

**RURAL MUNICIPALITY OF THE GAP #39**

**FINANCIAL STATEMENTS**

**For the year ended December 31, 2024**

**RURAL MUNICIPALITY OF THE GAP #39**  
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**For the year ended December 31, 2024**

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## STATEMENT OF RESPONSIBILITY

To the Ratepayers of the Rural Municipality of The Gap #39:

The Municipality's management is responsible for the preparation and presentation of the accompanying financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the 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.

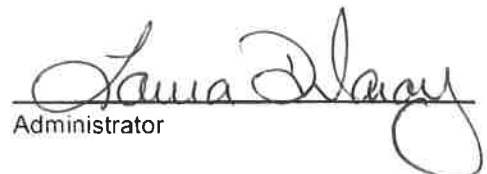
In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting, budget, and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are properly maintained to provide reliable information for the preparation of the 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 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 The Gap #39  
Yorkton, Saskatchewan

### Qualified Opinion

We have audited the financial statements of the Rural Municipality of The Gap #39, which comprise the statement of financial position as at December 31, 2024, the statement of operations, the statement of changes in net financial assets, the statement of cash flows, the statement of remeasurement gains (losses) for the year then ended, and the notes to the 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 financial statements present fairly, in all material respects, the financial position of the Rural Municipality of The Gap #39 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 The Gap #39. The Rural Municipality of The Gap #39 has not provided a reasonable estimate for the asset retirement costs associated with their water wells or buildings containing lead piping or 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 financial statements for the year ended December 31, 2024, have not been determined, as there is insufficient information available to do so.

The Rural Municipality of The Gap #39 is a part of a consolidated government partnership being the Ceylon Regional Park for which it has not reported in the financial statements of the Municipality. This constitutes a departure from Canadian public sector accounting standards, which require the consolidation of government partnerships. The impact of this departure from Canadian public accounting standards has not been determined on the statement of financial position, the statement of operations, the statement of changes in net financial assets, the statement of cash flows, the statement of remeasurement gains (losses) for the year ended December 31, 2024.

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 financial statements section of our report. We are independent of the Rural Municipality of The Gap #39 in accordance with the ethical requirements that are relevant to our audit of the 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 Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Rural Municipality of The Gap #39'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 The Gap #39 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 The Gap #39's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the 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 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 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 The Gap #39'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 The Gap #39'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 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 The Gap #39 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Yorkton, Saskatchewan  
June 18, 2025



Chartered Professional Accountants Ltd.

**RURAL MUNICIPALITY OF THE GAP #39**  
**STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2024**

	2024	2023
<b>FINANCIAL ASSETS</b>		
Cash	\$ 717,939	\$ 391,380
Investments (Note 2)	1,400,000	2,000,000
Taxes receivable - municipal (Note 3)	3,076	1,537
Other accounts receivable (Note 4)	62,816	74,028
Long-term receivables (Note 6)	45,563	40,876
<b>TOTAL FINANCIAL ASSETS</b>	<b>2,229,394</b>	<b>2,507,821</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	260,616	29,131
Deposits	1,148	
Deferred revenue (Note 9)	11,300	10,732
<b>TOTAL LIABILITIES</b>	<b>273,064</b>	<b>39,863</b>
<b>NET FINANCIAL ASSETS</b>	<b>1,956,330</b>	<b>2,467,958</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedules 6 and 7)	2,388,482	1,849,352
Assets held for sale (Note 5)	1,569	1,569
Inventories	482,195	263,167
Prepaid expenses	6,622	6,077
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>2,878,868</b>	<b>2,120,165</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 4,835,198</b>	<b>\$ 4,588,123</b>
Accumulated surplus is comprised of:		
Accumulated surplus excluding remeasurement gains (losses) (Schedule 10)	\$ 4,835,198	\$ 4,588,123
Accumulated remeasurement gains (losses)		
	<b>\$ 4,835,198</b>	<b>\$ 4,588,123</b>
<b>CONTINGENCIES (Note 8)</b>		

**RURAL MUNICIPALITY OF THE GAP #39**  
**STATEMENT OF OPERATIONS**  
For the year ended December 31, 2024

	2024 Budget Unaudited (Note 1)	2024 Actual	2023 Actual
<b>REVENUE</b>			
Tax revenue (Schedule 1)	\$ 715,372	\$ 715,800	\$ 700,868
Other unconditional revenue (Schedule 1)	215,620	215,501	189,370
Fees and charges (Schedules 4 and 5)	179,680	172,517	170,218
Conditional grants (Schedules 4 and 5)	28,480	87,613	30,127
Tangible capital asset sales - gain (loss) (Schedules 4 and 5)			5,432
Land sales - gain (loss) (Schedules 4 and 5)			2,705
Investment income (Schedules 4 and 5)	87,500	100,671	99,717
Other revenues (Schedules 4 and 5)	13,000	6,182	14,501
	<b>1,239,652</b>	<b>1,298,284</b>	<b>1,212,938</b>
<b>EXPENSES</b>			
General government services (Schedule 3)	222,326	225,993	223,003
Protective services (Schedule 3)	21,260	15,676	23,666
Transportation services (Schedule 3)	689,664	684,876	618,150
Environmental and public health services (Schedule 3)	57,554	108,780	58,676
Planning and development services (Schedule 3)	6,875	6,424	9,814
Recreation and cultural services (Schedule 3)	18,939	19,200	13,298
Utility services (Schedule 3)	2,500	1,671	1,481
	<b>1,019,118</b>	<b>1,062,620</b>	<b>948,088</b>
<b>ANNUAL SURPLUS BEFORE OTHER CAPITAL CONTRIBUTIONS</b>	<b>220,534</b>	<b>235,664</b>	<b>264,850</b>
Provincial/Federal capital grants and contributions (Schedules 4 and 5)	12,776	11,411	
<b>ANNUAL SURPLUS</b>	<b>233,310</b>	<b>247,075</b>	<b>264,850</b>
<b>ACCUMULATED SURPLUS EXCLUDING REMEASUREMENT GAINS (LOSSES), BEGINNING OF YEAR</b>	<b>4,588,123</b>	<b>4,588,123</b>	<b>4,323,273</b>
<b>ACCUMULATED SURPLUS EXCLUDING REMEASUREMENT GAINS (LOSSES), END OF YEAR</b>	<b>\$ 4,821,433</b>	<b>\$ 4,835,198</b>	<b>\$ 4,588,123</b>

**RURAL MUNICIPALITY OF THE GAP #39**  
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**For the year ended December 31, 2024**

	<b>2024 Budget Unaudited (Note 1)</b>	<b>2024 Actual</b>	<b>2023 Actual</b>
<b>ANNUAL SURPLUS</b>	<b>\$ 233,310</b>	<b>\$ 247,075</b>	<b>\$ 264,850</b>
Acquisition of tangible capital assets		(678,682)	(823,464)
Amortization of tangible capital assets	133,592	132,931	98,220
(Gain) loss on sale of tangible capital assets			(5,432)
Proceeds on sale of tangible capital assets		6,621	156,365
(Gain) loss on sale of assets held for sale			(2,705)
Proceeds on sale of assets held for sale			2,864
Decrease (increase) in inventories		(219,028)	5,433
Decrease (increase) in prepaid expenses		(545)	1,306
	<b>133,592</b>	<b>(758,703)</b>	<b>(567,413)</b>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>\$ 366,902</b>	<b>(511,628)</b>	<b>(302,563)</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<b>2,467,958</b>	<b>2,770,521</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<b>\$ 1,956,330</b>	<b>\$ 2,467,958</b>



**RURAL MUNICIPALITY OF THE GAP #39**  
**STATEMENT OF CASH FLOWS**  
**For the year ended December 31, 2024**

	2024	2023
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 247,075	\$ 264,850
Changes in non-cash items:		
Taxes receivable - municipal	(1,539)	528
Other accounts receivable	11,212	(34,611)
Long-term receivables	(4,687)	(2,593)
Inventories	(219,028)	5,433
Prepaid expenses	(545)	1,306
Accounts payable and accrued liabilities	231,485	(47,043)
Deferred revenue	568	13,413
Deposits	1,148	
(Gain) loss on sale of tangible capital assets		(5,432)
(Gain) loss on sale of assets held for sale		(2,705)
Amortization of tangible capital assets	132,931	98,220
Cash provided by operating transactions	398,620	291,366
<b>CAPITAL TRANSACTIONS</b>		
Proceeds from the disposal of tangible capital assets	6,621	156,365
Acquisition of tangible capital assets	(678,682)	(823,464)
Cash applied to capital transactions	(672,061)	(667,099)
<b>INVESTING TRANSACTIONS</b>		
Proceeds on disposal of investments	600,000	3,850
Proceeds on sale of assets held for sale		2,864
Cash provided by investing transactions	600,000	6,714
<b>CHANGE IN CASH</b>	326,559	(369,019)
<b>CASH, BEGINNING OF YEAR</b>	391,380	760,399
<b>CASH, END OF YEAR</b>	\$ 717,939	\$ 391,380

**RURAL MUNICIPALITY OF THE GAP #39**  
**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 THE GAP #39**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **For the year ended December 31, 2024**

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#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The 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 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 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. These financial statements do not contain any entities.

##### **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 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 THE GAP #39**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2024**

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**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 THE GAP #39**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2024**

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**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 THE GAP #39**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2024**

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

**Deferred Revenue and Deposits**

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 statement of operations when there is an other than temporary decline in value.

**RURAL MUNICIPALITY OF THE GAP #39**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2024**

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

**Financial Instruments (continued)**

Interest and dividends attributable to financial instruments are reported in the statement of operations. Unrealized gains and losses are recognized in the statement of remeasurement gains and losses. When the investment is disposed of the accumulated gains or losses are reclassified to the 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 THE GAP #39**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2024**

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**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>
<b>General Assets</b>	
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
<b>Infrastructure Assets</b>	
Infrastructure assets	30 to 75 years
Water & sewer	25 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 THE GAP #39**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2024**

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

**Leases**

All leases are recorded on the 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 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 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 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 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 financial statements as they are not controlled by the Municipality.

**RURAL MUNICIPALITY OF THE GAP #39**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2024**

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

**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.

**Measurement Uncertainty**

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period.

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.

**RURAL MUNICIPALITY OF THE GAP #39**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2024**

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

**Measurement Uncertainty (continued)**

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 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 10, 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.

**RURAL MUNICIPALITY OF THE GAP #39**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2024**

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

**Asset Retirement Obligations**

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.

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 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 financial statements.

**RURAL MUNICIPALITY OF THE GAP #39**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2024**

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

**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.

**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. INVESTMENTS**

	2024	2023
Investments carried at amortized cost:		
Portfolio investments	\$ 1,400,000	\$ 2,000,000

Portfolio investments represent investments in non-redeemable term deposits held at Radius Credit Union Ltd. and earn interest at rates of 3.90% and 4.00% (2023 - 1.10% and 5.50%) and have maturity dates of September 2025 and October 2025.

	2024	2023
Investment income:		
Income from portfolio investments	\$ 95,117	\$ 96,509
Interest	3,409	1,837
Dividends from patronage equity	2,145	1,371
Total investment income	\$ 100,671	\$ 99,717

**RURAL MUNICIPALITY OF THE GAP #39**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended December 31, 2024

**3. TAXES RECEIVABLE - MUNICIPAL**

	2024	2023
Municipal		
- Current	\$ 2,289	\$ 1,169
- Arrears	787	368
Total municipal taxes receivable	3,076	1,537
School		
- Current	1,037	597
- Arrears	377	159
Total taxes to be collected on behalf of School Divisions	1,414	756
Total taxes and grants-in-lieu receivable	4,490	2,293
Deduct taxes to be collected on behalf of other organizations	(1,414)	(756)
Total taxes receivable - municipal	\$ 3,076	\$ 1,537

**4. OTHER ACCOUNTS RECEIVABLE**

	2024	2023
Federal government	\$ 27,566	\$ 3,181
Organizations and individuals	16,228	23,237
Accrued interest	11,031	38,896
Local government	9,593	8,714
	64,418	74,028
Less: allowance for doubtful amounts	(1,602)	
Total other accounts receivable	\$ 62,816	\$ 74,028

**5. ASSETS HELD FOR SALE**

	2024	2023
Tax title property	\$ 11,160	\$ 11,160
Allowance for market value adjustment	(9,591)	(9,591)
Total assets held for sale	\$ 1,569	\$ 1,569

**RURAL MUNICIPALITY OF THE GAP #39**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended December 31, 2024

**6. LONG-TERM RECEIVABLES**

	2024	2023
Saskatchewan Association of Rural Municipalities - Self-Insurance Fund	\$ 45,563	\$ 40,876

**7. LONG-TERM DEBT**

The debt limit of the Municipality is \$979,372. 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.

**9. DEFERRED REVENUE**

	2023	Restricted inflows	Revenue earned	2024
Canada Community - Building Fund	\$ 10,732	\$ 11,908	\$ 11,411	\$ 11,229
Prepaid dust control revenue		52		52
Prepaid taxes		19		19
Total deferred revenue	\$ 10,732			\$ 11,300

**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 and increase to deferred revenue of \$10,732. The restatement impacts prior year balances, specifically increasing deferred revenue and decreasing grant revenue for the same amount. This restatement ensures compliance with the accounting treatment for government transfers as mentioned in Note 1 of the financial statements.

**RURAL MUNICIPALITY OF THE GAP #39**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2024**

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**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 \$27,488 (2023 - \$27,760). 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 2024 were \$27,488 (2023 - \$27,760). Total current service contributions by the employees of the Municipality to the MEPP in 2024 were \$27,488 (2023 - \$27,760).

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>.

**12. 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 parties may default on their financial obligations. Credit risk is primarily associated with accounts receivable, which total \$67,494 as at year-end.

The composition of receivables is as follows:

- Property taxes receivable: \$3,076
- Local government: \$9,593
- GST receivable: \$27,566
- Organizations and individuals: \$16,228
- Accrued interest: \$11,031

Credit risk related to taxes arises from transactions with residents and ratepayers. The risk is mitigated by the Municipality's authority to pursue tax recovery measures under applicable legislation.



**RURAL MUNICIPALITY OF THE GAP #39**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2024**

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**12. RISK MANAGEMENT (CONTINUED)**

Credit risk (continued)

Receivables from local governments, banking institutions, and the Canada Revenue Agency (CRA) are considered low risk due to creditworthiness of these counterparties.

The credit risk for receivables from organizations and individuals is mitigated through ongoing monitoring, timely invoicing, and active collection efforts. Due to the diversity of individual counterparties, the exposure to significant loss in this category is considered low.

At year-end, \$4,068 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 or fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Municipality is exposed to interest rate risk on its fixed-rate portfolio investments. Portfolio investments are held at fixed interest rates. Although fixed-rate instruments typically expose the holder to interest rate risk in a rising rate environment, the Municipality's current holdings bear interest rates that are above current market levels, mitigating the risk and providing a financial benefit in the short term.

The Municipality actively monitors its investment portfolio to manage exposure to interest rate changes and to ensure alignment with its financial risk management objectives.

**RURAL MUNICIPALITY OF THE GAP #39****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
<b>TAXES</b>			
General municipal tax levy	\$ 756,252	\$ 756,252	\$ 741,645
Discount on current year taxes	(41,000)	(40,619)	(40,892)
<b>Net Municipal Taxes</b>	<b>715,252</b>	<b>715,633</b>	<b>700,753</b>
Penalties on tax arrears	120	167	115
<b>Total Taxes</b>	<b>715,372</b>	<b>715,800</b>	<b>700,868</b>
<b>UNCONDITIONAL GRANTS</b>			
Revenue Sharing	213,136	213,150	186,886
<b>Total Unconditional Grants</b>	<b>213,136</b>	<b>213,150</b>	<b>186,886</b>
<b>GRANTS-IN-LIEU OF TAXES</b>			
Provincial			
SaskTel	2,484	1,440	1,569
Saskatchewan Property Management		911	915
<b>Total Grants-in-Lieu of Taxes</b>	<b>2,484</b>	<b>2,351</b>	<b>2,484</b>
<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<b>\$ 930,992</b>	<b>\$ 931,301</b>	<b>\$ 890,238</b>

# RURAL MUNICIPALITY OF THE GAP #39

## 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
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Sales of supplies	\$ 760	\$ 978	\$ 785
- Tax certificates and general office services	320	370	320
Total Fees and Charges	1,080	1,348	1,105
- Land sales - gain (loss)			2,705
- Investment income	87,500	100,671	99,717
Total Other Segmented Revenue	88,580	102,019	103,527
<b>Total Operating</b>	88,580	102,019	103,527
<b>Total General Government Services</b>	88,580	102,019	103,527
<b>PROTECTIVE SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Fire fees	10,000	4,606	11,818
Total Fees and Charges	10,000	4,606	11,818
Total Other Segmented Revenue	10,000	4,606	11,818
<b>Total Operating</b>	10,000	4,606	11,818
<b>Total Protective Services</b>	10,000	4,606	11,818

**RURAL MUNICIPALITY OF THE GAP #39****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
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 28,700	\$ 27,825	\$ 30,597
- Sales of supplies	46,050	50,406	43,496
- Road maintenance and restoration agreements	85,000	79,932	76,192
Total Fees and Charges	159,750	158,163	150,285
- Tangible capital asset sales - gain (loss)			5,432
Total Other Segmented Revenue	159,750	158,163	155,717
Conditional Grants			
- Clearing the Path	13,180	17,134	15,816
Total Conditional Grants	13,180	17,134	15,816
<b>Total Operating</b>	<b>172,930</b>	<b>175,297</b>	<b>171,533</b>
<b>Capital</b>			
Conditional Grants			
- Canada Community - Building Fund (CCBF)	12,776	11,411	
<b>Total Capital</b>	<b>12,776</b>	<b>11,411</b>	
<b>Total Transportation Services</b>	<b>185,706</b>	<b>186,708</b>	<b>171,533</b>
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Waste and disposal fees	3,900	3,915	3,510
- Cemetery fees	1,500	943	1,050
Total Fees and Charges	5,400	4,858	4,560
Total Other Segmented Revenue	5,400	4,858	4,560
Conditional Grants			
- Provincial rat eradication and gopher control programs	15,300	70,479	14,311
Total Conditional Grants	15,300	70,479	14,311
<b>Total Operating</b>	<b>20,700</b>	<b>75,337</b>	<b>18,871</b>
<b>Total Environmental and Public Health Services</b>	<b>20,700</b>	<b>75,337</b>	<b>18,871</b>

**RURAL MUNICIPALITY OF THE GAP #39****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
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Permits	\$ 3,450	\$ 3,542	\$ 2,450
Total Fees and Charges	3,450	3,542	2,450
- Mineral royalties and municipal reserve compensation	13,000	6,182	14,501
Total Other Segmented Revenue	16,450	9,724	16,951
<b>Total Operating</b>	16,450	9,724	16,951
<b>Total Planning and Development Services</b>	16,450	9,724	16,951
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>\$ 321,436</b>	<b>\$ 378,394</b>	<b>\$ 322,700</b>
<b>SUMMARY</b>			
Total Other Segmented Revenue	\$ 280,180	\$ 279,370	\$ 292,573
Total Conditional Grants	28,480	87,613	30,127
Total Capital Grants and Contributions	12,776	11,411	
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>\$ 321,436</b>	<b>\$ 378,394</b>	<b>\$ 322,700</b>

**RURAL MUNICIPALITY OF THE GAP #39**  
**SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION**  
**For the year ended December 31, 2024**

	2024 Budget Unaudited (Note 1)	2024 Actual	2023 Actual
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	\$ 67,501	\$ 63,725	\$ 67,025
Wages and benefits	103,955	114,297	122,839
Professional/Contractual services	33,388	32,158	20,366
Utilities	3,825	3,717	3,780
Maintenance, materials, and supplies	10,925	9,365	7,316
Amortization of tangible capital assets	1,067	1,067	1,067
Allowance for uncollectibles	1,665	1,664	610
<b>Total General Government Services</b>	<b>222,326</b>	<b>225,993</b>	<b>223,003</b>
<b>PROTECTIVE SERVICES</b>			
<b>Police protection</b>			
Professional/Contractual services	10,610	10,708	10,407
<b>Fire protection</b>			
Professional/Contractual services	10,000	4,968	12,135
Grants and contributions			
- Operating	650		1,124
<b>Total Protective Services</b>	<b>21,260</b>	<b>15,676</b>	<b>23,666</b>
<b>TRANSPORTATION SERVICES</b>			
Wages and benefits	248,503	248,866	234,053
Professional/Contractual services	54,026	53,449	55,351
Utilities	5,515	6,142	3,870
Maintenance, materials, and supplies	116,600	97,899	130,487
Gravel	133,000	147,162	97,742
Amortization of tangible capital assets	132,020	131,358	96,647
<b>Total Transportation Services</b>	<b>689,664</b>	<b>684,876</b>	<b>618,150</b>
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Professional/Contractual services	18,540	74,331	16,642
Maintenance, materials, and supplies	16,600	10,432	19,619
Grants and contributions			
- Operating			
• Waste disposal	21,909	21,909	21,909
Amortization of tangible capital assets	505	506	506
Allowance (recovery) for uncollectibles		1,602	
<b>Total Environmental and Public Health Services</b>	<b>57,554</b>	<b>108,780</b>	<b>58,676</b>

**RURAL MUNICIPALITY OF THE GAP #39**  
**SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION**  
**For the year ended December 31, 2024**

	2024 Budget Unaudited (Note 1)	2024 Actual	2023 Actual
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
Professional/Contractual services	\$ 2,225	\$ 1,567	\$ 225
Grants and contributions			
- Operating	3,150	3,150	8,652
Quarry lease	1,500	1,707	937
<b>Total Planning and Development Services</b>	<b>6,875</b>	<b>6,424</b>	<b>9,814</b>
<b>RECREATION AND CULTURAL SERVICES</b>			
Grants and contributions			
- Operating	18,939	19,200	13,298
<b>Total Recreation and Cultural Services</b>	<b>18,939</b>	<b>19,200</b>	<b>13,298</b>
<b>UTILITY SERVICES</b>			
Utilities	1,500	1,633	1,481
Maintenance, materials, and supplies	1,000	38	
<b>Total Utility Services</b>	<b>2,500</b>	<b>1,671</b>	<b>1,481</b>
<b>TOTAL EXPENSES BY FUNCTION</b>	<b>\$ 1,019,118</b>	<b>\$ 1,062,620</b>	<b>\$ 948,088</b>

**RURAL MUNICIPALITY OF THE GAP #39**  
**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
<b>Revenues (Schedule 2)</b>								
Fees and Charges	\$ 1,348	\$ 4,606	\$ 158,163	\$ 4,858	\$ 3,542	\$	\$	\$ 172,517
Tangible Capital Asset Sale - Gain (Loss)								
Intangible Capital Asset Sale - Gain (Loss)								
Land Sales - Gain (Loss)								
Investment Income	100,671							100,671
Commissions								
Other Revenues			17,134	70,479	6,182			6,182
Grants - Conditional			11,411					87,613
- Capital								11,411
<b>Total revenues</b>	<b>102,019</b>	<b>4,606</b>	<b>186,708</b>	<b>75,337</b>	<b>9,724</b>			<b>378,394</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	178,022		248,866					426,888
Professional/Contractual Services	32,158	15,676	53,449	74,331	1,567			177,181
Utilities	3,717		6,142				1,633	11,492
Maintenance, Materials, Supplies	9,365		245,061	10,432			38	264,896
Grants and Contributions				21,909	3,150	19,200		44,259
Amortization of Tangible Capital Assets	1,067		131,358	506				132,931
Amortization of Intangible Capital Assets								
Interest								
Accretion of asset retirement obligation								
Allowance for Uncollectibles	1,664			1,602	1,707			3,266
Other								1,707
<b>Total expenses</b>	<b>225,993</b>	<b>15,676</b>	<b>684,876</b>	<b>108,780</b>	<b>6,424</b>	<b>19,200</b>	<b>1,671</b>	<b>1,062,620</b>
<b>Surplus (Deficit) by Function</b>	<b>(123,974)</b>	<b>(11,070)</b>	<b>(498,168)</b>	<b>(33,443)</b>	<b>3,300</b>	<b>(19,200)</b>	<b>(1,671)</b>	<b>(684,226)</b>
Taxation and other unconditional revenue (Schedule 1)								
								931,301
<b>Net Surplus (Deficit)</b>								<b>\$ 247,075</b>



**RURAL MUNICIPALITY OF THE GAP #39**  
**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
<b>Revenues (Schedule 2)</b>								
Fees and Charges	\$ 1,105	\$ 11,818	\$ 150,285	\$ 4,560	\$ 2,450	\$	\$	\$ 170,218
Tangible Capital Asset Sale - Gain (Loss)			5,432					5,432
Intangible Capital Asset Sale - Gain (Loss)	2,705							2,705
Land Sales - Gain (Loss)	99,717							99,717
Investment Income								
Commissions								
Other Revenues					14,501			14,501
Grants - Conditional			15,816	14,311				30,127
- Capital								
<b>Total revenues</b>	<b>103,527</b>	<b>11,818</b>	<b>171,533</b>	<b>18,871</b>	<b>16,951</b>			<b>322,700</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	189,864		234,053					423,917
Professional/Contractual Services	20,366	22,542	55,351	16,642	225			115,126
Utilities	3,780		3,870				1,481	9,131
Maintenance, Materials, Supplies	7,316		228,229	19,619				255,164
Grants and Contributions		1,124		21,909	8,652	13,298		44,983
Amortization of Tangible Capital Assets	1,067		96,647	506				98,220
Amortization of Intangible Capital Assets								
Interest								
Accretion of asset retirement obligation	610				937			610
Allowance for Uncollectibles								
Other								
<b>Total expenses</b>	<b>223,003</b>	<b>23,666</b>	<b>618,150</b>	<b>58,676</b>	<b>9,814</b>	<b>13,298</b>	<b>1,481</b>	<b>948,088</b>
<b>Surplus (Deficit) by Function</b>	<b>(119,476)</b>	<b>(11,848)</b>	<b>(446,617)</b>	<b>(39,805)</b>	<b>7,137</b>	<b>(13,298)</b>	<b>(1,481)</b>	<b>(625,388)</b>
Taxation and other unconditional revenue (Schedule 1)								
								890,238
<b>Net Surplus (Deficit)</b>								<b>\$ 264,850</b>

**RURAL MUNICIPALITY OF THE GAP #39**  
**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	Linear Assets	Assets Under Construction	2024	2023	
Opening costs	\$ 3,004	\$	\$ 72,458	\$ 16,275	\$ 1,355,583	\$ 2,312,640	\$ 249,182	\$ 4,009,142	\$ 3,476,178	
Additions during the year			610,389			68,293		678,682	823,464	
Disposals and write downs					(6,621)			(6,621)	(290,500)	
Transfers from assets under construction			249,182				(249,182)			
Closing costs	3,004		932,029	16,275	1,348,962	2,380,933		4,681,203	4,009,142	
<b>Accumulated Amortization</b>										
Opening accumulated amortization			43,733	16,275	341,132	1,758,650		2,159,790	2,201,137	
Amortization			1,420		92,414	39,097		132,931	98,220	
Disposals and write downs									(139,567)	
Closing accumulated amortization			45,153	16,275	433,546	1,797,747		2,292,721	2,159,790	
Net Book Value	\$ 3,004	\$	\$ 886,876	\$	\$ 915,416	\$ 583,186	\$	\$ 2,388,482	\$ 1,849,352	

**RURAL MUNICIPALITY OF THE GAP #39**  
**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	\$ 60,022	\$	\$ 3,924,501	\$ 5,757	\$	\$	\$ 18,862	\$ 4,009,142	\$ 3,476,178
Additions during the year			678,682					678,682	823,464
Disposals and write downs			(6,621)					(6,621)	(290,500)
Closing costs	60,022		4,596,562	5,757			18,862	4,681,203	4,009,142
<b>Accumulated Amortization</b>									
Opening accumulated amortization	38,130		2,102,292	506			18,862	2,159,790	2,201,137
Amortization	1,067		131,358	506				132,931	98,220
Disposals and write downs									(139,567)
Closing accumulated amortization	39,197		2,233,650	1,012			18,862	2,292,721	2,159,790
Net Book Value	\$ 20,825	\$	\$ 2,362,912	\$ 4,745	\$	\$	\$	\$ 2,388,482	\$ 1,849,352

**RURAL MUNICIPALITY OF THE GAP #39**  
**SCHEDULE 8 - SCHEDULE OF INTANGIBLE CAPITAL ASSETS BY OBJECT**  
**For the year ended December 31, 2024**

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

**RURAL MUNICIPALITY OF THE GAP #39**  
**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									
<b>Accumulated Amortization</b>									
Opening accumulated amortization									
Amortization									
Disposals and write downs									
Closing accumulated amortization									
Net Book Value	\$	\$	\$	\$	\$	\$	\$	\$	\$

**RURAL MUNICIPALITY OF THE GAP #39**  
**SCHEDULE 10 - SCHEDULE OF ACCUMULATED SURPLUS**  
For the year ended December 31, 2024

	2023	Changes	2024
<b>UNAPPROPRIATED SURPLUS</b>	\$ 1,361,797	\$ 217,945	\$ 1,579,742
<b>APPROPRIATED RESERVES</b>			
Machinery & Equipment Reserve	1,376,974	(510,000)	866,974
<b>Total appropriated</b>	1,376,974	(510,000)	866,974
<b>NET INVESTMENT IN CAPITAL ASSETS</b>			
Tangible capital assets (Schedules 6 and 7)	1,849,352	539,130	2,388,482
Intangible capital assets (Schedules 8 and 9)			
<b>Net investment in capital assets</b>	1,849,352	539,130	2,388,482
<b>ACCUMULATED SURPLUS excluding remeasurement gains (losses)</b>	\$ 4,588,123	\$ 247,075	\$ 4,835,198

**RURAL MUNICIPALITY OF THE GAP #39**  
**SCHEDULE 11 - SCHEDULE OF MILL RATES AND ASSESSMENTS**  
**For the year ended December 31, 2024**

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable assessment	96,566,895	1,142,155			16,741,090		114,450,140
Regional Park Assessment							
Total Assessment							
Mill Rate Factor(s)	1.00	1.25			4.19		114,450,140
Total Base/Minimum Tax							
Total Municipal Tax Levy	434,551	6,425			315,276		756,252

**MILL RATES:**

	MILLS
Average Municipal	6.6077
Average School	2.6731
Potash Mill Rate	
Uniform Municipal Mill Rate	4.5000

**RURAL MUNICIPALITY OF THE GAP #39**  
**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 - Alastair Burnett	\$ 9,000	\$ 510	9,510
Reeve - Lorne McClarty	8,700	57	8,757
Councilor - Murray Scott	7,800	400	8,200
Councilor - Roland Carles	6,900	505	7,405
Councilor - Keith Kaufmann	6,900	469	7,369
Councilor - Jeff Jensen	6,900	229	7,129
Councilor - Ernie Sorensen	6,900	200	7,100
Councilor - Lane Carles	900	57	957
Councilor - Austen Carles	900	45	945
Councilor - Tim DeBruyne	900	34	934
	<u>\$ 55,800</u>	<u>\$ 2,506</u>	<u>58,306</u>