

RURAL MUNICIPALITY OF THE GAP #39

FINANCIAL STATEMENTS

For the year ended December 31, 2023

RURAL MUNICIPALITY OF THE GAP #39

TABLE OF CONTENTS

For the year ended December 31, 2023

	Page
STATEMENT OF RESPONSIBILITY	3
INDEPENDENT AUDITOR'S REPORT , dated May 8, 2024	4 - 5
FINANCIAL STATEMENTS	
Statement of Financial Position	6
Statement of Operations	7
Statement of Change in Net Financial Assets	8
Statement of Cash Flows	9
Statement of Remeasurement Gains (Losses)	10
Notes to the Financial Statements	11 - 22
Schedule 1 - Schedule of Taxes and Other Unconditional Revenue	23
Schedule 2 - Schedule of Operating and Capital Revenue by Function	24 - 26
Schedule 3 - Schedule of Expenses by Function	27 - 28
Schedule 4 - Schedule of Segment Disclosure by Function - 2023	29
Schedule 5 - Schedule of Segment Disclosure by Function - 2022	30
Schedule 6 - Schedule of Tangible Capital Assets by Object	31
Schedule 7 - Schedule of Tangible Capital Assets by Function	32
Schedule 8 - Schedule of Accumulated Surplus	33
Schedule 9 - Schedule of Mill Rates and Assessments	34
Schedule 10 - Schedule of Council Remuneration	35

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



Reeve



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, 2023, the statement of operations, statement of changes in net financial assets, statement of cash flows, and statement of remeasurement gains (losses) for the year then ended, and 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, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Public Sector Accounting Board has introduced section PS 3280 which is a new standard establishing guidance on the accounting and reporting on the retirement of tangible capital assets controlled by the Rural Municipality of 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, 2023, have not been determined, as there is insufficient information available to do so.

The Rural Municipality of The Gap #39 is apart 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, statement of operations, statement of changes in net financial assets, statement of cash flows, and statement of remeasurement gains (losses) for the year ended December 31, 2023.

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.

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
May 8, 2024



Chartered Professional Accountants Ltd.

RURAL MUNICIPALITY OF THE GAP #39
STATEMENT OF FINANCIAL POSITION
As at December 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 2,391,380	\$ 2,764,249
Taxes receivable - municipal (Note 3)	1,537	2,068
Other accounts receivable (Note 4)	74,028	39,417
Long-term receivables (Note 6)	40,876	38,283
TOTAL FINANCIAL ASSETS	2,507,821	2,844,017
LIABILITIES		
Accounts payable and accrued liabilities	29,131	76,174
TOTAL LIABILITIES	29,131	76,174
NET FINANCIAL ASSETS	2,478,690	2,767,843
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedules 6 and 7)	1,849,352	1,275,041
Assets held for sale (Note 5)	1,569	1,728
Inventories	263,167	268,600
Prepaid expenses	6,077	7,384
TOTAL NON-FINANCIAL ASSETS	2,120,165	1,552,753
ACCUMULATED SURPLUS	\$ 4,598,855	\$ 4,320,596
Accumulated surplus is comprised of:		
Accumulated surplus excluding remeasurement gains (losses) (Schedule 8)	\$ 4,598,855	\$ 4,320,596
Accumulated remeasurement gains (losses)		
	\$ 4,598,855	\$ 4,320,596
COMMITMENTS (Note 9)		

RURAL MUNICIPALITY OF THE GAP #39
STATEMENT OF OPERATIONS
For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
REVENUE			
Taxes revenue (Schedule 1)	\$ 702,845	\$ 700,868	\$ 693,703
Other unconditional revenue (Schedule 1)	189,249	189,370	166,497
Fees and charges (Schedules 4 and 5)	128,560	170,218	123,465
Conditional grants (Schedules 4 and 5)	18,016	30,127	18,029
Tangible capital asset sales - gain (loss) (Schedules 4 and 5)		5,432	4,000
Land sales - gain (loss) (Schedules 4 and 5)		2,705	
Investment income (Schedules 4 and 5)	87,415	99,717	38,335
Other revenues (Schedules 4 and 5)	3,000	14,501	3,103
Provincial/Federal capital grants and contributions (Schedules 4 and 5)	13,413	13,413	6,149
	1,142,498	1,226,351	1,053,281
EXPENSES			
General government services (Schedule 3)	221,280	223,007	209,548
Protective services (Schedule 3)	31,025	23,666	46,428
Transportation services (Schedule 3)	798,581	618,150	649,934
Environmental and public health services (Schedule 3)	47,780	58,676	51,199
Planning and development services (Schedule 3)	3,358	9,814	4,038
Recreation and cultural services (Schedule 3)	13,508	13,298	15,205
Utility services (Schedule 3)	2,500	1,481	1,365
	1,118,032	948,092	977,717
ANNUAL SURPLUS	24,466	278,259	75,564
ACCUMULATED SURPLUS, BEGINNING OF YEAR	4,320,596	4,320,596	4,245,032
ACCUMULATED SURPLUS, END OF YEAR	\$ 4,345,062	\$ 4,598,855	\$ 4,320,596

RURAL MUNICIPALITY OF THE GAP #39
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
ANNUAL SURPLUS	\$ 24,466	\$ 278,259	\$ 75,564
Acquisition of tangible capital assets		(823,464)	(117,733)
Amortization of tangible capital assets	117,988	98,220	114,544
Gain on disposal of tangible capital assets		(5,432)	(4,000)
Proceeds on disposal of tangible capital assets		156,365	4,000
Gain on sale of assets held for sale		(2,705)	
Proceeds on sale of assets held for sale		2,864	
Decrease in inventories		5,433	70,401
Decrease in prepaid expenses		1,307	2,200
	117,988	(567,412)	69,412
CHANGE IN NET FINANCIAL ASSETS	\$ 142,454	(289,153)	144,976
NET FINANCIAL ASSETS, BEGINNING OF YEAR		2,767,843	2,622,867
NET FINANCIAL ASSETS, END OF YEAR		\$ 2,478,690	\$ 2,767,843

RURAL MUNICIPALITY OF THE GAP #39
STATEMENT OF CASH FLOWS
For the year ended December 31, 2023

	2023	2022
OPERATING TRANSACTIONS		
Annual surplus	\$ 278,259	\$ 75,564
Changes in non-cash items:		
Taxes receivable - municipal	531	3,011
Other accounts receivable	(34,611)	5,333
Inventories	5,433	70,401
Prepaid expenses	1,307	2,200
Accounts payable and accrued liabilities	(47,043)	12,783
Deferred revenue		(97)
Gain on sale of tangible capital assets	(5,432)	(4,000)
Gain on sale of assets held for sale	(2,705)	
Amortization	98,220	114,544
Cash provided by operating transactions	293,959	279,739
CAPITAL TRANSACTIONS		
Proceeds from the disposal of tangible capital assets	156,365	4,000
Acquisition of tangible capital assets	(823,464)	(117,733)
Cash provided applied to capital transactions	(667,099)	(113,733)
INVESTING TRANSACTIONS		
Proceeds on sale of assets held for sale	2,864	
Decrease (increase) in long-term receivables	(2,593)	8,908
Cash provided by investing transactions	271	8,908
CHANGE IN CASH AND CASH EQUIVALENTS	(372,869)	174,914
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,764,249	2,589,335
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,391,380	\$ 2,764,249

RURAL MUNICIPALITY OF THE GAP #39
STATEMENT OF REMEASUREMENT GAINS (LOSSES)
For the year ended December 31, 2023

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

RURAL MUNICIPALITY OF THE GAP #39

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

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 consolidate 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

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 financial statements do not contain any partnerships.

Collection of Funds for Other Authorities

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

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

RURAL MUNICIPALITY OF THE GAP #39
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other (Non-Government Transfer) Contributions

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

Deferred Revenue

Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.

Local Improvement Charges

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

Net Financial Assets

Net financial assets at the end of the accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.

Non-Financial Assets

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

Appropriated Reserves

Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 8.

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.

RURAL MUNICIPALITY OF THE GAP #39
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2023

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	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, 2023

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.

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.

Employee Benefit Plans

Contributions to the Municipality's multi-employer defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the Municipality's obligations are limited to their contributions.

Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) the Municipality:
 - i. is directly responsible; or
 - ii. accepts responsibility;
- d) it is expected that future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

RURAL MUNICIPALITY OF THE GAP #39
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

Basis of Segmentation/Segment Report

The Municipality has adopted the new Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly attributable to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the purpose of specific borrowings.

The segments (functions) are as follows:

General government: Provides administration of the Municipality.

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

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

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

RURAL MUNICIPALITY OF THE GAP #39
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Segmentation/Segment Report (Continued)

Planning and development: Provides for neighbourhood development and sustainability.

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

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

Budget Information

Budget information is presented on a basis consistent with that used for the actual results. The budget was approved by Council on June 14, 2023.

Assets Held for Sale

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

Asset Retirement Obligation

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

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

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

RURAL MUNICIPALITY OF THE GAP #39
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Asset Retirement Obligation (Continued)

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

New Standards and Amendments to Standards

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

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

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

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

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

RURAL MUNICIPALITY OF THE GAP #39
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Policies Adopted During the Year:

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

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

PS 3280 Asset Retirement Obligations, a new standard establishing guidance on the accounting and reporting of legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. As this standard includes solid waste landfill sites active and post-closing obligations, upon adoption of this new standard, existing Solid Waste Landfill Closure and Post-Closure Liability section PS 3270 will be withdrawn.

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

Prospective application:

During the year, the Rural Municipality of The Gap #39 adopted a new accounting policy with respect to PS 3280, Asset Retirement Obligations. The Rural Municipality of The Gap #39 now accounts for such transactions in line with that standard. Prior to this, the Rural Municipality of The Gap #39 accounted for these transactions under PS 3270, Solid Waste Landfill Closure and Post-Closure Liability. The adoption of the accounting policy has impacted the Rural Municipality of The Gap #39's financial statements. At this time the Rural Municipality of The Gap #39 is not in compliance with the policy and has no asset retirement obligations recorded in the financial statements.

RURAL MUNICIPALITY OF THE GAP #39
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

2. CASH AND CASH EQUIVALENTS

	2023	2022
Cash	\$ 391,380	\$ 760,399
Cash equivalents	2,000,000	2,003,850
	\$ 2,391,380	\$ 2,764,249

Cash and cash equivalents include balances with banks and term deposits. Cash equivalents represent investments in redeemable term deposits held at Radius Credit Union Ltd. and earn interest at rates between 1.10% and 5.50% (2022 - 2.35% and 4.90%) and have maturity dates ranging from February 2024 to November 2024.

3. TAXES RECEIVABLE - MUNICIPAL

	2023	2022
Municipal	\$ 1,169	\$ 2,068
- Current	368	
- Arrears		
	1,537	2,068
School	597	881
- Current	159	
- Arrears		
	756	881
Total taxes to be collected on behalf of School Divisions		
	2,293	2,949
Total taxes and grants-in-lieu receivable		
	(756)	(881)
Deduct taxes to be collected on behalf of other organizations		
	\$ 1,537	\$ 2,068
Total taxes receivable - municipal		

4. OTHER ACCOUNTS RECEIVABLE

	2023	2022
Accrued interest	\$ 38,896	\$ 20,893
Organizations and individuals	26,658	12,643
Provincial government	5,293	2,213
Federal government	3,181	3,668
	74,028	39,417
Total other accounts receivable		

RURAL MUNICIPALITY OF THE GAP #39
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

5. ASSETS HELD FOR SALE

	2023	2022
Tax title property	\$ 11,160	\$ 15,284
Allowance for market value adjustment	(9,591)	(13,556)
Total assets held for sale	\$ 1,569	\$ 1,728

6. LONG-TERM RECEIVABLES

	2023	2022
Saskatchewan Association of Rural Municipalities - Self-Insurance Fund	\$ 40,876	\$ 38,283

7. LONG-TERM DEBT

The debt limit of the Municipality is \$858,383. 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. COMMITMENTS

The Municipality has entered into a contract with Sandstorm Construction for the design and construction of the commercial shop building for a total cost of \$535,000 plus taxes which is expected to be completed in 2024. As of the financial statement date, \$249,182 has been spent on this project.

10. PENSION PLAN

The Municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration benefits. The Municipality's pension expense in 2023 was \$27,760 (2022 - \$26,316). 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, the 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.

RURAL MUNICIPALITY OF THE GAP #39
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

10. PENSION PLAN (CONTINUED)

Total current service contributions by the Municipality to the MEPP in 2023 were \$27,760 (2022 - \$26,316). Total current service contributions by the employees of the Municipality to the MEPP in 2023 were \$27,760 (2022 - \$26,316).

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

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

11. RISK MANAGEMENT

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

Price risk

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

Credit risk

The Municipality provides credit to its ratepayers for taxes as taxes are not due until December 31 in the year they are levied. It carries out, on a continuing basis, credit checks and occasionally has bad debt on taxes. All other accounts receivables, the Municipality does not provide credit to its ratepayers and customers.

Liquidity risk

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

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

Interest rate risk

The Municipality is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed-rate instruments subject the Municipality to a fair value risk. The Municipality is exposed to this type of risk as a result of investments in redeemable term deposits. The risk associated with term deposits is reduced as current interest rates approximate market rates.

RURAL MUNICIPALITY OF THE GAP #39**SCHEDULE 1 - SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES**

For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
TAXES			
General municipal tax levy	\$ 741,645	\$ 741,645	\$ 732,304
Discount on current year taxes	(39,000)	(40,892)	(38,824)
Net Municipal Taxes	702,645	700,753	693,480
Penalties on tax arrears	200	115	223
Total Taxes	702,845	700,868	693,703
UNCONDITIONAL GRANTS			
Revenue Sharing	186,868	186,886	164,116
Total Unconditional Grants	186,868	186,886	164,116
GRANTS-IN-LIEU OF TAXES			
Provincial			
SaskTel	2,381	1,569	1,569
Saskatchewan Property Management		915	812
Total Grants-in-Lieu of Taxes	2,381	2,484	2,381
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 892,094	\$ 890,238	\$ 860,200

RURAL MUNICIPALITY OF THE GAP #39**SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION****For the year ended December 31, 2023**

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Sales of supplies	\$ 690	\$ 785	\$ 691
- Tax certificates and office services	320	320	715
Total Fees and Charges	1,010	1,105	1,406
- Land sales - gain (loss)		2,705	
- Investment income	87,415	99,717	38,335
Total Other Segmented Revenue	88,425	103,527	39,741
Total Operating	88,425	103,527	39,741
Total General Government Services	88,425	103,527	39,741
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Fire fees	10,000	11,818	6,159
Total Fees and Charges	10,000	11,818	6,159
Total Other Segmented Revenue	10,000	11,818	6,159
Total Operating	10,000	11,818	6,159
Total Protective Services	10,000	11,818	6,159

RURAL MUNICIPALITY OF THE GAP #39**SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION****For the year ended December 31, 2023**

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 21,000	\$ 30,597	\$ 21,525
- Sales of supplies	30,000	43,496	35,967
- Road maintenance and restoration agreements	55,000	76,192	46,068
Total Fees and Charges	106,000	150,285	103,560
- Tangible capital asset sales - gain (loss)		5,432	4,000
Total Other Segmented Revenue	106,000	155,717	107,560
Conditional Grants			
- Clearing the Path	15,816	15,816	15,816
Total Conditional Grants	15,816	15,816	15,816
Total Operating	121,816	171,533	123,376
Total Transportation Services	121,816	171,533	123,376
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and disposal fees	3,600	3,510	3,465
- Cemetery fees	2,000	1,050	2,075
Total Fees and Charges	5,600	4,560	5,540
Total Other Segmented Revenue	5,600	4,560	5,540
Conditional Grants			
- Provincial rat eradication program and gopher control program	2,200	14,311	2,213
Total Conditional Grants	2,200	14,311	2,213
Total Operating	7,800	18,871	7,753
Total Environmental and Public Health Services	7,800	18,871	7,753

RURAL MUNICIPALITY OF THE GAP #39**SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION**

For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Permits	\$ 5,950	\$ 2,450	\$ 6,800
Total Fees and Charges	5,950	2,450	6,800
- Mineral royalties and municipal reserve compensation	3,000	14,501	3,103
Total Other Segmented Revenue	8,950	16,951	9,903
Total Operating	8,950	16,951	9,903
Capital			
Conditional Grants			
- Canada Community - Building Fund (CCBF)	13,413	13,413	6,149
Total Capital	13,413	13,413	6,149
Total Planning and Development Services	22,363	30,364	16,052
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 250,404	\$ 336,113	\$ 193,081
SUMMARY			
Total Other Segmented Revenue	\$ 218,975	\$ 292,573	\$ 168,903
Total Conditional Grants	18,016	30,127	18,029
Total Capital Grants and Contributions	13,413	13,413	6,149
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 250,404	\$ 336,113	\$ 193,081

RURAL MUNICIPALITY OF THE GAP #39
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 60,470	\$ 67,025	\$ 58,169
Wages and benefits	122,525	122,843	114,966
Professional/Contractual services	21,258	20,366	20,491
Utilities	3,650	3,780	3,573
Maintenance, materials, and supplies	11,700	7,316	7,096
Amortization	1,067	1,067	1,268
Allowance for uncollectibles	610	610	3,985
Total General Government Services	221,280	223,007	209,548
PROTECTIVE SERVICES			
Police protection			
Professional/Contractual services	10,500	10,407	9,947
Fire protection			
Professional/Contractual services	10,525	12,135	6,481
Grants and contributions		1,124	
- Operating			
- Capital	10,000		30,000
Total Protective Services	31,025	23,666	46,428
TRANSPORTATION SERVICES			
Wages and benefits	238,739	234,053	222,949
Professional/Contractual services	50,292	55,351	50,632
Utilities	4,435	3,870	4,188
Maintenance, materials, and supplies	238,700	130,487	133,633
Gravel	150,000	97,742	125,256
Amortization	116,415	96,647	113,276
Total Transportation Services	798,581	618,150	649,934
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Professional/Contractual services	7,300	16,642	7,405
Maintenance, materials, and supplies	18,065	19,619	19,885
Grants and contributions			
- Operating			
• Waste disposal	21,909	21,909	23,909
Amortization	506	506	
Total Environmental and Public Health Services	47,780	58,676	51,199

RURAL MUNICIPALITY OF THE GAP #39
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
PLANNING AND DEVELOPMENT SERVICES			
Professional/Contractual services	\$	\$ 225	\$
Grants and contributions			
- Operating	2,835	8,652	2,835
Quarry lease	523	937	1,203
Total Planning and Development Services	3,358	9,814	4,038
RECREATION AND CULTURAL SERVICES			
Grants and contributions			
- Operating	13,508	13,298	15,205
Total Recreation and Cultural Services	13,508	13,298	15,205
UTILITY SERVICES			
Utilities	1,500	1,481	1,365
Maintenance, materials, and supplies	1,000		
Total Utility Services	2,500	1,481	1,365
TOTAL EXPENSES BY FUNCTION	\$ 1,118,032	\$ 948,092	\$ 977,717

RURAL MUNICIPALITY OF THE GAP #39
SCHEDULE 4 - 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	\$ 1,105	\$ 11,818	\$ 150,285	\$ 4,560	\$ 2,450	\$	\$	\$ 170,218
Tangible Capital Asset Sale - Gain (Loss)			5,432					5,432
Land Sales - Gain (Loss)	2,705							2,705
Investment Income	99,717							99,717
Commissions								
Other Revenues					14,501			14,501
Grants - Conditional			15,816	14,311				30,127
- Capital					13,413			13,413
Total revenues	103,527	11,818	171,533	18,871	30,364			336,113
Expenses (Schedule 3)								
Wages & Benefits	189,868		234,053					423,921
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	1,067		96,647	506				98,220
Interest								
Accretion of asset retirement obligation								
Allowance for Uncollectibles	610							610
Other					937			937
Total expenses	223,007	23,666	618,150	58,676	9,814	13,298	1,481	948,092
Surplus (Deficit) by Function	(119,480)	(11,848)	(446,617)	(39,805)	20,550	(13,298)	(1,481)	(611,979)
Taxation and other unconditional revenue (Schedule 1)								890,238
Net Surplus (Deficit)								\$ 278,259

RURAL MUNICIPALITY OF THE GAP #39
SCHEDULE 5 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
For the year ended December 31, 2022

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 1,406	\$ 6,159	\$ 103,560	\$ 5,540	\$ 6,800	\$	\$	\$ 123,465
Tangible Capital Asset Sale - Gain (Loss)			4,000					4,000
Land Sales - Gain (Loss)								
Investment Income	38,335							38,335
Commissions								
Other Revenues					3,103			3,103
Grants - Conditional			15,816	2,213				18,029
- Capital					6,149			6,149
Total revenues	39,741	6,159	123,376	7,753	16,052			193,081
Expenses (Schedule 3)								
Wages & Benefits	173,135		222,949					396,084
Professional/Contractual Services	20,491	16,428	50,632	7,405				94,956
Utilities	3,573		4,188				1,365	9,126
Maintenance, Materials, Supplies	7,096		258,889	19,885				285,870
Grants and Contributions		30,000		23,909	2,835	15,205		71,949
Amortization	1,268		113,276					114,544
Interest								
Accretion of asset retirement obligation								
Allowance for Uncollectibles	3,985							3,985
Other					1,203			1,203
Total expenses	209,548	46,428	649,934	51,199	4,038	15,205	1,365	977,717
Surplus (Deficit) by Function	(169,807)	(40,269)	(526,558)	(43,446)	12,014	(15,205)	(1,365)	(784,636)
Taxation and other unconditional revenue (Schedule 1)								860,200
Net Surplus (Deficit)								\$ 75,564

RURAL MUNICIPALITY OF THE GAP #39
SCHEDULE 6 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT
For the year ended December 31, 2023

Cost	General Assets					Infrastructure Assets	General/ Infrastructure	Totals	
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Assets Under Construction	2023	2022
Opening costs	\$ 2,004		\$ 72,458	\$ 16,275	\$ 1,072,801	\$ 2,312,640	\$	\$ 3,476,178	\$ 3,358,446
Additions during the year	1,000				573,282		249,182	823,464	117,733
Disposals and write downs					(290,500)			(290,500)	(1)
Closing costs	3,004		72,458	16,275	1,355,583	2,312,640	249,182	4,009,142	3,476,178
Accumulated Amortization									
Opening accumulated amortization			42,313	16,275	426,910	1,715,639		2,201,137	2,086,594
Amortization			1,420		53,789	43,011		98,220	114,544
Disposals and write downs					(139,567)			(139,567)	(1)
Closing accumulated amortization			43,733	16,275	341,132	1,758,650		2,159,790	2,201,137
Net Book Value	\$ 3,004	\$	\$ 28,725	\$	\$ 1,014,451	\$ 553,990	\$ 249,182	\$ 1,849,352	\$ 1,275,041

RURAL MUNICIPALITY OF THE GAP #39
SCHEDULE 7 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION
For the year ended December 31, 2023

Cost	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Totals	
								2023	2022
Opening costs	\$ 60,022	\$	\$ 3,391,537	\$ 5,757	\$	\$	\$ 18,862	\$ 3,476,178	\$ 3,358,446
Additions during the year			823,464					823,464	117,733
Disposals and write downs			(290,500)					(290,500)	(1)
Closing costs	60,022		3,924,501	5,757			18,862	4,009,142	3,476,178
Accumulated Amortization									
Opening accumulated amortization	37,063		2,145,212				18,862	2,201,137	2,086,594
Amortization	1,067		96,647	506				98,220	114,544
Disposals and write downs			(139,567)					(139,567)	(1)
Closing accumulated amortization	38,130		2,102,292	506			18,862	2,159,790	2,201,137
Net Book Value	\$ 21,892	\$	\$ 1,822,209	\$ 5,251	\$	\$	\$	\$ 1,849,352	\$ 1,275,041

RURAL MUNICIPALITY OF THE GAP #39
SCHEDULE 8 - SCHEDULE OF ACCUMULATED SURPLUS
For the year ended December 31, 2023

	2022	Changes	2023
UNAPPROPRIATED SURPLUS	\$ 1,416,881	\$ (44,352)	\$ 1,372,529
APPROPRIATED RESERVES			
Machinery & Equipment Reserve	1,628,674	(251,700)	1,376,974
Total appropriated	1,628,674	(251,700)	1,376,974
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	1,275,041	574,311	1,849,352
Net investment in tangible capital assets	1,275,041	574,311	1,849,352
ACCUMULATED SURPLUS (excluding remeasurement gains (losses))	\$ 4,320,596	\$ 278,259	\$ 4,598,855

RURAL MUNICIPALITY OF THE GAP #39
SCHEDULE 9 - SCHEDULE OF MILL RATES AND ASSESSMENTS
For the year ended December 31, 2023

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable assessment	96,566,840	1,141,915			15,965,550		113,674,305
Regional Park Assessment							
Total Assessment							113,674,305
Mill Rate Factor(s)	1.00	1.25			4.19		
Total Base/Minimum Tax							
Total Municipal Tax Levy	434,551	6,423			300,671		741,645

MILL RATES:

MILLS

Average Municipal	6.5243
Average School	2.6240
Potash Mill Rate	
Uniform Municipal Mill Rate	4.5000

RURAL MUNICIPALITY OF THE GAP #39
SCHEDULE 10 - SCHEDULE OF COUNCIL REMUNERATION
For the year ended December 31, 2023

<u>Position - Name</u>	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Reeve - Lorne McClarty	\$ 9,900	\$ 63	9,963
Councilor - Murray Scott	8,400	954	9,354
Councilor - Roland Carles	8,100	954	9,054
Councilor - Keith Kaufmann	8,100	381	8,481
Councilor - Alastair Burnett	8,100	478	8,578
Councilor - Jeff Jensen	6,900	224	7,124
Councilor - Ernie Sorensen	6,600	183	6,783
	<u>\$ 56,100</u>	<u>\$ 3,237</u>	<u>59,337</u>