

RURAL MUNICIPALITY OF BLAINE LAKE NO. 434

Financial Statements

Year Ended December 31, 2017



Management's Responsibility for Financial Reporting

The financial statements of Rural Municipality of Blaine Lake No. 434 have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Rural Municipality of Blaine Lake No. 434 's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Council is responsible for ensuring that management fulfills its responsibility for financial reporting. These responsibilities are fulfilled by the Council through the review the financial information prepared by management and discussion of relevant matters with the external auditors. The Council is responsible for the engagement or re-appointment of the external auditor.

Elizabeth M. Torrens CPA Professional Corporation, an independent auditor, has been appointed by the Municipal Council to audit and express an opinion on the Municipality's financial statements. The external auditor has full and free access to Council and management. The Independent Auditor's Report is addressed to the Council and appears on the following page.

Mr. William Chalmers, Reeve

Ms. Jennifer Gutknecht, Acting
Administrator

Blaine Lake Saskatchewan
April 12, 2019

INDEPENDENT AUDITOR'S REPORT

To the Councilors of Rural Municipality of Blaine Lake No. 434

I have audited the accompanying financial statements of Rural Municipality of Blaine Lake No. 434, which comprise the statement of financial position as at December 31, 2017 and the statements of operations, comprehensive income and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

I was not appointed as the auditor for the Municipality until after December 31, 2017. Multiple administrators were employed by the Municipality during 2017, and the administrator employed by the Municipality during the audit was not employed by the Municipality in 2017.

It was discovered, during preparation for the audit, that records of the Municipality for 2017 and prior years were missing. The administrator attempted to reacquire the source documentation, however it is unknown if all documentation was recovered. As a result, I was unable to determine if all the transactions of the Municipality are reflected in the financial statements.

I was unable to observe the year end inventory count and, due to the age of some inventory, I was unable to obtain original cost for some items. I was unable to confirm or verify by alternative means original cost value for some inventory items included in the statement of financial position. The total estimated value of inventory items included in the statement of financial position at December 31, 2017 is \$29,157.

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I was unable to locate documentation to substantiate the value of gravel held at year end. I was unable to confirm or verify by alternative means gravel inventory held included in the statement of financial position at a total amount of \$65,860 as at December 31, 2017.

No listing of general accounts receivable was found to substantiate the year end receivables balance. I was unable to confirm or verify by alternative means general accounts receivable included in the statement of financial position at a total amount of \$11,412 as at December 31, 2017.

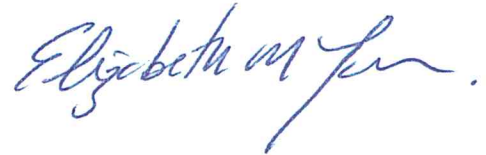
No listing of general accounts payable and accrued liabilities was found to substantiate the year end payables balance. I was unable to confirm or verify by alternative means general accounts payable and accrued liabilities included in the statement of financial position at a total of \$23,524 as at December 31, 2017.

The audit evidence obtained is sufficient and appropriate to provide a basis for my qualified opinion.

The financial statements for the year ended December 31, 2016 were audited by another accounting firm and are presented for comparative purposes only.

Qualified Opinion

In my opinion, except for the effects of the potentially missing transactions, unobservable inventory count, unavailable inventory costing, unavailable gravel documentation, unsubstantiated accounts receivables and accounts payable and accrued liabilities, as described in the preceding paragraphs, the financial statements present fairly, in all material respects the financial position of Rural Municipality of Blaine Lake No. 434 as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Borden, Saskatchewan
April 12, 2019

ELIZABETH M TORRENS
CHARTERED PROFESSIONAL ACCOUNTANT
CHARTERED ACCOUNTANT

RURAL MUNICIPALITY OF BLAINE LAKE NO. 434

Statement of Financial Position

December 31, 2017

	2017	2016
FINANCIAL ASSETS		
Cash (<i>Note 2</i>)	\$ 1,492,239	\$ 1,196,334
Municipal taxes receivable (<i>Note 3</i>)	146,061	143,943
Other receivables (<i>Note 4</i>)	116,182	99,051
Long term investments (<i>Note 5</i>)	37,891	37,147
	<u>1,792,373</u>	<u>1,476,475</u>
LIABILITIES		
Accounts payable	<u>20,468</u>	118,610
NET FINANCIAL ASSETS	<u>1,771,905</u>	<u>1,357,865</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (<i>Net of accumulated amortization</i>) (<i>Schedule 6 and 7</i>)	1,147,075	1,235,315
Prepaid expenses	604	4
Stock and supplies	<u>131,356</u>	<u>106,931</u>
	<u>1,279,035</u>	<u>1,342,250</u>
ACCUMULATED SURPLUS (<i>Schedule 8</i>)	<u>\$ 3,050,940</u>	<u>\$ 2,700,115</u>

ON BEHALF OF THE COUNCIL

Reeve

Councillor

The accompanying notes are an integral part of these financial statements.

RURAL MUNICIPALITY OF BLAINE LAKE NO. 434

Statement of Operations

Year Ended December 31, 2017

	<i>(Budget)</i>	2017	2016
REVENUES			
Taxes and other unconditional revenue <i>(Schedule 1)</i>	\$ 1,123,510	\$ 1,156,570	\$ 1,142,658
Fees and charges <i>(Schedule 4 and 5)</i>	183,900	117,503	150,068
Conditional grants <i>(Schedule 4 and 5)</i>	5,300	13,503	4,041
Investment income and commissions <i>(Schedule 4 and 5)</i>	9,450	12,801	9,216
Other revenue	338,000	125	2,591
	<u>1,660,160</u>	<u>1,300,502</u>	<u>1,308,574</u>
EXPENSES			
General government services <i>(Schedule 3)</i>	255,110	234,184	252,447
Protective services <i>(Schedule 3)</i>	37,610	36,677	39,969
Transportation services <i>(Schedule 3)</i>	1,289,010	650,609	805,002
Environmental and public health services <i>(Schedule 3)</i>	80,840	38,713	57,148
Recreation and culture services <i>(Schedule 3)</i>	11,200	5,692	23,758
Utility services <i>(Schedule 3)</i>	1,800	1,313	1,036
	<u>1,675,570</u>	<u>967,188</u>	<u>1,179,360</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER CAPITAL CONTRIBUTIONS	(15,410)	333,314	129,214
Capital grants and contributions <i>(Schedule 4 and 5)</i>	29,700	17,511	49,872
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	14,290	350,825	179,086
ACCUMULATED SURPLUS, BEGINNING OF YEAR	2,700,115	2,700,115	2,521,029
ACCUMULATED SURPLUS, END OF YEAR <i>(Schedule 8)</i>	<u>\$ 2,714,405</u>	<u>\$ 3,050,940</u>	<u>\$ 2,700,115</u>

The accompanying notes are an integral part of these financial statements.

RURAL MUNICIPALITY OF BLAINE LAKE NO. 434

Statement of Changes in Net Financial Assets

Year Ended December 31, 2017

	<i>(Budget)</i>	<i>2017</i>	<i>2016</i>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 14,290	\$ 350,825	\$ 179,086
Acquisition of tangible capital assets	70,000	(16,937)	-
Amortization of tangible capital assets	81,330	110,601	119,988
Correction of accumulated amortization	-	(5,422)	-
	151,330	88,242	119,988
Use (Acquisition) of supplies inventories	-	(24,425)	(26,929)
Use (Acquisition) of prepaid assets	-	(602)	146
		(25,027)	(26,783)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	165,620	414,040	272,291
NET FINANCIAL ASSETS, BEGINNING OF YEAR	1,357,865	1,357,865	1,085,574
NET FINANCIAL ASSETS, END OF YEAR	\$ 1,523,485	\$ 1,771,905	\$ 1,357,865

The accompanying notes are an integral part of these financial statements.

RURAL MUNICIPALITY OF BLAINE LAKE NO. 434

Statement of Cash Flows

Year Ended December 31, 2017

	2017	2016
NET INFLOW OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenues over expenses	\$ 350,825	\$ 179,086
Non-cash items included in excess of revenues over expenses:		
Amortization of tangible capital assets	110,601	119,988
Net correction to accumulated amortization	(5,422)	-
	<u>456,004</u>	<u>299,074</u>
Changes in non-cash working capital:		
Municipal taxes receivable	(2,118)	65,263
Other receivables	(17,131)	67,301
Goods and services tax payable (recoverable)	-	(7,333)
Accounts payable	(79,856)	32,484
Provincial sales tax payable (recoverable)	2	(232)
Security / tender deposits	(604)	142
Inventory for consumption	(24,425)	(26,928)
Total collection liability	(18,160)	(98,931)
Other	(126)	-
	<u>(142,418)</u>	<u>31,766</u>
Cash provided by operating transactions	<u>313,586</u>	<u>330,840</u>
CAPITAL		
Acquisition of tangible capital assets	<u>(16,937)</u>	<u>-</u>
INVESTING		
Long-term investments	<u>(744)</u>	<u>(745)</u>
FINANCING ACTIVITY		
Repayment of long term debt	<u>-</u>	<u>(9,902)</u>
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	295,905	320,193
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,196,334</u>	<u>876,141</u>
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 2)	<u>\$ 1,492,239</u>	<u>\$ 1,196,334</u>

The accompanying notes are an integral part of these financial statements.

RURAL MUNICIPALITY OF BLAINE LAKE NO. 434

Notes to Financial Statements

Year Ended December 31, 2017

1. SUMMARY OF 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 of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies are as follows:

Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable, based upon receipt of goods or services and / or the legal obligation to pay.

Collection of funds for other authorities

Collection of funds by the Municipality for the school board and municipal hail authorities are collected and remitted in accordance with relevant legislation.

Government transfers

Government transfers are recognized in the financial statements as revenue or expense in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Government transfer amounts received, but not earned, are recorded as deferred revenue.

Government transfer amounts earned, but not received, are recorded as an amount receivable.

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.

Non-financial assets

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

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.

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RURAL MUNICIPALITY OF BLAINE LAKE NO. 434

Notes to Financial Statements

Year Ended December 31, 2017

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

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.

Investments

Portfolio investments are valued at 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 investment in the Saskatchewan Rural Municipalities Self Insurance fund is accounted for on an equity basis.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Tangible capital assets

Tangible capital assets 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.

Tangible capital assets are amortized over their estimated useful lives, less any residual value, on a straight-line basis at the following rates:

Buildings	40 years
Machinery and equipment	5 to 20 years
Infrastructure	15 to 40 years

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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

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 cannot be made.

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RURAL MUNICIPALITY OF BLAINE LAKE NO. 434

Notes to Financial Statements

Year Ended December 31, 2017

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

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 their contributions.

Measurement uncertainty

The preparation of financial statements in conformity with the Canadian public sector accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants 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 revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Accounts receivable are stated after an 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.

Tangible capital asset opening cost have been estimated where actual costs were not available. Amortization is based on the estimated useful life.

Basis of segmentation

Municipal services have been segmented by grouping activities that have similar service objectives. Revenues that are directly related to the costs of the segment have been attributed to each segment. Interest is allocated to segments based on the purpose of the specific borrowings.

The segments are as follows:

General government services provides for the administration of the Municipality.

Protective services is comprised of expenses for police and fire protection.

Transportation services are responsible for the delivery of public works services related to the development and maintenance of roadway systems.

Environmental and public health services provides for waste disposal and other environmental service, as well as expenses related to public health services provided within the Municipality.

Planning and development services provides for neighbourhood development and sustainability.

Recreation and culture services provides for recreation and leisure services throughout the Municipality.

RURAL MUNICIPALITY OF BLAINE LAKE NO. 434**Notes to Financial Statements****Year Ended December 31, 2017****2. CASH AND TEMPORARY INVESTMENTS**

	<u>2017</u>	<u>2016</u>
Cash	\$ 1,448,403	\$ 1,152,498
Temporary investments	<u>43,836</u>	<u>43,836</u>
	<u>\$ 1,492,239</u>	<u>\$ 1,196,334</u>

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

3. TAXES AND GRANTS IN LIEU OF TAXES RECEIVABLES

	<u>2017</u>	<u>2016</u>
Current taxes	\$ 46,121	\$ 64,842
Arrears taxes	<u>106,163</u>	<u>85,324</u>
Subtotal	152,284	150,166
Allowance for uncollectibles	<u>(6,223)</u>	<u>(6,223)</u>
Total municipal taxes receivable	146,061	143,943
Current school taxes	13,275	12,242
Arrears school taxes	<u>19,296</u>	<u>21,574</u>
Total school taxes receivable	<u>32,571</u>	<u>33,816</u>
Municipal Hail receivable	<u>126</u>	<u>18,286</u>
Total taxes and grants in lieu receivable	178,758	196,045
Taxes receivable to be collected on behalf of other organizations	<u>(32,697)</u>	<u>(52,102)</u>
	<u>\$ 146,061</u>	<u>\$ 143,943</u>

4. OTHER ACCOUNTS RECEIVABLE

	<u>2017</u>	<u>2016</u>
Trade	\$ 102,657	\$ 88,265
Goods and Services Tax	<u>13,525</u>	<u>10,786</u>
	<u>\$ 116,182</u>	<u>\$ 99,051</u>

5. LONG TERM INVESTMENTS

	<u>2017</u>	<u>2016</u>
SARM Long Term Investments	<u>\$ 37,891</u>	<u>\$ 37,147</u>

RURAL MUNICIPALITY OF BLAINE LAKE NO. 434

Notes to Financial Statements

Year Ended December 31, 2017

6. DEBT LIMIT

The debt limit of the Municipality is \$948,847. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (Municipalities Act section 161).

7. COMPARATIVE FIGURES

The prior year comparative figures were audited by another firm of public accountants. Some comparative figures have been reclassified to conform to the current year's presentation.

8. BUDGET FIGURES

Budget figures are reported for information purposes only and are unaudited.

RURAL MUNICIPALITY OF BLAINE LAKE NO. 434
Schedule of Taxes and Other Unconditional Revenue **(Schedule 1)**
Year Ended December 31, 2017

	<i>(Budget)</i>	2017	2016
TAXES			
General municipal tax levy	\$ 935,860	\$ 967,321	\$ 935,865
Abatements and adjustments	(1,810)	(11,737)	(1,768)
Discount on current year taxes	(47,200)	(46,978)	(47,199)
	<u>886,850</u>	<u>908,606</u>	<u>886,898</u>
Penalties on tax arrears	5,000	14,756	14,283
Penalties on tax enforcement	160	94	159
	<u>5,160</u>	<u>14,850</u>	<u>14,442</u>
	<u>892,010</u>	<u>923,456</u>	<u>901,340</u>
UNCONDITIONAL GRANTS			
Equalization	<u>210,500</u>	<u>210,512</u>	<u>219,620</u>
GRANTS IN LIEU OF TAXES			
Local and Other			
Treaty land entitlement	<u>21,000</u>	<u>22,602</u>	<u>21,698</u>
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	<u>\$ 1,123,510</u>	<u>\$ 1,156,570</u>	<u>\$ 1,142,658</u>

The accompanying notes are an integral part of these financial statements.

RURAL MUNICIPALITY OF BLAINE LAKE NO. 434
Schedule of Operating and Capital Revenue by Function **(Schedule 2)**
Year Ended December 31, 2017

	<i>(Budget)</i>	2017	2016
GENERAL GOVERNMENT SERVICES			
OPERATING			
Custom work	\$ 69,550	\$ 3,877	\$ 63,456
Rental	2,250	-	2,590
	71,800	3,877	66,046
Investment income and commissions	9,450	12,801	9,216
Other	338,000	125	2,591
	419,250	16,803	77,853
CAPITAL			
Conditional Grants			
Gas tax	16,500	17,511	16,762
	\$ 435,750	\$ 34,314	\$ 94,615
TRANSPORTATION SERVICES			
OPERATING			
Road maintenance and restoration agreements	\$ 53,000	\$ 43,643	\$ 52,468
Sale of gravel	55,000	68,710	27,119
	108,000	112,353	79,587
CAPITAL			
Conditional Grants			
Heavy haul	13,200	-	26,400
	\$ 121,200	\$ 112,353	\$ 105,987

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The accompanying notes are an integral part of these financial statements.

RURAL MUNICIPALITY OF BLAINE LAKE NO. 434
Schedule of Operating and Capital Revenue by Function *(continued)*
(Schedule 2)
Year Ended December 31, 2017

	<i>(Budget)</i>	2017	2016
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
OPERATING			
Waste and disposal fees	\$ 2,100	\$ 379	\$ 1,882
Pest control	800	894	1,226
	<u>2,900</u>	<u>1,273</u>	<u>3,108</u>
Conditional Grants			
Beaver control	1,000	2,901	436
Weed control	300	-	300
Provincial rat eradication program	4,000	10,602	3,305
	<u>5,300</u>	<u>13,503</u>	<u>4,041</u>
	<u>\$ 8,200</u>	<u>\$ 14,776</u>	<u>\$ 7,149</u>
UTILITY SERVICES			
OPERATING			
Water	\$ 1,200	\$ -	\$ 1,327
CAPITAL			
Conditional Grants			
Channel clearing	-	-	6,710
	<u>\$ 1,200</u>	<u>\$ -</u>	<u>\$ 8,037</u>
TOTAL OPERATING AND CAPITAL REVENUE	<u>\$ 566,350</u>	<u>\$ 161,443</u>	<u>\$ 215,788</u>
Total Segmented Revenue	\$ 531,350	\$ 130,429	\$ 161,875
Total Conditional Grants	5,300	13,503	4,041
Total Capital Grants and Contributions	29,700	17,511	49,872
TOTAL OPERATING AND CAPITAL REVENUE	<u>\$ 566,350</u>	<u>\$ 161,443</u>	<u>\$ 215,788</u>

The accompanying notes are an integral part of these financial statements.

RURAL MUNICIPALITY OF BLAINE LAKE NO. 434

Schedule of Expenses by Function

(Schedule 3)

Year Ended December 31, 2017

	<i>(Budget)</i>	2017	2016
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 39,430	\$ 39,963	\$ 39,411
Wages and benefits	101,350	108,774	122,671
Professional and contractual services	84,980	66,007	94,522
Utilities	3,100	2,703	2,886
Maintenance, materials and supplies	6,000	8,942	70
Operating grants and contributions	20,000	12,959	2,781
Amortization	250	600	-
	<u>\$ 255,110</u>	<u>\$ 239,948</u>	<u>\$ 262,341</u>
PROTECTIVE SERVICES			
Police Protection			
Professional and contractual services	\$ 12,500	\$ 12,772	\$ 12,434
Maintenance, materials and supplies	12,000	-	-
	<u>24,500</u>	<u>12,772</u>	<u>12,434</u>
Fire Protection			
Wages and benefits	10,000	3,528	9,200
Professional and contractual services	760	560	1,059
Utilities	600	685	544
Maintenance, materials and supplies	1,750	9,595	6,182
Operating grants and contributions	-	-	3,000
Amortization	-	8,666	7,550
Other (Specify)	-	872	-
	<u>13,110</u>	<u>23,906</u>	<u>27,535</u>
	<u>\$ 37,610</u>	<u>\$ 36,678</u>	<u>\$ 39,969</u>
TRANSPORTATION SERVICES			
Wages and benefits	234,550	132,536	209,225
Professional and contractual services	526,980	128,022	102,939
Utilities	4,700	3,576	6,041
Maintenance, materials and supplies	441,700	278,880	363,295
Amortization	81,080	101,335	112,438
Other	-	470	-
Interest	-	26	1,168
	<u>\$ 1,289,010</u>	<u>\$ 644,845</u>	<u>\$ 795,106</u>

(continues)

The accompanying notes are an integral part of these financial statements.

RURAL MUNICIPALITY OF BLAINE LAKE NO. 434

Schedule of Expenses by Function (continued)

(Schedule 3)

Year Ended December 31, 2017

	<i>(Budget)</i>	2017	2016
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	\$ 900	\$ 86	\$ 889
Professional and contractual services	38,130	24,001	28,869
Maintenance, materials and supplies	26,600	1,428	12,811
Operating grants and contributions	15,210	13,198	14,578
	<u>\$ 80,840</u>	<u>\$ 38,713</u>	<u>\$ 57,147</u>
RECREATION AND CULTURE SERVICES			
Professional and contractual services	\$ 2,000	\$ 377	\$ 1,908
Utilities	1,000	716	942
Maintenance, materials and supplies	3,900	33	3,865
Operating grants and contributions	4,300	4,566	17,043
	<u>\$ 11,200</u>	<u>\$ 5,692</u>	<u>\$ 23,758</u>
UTILITY SERVICES			
Professional and contractual services	\$ 500	\$ 353	\$ 90
Utilities	1,000	863	826
Maintenance, materials and supplies	300	96	123
	<u>\$ 1,800</u>	<u>\$ 1,312</u>	<u>\$ 1,039</u>
TOTAL EXPENSES	<u>\$ 1,675,570</u>	<u>\$ 967,188</u>	<u>\$ 1,179,360</u>

The accompanying notes are an integral part of these financial statements.

RURAL MUNICIPALITY OF BLAINE LAKE NO. 434
Schedule of Segment Disclosure by Function
Year Ended December 31, 2017

(Schedule 4)

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Utility Services	Total
REVENUE								
Fees and charges	\$ 3,877	\$ -	\$ 112,353	\$ 1,273	\$ -	\$ -	\$ -	\$ 117,503
Investment and commission	12,801	-	-	-	-	-	-	12,801
Conditional grants	-	-	-	13,503	-	-	-	13,503
Capital grants	17,511	-	-	-	-	-	-	17,511
Other	125	-	-	-	-	-	-	125
	<u>34,314</u>	<u>-</u>	<u>112,353</u>	<u>14,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,443</u>
EXPENSES								
Wages and benefits	148,737	3,528	132,536	86	-	-	-	284,887
Professional services	66,007	13,332	128,022	24,001	-	377	353	232,092
Utilities	2,703	685	3,576	-	-	716	863	8,543
Maintenance, materials and supplies	8,942	9,595	278,880	1,428	-	33	96	298,974
Grants and contributions	12,959	-	-	13,198	-	4,566	-	30,723
Amortization	600	8,666	101,335	-	-	-	-	110,601
Interest	-	-	26	-	-	-	-	26
Other	-	872	470	-	-	-	-	1,342
	<u>239,948</u>	<u>36,678</u>	<u>644,845</u>	<u>38,713</u>	<u>-</u>	<u>5,692</u>	<u>1,312</u>	<u>967,188</u>
LOSS FROM OPERATIONS	\$ (205,634)	\$ (36,678)	\$ (532,492)	\$ (23,937)	\$ -	\$ (5,692)	\$ (1,312)	<u>(805,745)</u>
Taxation and other unconditional revenue								<u>1,156,570</u>
NET SURPLUS								<u>\$ 350,825</u>

The accompanying notes are an integral part of these financial statements.

RURAL MUNICIPALITY OF BLAINE LAKE NO. 434
Schedule of Segment Disclosure by Function
Year Ended December 31, 2016

(Schedule 5)

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Utility Services	Total
REVENUE								
Fees and charges	\$ 66,046	\$ -	\$ 79,587	\$ 3,108	\$ -	\$ -	\$ 1,327	\$ 150,068
Investment and commission	9,216	-	-	-	-	-	-	9,216
Conditional grants	-	-	26,400	4,041	-	-	-	30,441
Capital grants	16,762	-	-	-	-	-	6,710	23,472
Other	2,591	-	-	-	-	-	-	2,591
	<u>94,615</u>	<u>-</u>	<u>105,987</u>	<u>7,149</u>	<u>-</u>	<u>-</u>	<u>8,037</u>	<u>215,788</u>
EXPENSES								
Wages and benefits	162,082	9,200	209,225	889	-	-	-	381,396
Professional services	94,522	13,493	102,939	28,869	-	1,908	90	241,821
Utilities	2,886	544	6,041	-	-	942	826	11,239
Maintenance, materials and supplies	70	6,182	363,295	12,811	-	3,865	123	386,346
Grants and contributions	2,781	3,000	-	14,578	-	17,043	-	37,402
Amortization	-	7,550	112,438	-	-	-	-	119,988
Interest	-	-	1,168	-	-	-	-	1,168
	<u>262,341</u>	<u>39,969</u>	<u>795,106</u>	<u>57,147</u>	<u>-</u>	<u>23,758</u>	<u>1,039</u>	<u>1,179,360</u>
INCOME (LOSS) FROM OPERATIONS	<u>\$ (167,726)</u>	<u>\$ (39,969)</u>	<u>\$ (689,119)</u>	<u>\$ (49,998)</u>	<u>\$ -</u>	<u>\$ (23,758)</u>	<u>\$ 6,998</u>	<u>(963,572)</u>
Taxation and other unconditional revenue								
								<u>1,142,658</u>
NET SURPLUS								<u>\$ 179,086</u>

The accompanying notes are an integral part of these financial statements.

RURAL MUNICIPALITY OF BLAINE LAKE NO. 434
Schedule of Tangible Capital Assets by Object
Year Ended December 31, 2017

(Schedule 6)

	Land	Land Improvements	General Assets		Vehicles	Machinery & Equipment	Infrastructure Assets	2017	2016
			Buildings				Linear Assets		
ASSET COST									
Cost, beginning of year	\$ 75,000	\$ -	\$ 70,000	\$ -	\$ -	\$ 1,178,133	\$ 529,040	\$ 1,852,173	\$ 1,852,173
Additions	-	-	-	-	-	16,937	-	16,937	-
Cost, end of year	75,000	-	70,000	-	-	1,195,070	529,040	1,869,110	1,852,173
ACCUMULATED AMORTIZATION									
Accumulated amortization, beginning of year	-	-	52,342	-	-	492,366	72,151	616,859	503,814
Current amortization	-	-	600	-	-	96,802	13,200	110,602	113,044
Correction	-	-	-	-	-	(5,426)	-	(5,426)	-
Accumulated amortization, end of year	-	-	52,942	-	-	583,742	85,351	722,035	616,858
NET BOOK VALUE	\$ 75,000	\$ -	\$ 17,058	\$ -	\$ -	\$ 611,328	\$ 443,689	\$ 1,147,075	\$ 1,235,315

The accompanying notes are an integral part of these financial statements.

RURAL MUNICIPALITY OF BLAINE LAKE NO. 434
Schedule of Tangible Capital Assets by Function
Year Ended December 31, 2017

(Schedule 7)

	General Government	Protective Services	Transportation Services	Environmental & Public Health Services	Recreations & Culture Services	Utility Services	2017	2016
ASSET COST								
Cost, beginning of year	\$ -	\$ -	\$ 1,852,173	\$ -	\$ -	\$ -	\$ 1,852,173	\$ 1,852,173
Additions	-	-	16,937	-	-	-	16,937	-
Cost, end of year	-	-	1,869,110	-	-	-	1,869,110	1,852,173
ACCUMULATED AMORTIZATION								
Accumulated Amortization, beginning of year	-	-	616,858	-	-	-	616,858	503,814
Current amortization	-	-	110,602	-	-	-	110,602	113,044
Correction	-	-	(5,425)	-	-	-	(5,425)	-
Accumulated amortization, end of year	-	-	722,035	-	-	-	722,035	616,858
NET BOOK VALUE	\$ -	\$ -	\$ 1,147,075	\$ -	\$ -	\$ -	\$ 1,147,075	\$ 1,235,315

The accompanying notes are an integral part of these financial statements.

RURAL MUNICIPALITY OF BLAINE LAKE NO. 434

Schedule of Accumulated Surplus

(Schedule 8)

Year Ended December 31, 2017

	2016	Changes	2017
UNAPPROPRIATED SURPLUS	\$ 1,296,625	\$ 443,042	\$ 1,739,667
APPROPRIATED RESERVES			
Subdivision land reserve	5,698	-	5,698
Public reserve	6,000	-	6,000
Capital reserve	108,438	-	108,438
Capital trust	48,039	-	48,039
Total appropriated reserves	168,175	-	168,175
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets	1,235,315	(92,217)	1,143,098
TOTAL ACCUMULATED SURPLUS	\$ 2,700,115	\$ 350,825	\$ 3,050,940

The accompanying notes are an integral part of these financial statements.

RURAL MUNICIPALITY OF BLAINE LAKE NO. 434

Schedule of Assessments and Mill Rates

(Schedule 9)

Year Ended December 31, 2017

	Property Class			Total
	Agriculture	Residential	Commercial & Industrial	
TAXABLE ASSESSMENT	110,529,150	5,447,500	568,100	116,544,750
Mill rate factor	1.00	1.00	1.00	
Base tax				
Total Municipal Tax Levy	917,392	45,214	4,715	967,321
MILL RATES:				
Uniform municipal		8.3000		
Average municipal		8.3000		
Average school		1.5793		

To determine 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 BLAINE LAKE NO. 434**Schedule of Council Remuneration****(Schedule 10)****Year Ended December 31, 2017**

	Remuneration	Reimbursed Costs	Total
NAME			
Will Chalmers	\$ 7,578	\$ -	\$ 7,578
Walter Kabaroff	8,133	-	8,133
John Serhienko	5,396	60	5,456
Gerald Strelloff	2,973	494	3,467
Glenn Lamontagne	3,258	-	3,258
John Priestley	3,608	-	3,608
Wayne Ratzlaff	4,651	-	4,651
	<u>\$ 35,597</u>	<u>\$ 554</u>	<u>\$ 36,151</u>

The accompanying notes are an integral part of these financial statements.