

RURAL MUNICIPALITY OF SHELLBROOK #493

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

RURAL MUNICIPALITY OF SHELLBROOK #493

TABLE OF CONTENTS

For the year ended December 31, 2023

	Page
STATEMENT OF RESPONSIBILITY	3
INDEPENDENT AUDITOR'S REPORT , dated June 18, 2024	4 - 5
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	6
Consolidated Statement of Operations	7
Consolidated Statement of Change in Net Financial Assets	8
Consolidated Statement of Cash Flows	9
Consolidated Statement of Remeasurement Gains (Losses)	10
Notes to the Consolidated Financial Statements	11 - 22
Schedule 1 - Schedule of Taxes and Other Unconditional Revenue	23
Schedule 2 - Schedule of Operating and Capital Revenue by Function	24 - 27
Schedule 3 - Schedule of Expenses by Function	28 - 29
Schedule 4 - Schedule of Segment Disclosure by Function - 2023	30
Schedule 5 - Schedule of Segment Disclosure by Function - 2022	31
Schedule 6 - Schedule of Tangible Capital Assets by Object	32
Schedule 7 - Schedule of Tangible Capital Assets by Function	33
Schedule 8 - Schedule of Accumulated Surplus	34
Schedule 9 - Schedule of Mill Rates and Assessments	35
Schedule 10 - Schedule of Council Remuneration	36

STATEMENT OF RESPONSIBILITY

To the Ratepayers of the Rural Municipality of Shellbrook #493:

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 consolidated financial 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 fairness 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 fulfills these responsibilities by reviewing the financial information prepared by administration and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the Municipality's external auditors.

Sensus Chartered Professional Accountants Ltd., 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 administration to discuss their audit findings.

Reeve

Administrator

INDEPENDENT AUDITOR'S REPORT

To the Reeve and Council of:
Rural Municipality of Shellbrook #493
Shellbrook, Saskatchewan

Qualified Opinion

We have audited the consolidated financial statements of the Rural Municipality of Shellbrook #493, which comprise the consolidated statement of financial position as at December 31, 2023, the consolidated statement of operations, consolidated statement of changes in net financial assets, consolidated statement of cash flows, consolidated statement of remeasurement gains (losses) 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 effects of the matters described in the Basis of Qualified Opinion paragraphs, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Rural Municipality of Shellbrook #493 as at December 31, 2023, 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

The Public Sector Accounting Board has introduced section PS 3280 which is a new standard establishing guidance on the accounting and reporting on the retirement of tangible capital assets controlled by the Rural Municipality of Shellbrook #493. The Rural Municipality of Shellbrook #493 has not provided a reasonable estimate for the asset retirement costs associated with their landfill or buildings containing asbestos, to determine the asset retirement obligation. As such, we have qualified our audit opinion due to the departure from Canadian public sector accounting standards. The effects of this departure on the consolidated financial statements for the year ended December 31, 2023 have not been determined, as there is insufficient information available to do so.

The Sturgeon Lake Regional Park Authority which is a consolidated entity of the Rural Municipality of Shellbrook #493 derives some of its revenue from the general public in the form of camping fees, park passes, rentals, expense recovery, boat launch fees and store and restaurant sales, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the consolidated organization and we were not able to determine whether any adjustments might be necessary to revenue, annual deficit, or assets and accumulated surplus.

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 Rural Municipality of Shellbrook #493 in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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 Rural Municipality of Shellbrook #493's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Rural Municipality of Shellbrook #493 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Rural Municipality of Shellbrook #493'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 auditing standards, we exercise our 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 Rural Municipality of Shellbrook #493's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Rural Municipality of Shellbrook #493'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 Rural Municipality of Shellbrook #493 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the directions, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.



Yorkton, Saskatchewan
June 18, 2024

Chartered Professional Accountants Ltd.

RURAL MUNICIPALITY OF SHELLBROOK #493
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash (Note 2)	\$ 1,870,383	\$ 1,538,566
Taxes receivable - municipal (Note 3)	247,038	269,562
Other accounts receivable (Note 4)	157,144	89,588
Long-term receivables (Note 5)	119,708	105,418
TOTAL FINANCIAL ASSETS	2,394,273	2,003,134
LIABILITIES		
Accounts payable and accrued liabilities	376,512	61,411
TOTAL LIABILITIES	376,512	61,411
NET FINANCIAL ASSETS	2,017,761	1,941,723
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedules 6 and 7)	23,401,020	24,149,352
Inventories	479,453	530,830
Prepaid expenses	5,382	4,940
TOTAL NON-FINANCIAL ASSETS	23,885,855	24,685,122
ACCUMULATED SURPLUS	\$ 25,903,616	\$ 26,626,845
Accumulated surplus is comprised of:		
Accumulated surplus excluding remeasurement gains (losses) (Schedule 8)	\$ 25,903,616	\$ 26,626,845
Accumulated remeasurement gains (losses)		
	\$ 25,903,616	\$ 26,626,845
CONTINGENCIES (Note 8)		

RURAL MUNICIPALITY OF SHELLBROOK #493
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
REVENUE			
Taxes revenue (Schedule 1)	\$ 1,961,747	\$ 2,043,425	\$ 2,023,141
Other unconditional revenue (Schedule 1)	602,982	602,950	529,603
Fees and charges (Schedules 4 and 5)	179,250	346,174	378,650
Conditional grants (Schedules 4 and 5)	14,881	17,052	37,583
Tangible capital asset sales - gain (loss) (Schedules 4 and 5)	115,000	(29,241)	(22,574)
Investment income (Schedules 4 and 5)	25,000	81,729	1,292
Commissions (Schedules 4 and 5)	1,200	1,181	1,162
Other revenues (Schedules 4 and 5)	5,000	3,602	7,489
Provincial/Federal capital grants and contributions (Schedules 4 and 5)	164,204	167,264	137,608
	3,069,264	3,234,136	3,093,954
EXPENSES			
General government services (Schedule 3)	431,718	389,803	418,814
Protective services (Schedule 3)	135,371	130,955	147,363
Transportation services (Schedule 3)	2,978,693	3,026,596	2,895,433
Environmental and public health services (Schedule 3)	46,110	51,989	38,854
Planning and development services (Schedule 3)	8,500	4,513	1,594
Recreation and cultural services (Schedule 3)	79,417	347,001	345,957
Utility services (Schedule 3)	6,500	6,508	6,368
	3,686,309	3,957,365	3,854,383
ANNUAL DEFICIT	(617,045)	(723,229)	(760,429)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	26,626,845	26,626,845	27,387,274
ACCUMULATED SURPLUS, END OF YEAR	\$ 26,009,800	\$ 25,903,616	\$ 26,626,845

RURAL MUNICIPALITY OF SHELLBROOK #493
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
ANNUAL DEFICIT	\$ (617,045)	\$ (723,229)	\$ (760,429)
Acquisition of tangible capital assets	(541,582)	(751,879)	(596,673)
Amortization of tangible capital assets	1,158,739	1,137,170	1,156,163
Loss on disposal of tangible capital assets		29,241	22,574
Proceeds on disposal of tangible capital assets		333,800	173,375
Decrease in inventories		51,377	53,920
Increase in prepaid expenses		(442)	(349)
	617,157	799,267	809,010
CHANGE IN NET FINANCIAL ASSETS	\$ 112	76,038	48,581
NET FINANCIAL ASSETS, BEGINNING OF YEAR		1,941,723	1,893,142
NET FINANCIAL ASSETS, END OF YEAR		\$ 2,017,761	\$ 1,941,723

RURAL MUNICIPALITY OF SHELLBROOK #493
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2023

	2023	2022
OPERATING TRANSACTIONS		
Annual deficit	\$ (723,229)	\$ (760,429)
Changes in non-cash items:		
Taxes receivable - municipal	22,524	(78,278)
Other accounts receivable	(67,556)	83,371
Long-term receivables	(14,290)	26,954
Inventories	51,377	53,920
Prepaid expenses	(442)	(349)
Accounts payable and accrued liabilities	315,101	(363,087)
Loss on disposal of tangible capital assets	29,241	22,574
Amortization	1,137,170	1,156,163
Cash provided by operating transactions	749,896	140,839
CAPITAL TRANSACTIONS		
Proceeds from the disposal of tangible capital assets	333,800	173,375
Acquisition of tangible capital assets	(751,879)	(596,673)
Cash applied to capital transactions	(418,079)	(423,298)
CHANGE IN CASH	331,817	(282,459)
CASH, BEGINNING OF YEAR	1,538,566	1,821,025
CASH, END OF YEAR	\$ 1,870,383	\$ 1,538,566

RURAL MUNICIPALITY OF SHELLBROOK #493
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS (LOSSES)
For the year ended December 31, 2023

	2023 Actual	2022 Actual
ACCUMULATED REMEASUREMENT GAINS (LOSSES), BEGINNING OF YEAR	\$	\$
Unrealized gains (losses) attributable to:		
Derivatives		
Equity instruments measured at fair value		
Foreign exchange		
Amounts reclassified to the statement of operations:		
Derivatives		
Equity instruments measured at fair value		
Foreign exchange		
NET REMEASUREMENT GAINS (LOSSES) FOR THE YEAR		
ACCUMULATED REMEASUREMENT GAINS (LOSSES), END OF YEAR	\$	\$

RURAL MUNICIPALITY OF SHELLBROOK #493

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Municipality are 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 are as follows:

Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue 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.

Reporting Entity

The consolidated 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 Council for the administration of their financial affairs and resources. Entities included in these consolidated financial statements are as follows:

Sturgeon Lake Regional Park Authority

All inter-organizational transactions and balances have been eliminated.

Partnerships

A partnership represents a contractual arrangement between the Municipality and a party or parties outside the reporting entity. The partners have significant, clearly defined common goals, make a financial investment in the partnership, share control of decision making, and share, on an equitable basis, the significant risks and benefits associated with the operations of the partnership. These consolidated financial statements do not contain any partnerships.

Collection of Funds for Other Authorities

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

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 have been met; and
- c) reasonable estimates of the amounts can be made.

RURAL MUNICIPALITY OF SHELLBROOK #493
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Transfers (Continued)

Unearned government transfer amounts received but not earned 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 eligible criteria have been met.

Other (Non-Government Transfer) Contributions

Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the Municipality if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions are deferred until the resources are used for the purpose specified, at which time the contributions are recognized as revenue. In-kind contributions are recorded at their fair value when they are received.

Deferred Revenue

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.

Local Improvement Charges

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

Net Financial Assets

Net financial assets at the end of the 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 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.

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.

RURAL MUNICIPALITY OF SHELLBROOK #493
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

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.

Financial Instruments

Derivative and equity instruments that are quoted in an active market are carried at fair value. All other financial instruments are measured at cost/amortized cost; financial assets measured at amortized cost are recognized initially net of transaction costs with interest income recognized using the effective interest rate method. Impairment losses are recognized in the consolidated statement of operations when there is an other than temporary decline in value.

Interest and dividends attributable to financial instruments are reported in the consolidated statement of operations. Unrealized gains and losses are recognized in the consolidated statement of remeasurement gains and losses. When the investment is disposed of the accumulated gains or losses are reclassified to the consolidated statement of operations.

When investment income and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as liabilities until the external restrictions are satisfied.

Long-term debt is initially recognized net of premiums, discounts, and transaction costs and is measured at amortized cost with interest expense recognized using the effective interest rate method.

Receivables with terms longer than one year have been classified as other long-term receivables.

Measurement of Financial Instruments:

The Municipality's financial assets and liabilities are measured as follows:

<u>Financial statement line item</u>	<u>Measurement</u>
Cash and cash equivalents	Cost and amortized cost
Investments	Fair value and cost/amortized cost
Other accounts receivable	Cost and amortized cost
Long-term receivables	Amortized cost
Debt charges recoverable	Amortized cost
Bank indebtedness	Amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Long-term debt	Amortized cost
Derivative assets and liabilities	Fair value

RURAL MUNICIPALITY OF SHELLBROOK #493
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Tangible Capital Assets

All tangible capital asset acquisitions or betterment 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 costs of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The 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>
General Assets	
Land	Indefinite
Land improvements	5 to 20 years
Buildings	10 to 50 years
Vehicles and equipment	
Vehicles	5 to 10 years
Machinery and equipment	5 to 10 years
Leased capital assets	Lease term
Infrastructure Assets	
Infrastructure assets	30 to 75 years
Water & sewer	10 years
Road network assets	25 to 60 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.

RURAL MUNICIPALITY OF SHELLBROOK #493
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the majority of 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 leases are amortized on a straight-line basis, over their estimated useful lives (lease term). Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

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.

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.

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 SHELLBROOK #493
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Uncertainty

The preparation of the consolidated 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 consolidated financial statements, and the reported amounts of revenue and expenditures during the period.

Measurement uncertainty impacts the following financial statement areas:

- 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.
- The liability associated with asset retirement obligations are measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date, the discount rate, and inflation.
- Measurement financial instruments at fair value and recognition and measurement of impairment of financial instruments requires the use of significant management estimates.

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.

Basis of Segmentation/Segment Report

The Municipality has adopted the new 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 attributable 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 administration of the Municipality.

Protective services: Is comprised of expenses for police and fire protection.

Transportation services: Is responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

Environmental and public health: Environmental segment provides waste disposal and other environmental services and the public health segment provides for expenses related to public health services in the Municipality.

RURAL MUNICIPALITY OF SHELLBROOK #493
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Segmentation/Segment Report (Continued)

Planning and development: Provides for neighbourhood development and sustainability.

Recreation and culture: Provides for community services through provision of recreation and leisure services.

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

Budget Information

Budget information is presented on a basis consistent with that used for the actual results. The budget was approved by Council on May 3, 2023.

Assets Held for Sale

The Municipality is committed to selling the asset, the asset is in a condition to be sold, the asset is publicly seen to be for sale, there is an active market for the asset, there is a plan in place for selling the asset and the sale is reasonably anticipated to be completed within one year of the financial statement date.

Asset Retirement Obligation

Asset retirement obligations represent the legal obligations associated with the retirement of a tangible capital asset that result from its acquisition, construction, development or normal use. The tangible assets include but are not limited to assets in productive use, assets no longer in productive use, leased tangible capital assets.

The liability associated with an asset retirement obligation is measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date to the extent that all recognition criteria are met. Asset retirement obligations are only recognized when there is a legal obligation for the Municipality to incur costs in relation to a specific TCA, when the past transaction or event causing the liability has already occurred, when economic benefits will need to be given up in order to remediate the liability and when a reasonable estimate of such amount can be made. The best estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date. Where cash flows are expected over future periods, the liability is recognized using a present value technique.

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates.

RURAL MUNICIPALITY OF SHELLBROOK #493
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Asset Retirement Obligation (Continued)

At remediation, the Municipality derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the consolidated statement of operations.

Loan Guarantees

The Municipality has not provided loan guarantees for any organizations.

Guarantees represent potential financial commitments for the Municipality. These amounts are considered as contingent liabilities and not formally recognized as liabilities until the Municipality considers it likely for the borrower to default on its obligation and the amount of the liability can be estimated. The Municipality monitors the status of the organization(s), loans, and lines of credit annually and in the event that payment by the Municipality is likely to occur, a provision will be recognized in the consolidated financial statements.

New Standards and Amendments to Standards

Effective for Fiscal Years Beginning On or After April 1, 2023:

PS 3160 Public Private Partnerships, a new standard establishing guidance on how to account for and report on partnerships between public and private sector entities. Specifically those in which the entity in the public sector procures infrastructure in conjunction with a private sector entity. In these scenarios the private sector entity must have obligations to design, build, acquire or improve existing infrastructure. Furthermore they must also finance the transaction past the point in which the asset is initially ready for use along with operating and/or maintaining such on an ongoing basis. The standard applies to fiscal years beginning on or after April 1, 2023.

PS 3400 Revenue, a new standard establishing guidance on how to account for and report on revenue. The standard provides a framework for recognizing, measuring and reporting revenues that arise from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payer. The standard is mandatory for fiscal years beginning on or after April 1, 2023. Earlier adoption is permitted. The standard may be adopted retroactively or prospectively.

PSG-8 Purchased Intangibles, provides guidance on accounting for and reporting on purchased intangibles. It provides clarity on the recognition criteria, along with instances of assets that would not meet the definition of such. The standard may be adopted retroactively or prospectively.

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

RURAL MUNICIPALITY OF SHELLBROOK #493
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Policies Adopted During the Year:

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

These measurements are to be applied prospectively with any difference between the fair value and the prior carrying value being recognized as an adjustment to accumulated remeasurement gains and losses at the beginning of the fiscal year. This standard was adopted in conjunction with PS 1201 - Financial Statement Presentation, PS 2601 - Foreign Currency Translation and PS 3041 - Portfolio Investments.

PS 3280 Asset Retirement Obligations, a new standard establishing guidance on the accounting and reporting of legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. 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.

Information presented for comparative purposes should be restated unless the necessary financial data is not reasonably determinable.

Prospective application:

During the year, the Municipality adopted a new accounting policy with respect to PS 3280, Asset Retirement Obligations. The Municipality now accounts for such transactions in line with that standard. Prior to this, the Municipality accounted for these transactions under PS 3270, Solid Waste Landfill Closure and Post-Closure Liability. The adoption of the accounting policy has impacted the Municipality's consolidated financial statements. At this time the Municipality is not in compliance with the policy and has no asset retirement obligations recorded in the consolidated financial statements.

2. CASH

The Rural Municipality of Shellbrook #493 banks with Affinity Credit Union Ltd. where they have an authorized overdraft limit of \$500,000 (2022 - \$500,000) at an interest rate of 7.20% (2022 - 6.45%) (unauthorized overdraft interest rate of 25.00% (2022 - 25.00%)).

RURAL MUNICIPALITY OF SHELLBROOK #493
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

3. TAXES RECEIVABLE - MUNICIPAL

		2023	2022
Municipal	- Current	\$ 164,397	\$ 190,146
	- Arrears	82,641	79,416
Total municipal taxes receivable		247,038	269,562
School	- Current	58,463	58,676
	- Arrears	28,728	23,975
Total taxes to be collected on behalf of School Divisions		87,191	82,651
Municipal hail insurance		1,521	4,928
Total taxes and grants-in-lieu receivable		335,750	357,141
Deduct taxes to be collected on behalf of other organizations		(88,712)	(87,579)
Total taxes receivable - municipal		\$ 247,038	\$ 269,562

4. OTHER ACCOUNTS RECEIVABLE

		2023	2022
Provincial government		\$ 62,975	\$
Federal government		45,781	45,422
Organizations and individuals		31,646	29,506
Local government		16,742	14,660
Total other accounts receivable		\$ 157,144	\$ 89,588

5. LONG-TERM RECEIVABLES

		2023	2022
Saskatchewan Association of Rural Municipalities - Self-Insurance Fund		\$ 119,708	\$ 105,418

RURAL MUNICIPALITY OF SHELLBROOK #493
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

6. 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 benefits. The Municipality's pension expense in 2023 was \$67,941 (2022 - \$67,027). 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. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook Section PS 3250.

Total current service contributions by the Municipality to the MEPP in 2023 were \$67,941 (2022 - \$67,027). Total current service contributions by the employees of the Municipality to the MEPP in 2023 were \$67,941 (2022 - \$67,027).

As of the audit report date, the December 31, 2023 MEPP actuarial deficiency/surplus has not yet been released. As of December 31, 2022, the actuarial valuation of the financial position of the plan shows MEPP is 126.4 percent funded, with an actuarial surplus of \$704,877,000.

For further information of the amount of MEPP deficiency/surplus information see: <https://mepp.peba.ca/fund-information/plan-reporting>.

7. LONG-TERM DEBT

The debt limit of the Municipality is \$2,087,653. 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)).

8. CONTINGENCIES

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.

RURAL MUNICIPALITY OF SHELLBROOK #493
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

9. RISK MANAGEMENT

Through its financial assets and liabilities, the Municipality is exposed to various risks as outlined below.

Price risk

Price risk associated with investments in shares is the risk that their fair value will fluctuate because of changes in market prices. It is management's opinion the Municipality is not exposed to price risks arising from these financial instruments due to the Municipality not holding any investments in shares.

Credit risk

The Municipality provides credit to its ratepayers for taxes as taxes are not due until December 31 in the year they are levied. The Municipality does not perform credit checks and occasionally has bad debt on taxes. For all other accounts receivable, the Municipality does not provide credit to its ratepayers and customers.

Liquidity risk

Liquidity risk is the risk that the Municipality will encounter difficulty in meeting financial obligations as they fall due. The Municipality undertakes regular cash flow analyses to ensure that there are sufficient cash resources to meet all obligations.

Trade accounts payable and accrued liabilities are generally paid within 30 days.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. It is management's opinion the Municipality is not exposed to interest rate risks arising from these financial instruments due to the Municipality not holding any cash equivalents or long-term debt.

RURAL MUNICIPALITY OF SHELLBROOK #493
SCHEDULE 1 - SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES
For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
TAXES			
General municipal tax levy	\$ 2,044,247	\$ 2,028,076	\$ 1,982,915
Abatements and adjustments	(6,000)	(24,639)	1,612
Discount on current year taxes	(85,000)	(97,513)	(91,597)
Net Municipal Taxes	1,953,247	1,905,924	1,892,930
Penalties on tax arrears	8,500	12,425	9,603
Special tax levy		32,869	32,348
Sturgeon Lake Regional Park Authority		92,207	88,260
Total Taxes	1,961,747	2,043,425	2,023,141
UNCONDITIONAL GRANTS			
Revenue Sharing	598,702	598,541	525,305
Total Unconditional Grants	598,702	598,541	525,305
GRANTS-IN-LIEU OF TAXES			
Provincial			
Transgas	680	680	680
Local/Other			
Treaty Land Entitlement	3,600	3,729	3,618
Total Grants-in-Lieu of Taxes	4,280	4,409	4,298
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 2,564,729	\$ 2,646,375	\$ 2,552,744

RURAL MUNICIPALITY OF SHELLBROOK #493
SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION
For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Sales of supplies	\$ 8,250	\$ 1,274	\$ 5,018
- Other (tax enforcement, tax certificates, SAMA)	1,900	5,113	1,995
Total Fees and Charges	10,150	6,387	7,013
- Tangible capital asset sales - gain (loss)	10,000		9,500
- Investment income	25,000	81,729	1,292
- Commissions	1,200	1,181	1,162
- Dedicated lands	5,000	2,132	7,489
Total Other Segmented Revenue	51,350	91,429	26,456
Total Operating	51,350	91,429	26,456
Total General Government Services	51,350	91,429	26,456
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Fire fees	41,000	19,854	43,525
- Police fines	750	325	842
Total Fees and Charges	41,750	20,179	44,367
Total Other Segmented Revenue	41,750	20,179	44,367
Conditional Grants			
- Town of Shellbrook			13,780
Total Conditional Grants			13,780
Total Operating	41,750	20,179	58,147
Total Protective Services	41,750	20,179	58,147

RURAL MUNICIPALITY OF SHELLBROOK #493**SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION**

For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 32,250	\$ 24,920	\$ 31,684
- Sales of supplies	55,100	61,093	65,850
- Road Maintenance and Restoration Agreements	12,000		12,529
	<u>99,350</u>	<u>86,013</u>	<u>110,063</u>
Total Fees and Charges			
	<u>105,000</u>	<u>(29,241)</u>	<u>(32,074)</u>
Total Other Segmented Revenue	<u>204,350</u>	<u>56,772</u>	<u>77,989</u>
Total Operating	<u>204,350</u>	<u>56,772</u>	<u>77,989</u>
Capital			
Conditional Grants			
- Canada Community - Building Fund (CCBF)	106,964	106,964	49,038
- Rural Integrated Roads for Growth (RIRG)	57,240	60,300	88,570
	<u>164,204</u>	<u>167,264</u>	<u>137,608</u>
Total Capital	<u>164,204</u>	<u>167,264</u>	<u>137,608</u>
Total Transportation Services	<u>368,554</u>	<u>224,036</u>	<u>215,597</u>
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
- Cemetery donations		1,470	
		<u>1,470</u>	
Total Other Segmented Revenue		<u>1,470</u>	
Conditional Grants			
- Provincial Rat Eradication Program and Beaver Control Program	4,801	6,975	13,726
	<u>4,801</u>	<u>6,975</u>	<u>13,726</u>
Total Conditional Grants	<u>4,801</u>	<u>6,975</u>	<u>13,726</u>
Total Operating	<u>4,801</u>	<u>8,445</u>	<u>13,726</u>
Total Environmental and Public Health Services	<u>4,801</u>	<u>8,445</u>	<u>13,726</u>

RURAL MUNICIPALITY OF SHELLBROOK #493**SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION**

For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Building permits	\$ 22,000	\$ 32,415	\$ 17,093
Total Fees and Charges	22,000	32,415	17,093
Total Other Segmented Revenue	22,000	32,415	17,093
Total Operating	22,000	32,415	17,093
Total Planning and Development Services	22,000	32,415	17,093
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Sturgeon Lake Regional Park Authority		190,802	193,870
Total Fees and Charges		190,802	193,870
Total Other Segmented Revenue		190,802	193,870
Conditional Grants			
- Saskatchewan Lotteries	10,080	10,077	10,077
Total Conditional Grants	10,080	10,077	10,077
Total Operating	10,080	200,879	203,947
Total Recreation and Cultural Services	10,080	200,879	203,947

RURAL MUNICIPALITY OF SHELLBROOK #493**SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION****For the year ended December 31, 2023**

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Bulk water	\$ 6,000	\$ 10,378	\$ 6,244
Total Fees and Charges	6,000	10,378	6,244
Total Other Segmented Revenue	6,000	10,378	6,244
Total Operating	6,000	10,378	6,244
Total Utility Services	6,000	10,378	6,244
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 504,535	\$ 587,761	\$ 541,210
SUMMARY			
Total Other Segmented Revenue	\$ 325,450	\$ 403,445	\$ 366,019
Total Conditional Grants	14,881	17,052	37,583
Total Capital Grants and Contributions	164,204	167,264	137,608
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 504,535	\$ 587,761	\$ 541,210

RURAL MUNICIPALITY OF SHELLBROOK #493
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 64,000	\$ 45,675	\$ 56,369
Wages and benefits	216,384	206,504	194,904
Professional/Contractual services	75,987	74,419	101,000
Utilities	10,800	12,282	9,575
Maintenance, materials, and supplies	53,100	40,309	46,969
Amortization	8,447	8,447	8,447
Interest	2,000	2,167	1,550
Allowance for uncollectibles	1,000		
Total General Government Services	431,718	389,803	418,814
PROTECTIVE SERVICES			
Police protection			
Professional/Contractual services	96,000	93,667	87,383
Fire protection			
Wages and benefits	11,900	19,056	10,552
Professional/Contractual services	4,400	1,286	1,794
Maintenance, materials, and supplies	19,200	13,075	43,763
Amortization	3,871	3,871	3,871
Total Protective Services	135,371	130,955	147,363
TRANSPORTATION SERVICES			
Wages and benefits	781,300	743,297	730,278
Professional/Contractual services	35,200	36,344	43,319
Utilities	26,900	23,442	23,238
Maintenance, materials, and supplies	672,000	681,478	675,110
Gravel	340,000	440,311	303,807
Amortization	1,123,293	1,101,724	1,119,681
Total Transportation Services	2,978,693	3,026,596	2,895,433
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Professional/Contractual services	38,310	39,062	32,368
Maintenance, materials, and supplies	7,800	12,927	6,486
Total Environmental and Public Health Services	46,110	51,989	38,854

RURAL MUNICIPALITY OF SHELLBROOK #493
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
PLANNING AND DEVELOPMENT SERVICES			
Professional/Contractual services	\$ 8,500	\$ 4,513	\$ 1,594
Total Planning and Development Services	8,500	4,513	1,594
RECREATION AND CULTURAL SERVICES			
Maintenance, materials, and supplies	17,500	7,287	19,669
Grants and contributions			
- Operating	38,789	38,838	39,580
Amortization	23,128	23,128	24,164
Sturgeon Lake Regional Park Authority		277,748	262,544
Total Recreation and Cultural Services	79,417	347,001	345,957
UTILITY SERVICES			
Maintenance, materials, and supplies	6,500	6,508	6,368
Total Utility Services	6,500	6,508	6,368
TOTAL EXPENSES BY FUNCTION	\$ 3,686,309	\$ 3,957,365	\$ 3,854,383

RURAL MUNICIPALITY OF SHELLBROOK #493
SCHEDULE 4 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
For the year ended December 31, 2023

Revenues (Schedule 2)									
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total	
Fees and Charges	\$ 6,387	\$ 20,179	\$ 86,013	\$	\$ 32,415	\$ 190,802	\$ 10,378	\$ 346,174	
Tangible Capital Asset Sale - Gain (Loss)			(29,241)					(29,241)	
Land Sales - Gain (Loss)									
Investment Income	81,729							81,729	
Commissions	1,181							1,181	
Other Revenues	2,132			1,470				3,602	
Grants - Conditional				6,975		10,077		17,052	
- Capital			167,264					167,264	
Total revenues	91,429	20,179	224,036	8,445	32,415	200,879	10,378	587,761	
Expenses (Schedule 3)									
Wages & Benefits	252,179	19,056	743,297					1,014,532	
Professional/Contractual Services	74,419	94,953	36,344	39,062	4,513			249,291	
Utilities	12,282		23,442					35,724	
Maintenance, Materials, Supplies	40,309	13,075	1,121,789	12,927		7,287	6,508	1,201,895	
Grants and Contributions						38,838		38,838	
Amortization	8,447					23,128		1,137,170	
Interest	2,167	3,871	1,101,724					2,167	
Accretion of asset retirement obligation									
Allowance for Uncollectibles									
Other						277,748		277,748	
Total expenses	389,803	130,955	3,026,596	51,989	4,513	347,001	6,508	3,957,365	
Surplus (Deficit) by Function	(298,374)	(110,776)	(2,802,560)	(43,544)	27,902	(146,122)	3,870	(3,369,604)	
Taxation and other unconditional revenue (Schedule 1)									
								2,646,375	
Net Surplus (Deficit)								\$ (723,229)	

RURAL MUNICIPALITY OF SHELLBROOK #493
SCHEDULE 5 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
For the year ended December 31, 2022

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 7,013	\$ 44,367	\$ 110,063	\$	\$ 17,093	\$ 193,870	\$ 6,244	\$ 378,650
Tangible Capital Asset Sale - Gain (Loss)	9,500		(32,074)					(22,574)
Land Sales - Gain (Loss)								
Investment Income	1,292							1,292
Commissions	1,162							1,162
Other Revenues	7,489							7,489
Grants - Conditional		13,780		13,726		10,077		37,583
- Capital			137,608					137,608
Total revenues	26,456	58,147	215,597	13,726	17,093	203,947	6,244	541,210
Expenses (Schedule 3)								
Wages & Benefits	251,273	10,552	730,278					992,103
Professional/Contractual Services	101,000	89,177	43,319	32,368	1,594			267,458
Utilities	9,575		23,238					32,813
Maintenance, Materials, Supplies	46,969	43,763	978,917	6,486		19,669	6,368	1,102,172
Grants and Contributions						39,580		39,580
Amortization	8,447	3,871	1,119,681			24,164		1,156,163
Interest	1,550							1,550
Accretion of asset retirement obligation								
Allowance for Uncollectibles								
Other						262,544		262,544
Total expenses	418,814	147,363	2,895,433	38,854	1,594	345,957	6,368	3,854,383
Surplus (Deficit) by Function	(392,358)	(89,216)	(2,679,836)	(25,128)	15,499	(142,010)	(124)	(3,313,173)
Taxation and other unconditional revenue (Schedule 1)								
								2,552,744
Net Surplus (Deficit)								\$ (760,429)

RURAL MUNICIPALITY OF SHELLBROOK #493
SCHEDULE 6 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT
For the year ended December 31, 2023

Cost	General Assets					Infrastructure Assets	General/ Infrastructure	Totals	
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Assets Under Construction	2023	2022
Opening costs	\$ 333,192	\$ 17,635	\$ 854,681	\$ 4,800	\$ 3,503,048	\$ 33,845,400	\$	\$ 38,558,756	\$ 38,304,915
Additions during the year					751,879			751,879	596,673
Disposals and write downs					(537,247)			(537,247)	(342,832)
Closing costs	333,192	17,635	854,681	4,800	3,717,680	33,845,400		38,773,388	38,558,756
Accumulated Amortization									
Opening accumulated amortization		1,029	465,861	2,220	1,574,076	12,366,218		14,409,404	13,400,124
Amortization		1,763	20,794	480	243,008	871,125		1,137,170	1,156,163
Disposals and write downs					(174,206)			(174,206)	(146,883)
Closing accumulated amortization		2,792	486,655	2,700	1,642,878	13,237,343		15,372,368	14,409,404
Net Book Value	\$ 333,192	\$ 14,843	\$ 368,026	\$ 2,100	\$ 2,074,802	\$ 20,608,057	\$	\$ 23,401,020	\$ 24,149,352

RURAL MUNICIPALITY OF SHELLBROOK #493
SCHEDULE 7 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION
For the year ended December 31, 2023

Cost	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Totals	
								2023	2022
Opening costs	\$ 591,645	\$ 38,709	\$ 37,182,909	\$ 7	\$	\$ 745,486	\$	\$38,558,756	\$ 38,304,915
Additions during the year		14,203	735,579			2,097		751,879	596,673
Disposals and write downs			(537,247)					(537,247)	(342,832)
Closing costs	591,645	52,912	37,381,241	7		747,583		38,773,388	38,558,756
Accumulated Amortization									
Opening accumulated amortization	119,574	8,679	13,741,657			539,494		14,409,404	13,400,124
Amortization	8,447	3,871	1,101,724			23,128		1,137,170	1,156,163
Disposals and write downs			(174,206)					(174,206)	(146,883)
Closing accumulated amortization	128,021	12,550	14,669,175			562,622		15,372,368	14,409,404
Net Book Value	\$ 463,624	\$ 40,362	\$ 22,712,066	\$ 7	\$	\$ 184,961	\$	\$23,401,020	\$ 24,149,352

RURAL MUNICIPALITY OF SHELLBROOK #493
SCHEDULE 8 - SCHEDULE OF ACCUMULATED SURPLUS
For the year ended December 31, 2023

	2022	Changes	2023
UNAPPROPRIATED SURPLUS	\$ 1,553,722	\$ (27,041)	\$ 1,526,681
APPROPRIATED RESERVES			
General Reserve	644,009	50,000	694,009
Prince Albert Union Hospital Reserve	9,476	(9,476)	
Shellbrook Hospital Reserve	13,006	(13,006)	
Dedicated Lands Reserve	18,776	8,134	26,910
Heredin Creek Reserve	18,296	(2,271)	16,025
Total appropriated	703,563	33,381	736,944
ORGANIZED HAMLETS			
Organized Hamlet of Crutwell	91,840	9,151	100,991
Organized Hamlet of Holbein	128,368	9,612	137,980
Total Hamlets	220,208	18,763	238,971
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	24,149,352	(748,332)	23,401,020
Net investment in tangible capital assets	24,149,352	(748,332)	23,401,020
ACCUMULATED SURPLUS (excluding remeasurement gains (losses))	\$ 26,626,845	\$ (723,229)	\$ 25,903,616

RURAL MUNICIPALITY OF SHELLBROOK #493
SCHEDULE 9 - SCHEDULE OF MILL RATES AND ASSESSMENTS
For the year ended December 31, 2023

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable assessment	159,334,195	72,730,514			2,859,570		234,924,279
Regional Park Assessment							7,147,280
Total Assessment							242,071,559
Mill Rate Factor(s)	1.20	1.45			2.40		
Total Base/Minimum Tax	37,250	65,350			700		103,300
Total Municipal Tax Levy	1,305,285	677,398			45,393		2,028,076

MILL RATES:

MILLS

Average Municipal	8.3780
Average School	2.5138
Potash Mill Rate	
Uniform Municipal Mill Rate	6.7000

RURAL MUNICIPALITY OF SHELLBROOK #493
SCHEDULE 10 - SCHEDULE OF COUNCIL REMUNERATION
For the year ended December 31, 2023

<u>Position - Name</u>	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Reeve - Doug Oleksyn	\$ 5,696	\$ 1,386	\$ 7,082
Councilor - Derwin Joelson	4,760	3,654	8,414
Councilor - Christine Strube	5,070	2,738	7,808
Councilor - Cliff Skaug	5,550	923	6,473
Councilor - Ivan Ten Bos	4,015	1,155	5,170
Councilor - Phil Hamel	3,650	876	4,526
Councilor - Jay Ferster	2,610	403	3,013
	<u>\$ 31,351</u>	<u>\$ 11,135</u>	<u>\$ 42,486</u>