

RURAL MUNICIPALITY OF SHELLBROOK #493
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

RURAL MUNICIPALITY OF SHELLBROOK #493

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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., as the Municipality's appointed external auditors, have audited the consolidated financial statements. The Auditor's Report is addressed to Council and appears on the following page. 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, 2024, the consolidated statement of operations, the consolidated statement of changes in net financial assets, the consolidated statement of cash flows, the consolidated statement of remeasurement gains (losses) for the year then ended, and the 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, 2024, 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 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 landfills or buildings containing asbestos and lead paint or piping, 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, 2024, have not been determined, as there is insufficient information available to do so.

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

Other Matters

Our audit opinion does not extend to the budgeted figures presented by Council.

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 4, 2025



Chartered Professional Accountants Ltd.

RURAL MUNICIPALITY OF SHELLBROOK #493
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash (Note 2)	\$ 1,367,964	\$ 1,870,383
Taxes receivable - municipal (Note 3)	294,269	247,038
Other accounts receivable (Note 4)	195,260	157,144
Long-term receivables (Note 5)	131,520	119,708
TOTAL FINANCIAL ASSETS	1,989,013	2,394,273
LIABILITIES		
Accounts payable and accrued liabilities	122,230	376,512
Deferred revenue (Note 8)	334,461	561,874
TOTAL LIABILITIES	456,691	938,386
NET FINANCIAL ASSETS	1,532,322	1,455,887
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedules 6 and 7)	23,167,210	23,401,020
Inventories	514,452	479,453
Prepaid expenses	5,345	5,382
TOTAL NON-FINANCIAL ASSETS	23,687,007	23,885,855
ACCUMULATED SURPLUS	\$ 25,219,329	\$25,341,742
Accumulated surplus is comprised of:		
Accumulated surplus excluding remeasurement gains (losses) (Schedule 10)	\$ 25,219,329	\$25,341,742
Accumulated remeasurement gains (losses)		
	\$ 25,219,329	\$25,341,742

CONTINGENCIES (Note 7)

RURAL MUNICIPALITY OF SHELLBROOK #493
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2024

	2024 Budget Unaudited (Note 1)	2024 Actual	2023 Actual
REVENUE			
Tax revenue (Schedule 1)	\$ 2,090,430	\$ 2,250,299	\$ 2,043,425
Other unconditional revenue (Schedule 1)	690,960	691,282	602,950
Fees and charges (Schedules 4 and 5)	135,150	392,868	346,174
Conditional grants (Schedules 4 and 5)	21,650	23,096	17,052
Tangible capital asset sales - gain (loss) (Schedules 4 and 5)	40,000	(71,989)	(29,241)
Investment income (Schedules 4 and 5)	60,000	41,343	62,139
Commissions (Schedules 4 and 5)	1,200	1,353	1,181
Other revenues (Schedules 4 and 5)	2,500	8,728	3,602
	3,041,890	3,336,980	3,047,282
EXPENSES			
General government services (Schedule 3)	471,529	468,131	389,803
Protective services (Schedule 3)	152,391	143,232	130,955
Transportation services (Schedule 3)	3,536,120	3,082,708	3,026,595
Environmental and public health services (Schedule 3)	62,510	72,122	51,989
Planning and development services (Schedule 3)	8,500	12,771	4,513
Recreation and cultural services (Schedule 3)	75,356	372,858	347,001
Utility services (Schedule 3)	6,500	7,023	6,508
	4,312,906	4,158,845	3,957,364
ANNUAL DEFICIT BEFORE OTHER CAPITAL CONTRIBUTIONS	(1,271,016)	(821,865)	(910,082)
Provincial/Federal capital grants and contributions (Schedules 4 and 5)	459,230	699,452	93,300
ANNUAL DEFICIT	(811,786)	(122,413)	(816,782)
ACCUMULATED SURPLUS EXCLUDING REMEASUREMENT GAINS (LOSSES), BEGINNING OF YEAR	25,341,742	25,341,742	26,158,524
ACCUMULATED SURPLUS EXCLUDING REMEASUREMENT GAINS (LOSSES), END OF YEAR	\$ 24,529,956	\$ 25,219,329	\$25,341,742

RURAL MUNICIPALITY OF SHELLBROOK #493
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2024

	2024 Budget Unaudited (Note 1)	2024 Actual	2023 Actual
ANNUAL DEFICIT	\$ (811,786)	\$ (122,413)	\$ (816,782)
Acquisition of tangible capital assets	(606,000)	(1,251,864)	(751,879)
Amortization of tangible capital assets	1,192,426	1,192,426	1,137,170
Loss on sale of tangible capital assets		71,989	29,241
Proceeds on sale of tangible capital assets		221,259	333,800
Decrease (increase) in inventories		(34,999)	51,376
Decrease (increase) in prepaid expenses		37	(442)
	586,426	198,848	799,266
CHANGE IN NET FINANCIAL ASSETS	\$ (225,360)	76,435	(17,516)
NET FINANCIAL ASSETS, BEGINNING OF YEAR		1,455,887	1,473,403
NET FINANCIAL ASSETS, END OF YEAR		\$ 1,532,322	\$ 1,455,887

RURAL MUNICIPALITY OF SHELLBROOK #493
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2024

	2024	2023
OPERATING TRANSACTIONS		
Annual deficit	\$ (122,413)	\$ (816,782)
Changes in non-cash items:		
Taxes receivable - municipal	(47,231)	22,524
Other accounts receivable	(38,116)	(67,556)
Inventories	(34,999)	51,376
Prepaid expenses	37	(442)
Accounts payable and accrued liabilities	(254,282)	315,101
Deferred revenue	(227,413)	93,554
Loss on sale of tangible capital assets	71,989	29,241
Amortization of tangible capital assets	1,192,426	1,137,170
Cash provided by operating transactions	539,998	764,186
CAPITAL TRANSACTIONS		
Proceeds from the disposal of tangible capital assets	221,259	333,800
Acquisition of tangible capital assets	(1,251,864)	(751,879)
Cash applied to capital transactions	(1,030,605)	(418,079)
INVESTING TRANSACTIONS		
Increase in long-term receivables	(11,812)	(14,290)
Cash applied to investing transactions	(11,812)	(14,290)
CHANGE IN CASH	(502,419)	331,817
CASH, BEGINNING OF YEAR	1,870,383	1,538,566
CASH, END OF YEAR	\$ 1,367,964	\$ 1,870,383

RURAL MUNICIPALITY OF SHELLBROOK #493
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS (LOSSES)
For the year ended December 31, 2024

	2024 Actual	2023 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		
Reversal of net remeasurements of portfolio investments		
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, 2024

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, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Transfers (Continued)

Unearned government transfer amounts received will be recorded as deferred revenue until eligibility criteria or stipulations are met. Earned government transfer amounts not received will be recorded as an amount receivable. Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all 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.

Revenue

Revenue from Transactions with No Performance Obligations:

Revenue is recognized for the following sources of revenue from transactions with no performance obligations:

- Tax revenue: Tax revenue is recognized when the underlying tax event occurs, which is typically when the tax is assessed or becomes due, regardless of when payment is received. These are generally recurring in nature.
- Other unconditional revenue: Unconditional revenue is recognized when it is earned and no further obligations are required. This may include certain grants or contributions that do not require a specific performance or future condition. This is considered non-recurring or recurring, depending on the nature of the revenue source.
- Fees and charges: Fees and charges for services are recognized when the service is rendered or when the related activity is performed. These are generally recurring in nature.
- Investment income: Investment income is recognized when earned. Interest income is recognized as it accrues, based on the effective interest rate method, while dividend income is recognized when the right to receive payment is established. Investment income is generally considered a recurring revenue stream, as it is earned periodically from ongoing investments.

RURAL MUNICIPALITY OF SHELLBROOK #493
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from Transactions with Related Performance Obligations:

Revenue is recognized for the following sources of revenue where related performance obligations exist:

- Tangible capital asset gains (losses): Gains or losses from the sale or disposal of tangible capital assets are recognized when the asset is transferred to the buyer, and the related risks and rewards of ownership have been transferred. These are typically considered non-recurring revenue streams.
- Land sale gains (losses): Revenue from land sales are recognized when the transaction is completed and ownership is transferred to the purchaser. This may involve a performance obligation related to the delivery of the property and revenue is recognized when the transfer occurs. These are typically considered non-recurring revenue streams.

When a single transaction requires the delivery of more than one performance obligation, the revenue recognition criteria are applied to the separately identifiable performance obligations. A performance obligation is considered to be separately identified if the product or service delivered has stand-alone value to that customer and the fair value associated with the product or service can be measured reliably. The amount recognized as revenue for each performance obligation is its fair value in relation to the fair value of the contract as a whole.

For each performance obligation, the Municipality must ascertain whether the obligation is satisfied over a period of time, or at a point in time. In order to do this, the characteristics of the underlying goods and/or services must be considered in order to determine when the ultimate performance obligations will be satisfied. If any of the below criteria are met, the revenue must be recognized over a period of time; otherwise, corresponding amounts are to be recognized at a point in time.

- a) The payor simultaneously receives and consumes the benefits provided by the Municipality's performance as they fulfil the performance obligation
- b) The Municipality's performance creates or enhances an asset (for example, work in progress) that the payor controls or uses as the asset is created or enhanced
- c) The Municipality's performance does not create an asset with an alternative use to itself, and the Municipality has an enforceable right to payment for performance completed to date
- d) The Municipality is expected to continually maintain or support the transferred good or service under the terms of the agreement
- e) The Municipality provides the payor with access to a specific good or service under the terms of the agreement

When determining the amounts of revenue to recognize at various stages along the point of time, determinants vary but often include percentage complete.

RURAL MUNICIPALITY OF SHELLBROOK #493
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 10.

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.

RURAL MUNICIPALITY OF SHELLBROOK #493

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (Continued)

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

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.

RURAL MUNICIPALITY OF SHELLBROOK #493
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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	40 years
Road network assets	40 years

Government Contributions

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

Works of Art and Other Unrecognized Assets

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

Capitalization of Interest

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

RURAL MUNICIPALITY OF SHELLBROOK #493
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Public Private Partnerships

Public private partnerships where the Municipality procures infrastructure using a private sector partner are accounted for and reported as infrastructure assets on the consolidated statement of financial position and are initially recognized at cost. Cost includes the gross amount of consideration given up to acquire, construct, develop or better a tangible capital asset; and all costs directly attributable to the acquisition, construction, development or betterment of the infrastructure asset. Infrastructure assets are amortized over the assets useful life and recognized as an expense in the consolidated statement of operations.

When the Municipality has recognized an infrastructure asset in relation to a public private partnership arrangement and has an obligation to provide consideration to the private sector partner, the Municipality recognizes a corresponding infrastructure liability on the consolidated statement of financial position. Infrastructure liabilities are initially measured at the same amount as the related infrastructure asset, reduced for any consideration previously provided to the public sector partner. Other consideration attributable to the partnership agreement such as operating and maintenance payments are excluded from the measurement of the liability. Two common models used to measure infrastructure liabilities are the financial liability and user pay models. The financial liability model is utilized when the Municipality designs, builds, finances, operates and/or maintains infrastructure in exchange for a contractual right to receive cash or another asset. The reason for this being that the corresponding liability constitutes a financial liability. The user pay model is applicable when the private sector partner designs, buildings, finances, operates and/or maintains the infrastructure in exchange for a right to charge the ultimate end users. This compensation granted by the Municipality is facilitated via the granting of rights to earn revenue from a third party. Due to such, the corresponding liability should be classified as a performance obligation.

These consolidated financial statements do not include any public private partnerships.

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.

RURAL MUNICIPALITY OF SHELLBROOK #493
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 and intangible 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.

RURAL MUNICIPALITY OF SHELLBROOK #493
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

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 July 3, 2024.

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.

RURAL MUNICIPALITY OF SHELLBROOK #493
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Asset Retirement Obligation (Continued)

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.

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 Accounting Policies Adopted During the Year:

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. This accounting policy has been applied on a prospective basis.

RURAL MUNICIPALITY OF SHELLBROOK #493
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Policies Adopted During the Year (Continued):

PSG-8, Purchased Intangibles, provides guidance on accounting for and reporting on purchased intangible capital assets. It provides clarity on the recognition criteria, along with instances of assets that would not meet the definition of such. This accounting policy has been applied on a prospective basis.

PS3160, 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. This accounting policy has been applied on a prospective basis.

2. CASH

The Rural Municipality of Shellbrook #493 banks with Affinity Credit Union Ltd. where they have an authorized overdraft limit of \$500,000 (2023 - \$500,000) at an interest rate of 5.45% (2023 - 7.20%) (unauthorized overdraft interest rate of 25.00% (2023 - 25.00%)).

3. TAXES RECEIVABLE - MUNICIPAL

		2024	2023
Municipal	- Current	\$ 191,711	\$ 164,397
	- Arrears	102,558	82,641
Total municipal taxes receivable		294,269	247,038
School	- Current	60,518	58,463
	- Arrears	30,032	28,728
Total taxes to be collected on behalf of School Divisions		90,550	87,191
Municipal hail		7,671	1,521
Total taxes and grants-in-lieu receivable		392,490	335,750
Deduct taxes to be collected on behalf of other organizations		(98,221)	(88,712)
Total taxes receivable - municipal		\$ 294,269	\$ 247,038

RURAL MUNICIPALITY OF SHELLBROOK #493
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

4. OTHER ACCOUNTS RECEIVABLE

	2024	2023
Provincial government	\$ 87,999	\$ 62,975
Federal government	54,645	45,781
Organizations and individuals	33,528	31,646
Local government	19,088	16,742
Total other accounts receivable	<u>\$ 195,260</u>	<u>\$ 157,144</u>

5. LONG-TERM RECEIVABLES

	2024	2023
Saskatchewan Association of Rural Municipalities - Self-Insurance Fund	<u>\$ 131,520</u>	<u>\$ 119,708</u>

6. LONG-TERM DEBT

The debt limit of the Municipality is \$2,147,808. 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)).

7. 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.

8. DEFERRED REVENUE

	2023	Restricted inflows	Revenue earned	2024
Canada Community - Building Fund	\$ 561,874	\$ 115,958	\$ (343,371)	\$ 334,461
Total deferred revenue	<u>\$ 561,874</u>			<u>\$ 334,461</u>

RURAL MUNICIPALITY OF SHELLBROOK #493
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

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 is exposed to credit risk resulting from the possibility that counterparties may default on their financial obligations. Credit risk is primarily associated with accounts receivable, which total \$489,529 as at year-end.

The composition of receivables is as follows:

- Property taxes receivable: \$294,269
- Provincial grants receivable: \$87,999
- Federal grants receivable: \$23,100
- GST receivable: \$31,545
- Organizations and individuals receivable: \$33,528
- Local government receivable: \$19,088

Credit risk related to taxes and utilities arises from transactions with residents and ratepayers. The risk is mitigated by the Municipality's authority to pursue tax recovery measures under applicable legislation and to discontinue utility services in cases of non-payment.

Receivables from federal agencies and the Canada Revenue Agency (CRA) are considered low risk due to the creditworthiness of these counterparties.

At year-end, \$102,558 of total receivables are considered past due (i.e., greater than 30 days outstanding). The Municipality monitors receivables on an ongoing basis and establishes allowances as necessary based on historical collection patterns and specific account assessments.

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 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, investments or long-term debt.

RURAL MUNICIPALITY OF SHELLBROOK #493
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

10. PRIOR YEAR'S FIGURES

The prior year's figures have been restated to reflect the correction of the deferral treatment for the Canada Community - Building Fund program. This correction results in a decrease to the accumulated surplus of \$561,874. The restatement impacts prior year balances, specifically increasing deferred revenue and decreasing grant revenue. Correspondingly, the current year opening balances reflect an increase in deferred revenue and a decrease in the opening accumulated surplus. This restatement ensures compliance with the accounting treatment for government transfers as mentioned in Note 1 of the consolidated financial statements.

11. PENSION PLAN

The Municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration benefits. The Municipality's pension expense in 2024 was \$73,410 (2023 - \$67,941). 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.

Total current service contributions by the Municipality to the MEPP in 2024 were \$73,410 (2023 - \$67,941). Total current service contributions by the employees of the Municipality to the MEPP in 2024 were \$73,410 (2023 - \$67,941).

As of the audit report date, the December 31, 2024 MEPP actuarial deficiency/surplus has not yet been released. As of December 31, 2023, the actuarial valuation of the financial position of the plan shows MEPP is 125.7 percent funded, with an actuarial surplus of \$744,391,000.

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

RURAL MUNICIPALITY OF SHELLBROOK #493**SCHEDULE 1 - SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES**

For the year ended December 31, 2024

	2024 Budget Unaudited (Note 1)	2024 Actual	2023 Actual
TAXES			
General municipal tax levy	\$ 2,172,930	\$ 2,173,484	\$ 2,028,076
Abatements and adjustments	(2,500)	2,729	(24,639)
Discount on current year taxes	(90,000)	(104,279)	(97,513)
Net Municipal Taxes	2,080,430	2,071,934	1,905,924
Penalties on tax arrears	10,000	12,962	12,425
Special tax levy		32,434	32,869
Sturgeon Lake Regional Park Authority		132,969	92,207
Total Taxes	2,090,430	2,250,299	2,043,425
UNCONDITIONAL GRANTS			
Revenue Sharing	686,550	686,595	598,541
Total Unconditional Grants	686,550	686,595	598,541
GRANTS-IN-LIEU OF TAXES			
Provincial Transgas	680	680	680
Local/Other Treaty Land Entitlement	3,730	4,007	3,729
Total Grants-in-Lieu of Taxes	4,410	4,687	4,409
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 2,781,390	\$ 2,941,581	\$ 2,646,375

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

For the year ended December 31, 2024

	2024 Budget Unaudited (Note 1)	2024 Actual	2023 Actual
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Sales of supplies	\$ 8,250	\$ 3,968	\$ 1,274
- Tax enforcement and reimbursed costs	2,250	5,215	5,113
Total Fees and Charges	10,500	9,183	6,387
- Investment income	60,000	41,343	62,139
- Commissions	1,200	1,353	1,181
- Dedicated lands	2,500	2,228	2,132
Total Other Segmented Revenue	74,200	54,107	71,839
Total Operating	74,200	54,107	71,839
Total General Government Services	74,200	54,107	71,839
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Fire fees	25,300	35,218	20,179
- Police fines		1,337	
Total Fees and Charges	25,300	36,555	20,179
- Tangible capital asset sales - gain (loss)	30,000	2,634	
Total Other Segmented Revenue	55,300	39,189	20,179
Total Operating	55,300	39,189	20,179
Total Protective Services	55,300	39,189	20,179

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

For the year ended December 31, 2024

	2024 Budget Unaudited (Note 1)	2024 Actual	2023 Actual
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 25,250	\$ 19,645	\$ 24,920
- Sales of supplies	55,600	69,118	61,093
- Road Maintenance and Restoration Agreements	2,500	1,441	
Total Fees and Charges	83,350	90,204	86,013
- Tangible capital asset sales - gain (loss)	10,000	(74,542)	(29,241)
Total Other Segmented Revenue	93,350	15,662	56,772
Total Operating	93,350	15,662	56,772
Capital			
Conditional Grants			
- Canada Community - Building Fund (CCBF)	106,960	343,371	33,000
- Rural Integrated Roads for Growth (RIRG)	352,270	343,116	60,300
- Saskatchewan Ministry of Highways and Infrastructure		12,965	
Total Capital	459,230	699,452	93,300
Total Transportation Services	552,580	715,114	150,072
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Sales of supplies		400	
Total Fees and Charges		400	
- Donations		6,500	1,470
Total Other Segmented Revenue		6,900	1,470
Conditional Grants			
- Provincial Rate Control Program and Beaver Control Program	9,080	10,527	6,975
Total Conditional Grants	9,080	10,527	6,975
Total Operating	9,080	17,427	8,445
Total Environmental and Public Health Services	9,080	17,427	8,445

RURAL MUNICIPALITY OF SHELLBROOK #493**SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION****For the year ended December 31, 2024**

	2024 Budget Unaudited (Note 1)	2024 Actual	2023 Actual
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Building permits	\$ 10,000	\$ 8,752	\$ 32,415
Total Fees and Charges	10,000	8,752	32,415
Total Other Segmented Revenue	10,000	8,752	32,415
Total Operating	10,000	8,752	32,415
Total Planning and Development Services	10,000	8,752	32,415
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Sturgeon Lake Regional Park Authority		241,960	190,802
Total Fees and Charges		241,960	190,802
- Tangible capital asset sales - gain (loss)		(81)	
Total Other Segmented Revenue		241,879	190,802
Conditional Grants			
- Sask Lotteries	12,570	12,569	10,077
Total Conditional Grants	12,570	12,569	10,077
Total Operating	12,570	254,448	200,879
Total Recreation and Cultural Services	12,570	254,448	200,879

RURAL MUNICIPALITY OF SHELLBROOK #493**SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION****For the year ended December 31, 2024**

	2024 Budget Unaudited (Note 1)	2024 Actual	2023 Actual
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Bulk water fees	\$ 6,000	\$ 5,814	\$ 10,378
Total Fees and Charges	6,000	5,814	10,378
Total Other Segmented Revenue	6,000	5,814	10,378
Total Operating	6,000	5,814	10,378
Total Utility Services	6,000	5,814	10,378
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 719,730	\$ 1,094,851	\$ 494,207
SUMMARY			
Total Other Segmented Revenue	\$ 238,850	\$ 372,303	\$ 383,855
Total Conditional Grants	21,650	23,096	17,052
Total Capital Grants and Contributions	459,230	699,452	93,300
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 719,730	\$ 1,094,851	\$ 494,207

RURAL MUNICIPALITY OF SHELLBROOK #493
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2024

	2024 Budget Unaudited (Note 1)	2024 Actual	2023 Actual
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 57,500	\$ 57,283	\$ 45,675
Wages and benefits	251,410	250,461	206,504
Professional/Contractual services	87,810	82,193	74,419
Utilities	12,800	12,113	12,282
Maintenance, materials, and supplies	48,600	53,939	40,309
Amortization of tangible capital assets	10,009	10,009	8,447
Interest	2,400	2,133	2,167
Allowance for uncollectibles	1,000		
Total General Government Services	471,529	468,131	389,803
PROTECTIVE SERVICES			
Police protection			
Professional/Contractual services	100,500	96,690	93,667
Fire protection			
Wages and benefits	18,900	18,295	19,056
Professional/Contractual services	8,500	2,993	1,286
Maintenance, materials, and supplies	19,200	19,963	13,075
Amortization of tangible capital assets	5,291	5,291	3,871
Total Protective Services	152,391	143,232	130,955
TRANSPORTATION SERVICES			
Wages and benefits	754,610	787,058	742,810
Professional/Contractual services	67,750	92,048	36,830
Utilities	26,900	24,937	23,442
Maintenance, materials, and supplies	1,153,360	622,166	681,478
Gravel	380,000	402,999	440,311
Amortization of tangible capital assets	1,153,500	1,153,500	1,101,724
Total Transportation Services	3,536,120	3,082,708	3,026,595
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Professional/Contractual services	40,810	56,245	39,062
Maintenance, materials, and supplies	21,700	15,877	12,927
Total Environmental and Public Health Services	62,510	72,122	51,989

RURAL MUNICIPALITY OF SHELLBROOK #493
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2024

	2024 Budget Unaudited (Note 1)	2024 Actual	2023 Actual
PLANNING AND DEVELOPMENT SERVICES			
Professional/Contractual services	\$ 8,500	\$ 12,771	\$ 4,513
Total Planning and Development Services	8,500	12,771	4,513
RECREATION AND CULTURAL SERVICES			
Maintenance, materials, and supplies	10,200	14,860	7,287
Grants and contributions			
- Operating	41,530	41,638	38,838
Amortization of tangible capital assets	23,626	23,626	23,128
Sturgeon Lake Regional Park Authority		292,734	277,748
Total Recreation and Cultural Services	75,356	372,858	347,001
UTILITY SERVICES			
Maintenance, materials, and supplies	6,500	7,023	6,508
Total Utility Services	6,500	7,023	6,508
TOTAL EXPENSES BY FUNCTION	\$ 4,312,906	\$ 4,158,845	\$ 3,957,364

RURAL MUNICIPALITY OF SHELLBROOK #493
SCHEDULE 4 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
For the year ended December 31, 2024

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 9,183	\$ 36,555	\$ 90,204	\$ 400	\$ 8,752	\$ 241,960	\$ 5,814	\$ 392,868
Tangible Capital Asset Sale - Gain (Loss)		2,634	(74,542)			(81)		(71,989)
Intangible Capital Asset Sale - Gain (Loss)								
Land Sales - Gain (Loss)								
Investment Income	41,343							41,343
Commissions	1,353							1,353
Other Revenues	2,228			6,500				8,728
Grants - Conditional				10,527		12,569		23,096
- Capital			699,452					699,452
Total revenues	54,107	39,189	715,114	17,427	8,752	254,448	5,814	1,094,851
Expenses (Schedule 3)								
Wages & Benefits	307,744	18,295	787,058					1,113,097
Professional/Contractual Services	82,193	99,683	92,048	56,245	12,771			342,940
Utilities	12,113		24,937					37,050
Maintenance, Materials, Supplies	53,939	19,963	1,025,165	15,877		14,860	7,023	1,136,827
Grants and Contributions						41,638		41,638
Amortization of Tangible Capital Assets	10,009	5,291	1,153,500			23,626		1,192,426
Amortization of Intangible Capital Assets								
Interest	2,133							2,133
Accretion of asset retirement obligation								
Allowance for Uncollectibles								
Other						292,734		292,734
Total expenses	468,131	143,232	3,082,708	72,122	12,771	372,858	7,023	4,158,845
Surplus (Deficit) by Function	(414,024)	(104,043)	(2,367,594)	(54,695)	(4,019)	(118,410)	(1,209)	(3,063,994)
Taxation and other unconditional revenue (Schedule 1)								
Net Surplus (Deficit)								2,941,581
								\$ (122,413)

RURAL MUNICIPALITY OF SHELLBROOK #493
SCHEDULE 5 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
For the year ended December 31, 2023

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
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)
Intangible Capital Asset Sale - Gain (Loss)								
Land Sales - Gain (Loss)								
Investment Income	62,139							62,139
Commissions	1,181							1,181
Other Revenues	2,132			1,470				3,602
Grants - Conditional				6,975		10,077		17,052
- Capital			93,300					93,300
Total revenues	71,839	20,179	150,072	8,445	32,415	200,879	10,378	494,207
Expenses (Schedule 3)								
Wages & Benefits	252,179	19,056	742,810					1,014,045
Professional/Contractual Services	74,419	94,953	36,830	39,062	4,513			249,777
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 of Tangible Capital Assets						23,128		1,137,170
Amortization of Intangible Capital Assets	8,447	3,871	1,101,724					
Interest	2,167							2,167
Accretion of asset retirement obligation								
Allowance for Uncollectibles								
Other								
Total expenses	389,803	130,955	3,026,595	51,989	4,513	277,748	6,508	277,748
						347,001		3,957,364
Surplus (Deficit) by Function	(317,964)	(110,776)	(2,876,523)	(43,544)	27,902	(146,122)	3,870	(3,463,157)
Taxation and other unconditional revenue (Schedule 1)								
								2,646,375
Net Surplus (Deficit)								\$ (816,782)

RURAL MUNICIPALITY OF SHELLBROOK #493
SCHEDULE 6 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT
For the year ended December 31, 2024

Cost	General Assets					Infrastructure Assets	General/ Infrastructure	Totals	
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment			2024	2023
Opening costs	\$ 333,192	\$ 17,635	\$ 854,681	\$ 4,800	\$ 3,717,680	\$ 33,845,400	\$	\$ 38,773,388	\$ 38,558,756
Additions during the year				14,575	713,711	523,578		1,251,864	751,879
Disposals and write downs					(439,478)			(439,478)	(537,247)
Transfers from assets under construction									
Closing costs	333,192	17,635	854,681	19,375	3,991,913	34,368,978		39,585,774	38,773,388
Accumulated Amortization									
Opening accumulated amortization		2,792	486,655	2,700	1,642,878	13,237,343		15,372,368	14,409,404
Amortization		1,763	20,684	766	295,082	874,131		1,192,426	1,137,170
Disposals and write downs					(146,230)			(146,230)	(174,206)
Closing accumulated amortization		4,555	507,339	3,466	1,791,730	14,111,474		16,418,564	15,372,368
Net Book Value	\$ 333,192	\$ 13,080	\$ 347,342	\$ 15,909	\$ 2,200,183	\$ 20,257,504	\$	\$ 23,167,210	\$ 23,401,020

RURAL MUNICIPALITY OF SHELLBROOK #493
SCHEDULE 7 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION
For the year ended December 31, 2024

Cost	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Totals	
								2024	2023
Opening costs	\$ 591,645	\$ 52,912	\$ 37,381,241	\$ 7	\$ 7	\$ 747,583	\$	\$38,773,388	\$ 38,558,756
Additions during the year	9,370		1,195,130			47,364		1,251,864	751,879
Disposals and write downs			(434,322)			(5,156)		(439,478)	(537,247)
Closing costs	601,015	52,912	38,142,049	7		789,791		39,585,774	38,773,388
Accumulated Amortization									
Opening accumulated amortization	128,021	12,550	14,669,175			562,622		15,372,368	14,409,404
Amortization	10,009	5,291	1,153,500			23,626		1,192,426	1,137,170
Disposals and write downs			(141,155)			(5,075)		(146,230)	(174,206)
Closing accumulated amortization	138,030	17,841	15,681,520			581,173		16,418,564	15,372,368
Net Book Value	\$ 462,985	\$ 35,071	\$ 22,460,529	\$ 7	\$	\$ 208,618	\$	\$23,167,210	\$ 23,401,020

RURAL MUNICIPALITY OF SHELLBROOK #493
SCHEDULE 8 - SCHEDULE OF INTANGIBLE CAPITAL ASSETS BY OBJECT
For the year ended December 31, 2024

	General Assets					Asset Category		Asset Category		Totals	
						TBD		TBD			
	TBD	TBD	TBD	TBD	TBD	\$	\$	TBD	\$	2024	2023
Cost											
Opening costs	\$					\$	\$		\$	\$	\$
Additions during the year											
Disposals and write downs											
Transfers from assets under construction											
Closing costs											
Accumulated Amortization											
Opening accumulated amortization											
Amortization											
Disposals and write downs											
Closing accumulated amortization											
Net Book Value	\$	\$	\$	\$	\$	\$	\$		\$	\$	\$

RURAL MUNICIPALITY OF SHELLBROOK #493
SCHEDULE 9 - SCHEDULE OF INTANGIBLE CAPITAL ASSETS BY FUNCTION
For the year ended December 31, 2024

Cost		General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Totals	
									2024	2023
Opening costs	\$		\$	\$	\$	\$	\$	\$	\$	\$
Additions during the year										
Disposals and write downs										
Closing costs										
Accumulated Amortization										
Opening accumulated amortization										
Amortization										
Disposals and write downs										
Closing accumulated amortization										
Net Book Value	\$		\$	\$	\$	\$	\$	\$	\$	\$

RURAL MUNICIPALITY OF SHELLBROOK #493
SCHEDULE 10 - SCHEDULE OF ACCUMULATED SURPLUS
For the year ended December 31, 2024

	2023	Changes	2024
UNAPPROPRIATED SURPLUS	\$ 964,807	\$ 122,123	\$ 1,086,930
APPROPRIATED RESERVES			
General Reserve	694,009	(38,500)	655,509
Dedicated Lands Reserve	26,910	672	27,582
Heredin Creek Reserve	16,025	9,060	25,085
Total appropriated	736,944	(28,768)	708,176
ORGANIZED HAMLETS			
Holbein	137,980	9,277	147,257
Crutwell	100,991	8,765	109,756
Total Hamlets	238,971	18,042	257,013
NET INVESTMENT IN CAPITAL ASSETS			
Tangible capital assets (Schedules 6 and 7)	23,401,020	(233,810)	23,167,210
Intangible capital assets (Schedules 8 and 9)			
Net investment in capital assets	23,401,020	(233,810)	23,167,210
ACCUMULATED SURPLUS excluding remeasurement gains (losses)	\$ 25,341,742	\$ (122,413)	\$ 25,219,329

RURAL MUNICIPALITY OF SHELLBROOK #493
SCHEDULE 12 - SCHEDULE OF COUNCIL REMUNERATION
For the year ended December 31, 2024

<u>Position - Name</u>	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Reeve/Councilor - Christine Strube	\$ 9,056	\$ 2,806	\$ 11,862
Reeve - Doug Oleksyn	7,294	1,967	9,261
Councilor - Cliff Skauge	6,803	1,112	7,915
Councilor - Derwin Joelson	6,150	3,523	9,673
Councilor - Ivan Ten Bos	4,294	1,470	5,764
Councilor - Jay Ferster	4,256	227	4,483
Councilor - Tasha Cyr	544		544
Councilor - Kevin Bruce	525	134	659
Councilor - Levi Moore	450	146	596
	<u>\$ 39,372</u>	<u>\$ 11,385</u>	<u>\$ 50,757</u>