

**Annual Financial Statements**

**And Supporting Schedules**

**For The**

**Rural Municipality of Frenchman Butte No. 501**

**For The Year Ended December 31, 2017**

## Management's Responsibility

To the Ratepayers of the Rural Municipality of Frenchman Butte No. 501

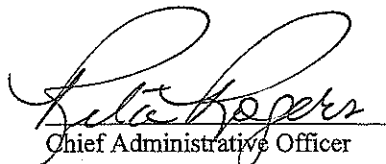
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report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

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

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

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

  
Reeve

  
Chief Administrative Officer

# *Pinnacle Business Solutions*

## *Chartered Professional Accountants P.C. Ltd.*

Laura L. Fechter, CPA, CA  
Karyn E. Knelsen, CPA, CA

Box 370  
307 Centre Street  
Meadow Lake, Saskatchewan  
S9X 1Y3  
Telephone (306) 236-6444  
Facsimile (306) 236-5699  
lauraf@pbsca.ca  
karynk@pbsca.ca

### INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the Rural Municipality of Frenchman Butte No. 501, which comprise the statement of financial position as at December 31, 2017, and the statements of operations, statement of change in net financial assets 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 as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, 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.

#### *Auditors' Responsibility*

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

An audit includes 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 evaluation of 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Rural Municipality of Frenchman Butte No. 501 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 as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

March 28, 2017  
Meadow Lake, Saskatchewan,

*Pinnacle Business Solutions*  
Chartered Professional Accountants



Rural Municipality of Frenchman Butte No. 501  
Statement of Financial Position  
As at December 31, 2017

Statement 1

	2017	2016
<b>FINANCIAL ASSETS</b>		
Cash and Temporary Investments (Note 2)	\$ 14,981,371	\$ 12,065,853
Taxes Receivable - Municipal (Note 3)	269,996	214,143
Other Accounts Receivable (Note 4)	431,297	251,701
Land for Resale (Note 5)	12,623	12,623
Long-Term Investments (Note 6)	1,226,990	1,194,398
Loan Receivable (Note 7)	38,936	51,092
Other (Specify)		
<b>Total Financial Assets</b>	<b>\$ 16,961,213</b>	<b>\$ 13,789,810</b>
<b>LIABILITIES</b>		
Bank Indebtedness (Note 8)		
Accounts Payable	\$ 669,136	\$ 810,915
Accrued Liabilities Payable		
Deposits	100	7,043
Deferred Revenue (Note 9)		2,700
Accrued Landfill Costs		
Liability for Contaminated Sites (Note 11)		
Other Liabilities	185,101	145,000
Long-Term Debt (Note 12)		
Lease Obligations (Note 13)		
<b>Total Liabilities</b>	<b>\$ 854,337</b>	<b>\$ 965,658</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>\$ 16,106,876</b>	<b>\$ 12,824,152</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Schedule 6, 7)	\$ 52,837,750	\$ 50,202,007
Prepayments and Deferred Charges		131
Stock and Supplies	1,594,165	909,161
Other (Note 14)		
<b>Total Non-Financial Assets</b>	<b>\$ 54,431,915</b>	<b>\$ 51,111,299</b>
<b>ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)</b>	<b>\$ 70,538,791</b>	<b>\$ 63,935,451</b>

Rural Municipality of Frenchman Butte No. 501

Statement of Operations

As at December 31, 2017

Statement 2

	2017 Budget	2017	2016
<b>REVENUES</b>			
Taxes and Other Unconditional Revenue (Schedule 1)	\$ 9,956,090	\$ 10,134,008	\$ 9,920,604
Fees and Charges (Schedule 4, 5)	167,210	1,310,717	237,115
Conditional Grants (Schedule 4, 5)	95,020	73,619	63,536
Tangible Capital Asset Sales - Gain (Schedule 4, 5)		(147,204)	(135,670)
Land Sales - Gain (Schedule 4, 5)			
Investment Income and Commissions (Schedule 4, 5)	103,120	153,592	121,588
Other Revenues (Schedule 4, 5)	20		22
<b>Total Revenues</b>	<b>\$ 10,321,460</b>	<b>\$ 11,524,732</b>	<b>\$ 10,207,195</b>
<b>EXPENSES</b>			
General Government Services (Schedule 3)	729,703	690,228	592,879
Protective Services (Schedule 3)	156,140	128,530	123,886
Transportation Services (Schedule 3)	6,519,719	4,286,754	4,426,659
Environmental and Public Health Services (Schedule 3)	226,560	161,366	236,148
Planning and Development Services (Schedule 3)	43,000	32,809	30,270
Recreation and Cultural Services (Schedule 3)	138,500	125,886	110,304
Utility Services (Schedule 3)	60,290	53,643	48,427
<b>Total Expenses</b>	<b>\$ 7,873,912</b>	<b>\$ 5,479,216</b>	<b>\$ 5,568,573</b>
<b>Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions</b>	<b>\$ 2,447,548</b>	<b>\$ 6,045,516</b>	<b>\$ 4,638,622</b>
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	11,260,910	557,824	123,546
<b>Surplus (Deficit) of Revenues over Expenses</b>	<b>\$ 13,708,458</b>	<b>\$ 6,603,340</b>	<b>\$ 4,762,168</b>
<b>Accumulated Surplus (Deficit), Beginning of Year</b>	<b>63,935,451</b>	<b>63,935,451</b>	<b>59,173,283</b>
<b>Accumulated Surplus (Deficit), End of Year</b>	<b>\$ 77,643,909</b>	<b>\$ 70,538,791</b>	<b>\$ 63,935,451</b>

Rural Municipality of Frenchman Butte No. 501  
Statement of Change in Net Financial Assets  
As at December 31, 2017

Statement 3

	2017 Budget	2017	2016
<b>Surplus (Deficit)</b>	\$ 13,708,458	\$ 6,603,340	\$ 4,762,168
(Acquisition) of tangible capital assets	(22,998,160)	(4,361,130)	(6,517,374)
Amortization of tangible capital assets	1,463,822	1,445,683	1,348,386
Proceeds on disposal of tangible capital assets		132,500	285,397
Loss (gain) on the disposal of tangible capital assets		147,204	135,670
<b>Surplus (Deficit) of capital expenses over expenditures</b>	<b>\$ (21,534,338)</b>	<b>\$ (2,635,743)</b>	<b>\$ (4,747,921)</b>
(Acquisition) of supplies inventories		\$ (685,004)	
(Acquisition) of prepaid expense			
Consumption of supplies inventory			47,733
Use of prepaid expense		131	5,905
<b>Surplus (Deficit) of expenses of other non-financial over expenditures</b>		<b>\$ (684,873)</b>	<b>\$ 53,638</b>
<b>Increase/Decrease in Net Financial Assets</b>	<b>\$ (7,825,880)</b>	<b>\$ 3,282,724</b>	<b>\$ 67,885</b>
<b>Net Financial Assets (Debt) - Beginning of Year</b>		12,824,152	12,756,267
<b>Net Financial Assets (Debt) - End of Year</b>	<b>\$ (7,825,880)</b>	<b>\$ 16,106,876</b>	<b>\$ 12,824,152</b>

Rural Municipality of Frenchman Butte No. 501  
Statement of Cash Flow  
As at December 31, 2017

Statement 4

	2017	2016
<b>Cash provided by (used for) the following activities</b>		
<b>Operating:</b>		
Surplus (Deficit)	\$ 6,603,340	\$ 4,762,168
Amortization	1,445,682	1,348,386
Loss (gain) on disposal of tangible capital assets	147,204	135,670
	<u>\$ 8,196,226</u>	<u>\$ 6,246,224</u>
<b>Change in assets/liabilities</b>		
Taxes Receivable - Municipal	\$ (55,853)	\$ (80,331)
Other Receivables	(179,596)	(97,618)
Land for Resale		
Other Financial Assets	12,156	12,065
Accounts and Accrued Liabilities Payable	(141,779)	212,116
Deposits	(6,943)	(3,057)
Deferred Revenue	(2,700)	100
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities	40,101	33,562
Stock and Supplies	(685,004)	47,733
Prepayments and Deferred Charges	131	5,905
<b>Other (Specify)</b>		
<b>Cash provided by operating transactions</b>	<b>\$ 7,176,739</b>	<b>\$ 6,376,699</b>
<b>Capital:</b>		
Acquisition of capital assets	\$ (4,361,130)	\$ (6,517,374)
Proceeds from the disposal of capital assets	132,500	285,397
Other capital		
<b>Cash applied to capital transactions</b>	<b>\$ (4,228,630)</b>	<b>\$ (6,231,977)</b>
<b>Investing:</b>		
Long-term investments	\$ (32,592)	\$ (26,055)
Other investments		
<b>Cash provided by (applied to) investing transactions</b>	<b>\$ (32,592)</b>	<b>\$ (26,055)</b>
<b>Financing:</b>		
Debt charges recovered		
Long-term debt issued		
Long-term debt repaid		
Other financing		
<b>Cash provided by (applied to) financing transactions</b>		
<b>Change in Cash and Temporary Investments during the year</b>	<b>\$ 2,915,517</b>	<b>\$ 118,667</b>
<b>Cash and Temporary Investments - Beginning of Year</b>	<u>12,065,853</u>	<u>11,947,186</u>
<b>Cash and Temporary Investments - End of Year</b>	<b>\$ 14,981,371</b>	<b>\$ 12,065,853</b>

1. Significant accounting policies

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

- a) **Basis of accounting:** The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.
- b) **Reporting Entity:** The financial statements consolidates 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 financial statements are as follows:

Entity

Rural Municipality of Frenchman Butte No. 501

- c) **Collection of funds for other authorities:** Collection of funds by the municipality for the school board, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.
- d) **Government Transfers:** Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occurred, as long as:
  - a) the transfers are authorized
  - b) any eligibility criteria have been met; and
  - c) reasonable estimates of the amounts can be made.

Unearned government transfer amounts received but not earned will be recorded as deferred revenue.

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

- e) **Deferred Revenue - Fees and charges:** Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.
- f) **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.
- 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. 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 longer than one year have been classified as other long-term investments concurrent with the nature of the investment. The long term investments in the Saskatchewan Association of Rural Municipalities - Self insurance fund are accounted for on the equity basis. The long term investments in Synergy Credit Union - equity and Synergy Credit Union guaranteed income certificates (GIC).



1. Significant accounting policies - continued

- 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.
- 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. The 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>
<i>General Assets</i>	
Land	Indefinite
Land Improvements	15 yrs
Buildings	40 yrs
<b>Vehicles &amp; Equipment</b>	
Vehicles	10 yrs
Machinery and Equipment	5 to 20 Yrs
<i>Infrastructure Assets</i>	
<b>Infrastructure Assets</b>	
Water & Sewer	40 yrs
Road Network Assets	15 to 40 yrs

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

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

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

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

- m) **Landfill liability:** The municipality does not maintain a waste disposal site.
- n) **Trust Funds:** Funds held in trust for others are neither included in the municipality's assets or equity. They are disclosed in Note 18.
- o) **Employee benefit plans:** Contributions to the municipality's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.
- 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.

Rural Municipality of Frenchman Butte No. 501  
Notes to the Financial Statements  
As at December 31, 2017

q) **Measurement Uncertainty:** The preparation of financial statements in conformity with generally accepted accounting principles 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.

2. Cash and Temporary Investments

	2017	2016
Cash	\$ 11,797,075	\$ 8,908,888
Temporary Investments		
Restricted Cash	3,184,296	3,156,965
<b>Total Cash and Temporary Investments</b>	<b>\$ 14,981,371</b>	<b>\$ 12,065,853</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 current purposes is included in restricted cash.

The municipality has set aside funds (restricted cash) to finance future expenditures based upon appropriated reserves (schedule 8) as determined by council; these funds are internally restricted. The appropriated reserves are underfunded by \$363,770 as of December 31, 2017 and overfunded by \$193,934 as of December 31, 2016.

3. Taxes Receivable - Municipal

	2017	2016
Municipal - Current	\$ 199,644	\$ 186,655
- Arrears	103,183	60,319
	\$ 302,827	\$ 246,974
- Less Allowance for Uncollectibles	(32,831)	(32,831)
<b>Total municipal taxes receivable</b>	<b>\$ 269,996</b>	<b>\$ 214,143</b>
School - Current	\$ 67,736	\$ 60,747
- Arrears	31,510	21,555
<b>Total school taxes receivable</b>	<b>\$ 99,246</b>	<b>\$ 82,302</b>
Other Hail	\$ 5,402	\$ 10,291
<b>Total taxes and grants in lieu receivable</b>	<b>\$ 374,644</b>	<b>\$ 306,736</b>
Deduct taxes receivable to be collected on behalf of other organizations	(104,648)	(92,593)
<b>Total Taxes Receivable - Municipal</b>	<b>\$ 269,996</b>	<b>\$ 214,143</b>

Rural Municipality of Frenchman Butte No. 5

Notes to the Financial Statements

As at December 31, 2017

4. Other Accounts Receivable

	2017	2016
Federal Government	\$ 172,554	\$ 187,955
Provincial Government	11,457	
Local Government		569
Utility		
Trade	189,536	56,337
Other (Specify) FCM Grant	57,750	15,630
<b>Total Other Accounts Receivable</b>	<b>\$ 431,297</b>	<b>\$ 260,491</b>
Less: Allowance for Uncollectibles		(8,790)
<b>Net Other Accounts Receivable</b>	<b>\$ 431,297</b>	<b>\$ 251,701</b>

5. Land for Resale

	2017	2016
Tax Title Property	\$ 12,761	\$ 12,761
Allowance for market value adjustment	(138)	(138)
<b>Net Tax Title Property</b>	<b>\$ 12,623</b>	<b>\$ 12,623</b>
Other Land		
Allowance for market value adjustment		
<b>Net Other Land</b>		
<b>Total Land for Resale</b>	<b>\$ 12,623</b>	<b>\$ 12,623</b>

6. Long-Term Investments

	2017	2016
Sask Assoc. of Rural Municipalities - Self Insurance Fund	\$ 69,881	\$ 69,044
Sask Assoc. of Rural Municipalities - Property Insurance Fund	27,155	26,324
Synergy Credit Union - equity	30,005	30,005
Synergy Credit Union GIC due January, 2018 with interest at 1.7%	1,099,949	1,069,025
<b>Total Long-Term Investments</b>	<b>\$ 1,226,990</b>	<b>\$ 1,194,398</b>

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

7. Loan receivable

	2017	2016
Town of St. Walburg - fire hall loan receivable	\$ -	\$ 4,500
Town of St. Walburg - fire truck loan receivable	38,936	46,592
<b>Total Debt Charges Recoverable</b>	<b>\$ 38,936</b>	<b>\$ 51,092</b>

The Town of St. Walburg fire truck loan receivable bears interest at 1.2% and is repayable in annual payments of \$8,174. The loan receivable is due June, 2022.

Rural Municipality of Frenchman Butte No. 501

Notes to the Financial Statements

As at December 31, 2017

8. Bank Indebtedness

The municipality has a credit facility agreement with its financial institution that consists of credit cards totalling \$21,000.

9. Deferred Revenue

	2017	2016
Prairie North Regional Health Authority	\$	2,700
<b>Total Deferred Revenue</b>	<b>\$</b>	<b>2,700</b>

10. Other Liabilities

	2017	2016
Gravel Pit Reclamation	\$ 185,101	\$ 145,000

The accrued gravel pit reclamation liability has been established for the closure and post-closure of gravel sites. This cost has been allocated over the cubic yards of gravel crushed at these sites and is being accrued at an average rate of \$0.48 per cubic yard and is reduced by reclamation work performed during the year.

11. Liability for Contaminated Sites

The municipality does not have any liability for contaminated sites.

**Rural Municipality of Frenchman Butte No. 501**

**Notes to the Financial Statements**

**As at December 31, 2017**

**12. Long-Term Debt**

a) The debt limit of the municipality is \$9,787,217. 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)).

b) The municipality does not have any long-term debt.

**13. Lease Obligations**

The municipality does not have any lease obligations.

**14. Other Non-financial Assets**

The municipality does not have any other non-financial assets.

**15. Contingent Liabilities**

The municipality is contingently liable under terms of the Saskatchewan Association of Rural Municipalities Self-Insurance Plan for its proportionate share of claims and future claims in excess of the Plan's reserve fund.

**16. Pension Plan**

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer 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 2017 was \$79,990. 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**

Prior year comparative figures have been restated to conform to the current year's presentation.

Rural Municipality of Frenchman Butte No. 501  
Notes to the Financial Statements  
As at December 31, 2017

18. Trusts Administered by the Municipality

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

	2017	2016
Hospital Trust Fund		
Balance - Beginning of Year	\$ 10,011	\$ 9,950
Revenue		
Interest revenue	49	61
<b>Balance - End of Year</b>	<b>\$ 10,060</b>	<b>\$ 10,011</b>

19. Budget figures

Budget figures are reported for information purposes only and are not included in the scope of the external audit.

19. Subsequent events

The municipality, in partnership with the Town of St. Walburg and the Village of Paradise Hill, have made an application to the New Building Canada fund for the construction of a regional aerated lagoon. The project has a total projected cost of \$12.5 million with 66.6% of the costs to be funded through the New Building Canada Fund. The shared funding agreement is to be cost shared by each municipality as outlined below:

	Percentage	Share of cost
Rural Municipality of Frenchman Butte No.501	33.333%	\$ 1,388,888
Town of St. Walburg	35.085%	1,461,875
Village of Paradise Hill	31.582%	1,315,917
	<b>100.000%</b>	<b>\$ 4,166,680</b>

This projected was started in 2017.

20. Related party transactions

During the year the municipality paid land owners John and Bonne Midgley for crop damage incurred during road repairs. The total amount paid for crop damage in 2017 was \$1,341.

Bonnie Mills Midgley is Reeve of the municipality and excused herself from all decisions council made in regard to the crop damage payment.

Related party transactions are recorded at the exchange amount, which is considered established and agreed to by the related parties.

Rural Municipality of Frenchman Butte No. 501  
 Schedule of Taxes and Other Unconditional Revenue  
 As at December 31, 2017

Schedule 1

	2017 Budget	2017	2016
<b>TAXES</b>			
General municipal tax levy	\$ 10,016,800	\$ 9,836,029	\$ 9,735,995
Abatements and adjustments	(5,000)	(7,180)	(2,511)
Discount on current year taxes	(400,000)	(100,911)	(186,509)
<b>Net Municipal Taxes</b>	<b>\$ 9,611,800</b>	<b>\$ 9,727,938</b>	<b>\$ 9,546,975</b>
Potash tax share			
Trailer license fees			
Penalties on tax arrears	5,000	12,700	4,663
Special tax levy			
<b>Other (Specify)</b>			
<b>Total Taxes</b>	<b>\$ 9,616,800</b>	<b>\$ 9,740,638</b>	<b>\$ 9,551,638</b>
<b>UNCONDITIONAL GRANTS</b>			
Revenue Sharing	\$ 260,000	\$ 282,152	\$ 288,756
(Organized Hamlet)	8,280	7,980	9,200
<b>Total Unconditional Grants</b>	<b>\$ 268,280</b>	<b>\$ 290,132</b>	<b>\$ 297,956</b>
<b>GRANTS IN LIEU OF TAXES</b>			
Federal	\$ 36,800	\$ 72,476	\$ 36,801
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
Central Services	\$ 7,380	\$ 8,721	\$ 7,376
SaskTel	21,190	18,558	21,188
<b>Other Ministry of Environment</b>	<b>5,640</b>	<b>3,483</b>	<b>5,645</b>
Local/Other			
Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement			
<b>Other (Specify)</b>			
Other Government Transfers			
S.P.C. Surcharge			
Sask Energy Surcharge			
<b>Other (Specify)</b>			
<b>Total Grants in Lieu of Taxes</b>	<b>\$ 71,010</b>	<b>\$ 103,238</b>	<b>\$ 71,010</b>
<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<b>\$ 9,956,090</b>	<b>\$ 10,134,008</b>	<b>\$ 9,920,604</b>

Rural Municipality of Frenchman Butte No. 501  
 Schedule of Operating and Capital Revenue by Function  
 As at December 31, 2017

Schedule 2 - 1

	2017 Budget	2017	2016
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work		\$ 1,206	\$ 1,125
- Sales of supplies	\$ 3,050	967	1,781
- Rental Income		2,660	2,500
Other - Permits	13,000	53,100	33,690
- <b>Other (Specify)</b> Stray Animals		2,923	
<b>Total Fees and Charges</b>	\$ 16,050	\$ 60,856	\$ 39,096
- Tangible capital asset sales - gain (loss)		(4,116)	(3,574)
- Land sales - gain			
- Investment income and commissions	103,120	153,592	121,588
- <b>Other</b>	20		22
<b>Total Other Segmented Revenue</b>	\$ 119,190	\$ 210,332	\$ 157,132
Conditional Grants			
- Student Employment			
- <b>Other MAIP</b>	20,000	15,000	
<b>Total Conditional Grants</b>	\$ 20,000	\$ 15,000	
<b>Total Operating</b>	\$ 139,190	\$ 225,332	\$ 157,132
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- <b>Other (Specify)</b>			
<b>Total Capital</b>			
<b>Total General Government Services</b>	\$ 139,190	\$ 225,332	\$ 157,132

<b>PROTECTIVE SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges	\$ 2,000		\$ 2,363
- <b>Other (Specify)</b>			
<b>Total Fees and Charges</b>	\$ 2,000		\$ 2,363
- Tangible capital asset sales - gain (loss)			
- <b>Other (Specify)</b>			
<b>Total Other Segmented Revenue</b>	\$ 2,000		\$ 2,363
Conditional Grants			
- Student Employment			
- Local government			
- <b>Other (Specify)</b>			
<b>Total Conditional Grants</b>			
<b>Total Operating</b>	\$ 2,000		\$ 2,363
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- Local government			
- <b>Other (Specify)</b>			
<b>Total Capital</b>			
<b>Total Protective Services</b>	\$ 2,000		\$ 2,363



Rural Municipality of Frenchman Butte No. 501  
 Schedule of Operating and Capital Revenue by Function  
 As at December 31, 2017

Schedule 2 - 2

	2017 Budget	2017	2016
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 7,000	\$ 37,041	\$ 6,719
- Sales of supplies	53,370	62,669	55,057
- Road Maintenance and Restoration Agreements	13,880	1,062,474	43,875
- Frontage			
- <b>Other Overweight Permits</b>	23,000	25,991	22,396
<b>Total Fees and Charges</b>	<b>\$ 97,250</b>	<b>\$ 1,188,175</b>	<b>\$ 128,047</b>
- Tangible capital asset sales - gain (loss)		(143,088)	(132,096)
- <b>Other (Specify)</b>			
<b>Total Other Segmented Revenue</b>	<b>\$ 97,250</b>	<b>\$ 1,045,087</b>	<b>\$ (4,049)</b>
Conditional Grants			
- MREP (CTP)	20,000		
- Student Employment	1,500		1,470
- <b>Other (Specify)</b>			
<b>Total Conditional Grants</b>	<b>\$ 21,500</b>		<b>\$ 1,470</b>
<b>Total Operating Capital</b>	<b>\$ 118,750</b>	<b>\$ 1,045,087</b>	<b>\$ (2,579)</b>
Conditional Grants			
- Federal Gas Tax	\$ 85,700	\$ 87,430	\$ 83,692
- MREP (Heavy Haul, CTP, Municipal Bridges)			
- Provincial Disaster Assistance			
- <b>Other Local Road Cost Refund</b>	30,000	240,000	30,723
<b>Total Capital</b>	<b>\$ 115,700</b>	<b>\$ 327,430</b>	<b>\$ 114,415</b>
<b>Total Transportation Services</b>	<b>\$ 234,450</b>	<b>\$ 1,372,517</b>	<b>\$ 111,836</b>

**ENVIRONMENTAL AND PUBLIC HEALTH SERVICES**

<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	\$ 2,360	\$ 2,210	\$ 2,360
- <b>Other Pest Control</b>	7,000	2,970	7,700
<b>Total Fees and Charges</b>	<b>\$ 9,360</b>	<b>\$ 5,180</b>	<b>\$ 10,060</b>
- Tangible capital asset sales - gain (loss)			
- <b>Other</b>			
<b>Total Other Segmented Revenue</b>	<b>\$ 9,360</b>	<b>\$ 5,180</b>	<b>\$ 10,060</b>
Conditional Grants			
Other-PNRHA Monthly Payment	\$ 33,000	\$ 32,400	\$ 32,100
Other-Clinic Annual Levy	8,620	9,249	8,624
Other-PNRHA Administration Fee	2,400	2,400	2,400
Other-PNRHA Health Holdings Closure			2,282
- Student Employment			
- MMSW	4,000	4,136	4,136
- Local government			
- <b>Other Beaver Control</b>	5,500	10,434	12,524
<b>Total Conditional Grants</b>	<b>\$ 53,520</b>	<b>\$ 58,619</b>	<b>\$ 62,066</b>
<b>Total Operating Capital</b>	<b>\$ 62,880</b>	<b>\$ 63,799</b>	<b>\$ 72,126</b>
Conditional Grants			
- Federal Gas Tax			
- TAPD			
- Provincial Disaster Assistance			
- <b>Other (Specify)</b>			
<b>Total Capital</b>			
<b>Total Environmental and Public Health Services</b>	<b>\$ 62,880</b>	<b>\$ 63,799</b>	<b>\$ 72,126</b>

Rural Municipality of Frenchman Butte No. 501  
 Schedule of Operating and Capital Revenue by Function  
 As at December 31, 2017

Schedule 2 - 3

	2017 Budget	2017	2016
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges		\$ 5,360	\$ 3,577
- <b>Other Building and Development Permits</b>	20,000	29,871	31,422
<b>Total Fees and Charges</b>	\$ 20,000	\$ 35,231	\$ 34,999
- Tangible capital asset sales - gain (loss)			
- <b>Other (Specify)</b>			
<b>Total Other Segmented Revenue</b>	\$ 20,000	\$ 35,231	\$ 34,999
Conditional Grants			
- Student Employment			
- <b>Other (Specify)</b>			
<b>Total Conditional Grants</b>			
<b>Total Operating</b>	\$ 20,000	\$ 35,231	\$ 34,999
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- Provincial Disaster Assistance			
- <b>Other (Specify)</b>			
<b>Total Capital</b>			
<b>Total Planning and Development Services</b>	\$ 20,000	\$ 35,231	\$ 34,999

**RECREATION AND CULTURAL SERVICES**

<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- <b>Other (Specify)</b>			
<b>Total Fees and Charges</b>			
- Tangible capital asset sales - gain (loss)			
- <b>Other (Specify)</b>			
<b>Total Other Segmented Revenue</b>			
Conditional Grants			
- Student Employment			
- Local government			
- <b>Other (Specify)</b>			
<b>Total Conditional Grants</b>			
<b>Total Operating</b>			
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- Local government			
- CIF and Sask Lotteries	\$ 34,100	\$ 34,131	\$ 9,131
- <b>Other</b>			
<b>Total Capital</b>	\$ 34,100	\$ 34,131	\$ 9,131
<b>Total Recreation and Cultural Services</b>	\$ 34,100	\$ 34,131	\$ 9,131

Rural Municipality of Frenchman Butte No. 501  
 Schedule of Operating and Capital Revenue by Function  
 As at December 31, 2017

Schedule 2 - 4

	2017 Budget	2017	2016
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Water	\$ 18,890	\$ 17,860	\$ 18,890
- Sewer	3,660	3,415	3,660
- <b>Other (Specify)</b>			
<b>Total Fees and Charges</b>	\$ 22,550	\$ 21,275	\$ 22,550
- Tangible capital asset sales - gain (loss)			
- <b>Other (Specify)</b>			
<b>Total Other Segmented Revenue</b>	\$ 22,550	\$ 21,275	\$ 22,550
Conditional Grants			
- Student Employment			
- <b>Other (Specify)</b>			
<b>Total Conditional Grants</b>			
<b>Total Operating</b>	\$ 22,550	\$ 21,275	\$ 22,550
<b>Capital</b>			
Conditional Grants			
- Federal Gas Tax			
- New Building Canada Fund (SCF, NRP)	\$ 8,333,340	\$ 22,914	
- Clean Water and Wastewater Fund		165,000	
- Local Share of Lagoon Project	2,777,770	8,349	
- <b>Other (Specify)</b>			
<b>Total Capital</b>	\$ 11,111,110	\$ 196,263	
<b>Total Utility Services</b>	\$ 11,133,660	\$ 217,538	\$ 22,550
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	\$ 11,626,280	\$ 1,948,548	\$ 410,137

**SUMMARY**

Total Other Segmented Revenue	\$ 270,350	\$ 1,317,105	\$ 223,055
Total Conditional Grants	95,020	73,619	63,536
Total Capital Grants and Contributions	11,260,910	557,824	123,546
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	\$ 11,626,280	\$ 1,948,548	\$ 410,137

	2017 Budget	2017	2016
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	\$ 109,200	\$ 101,960	\$ 99,426
Wages and benefits	362,890	359,331	262,142
Professional/Contractual services	201,160	165,151	168,561
Utilities	12,500	10,939	9,279
Maintenance, materials and supplies	37,500	38,142	24,760
Grants and contributions - operating	3,500	2,988	2,876
- capital			
Amortization	2,953	2,038	5,829
Interest			6
Allowance for uncollectibles		9,679	20,000
Other (Specify)			
<b>Total Government Services</b>	<b>\$ 729,703</b>	<b>\$ 690,228</b>	<b>\$ 592,879</b>

**PROTECTIVE SERVICES**

**Police protection**

Wages and benefits			
Professional/Contractual services	\$ 62,090	\$ 65,134	\$ 62,085
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating	200	200	200
- capital			
Other (Specify)			

**Fire protection**

Wages and benefits			
Professional/Contractual services	\$ 32,200	\$ 4,559	\$ 6,295
Utilities			
Maintenance, material and supplies		187	1,856
Grants and contributions - operating	60,000	55,000	50,000
- capital			
Amortization	1,650	3,450	3,450
Interest			
Other (Specify)			

<b>Total Protective Services</b>	<b>\$ 156,140</b>	<b>\$ 128,530</b>	<b>\$ 123,886</b>
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**TRANSPORTATION SERVICES**

Wages and benefits	\$ 909,400	\$ 859,504	\$ 857,805
Professional/Contractual Services	2,837,600	605,135	1,203,460
Utilities	14,140	13,412	13,309
Maintenance, materials, and supplies	825,790	630,557	678,277
Gravel	493,000	757,382	354,131
Grants and contributions - operating			
- capital			
Amortization	1,439,789	1,420,764	1,319,677
Interest			
Other (Specify)			

<b>Total Transportation Services</b>	<b>\$ 6,519,719</b>	<b>\$ 4,286,754</b>	<b>\$ 4,426,659</b>
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	2017 Budget	2017	2016
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Wages and benefits	\$ 28,000	\$ 25,457	\$ 20,193
Professional/Contractual services	163,860	83,735	120,267
Utilities	2,800	2,500	2,597
Maintenance, materials and supplies	16,000	5,830	14,074
Grants and contributions - operating			
o Waste Disposal			
o Public Health		27,703	65,814
- capital			
o Waste disposal			
o Public Health	15,900	16,141	13,203
Amortization			
Interest			
Other (Specify)			
<b>Total Environmental and Public Health Services</b>	<b>\$ 226,560</b>	<b>\$ 161,366</b>	<b>\$ 236,148</b>

**PLANNING AND DEVELOPMENT SERVICES**

Wages and benefits			
Professional/Contractual Services	\$ 43,000	\$ 32,809	\$ 30,270
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Other (Specify)			
<b>Total Planning and Development Services</b>	<b>\$ 43,000</b>	<b>\$ 32,809</b>	<b>\$ 30,270</b>

**RECREATION AND CULTURAL SERVICES**

Wages and benefits			
Professional/Contractual services	\$ 18,500	\$ 18,258	\$ 20,007
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating	120,000	107,628	90,297
- capital			
Amortization			
Interest			
Allowance for uncollectibles			
Other (Specify)			
<b>Total Recreation and Cultural Services</b>	<b>\$ 138,500</b>	<b>\$ 125,886</b>	<b>\$ 110,304</b>

Rural Municipality of Frenchman Butte No. 501

Total Expenses by Function

As at December 31, 2017

Schedule 3 - 3

	2017 Budget	2017	2016
<b>UTILITY SERVICES</b>			
Wages and benefits		\$ 1,129	\$ 7,491
Professional/Contractual services	\$ 31,060	23,889	13,457
Utilities	7,300	5,987	6,525
Maintenance, materials and supplies	2,500	3,208	1,524
Grants and contributions - operating - capital			
Amortization	19,430	19,430	19,430
Interest			
Allowance for uncollectibles			
Other ( <i>Specify</i> )			
<b>Total Utility Services</b>	<b>\$ 60,290</b>	<b>\$ 53,643</b>	<b>\$ 48,427</b>
<b>TOTAL EXPENSES BY FUNCTION</b>	<b>\$ 7,873,912</b>	<b>\$ 5,479,216</b>	<b>\$ 5,568,573</b>

Rural Municipality of Frenchman Butte No. 501  
 Schedule of Segment Disclosure by Function  
 As at December 31, 2017

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and Charges	\$ 60,856		\$ 1,188,175	\$ 5,180	\$ 35,231		\$ 21,275	\$ 1,310,717
Tangible Capital Asset Sales - Gain	(4,116)		(143,088)					(147,204)
Land Sales - Gain								
Investment Income and Commissions	153,592							153,592
Other Revenues								
Grants - Conditional	15,000							73,619
- Capital			327,430				196,263	557,824
<b>Total Revenues</b>	<b>\$ 225,332</b>		<b>\$ 1,372,517</b>	<b>\$ 63,799</b>	<b>\$ 35,231</b>	<b>\$ 34,131</b>	<b>\$ 217,538</b>	<b>\$ 1,948,548</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	\$ 461,291		\$ 859,504	\$ 25,457			\$ 1,129	\$ 1,347,381
Professional/ Contractual Services	165,131	\$ 69,693	605,135	83,735	\$ 32,809	\$ 18,258	23,889	998,670
Utilities	10,939		13,412	2,500			5,987	32,838
Maintenance Materials and Supplies	38,142	187	1,387,939	5,830		107,628	3,208	1,435,306
Grants and Contributions	2,988			43,844			19,430	209,660
Amortization	2,038	3,450	1,420,764					1,445,682
Interest								
Allowance for Uncollectibles								
Other	9,679							9,679
<b>Total Expenses</b>	<b>\$ 690,228</b>	<b>\$ 128,530</b>	<b>\$ 4,286,754</b>	<b>\$ 161,366</b>	<b>\$ 32,809</b>	<b>\$ 125,886</b>	<b>\$ 53,643</b>	<b>\$ 5,479,216</b>
<b>Surplus (Deficit) by Function</b>	<b>\$ (464,896)</b>	<b>\$ (128,530)</b>	<b>\$ (2,914,237)</b>	<b>\$ (97,567)</b>	<b>\$ 2,422</b>	<b>\$ (91,755)</b>	<b>\$ 163,895</b>	<b>\$ (3,530,668)</b>
<b>Taxes and other unconditional revenue (Schedule 1)</b>								<b>10,134,008</b>
<b>Net Surplus (Deficit)</b>								<b>\$ 6,603,340</b>

Rural Municipality of Frenchman Butte No. 501  
 Schedule of Segment Disclosure by Function  
 As at December 31, 2016

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and Charges	\$ 39,096	\$ 2,363	\$ 128,047	\$ 10,060	\$ 34,999	\$	\$ 22,550	\$ 237,115
Tangible Capital Asset Sales - Gain	(3,574)		(132,096)					(135,670)
Land Sales - Gain								
Investment Income and Commissions	121,588							121,588
Other Revenues	22		1,470	62,066				63,536
Grants - Conditional - Capital			114,415			9,131		123,546
<b>Total Revenues</b>	<b>\$ 157,132</b>	<b>\$ 2,363</b>	<b>\$ 111,836</b>	<b>\$ 72,126</b>	<b>\$ 34,999</b>	<b>\$ 9,131</b>	<b>\$ 22,550</b>	<b>\$ 410,137</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	\$ 361,568		\$ 857,805	\$ 20,193			\$ 7,491	\$ 1,247,057
Professional/ Contractual Services	168,561	\$ 68,380	1,203,460	120,267	30,270	20,007	13,457	1,624,402
Utilities	9,279		13,309	2,597			6,525	31,710
Maintenance Materials and Supplies	24,760		1,032,408	14,074			1,524	1,074,622
Grants and Contributions	2,876		50,200	79,017		90,297		222,390
Amortization	5,829		1,319,677				19,430	1,348,386
Interest	6							6
Allowance for Uncollectibles	20,000							20,000
Other								
<b>Total Expenses</b>	<b>\$ 592,879</b>	<b>\$ 123,886</b>	<b>\$ 4,426,659</b>	<b>\$ 236,148</b>	<b>\$ 30,270</b>	<b>\$ 110,304</b>	<b>\$ 48,427</b>	<b>\$ 5,568,573</b>
<b>Surplus (Deficit) by Function</b>	<b>\$ (435,747)</b>	<b>\$ (121,523)</b>	<b>\$ (4,314,823)</b>	<b>\$ (164,022)</b>	<b>\$ 4,729</b>	<b>\$ (101,173)</b>	<b>\$ (25,877)</b>	<b>\$ (5,158,436)</b>
Taxes and other unconditional revenue (Schedule 1)								9,920,604
<b>Net Surplus (Deficit)</b>								<b>\$ 4,762,168</b>



Rural Municipality of Trenchman Butte No. 501  
 Schedule of Tangible Capital Assets by Object  
 As at December 31, 2017

Schedule 6

2017

2016

Asset cost	General Assets						Infrastructure Assets	General/Infrastructure Assets Under Construction	Total	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets				
Opening Asset costs	\$ 226,476	\$ 117,889	\$ 637,337	\$ 320,461	\$ 4,037,213	\$ 47,739,919	\$ 6,388,401	\$ 59,467,696	\$ 53,884,365	
Additions during the year	10,000	569,360			493,915		2,561,902	4,361,130	6,517,374	
Disposals and write-downs during the year					(355,919)			(355,919)	(934,043)	
Transfers (from) assets under construction										
Closing Asset Costs	\$ 236,476	\$ 687,249	\$ 637,337	\$ 320,461	\$ 4,175,209	\$ 48,465,872	\$ 8,950,303	\$ 63,472,907	\$ 59,467,696	

Amortization	General Assets						Infrastructure Assets	General/Infrastructure Assets Under Construction	Total	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets				
Accumulated Amortization Cost										
Opening Accumulated Amortization Costs		\$ 39,295	\$ 211,153	\$ 81,724	\$ 1,154,314	\$ 7,779,203		\$ 9,265,689	\$ 8,430,279	
Add: Amortization taken		7,859	12,748	32,946	199,995	1,192,135		1,445,683	1,348,383	
Less: Accumulated amortization on disposals					(76,215)			(76,215)	(512,973)	
Closing Accumulated Amortization Costs		\$ 47,154	\$ 223,901	\$ 114,670	\$ 1,278,094	\$ 8,971,338		\$ 10,635,157	\$ 9,265,689	
Net Book Value	\$ 236,476	\$ 640,095	\$ 413,436	\$ 205,791	\$ 2,897,115	\$ 39,494,534	\$ 8,950,303	\$ 52,837,750	\$ 50,202,007	

1. Total contributed/donated assets received in 2017:

2. List of assets recognized at nominal value in 2017 are:

- Infrastructure Assets
- Vehicles
- Machinery and Equipment

3. Amount of interest capitalized in 2016

Rural Municipality of Frenchman Butte No. 501  
 Schedule of Tangible Capital Assets by Function  
 As at December 31, 2017

Schedule 7

2017

2016

Assets	2017						Total		
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
Asset cost									
Opening Asset costs	\$ 275,961	\$ 106,502	\$ 57,408,581	\$ 240		\$ 6,459	\$ 1,669,953	\$ 59,467,696	\$ 53,884,365
Additions during the year	18,545		4,208,360			69,360	64,865	4,361,130	6,517,374
Disposals and write-downs during the year	(11,434)		(344,485)					(355,919)	(934,043)
Closing Asset Costs	\$ 283,072	\$ 106,502	\$ 61,272,456	\$ 240		\$ 75,819	\$ 1,734,818	\$ 63,472,907	\$ 59,467,696

Amortization	2017						Total		
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	\$ 60,467	\$ 21,150	\$ 8,987,427				\$ 196,645	\$ 9,265,689	\$ 8,430,279
Add: Amortization taken	2,038	3,450	1,420,765				19,430	1,445,683	1,348,383
Less: Accumulated amortization on disposals	(7,318)		(68,897)					(76,215)	(512,973)
Closing Accumulated Amortization Costs	\$ 55,187	\$ 24,600	\$ 10,339,295				\$ 216,075	\$ 10,635,157	\$ 9,265,689
Net Book Value	\$ 227,885	\$ 81,902	\$ 50,933,161	\$ 240		\$ 75,819	\$ 1,518,743	\$ 52,837,750	\$ 50,202,007

Rural Municipality of Frenchman Butte No. 501

Schedule of Accumulated Surplus

As at December 31, 2017

Schedule 8

	2016	Changes	2017
<b>UNAPPROPRIATED SURPLUS</b>	<b>\$ 10,666,746</b>	<b>\$ 3,375,654</b>	<b>\$ 14,042,400</b>

**APPROPRIATED RESERVES**

Dust Control	\$ 40,000		\$ 40,000
EMO	20,000		20,000
Fire	450,000		450,000
Ft. Pitt Fire Department	10,000		10,000
Health Care/PNRHA	444,534	8,212	452,746
Machinery & Equipment	1,612,034	(370,000)	1,242,034
Public Reserve	39,749	(34,431)	5,318
Rail Line Discontinuation	268,933	1,516	270,449
Recreation	27,781	(27,781)	-
Residential Road Allowance	50,000	50,000	100,000
Road Construction		957,519	957,519
<b>Total Appropriated</b>	<b>\$ 2,963,031</b>	<b>\$ 585,035</b>	<b>\$ 3,548,066</b>

**ORGANIZED HAMLETS (add lines if required)**

Organized Hamlet of Frenchman Butte	\$ 103,667	\$ 6,908	\$ 110,575
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
<b>Total Organized Hamlets</b>	<b>103,667</b>	<b>6,908</b>	<b>110,575</b>

**NET INVESTMENT IN TANGIBLE CAPITAL ASSETS**

Tangible capital assets (Schedule 6)	\$ 50,202,007	\$ 2,635,743	\$ 52,837,750
Less: Related debt			
<b>Net Investment in Tangible Capital Assets</b>	<b>\$ 50,202,007</b>	<b>\$ 2,635,743</b>	<b>\$ 52,837,750</b>

<b>Total Accumulated Surplus</b>	<b>\$ 63,935,451</b>	<b>\$ 6,603,340</b>	<b>\$ 70,538,791</b>
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Rural Municipality of Frenchman Butte No. 501

Schedule of Mill Rates and Assessments

As at December 31, 2017

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	\$ 148,533,920	\$ 49,344,925	\$ 588,160	\$ 16,253,680	\$ 264,475,575		\$ 479,196,260
Regional Park Assessment							
Total Assessment							479,196,260
Mill Rate Factor(s)		0.7000	0.7000	0.7000	4.0000		
Total Base/Minimum Tax (Generated for each property class)	50	14,500			1,912,750		1,927,300
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ 631,314	\$ 160,865	\$ 1,750	\$ 48,355	\$ 8,993,745		\$ 9,836,029

MILL RATES: MILLS

Average Municipal*	20.53
Average School*	6.31
Potash Mill Rate	
Uniform Municipal Mill Rate	4.25

\* 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 Frenchman Butte No. 501  
 Schedule of Council Remuneration  
 As at December 31, 2017

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Mills-Midgley, B. Bonnie	\$ 17,650	\$ 3,385	\$ 21,035
Councillor	Fischer, Owen	14,763	1,448	16,211
Councillor	Gory, Ronald	9,250	1,052	10,302
Councillor	Hritzuk, Dan	15,249	3,534	18,783
Councillor	Larre, Leonard	11,008	1,818	12,826
Councillor	Noeth, Gay	14,425	2,465	16,890
Councillor	Young, Claus	9,375	1,773	11,148
<b>Total</b>		<b>\$ 91,720</b>	<b>\$ 15,475</b>	<b>\$ 107,195</b>