY FUNCTION</b>	\$ 2,952,750	\$ 3,457,444	\$ 2,856,522

RURAL MUNICIPALITY OF ROSTHERN NO. 403  
Consolidated Schedule of Segment Disclosure by Function  
As at December 31, 2019

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Recreation and Development	Culture	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and Charges	\$ 104,632	\$ 89,657	\$ 158,839	\$ 10,468	\$ -	\$ 5,794	\$ 609,799	\$ 979,189
Tangible Capital Asset Sales - Gain (Loss)	-	-	1,500	-	-	-	-	1,500
Land Sales - Gain (Loss)	-	-	-	-	-	-	-	-
Investment Income and Commissions	127,085	-	-	-	-	-	-	127,085
Other Revenues	8,582	-	500	-	-	3,774	-	12,856
Grants - Conditional	810	-	-	9,941	-	-	-	10,751
- Capital	-	-	259,074	-	-	-	-	259,074
Restructurings	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>241,109</b>	<b>89,657</b>	<b>419,913</b>	<b>20,409</b>	<b>-</b>	<b>9,568</b>	<b>609,799</b>	<b>1,390,455</b>
<b>Expenses (Schedule 3)</b>								
Wages and Benefits	214,949	69,419	345,150	9,584	-	-	-	639,102
Professional/Contractual Services	165,084	178,953	17,961	121,853	26,163	80,227	-	590,241
Utilities	8,131	-	19,101	643	-	-	-	27,875
Maintenance Material and Supplies	15,079	38,542	1,167,124	28,685	-	33,795	-	1,283,225
Grants and Contributions	-	-	1,620	-	-	127,315	-	128,935
Amortization	2,281	15,478	207,713	571	-	3,000	73,035	302,078
Interest	-	-	-	-	-	-	-	-
Allowance for Uncollectibles	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	485,988	485,988
<b>Total Expenses</b>	<b>405,524</b>	<b>302,392</b>	<b>1,758,669</b>	<b>161,336</b>	<b>26,163</b>	<b>244,337</b>	<b>559,023</b>	<b>3,457,444</b>
<b>Surplus (Deficit) by Function</b>	<b>(164,415)</b>	<b>(212,735)</b>	<b>(1,338,756)</b>	<b>(140,927)</b>	<b>(26,163)</b>	<b>(234,769)</b>	<b>50,776</b>	<b>(2,066,989)</b>
Taxes and other unconditional revenue (Schedule 1)								<u>3,060,317</u>
<b>Net Surplus (Deficit)</b>								<u>\$ 993,328</u>

See notes to financial statements

## Schedule 5

Taxes and other unconditional revenue (Schedule 1)

3,004,574  
\$ 1,117,612

28

RURAL MUNICIPALITY OF ROSTHERN NO. 403  
Consolidated Schedule of Tangible Capital Assets by Object  
As at December 31, 2019

Schedule 6

	2019									
	General Assets						Infrastructure Assets	General/ Infrastructure		
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Assets Under Construction	Total	2018 (Restated - see Note 23)	
Asset cost										
Opening Asset costs	\$ 21,064	\$ 28,549	\$ 270,920	\$ 395,109	\$ 2,101,888	\$ 8,037,929	\$ -	\$ 10,855,459	\$ 10,359,776	
Additions during the year	-	-	-	59,603	141,208	462,044	-	662,855	800,015	
Disposals and write-downs during the year	-	-	-	(32,124)	-	-	-	(32,124)	(304,332)	
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-	
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-	
Closing Asset Costs	21,064	28,549	270,920	422,588	2,243,096	8,499,973	-	11,486,190	10,855,459	
Accumulated Amortization Cost										
Opening Accumulated Amortization Costs	-	17,701	76,323	331,884	833,047	3,717,175	-	4,976,130	4,931,965	
Add: Amortization taken	-	571	5,163	20,394	139,519	136,431	-	302,078	267,655	
Less: Accumulated amortization on disposals	-	-	-	(32,124)	-	-	-	(32,124)	(223,490)	
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-	
Closing Accumulated Amortization Costs	-	18,272	81,486	320,154	972,566	3,853,606	-	5,246,084	4,976,130	
Net Book Value	\$ 21,064	\$ 10,277	\$ 189,434	\$ 102,434	\$ 1,270,530	\$ 4,646,367	\$ -	\$ 6,240,106	\$ 5,879,329	

1. Total contributed donated assets received in 2019: \$ -
2. List of assets recognized at nominal value in 2019 are:

a) Infrastructure Assets \$ -

b) Vehicles \$ -

c) Machinery and Equipment \$ -
3. Amount of interest capitalized in 2019: \$ -

See notes to financial statements

RURAL MUNICIPALITY OF ROSTHERN NO. 403  
 Consolidated Schedule of Tangible Capital Assets by Function  
 As at December 31, 2019

Schedule 7

	2019							2018 (Restated - see Note 23)
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total
<b>Asset cost</b>								
Opening Asset costs	\$ 25,907	\$ 309,561	\$ 7,162,728	\$ 28,549	\$ -	\$ 150,000	\$ 3,178,714	\$ 10,855,459
Additions during the year	-	-	200,811	462,044	-	-	-	662,855
Disposals and write-downs during the year	-	-	(32,124)	-	-	-	-	(32,124)
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	(304,332)
<b>Closing Asset Costs</b>	<b>25,907</b>	<b>309,561</b>	<b>7,331,415</b>	<b>490,593</b>	<b>-</b>	<b>150,000</b>	<b>3,178,714</b>	<b>11,486,190</b>
								<b>10,855,459</b>
<b>Accumulated Amortization Cost</b>								
Opening Accumulated								
Amortization Costs	21,875	239,956	4,293,876	17,701	-	3,000	399,722	4,976,130
Add: Amortization taken	2,281	15,478	207,713	571	-	3,000	73,035	302,078
Less: Accumulated amortization on disposals	-	-	(32,124)	-	-	-	-	(32,124)
Transfer of Capital Assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	(223,490)
<b>Closing Accumulated Amortization Costs</b>	<b>24,156</b>	<b>255,434</b>	<b>4,469,465</b>	<b>18,272</b>	<b>-</b>	<b>6,000</b>	<b>472,757</b>	<b>5,246,084</b>
								<b>4,976,130</b>
<b>Net Book Value</b>	<b>\$ 1,751</b>	<b>\$ 54,127</b>	<b>\$ 2,861,950</b>	<b>\$ 472,321</b>	<b>\$ -</b>	<b>\$ 144,000</b>	<b>\$ 2,705,957</b>	<b>\$ 6,240,106</b>
								<b>\$ 5,879,329</b>

See notes to financial statements



**RURAL MUNICIPALITY OF ROSTHERN NO. 403**  
**Consolidated Schedule of Accumulated Surplus**

**As at December 31, 2019**  
**Schedule 8**

	2018 (restated - see note 23)	Changes	2019
<b>UNAPPROPRIATED SURPLUS</b>	<b>\$ 5,988,150</b>	<b>\$ (374,139)</b>	<b>\$ 5,614,011</b>
<b>APPROPRIATED RESERVES</b>			
Machinery and Equipment	-	100,000	100,000
Public Reserve	11,464	-	11,464
Capital Trust	-	-	-
Utility	-	-	-
Other (Landfill Decommission)	80,000	100,000	180,000
Other (Sask Valley Rural Water Utility)	1,136,745	56,563	1,193,308
Other (Gravel)	118,980	475,670	594,650
Other (Economic Development)	28,000	-	28,000
Other (Hospital Fund)	301,702	203,550	505,252
<b>Total Appropriated</b>	<b>1,676,891</b>	<b>935,783</b>	<b>2,612,674</b>
<b>ORGANIZED HAMLETS</b>			
Organized Hamlet of Blumenthal	130,286	14,563	144,849
Organized Hamlet of Neuanlage	204,499	(10,904)	193,595
<b>Total Organized Hamlets</b>	<b>334,785</b>	<b>3,659</b>	<b>338,444</b>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>			
Tangible capital assets (Schedule 6, 7)	3,100,337	433,812	3,534,149
Tangible capital assets (Schedule 6, 7) - Sask Valley Rural Water Utility	2,778,992	(73,035)	2,705,957
Less: Related debt (Sask Valley Rural Water Utility)	(436,994)	67,248	(369,746)
<b>Net Investment in Tangible Capital Assets</b>	<b>5,442,335</b>	<b>428,025</b>	<b>5,870,360</b>
<b>Total Accumulated Surplus</b>	<b>\$ 13,442,161</b>	<b>\$ 993,328</b>	<b>\$ 14,435,489</b>

RURAL MUNICIPALITY OF ROSTHERN NO. 403  
Schedule of Mill Rates and Assessments  
As at December 31, 2019

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	\$154,087,385	\$136,822,325	\$ -	\$ -	\$ 5,633,200	\$ -	\$296,542,910
Regional Park Assessment	-	-	-	-	-	-	-
Total Assessment	154,087,385	136,822,325	-	-	5,633,200	-	296,542,910
Mill Rate Factor(s)	1.2000	1.2500	-	-	2.0000	-	-
Total Base/Minimum Tax (generated for each property class)	141,225	80,695	-	-	7,000	-	228,920
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ 1,343,107	\$ 1,188,439	\$ -	\$ -	\$ 76,274	\$ -	\$ 2,607,820

MILL RATES:

Average Municipal *	8.7941
Average School	2.7631
Potash Mill Rate	-
Uniform Municipal Mill Rate	6.5000

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

RURAL MUNICIPALITY OF ROSTHERN NO. 403

Schedule of Council Remuneration

As at December 31, 2019

Schedule 10

		Name	Remuneration	Reimbursed Costs	Total
<b>Position</b>					
<b>Reeve</b>		Martin Penner	\$ 7,095	\$ -	\$ 7,095
Councillor		Rick Pochipinski	6,823	-	6,823
Councillor		Peter Unger	6,385	-	6,385
Councillor		Glenn Braun	8,388	-	8,388
Councillor		Leo Perrin	4,067	-	4,067
Councillor		Victor Janzen	4,220	-	4,220
Councillor		Robert Baynton	5,624	-	5,624
Councillor		Tom Madden	4,950	-	4,950
<b>Total</b>			<u>\$ 47,552</u>	<u>\$ -</u>	<u>\$ 47,552</u>

RURAL MUNICIPALITY OF ROSTHERN NO. 403  
Schedule of Restructuring  
Year Ended December 31, 2019

	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 notes to financial statements