

RURAL MUNICIPALITY OF SPIRITWOOD #496

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

RURAL MUNICIPALITY OF SPIRITWOOD #496
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STATEMENT OF RESPONSIBILITY

To the Ratepayers of the Rural Municipality of Spiritwood #496:

The Municipality's management is responsible for the preparation and presentation of the accompanying consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the consolidated financial statements necessarily includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgments and estimates by management are required.

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

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

Sensus Chartered Professional Accountants Ltd., as the Municipality's appointed external auditors, have audited the consolidated financial statements. The Auditor's Report is addressed to Council and appears on the following page. The external auditors have full and free access to, and meet periodically and separately with, both the Council and administration to discuss their audit findings.

Reeve

Administrator

INDEPENDENT AUDITOR'S REPORT

To the Reeve and Council of:
Rural Municipality of Spiritwood #496
Spiritwood, Saskatchewan

Qualified Opinion

We have audited the consolidated financial statements of the Rural Municipality of Spiritwood #496, which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated statement of operations, the consolidated statement of changes in net financial assets, the consolidated statement of cash flows, the consolidated statement of remeasurement gains (losses) for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis of Qualified Opinion paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Rural Municipality of Spiritwood #496 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 Rural Municipality of Spiritwood #496 has control of a municipal partnership as noted in the significant account policies note whereby the Rural Municipality of Spiritwood #496's pro-rata share of each of the assets, liabilities, revenues, expenses and surplus are combined on a line-by-line basis in the consolidated financial statements of the Rural Municipality of Spiritwood #496. The financial statements and information to support the completeness, existence, accuracy and valuation of their financial data of the Shell Lake Regional Fire Department were not subject to audit in 2024 in accordance with Canadian public sector accounting standards. Accordingly, we were not able to determine whether any adjustments might be necessary to the financial data of the Shell Lake Regional Fire Department.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Rural Municipality of Spiritwood #496 in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Matters

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Rural Municipality of Spiritwood #496'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 Spiritwood #496 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 Spiritwood #496's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian auditing standards, we exercise our professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Rural Municipality of Spiritwood #496'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 Spiritwood #496's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Rural Municipality of Spiritwood #496 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the directions, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Yorkton, Saskatchewan
June 12, 2025



Chartered Professional Accountants Ltd.

RURAL MUNICIPALITY OF SPIRITWOOD #496
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash (Note 2)	\$ 2,853,407	\$ 2,478,907
Taxes receivable - municipal (Note 3)	232,206	178,235
Other accounts receivable (Note 4)	130,944	128,995
Long-term receivables (Note 6)	142,604	129,982
Patronage equity	100	100
TOTAL FINANCIAL ASSETS	3,359,261	2,916,219
LIABILITIES		
Accounts payable and accrued liabilities	49,722	49,725
Deposits	680	1,000
Asset retirement obligation (Note 7)	27,255	
Long-term debt (Note 8)	418,812	456,215
TOTAL LIABILITIES	496,469	506,940
NET FINANCIAL ASSETS	2,862,792	2,409,279
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedules 6 and 7)	8,701,695	8,842,213
Inventories	580,267	306,798
Prepaid expenses	3,846	20,487
TOTAL NON-FINANCIAL ASSETS	9,285,808	9,169,498
ACCUMULATED SURPLUS	\$ 12,148,600	\$11,578,777
Accumulated surplus is comprised of:		
Accumulated surplus excluding remeasurement gains (losses) (Schedule 10)	\$ 12,148,600	\$11,578,777
Accumulated remeasurement gains (losses)		
	\$ 12,148,600	\$11,578,777
CONTINGENCIES (Note 9)		

RURAL MUNICIPALITY OF SPIRITWOOD #496
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2024

	2024 Budget Unaudited (Note 1)	2024 Actual	2023 Actual
REVENUE			
Tax revenue (Schedule 1)	\$ 2,601,670	\$ 2,605,038	\$ 2,554,977
Other unconditional revenue (Schedule 1)	789,380	788,943	722,599
Fees and charges (Schedules 4 and 5)	275,980	354,225	447,875
Conditional grants (Schedules 4 and 5)	11,200	51,010	25,535
Tangible capital asset sales - gain (loss) (Schedules 4 and 5)		18,020	(11,200)
Land sales - gain (loss) (Schedules 4 and 5)			1,498
Investment income (Schedules 4 and 5)	72,200	90,131	114,472
Commissions (Schedules 4 and 5)	1,060	1,065	1,028
Other revenues (Schedules 4 and 5)	140,000	147,373	721
	3,891,490	4,055,805	3,857,505
EXPENSES			
General government services (Schedule 3)	439,880	444,210	397,988
Protective services (Schedule 3)	212,867	199,896	165,963
Transportation services (Schedule 3)	3,079,667	2,645,741	2,665,134
Environmental and public health services (Schedule 3)	74,550	75,818	64,805
Planning and development services (Schedule 3)	51,520	75,054	67,832
Recreation and cultural services (Schedule 3)	140,050	142,574	139,176
Utility services (Schedule 3)	16,279	11,750	16,893
	4,014,813	3,595,043	3,517,791
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER CAPITAL CONTRIBUTIONS	(123,323)	460,762	339,714
Provincial/Federal capital grants and contributions (Schedules 4 and 5)	107,890	109,061	107,894
ANNUAL SURPLUS (DEFICIT)	(15,433)	569,823	447,608
ACCUMULATED SURPLUS EXCLUDING REMEASUREMENT GAINS (LOSSES), BEGINNING OF YEAR	11,578,777	11,578,777	11,131,169
ACCUMULATED SURPLUS EXCLUDING REMEASUREMENT GAINS (LOSSES), END OF YEAR	\$ 11,563,344	\$ 12,148,600	\$11,578,777

RURAL MUNICIPALITY OF SPIRITWOOD #496
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2024

	2024 Budget Unaudited (Note 1)	2024 Actual	2023 Actual
ANNUAL SURPLUS (DEFICIT)	\$ (15,433)\$	569,823	\$ 447,608
Acquisition of tangible capital assets	(361,000)	(498,115)	(1,107,087)
Amortization of tangible capital assets	635,093	638,632	560,462
(Gain) loss on sale of tangible capital assets		(18,020)	11,200
Proceeds on sale of tangible capital assets		18,021	190,001
Acquisition of assets held for sale			(931)
(Gain) loss on sale of assets held for sale			(1,498)
Proceeds on sale of assets held for sale			2,429
Decrease (increase) in inventories		(273,469)	87,634
Decrease in prepaid expenses		16,641	16,645
	274,093	(116,310)	(241,145)
CHANGE IN NET FINANCIAL ASSETS	\$ 258,660	453,513	206,463
NET FINANCIAL ASSETS, BEGINNING OF YEAR		2,409,279	2,202,816
NET FINANCIAL ASSETS, END OF YEAR		\$ 2,862,792	\$ 2,409,279

RURAL MUNICIPALITY OF SPIRITWOOD #496
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2024

	2024	2023
OPERATING TRANSACTIONS		
Annual surplus	\$ 569,823	\$ 447,608
Changes in non-cash items:		
Taxes receivable - municipal	(53,971)	39,462
Other accounts receivable	(1,949)	(9,954)
Long-term receivables	(12,622)	(15,828)
Inventories	(273,469)	87,634
Prepaid expenses	16,641	16,645
Accounts payable and accrued liabilities	(3)	(16,020)
Deposits	(320)	
Asset retirement obligation	27,255	
(Gain) loss on sale of tangible capital assets	(18,020)	11,200
(Gain) loss on sale of assets held for sale		(1,498)
Amortization of tangible capital assets	638,632	560,462
Cash provided by operating transactions	<u>891,997</u>	<u>1,119,711</u>
CAPITAL TRANSACTIONS		
Proceeds from the disposal of tangible capital assets	18,021	190,001
Acquisition of tangible capital assets	(498,115)	(1,107,087)
Cash applied to capital transactions	<u>(480,094)</u>	<u>(917,086)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of assets held for sale		2,429
Acquisition of real estate properties		(931)
Cash provided by investing transactions		<u>1,498</u>
FINANCING TRANSACTIONS		
Long-term debt repaid	(37,403)	(30,483)
Cash applied to financing transactions	<u>(37,403)</u>	<u>(30,483)</u>
CHANGE IN CASH	<u>374,500</u>	<u>173,640</u>
CASH, BEGINNING OF YEAR	<u>2,478,907</u>	<u>2,305,267</u>
CASH, END OF YEAR	<u>\$ 2,853,407</u>	<u>\$ 2,478,907</u>

RURAL MUNICIPALITY OF SPIRITWOOD #496
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS (LOSSES)
For the year ended December 31, 2024

	2024	2023
	Actual	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 SPIRITWOOD #496
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Municipality are prepared by management in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies are as follows:

Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

Reporting Entity

The consolidated financial statements consolidates the assets, liabilities, and flow of resources of the Municipality. The entity is comprised of all of the organizations that are owned or controlled by the Municipality and are, therefore, accountable to Council for the administration of their financial affairs and resources. These consolidated 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. Partnerships included in these consolidated financial statements are as follows:

Shell Lake Regional Fire Department - 10% (2023 - 10%)

All inter-organizational transactions and balances have been eliminated.

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.

RURAL MUNICIPALITY OF SPIRITWOOD #496
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Transfers (Continued)

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

Other (Non-Government Transfer) Contributions

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

Revenue

Revenue from Transactions with No Performance Obligations:

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

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

RURAL MUNICIPALITY OF SPIRITWOOD #496
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from Transactions with Related Performance Obligations:

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

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

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

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

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

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

RURAL MUNICIPALITY OF SPIRITWOOD #496
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

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

RURAL MUNICIPALITY OF SPIRITWOOD #496
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (Continued)

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

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

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

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

Measurement of Financial Instruments:

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

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

Inventories

Inventories of materials and supplies expected to be used by the Municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.

RURAL MUNICIPALITY OF SPIRITWOOD #496
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tangible Capital Assets

All tangible capital asset acquisitions or betterment made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The costs of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The Municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
General Assets	
Land	Indefinite
Land improvements	5 to 20 years
Buildings	10 to 50 years
Vehicles and equipment	
Vehicles	5 to 10 years
Machinery and equipment	5 to 10 years
Leased capital assets	Lease term
Infrastructure Assets	
Infrastructure assets	30 to 75 years
Water & sewer	25 years
Road network assets	20 to 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 SPIRITWOOD #496
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

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

Public Private Partnerships

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

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

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

Trust Funds

Funds held in trust for others, under a trust agreement or statute, are not included in the consolidated financial statements as they are not controlled by the Municipality.

Employee Benefit Plans

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

RURAL MUNICIPALITY OF SPIRITWOOD #496
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Liability for Contaminated Sites

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

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

Measurement Uncertainty

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

Measurement uncertainty impacts the following financial statement areas:

- Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.
- The measurement of materials and supplies are based on estimates of volume and quality.
- The 'Opening Asset costs' of tangible capital assets have been estimated where actual costs were not available.
- Amortization is based on the estimated useful lives of tangible capital assets and intangible capital assets.
- The liability associated with asset retirement obligations are measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date, the discount rate, and inflation.
- Measurement financial instruments at fair value and recognition and measurement of impairment of financial instruments requires the use of significant management estimates.

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

RURAL MUNICIPALITY OF SPIRITWOOD #496
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Segmentation/Segment Report

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

The segments (functions) are as follows:

General government: Provides administration of the Municipality.

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

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

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

Planning and development: Provides for neighbourhood development and sustainability.

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

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

Budget Information

Budget information is presented on a basis consistent with that used for the actual results. The budget was approved by Council on April 9, 2024.

Assets Held for Sale

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

Asset Retirement 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.

RURAL MUNICIPALITY OF SPIRITWOOD #496
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Asset Retirement Obligations (Continued)

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

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

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

Loan Guarantees

The Municipality has not provided loan guarantees for any organizations.

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

New Accounting Policies Adopted During the Year:

PS 3400, Revenue, a new standard establishing guidance on how to account for and report on revenue. The standard provides a framework for recognizing, measuring and reporting revenues that arise from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payer. This accounting policy has been applied on a prospective basis.

RURAL MUNICIPALITY OF SPIRITWOOD #496
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Policies Adopted During the Year (Continued):

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

PS3160, Public Private Partnerships, a new standard establishing guidance on how to account for and report on partnerships between public and private sector entities. Specifically those in which the entity in the public sector procures infrastructure in conjunction with a private sector entity. In these scenarios the private sector entity must have obligations to design, build, acquire or improve existing infrastructure. Furthermore they must also finance the transaction past the point in which the asset is initially ready for use along with operating and/or maintaining such on an ongoing basis. This accounting policy has been applied on a prospective basis.

2. CASH

The Rural Municipality of Spiritwood #496 banks with Prairie Centre Credit Union Ltd. where they have an authorized overdraft limit of \$249,000 (2023 - \$249,000) at an interest rate of 5.45% (2023 - 7.20%) (unauthorized overdraft interest rate of 15.45% (2023 - 17.20%)).

3. TAXES RECEIVABLE - MUNICIPAL

	2024	2023
Municipal		
- Current	\$ 138,055	\$ 77,316
- Arrears	94,151	100,919
Total municipal taxes receivable	<u>232,206</u>	178,235
School		
- Current	56,822	25,526
- Arrears	33,706	37,735
Total taxes to be collected on behalf of School Divisions	<u>90,528</u>	63,261
Municipal hail	<u>1,272</u>	
Total taxes and grants-in-lieu receivable	<u>324,006</u>	241,496
Deduct taxes to be collected on behalf of other organizations	<u>(91,800)</u>	(63,261)
Total taxes receivable - municipal	<u>\$ 232,206</u>	<u>\$ 178,235</u>

RURAL MUNICIPALITY OF SPIRITWOOD #496
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

4. OTHER ACCOUNTS RECEIVABLE

	2024	2023
Organizations and individuals	\$ 70,225	\$ 42,646
Federal government	58,564	83,871
Utility	1,835	2,177
Shell Lake Regional Fire Department - consolidated	320	301
	<hr/>	<hr/>
Total other accounts receivable	\$ 130,944	\$ 128,995

5. ASSETS HELD FOR SALE

	2024	2023
Tax title property	\$ 4,085	\$ 4,085
Allowance for market value adjustment	(4,085)	(4,085)
	<hr/>	<hr/>
Total assets held for sale	\$	\$

6. LONG-TERM RECEIVABLES

	2024	2023
Saskatchewan Association of Rural Municipalities - Self-Insurance Fund	\$ 142,604	\$ 129,982

7. ASSET RETIREMENT OBLIGATION

	2024	2023
Balance, beginning of year	\$	\$
Liabilities incurred	27,255	
	<hr/>	<hr/>
Balance, end of year	\$ 27,255	\$

The Municipality owns the municipal office building which contains asbestos and is legally required to undertake abatement activities upon the asset's renovation or demolition. These activities involve the proper handling and disposal of asbestos in accordance with regulatory requirements when the material is disturbed. The building has an estimated remaining useful life of 25 years, with an anticipated disposal date in 2050. The estimated cost to remediate the asbestos, in today's dollars, is \$27,255. This amount forms the basis for the liability currently recognized. While the obligation is not expected until 2050, and inflationary increases are expected, the liability has not been adjusted for inflation or discounted to present value. However, the estimated future value of this obligation at the anticipated disposal date has been projected to be \$44,715. Accordingly, the total liability recognized as at December 31, 2024, is \$27,255 (2023 - \$NIL). The Municipality has not designated funds for the settlement of this obligation.

RURAL MUNICIPALITY OF SPIRITWOOD #496
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

8. LONG-TERM DEBT

The debt limit of the Municipality is \$3,068,739. 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)).

	2024	2023
Prairie Centre Credit Union Ltd. loan bearing interest 5.68% per annum, payable in blended semi-annual payments of \$27,356, maturing May 2035. Secured by a general security agreement.	\$ 418,812	\$ 456,215

Future principal and interest payments are as follows:

	Principal	Interest	Total
2025	\$ 31,362	\$ 23,350	\$ 54,712
2026	33,169	21,543	54,712
2027	35,080	19,632	54,712
2028	37,100	17,612	54,712
2029	39,238	15,474	54,712
Thereafter	242,863	41,031	283,894
Balance	<u>\$ 418,812</u>	<u>\$ 138,642</u>	<u>\$ 557,454</u>

9. 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.

10. RELATED PARTIES

During the year the Municipality had transactions with businesses owned by council members whom are considered to be related parties. Included in expenditures of the Municipality were transactions totaling \$3,134 (2023 - \$14,689) for general contracting work (road maintenance and hauling) within the Municipality with P. Construction Ltd. 2016 and TNK Trucking Ltd. These transactions are in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties), which approximates the arm's length equivalent value.

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.

RURAL MUNICIPALITY OF SPIRITWOOD #496
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

11. RISK MANAGEMENT (CONTINUED)

Price risk (Continued)

In the case of the Municipality's Asset Retirement Obligations (AROs), price risk primarily arises from fluctuations in the inflation rate, which impacts the future estimated costs of decommissioning or remediation activities. The Municipality has used an inflation rate of 2% in calculating the future cost of its AROs. This rate reflects the anticipated rise in costs over time, but price risk remains inherent due to the uncertainty of future inflation rates. As a result, the Municipality is exposed to the risk that future inflation may differ from the assumed 2%, which could either increase or decrease the estimated future liability. The Municipality reviews and adjusts its assumptions related to inflation regularly to ensure the accuracy of its ARO calculations and related financial statements.

Credit risk

The Municipality is exposed to credit risk resulting from the possibility that counterparties may default on their financial obligations. Credit risk is primarily associated with accounts receivable, which total \$363,150 as at year-end.

The composition of receivables is as follows:

- Property taxes receivable: \$232,206
- Organizations and individuals receivable: \$70,225
- GST receivable: \$58,564
- Utility receivables: \$1,835
- Shell Lake Regional Fire Department receivables: \$320

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

Receivables from the Canada Revenue Agency (CRA) are considered low risk due to the creditworthiness of the counterparty.

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.

Receivables from a government partnership (Shell Lake Regional Fire Department) represents a receivable for the specific organization itself, consolidated into the Municipality's financial statements. As the amount does not arise from transactions with an external party, it does not contribute to the Municipality's overall credit risk exposure.

At year-end, \$104,349 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.

RURAL MUNICIPALITY OF SPIRITWOOD #496
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

11. RISK MANAGEMENT (CONTINUED)

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 long-term debt.

The Municipality holds long-term debt bearing a fixed interest rate of 5.68%. While the fixed rate provides certainty over future interest payments, it is currently above prevailing market interest rates. The long-term debt is measured at amortized cost in accordance with Public Sector Accounting Standards. As such, changes in market interest rates do not affect the carrying value of the debt.

12. 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 \$74,289 (2023 - \$69,421). 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 \$74,289 (2023 - \$69,421). Total current service contributions by the employees of the Municipality to the MEPP in 2024 were \$74,289 (2023 - \$69,421).

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

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

RURAL MUNICIPALITY OF SPIRITWOOD #496
SCHEDULE 1 - SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES
For the year ended December 31, 2024

	2024 Budget Unaudited (Note 1)	2024 Actual	2023 Actual
TAXES			
General municipal tax levy	\$ 2,665,000	\$ 2,664,428	\$ 2,616,456
Abatements and adjustments	(1,500)	838	(1,404)
Discount on current year taxes	(77,330)	(74,866)	(75,117)
Net Municipal Taxes	2,586,170	2,590,400	2,539,935
Penalties on tax arrears	15,500	14,638	15,042
Total Taxes	2,601,670	2,605,038	2,554,977
UNCONDITIONAL GRANTS			
Revenue Sharing	728,500	732,208	654,191
Total Unconditional Grants	728,500	732,208	654,191
GRANTS-IN-LIEU OF TAXES			
Federal	600	576	582
Provincial			
S.P.C. Electrical	17,480	16,871	16,970
Local/Other			
Treaty Land Entitlement	42,800	39,288	50,856
Total Grants-in-Lieu of Taxes	60,880	56,735	68,408
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 3,391,050	\$ 3,393,981	\$ 3,277,576

RURAL MUNICIPALITY OF SPIRITWOOD #496
SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION
For the year ended December 31, 2024

	2024 Budget Unaudited (Note 1)	2024 Actual	2023 Actual
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Sales of supplies	\$ 4,640	\$ 3,444	\$ 4,818
- Tax enforcement and general office services	23,600	25,493	23,080
Total Fees and Charges	<u>28,240</u>	<u>28,937</u>	27,898
- Land sales - gain (loss)			1,498
- Investment income	72,200	90,131	114,472
- Commissions	1,060	1,065	1,028
Total Other Segmented Revenue	<u>101,500</u>	<u>120,133</u>	144,896
Total Operating	<u>101,500</u>	<u>120,133</u>	144,896
Total General Government Services	<u>101,500</u>	<u>120,133</u>	144,896
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Fire fees	83,700	119,125	140,326
Total Fees and Charges	<u>83,700</u>	<u>119,125</u>	140,326
- Tangible capital asset sales - gain (loss)			(11,200)
- Donations		1,500	
Total Other Segmented Revenue	<u>83,700</u>	<u>120,625</u>	129,126
Total Operating	<u>83,700</u>	<u>120,625</u>	129,126
Total Protective Services	<u>83,700</u>	<u>120,625</u>	129,126

RURAL MUNICIPALITY OF SPIRITWOOD #496
SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION
For the year ended December 31, 2024

	2024 Budget Unaudited (Note 1)	2024 Actual	2023 Actual
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 32,700	\$ 32,031	\$ 41,159
- Sales of supplies	3,000	285	2,952
- Road maintenance and restoration agreements	28,000	58,442	97,663
- CN lease	10,000	2,072	29,757
Total Fees and Charges	<u>73,700</u>	<u>92,830</u>	171,531
- Tangible capital asset sales - gain (loss)		<u>18,020</u>	
Total Other Segmented Revenue	<u>73,700</u>	<u>110,850</u>	171,531
Conditional Grants			
- Ministry of Highways and Provincial Traffic Safety Fund		<u>25,950</u>	7,845
Total Conditional Grants		<u>25,950</u>	7,845
Total Operating	<u>73,700</u>	<u>136,800</u>	179,376
Capital			
Conditional Grants			
- Canada Community - Building Fund (CCBF)	82,430	77,231	82,430
- Rural Integrated Roads for Growth (RIRG)	25,460	31,830	25,464
Total Capital	<u>107,890</u>	<u>109,061</u>	107,894
Total Transportation Services	<u>181,590</u>	<u>245,861</u>	287,270

RURAL MUNICIPALITY OF SPIRITWOOD #496
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
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and disposal fees	\$ 37,900	\$ 37,926	\$ 36,995
- Sales of supplies		627	
Total Fees and Charges	<u>37,900</u>	<u>38,553</u>	36,995
Total Other Segmented Revenue	<u>37,900</u>	<u>38,553</u>	36,995
Conditional Grants			
- Provincial Rat Control Program and Beaver Control Program	11,200	25,060	17,690
Total Conditional Grants	<u>11,200</u>	<u>25,060</u>	17,690
Total Operating	<u>49,100</u>	<u>63,613</u>	54,685
Total Environmental and Public Health Services	<u>49,100</u>	<u>63,613</u>	54,685
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and development charges	10,000	40,234	27,007
- Public reserve and subdivision charges	7,500	5,650	9,077
Total Fees and Charges	<u>17,500</u>	<u>45,884</u>	36,084
Total Other Segmented Revenue	<u>17,500</u>	<u>45,884</u>	36,084
Total Operating	<u>17,500</u>	<u>45,884</u>	36,084
Total Planning and Development Services	<u>17,500</u>	<u>45,884</u>	36,084

RURAL MUNICIPALITY OF SPIRITWOOD #496
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
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Campground and library fees	\$ 28,140	\$ 23,020	\$ 28,127
Total Fees and Charges	<u>28,140</u>	<u>23,020</u>	<u>28,127</u>
- Donations	<u>140,000</u>	<u>145,873</u>	<u>721</u>
Total Other Segmented Revenue	<u>168,140</u>	<u>168,893</u>	<u>28,848</u>
Total Operating	<u>168,140</u>	<u>168,893</u>	<u>28,848</u>
Total Recreation and Cultural Services	<u>168,140</u>	<u>168,893</u>	<u>28,848</u>
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Lagoon and water levy	<u>6,800</u>	<u>5,876</u>	<u>6,914</u>
Total Fees and Charges	<u>6,800</u>	<u>5,876</u>	<u>6,914</u>
Total Other Segmented Revenue	<u>6,800</u>	<u>5,876</u>	<u>6,914</u>
Total Operating	<u>6,800</u>	<u>5,876</u>	<u>6,914</u>
Total Utility Services	<u>6,800</u>	<u>5,876</u>	<u>6,914</u>
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 608,330</u>	<u>\$ 770,885</u>	<u>\$ 687,823</u>
SUMMARY			
Total Other Segmented Revenue	\$ 489,240	\$ 610,814	\$ 554,394
Total Conditional Grants	11,200	51,010	25,535
Total Capital Grants and Contributions	<u>107,890</u>	<u>109,061</u>	<u>107,894</u>
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 608,330</u>	<u>\$ 770,885</u>	<u>\$ 687,823</u>

RURAL MUNICIPALITY OF SPIRITWOOD #496
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2024

	2024 Budget Unaudited (Note 1)	2024 Actual	2023 Actual
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 29,910	\$ 29,987	\$ 27,574
Wages and benefits	227,230	237,454	216,186
Professional/Contractual services	114,730	114,667	92,042
Utilities	10,150	9,350	9,659
Maintenance, materials, and supplies	55,760	48,373	50,427
Amortization of tangible capital assets	2,100	2,100	2,100
Allowance for uncollectibles		2,279	
Total General Government Services	439,880	444,210	397,988
PROTECTIVE SERVICES			
Police protection			
Professional/Contractual services	108,830	77,011	107,639
Fire protection			
Wages and benefits	27,000	28,422	19,769
Professional/Contractual services	29,230	31,628	14,026
Utilities	6,800	6,735	6,968
Maintenance, materials, and supplies	27,280	41,268	3,879
Grants and contributions			
- Operating	1,620	2,725	1,575
Amortization of tangible capital assets	12,107	12,107	12,107
Total Protective Services	212,867	199,896	165,963
TRANSPORTATION SERVICES			
Wages and benefits	763,500	764,299	732,036
Professional/Contractual services	24,500	37,865	41,900
Utilities	19,100	17,291	18,481
Maintenance, materials, and supplies	1,036,360	713,152	704,040
Gravel	587,800	465,062	596,488
Amortization of tangible capital assets	619,407	622,946	544,332
Interest on long-term debt	29,000	25,126	27,857
Total Transportation Services	3,079,667	2,645,741	2,665,134
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Professional/Contractual services	64,880	54,551	55,537
Maintenance, materials, and supplies	9,670	21,267	9,268
Total Environmental and Public Health Services	74,550	75,818	64,805

RURAL MUNICIPALITY OF SPIRITWOOD #496
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2024

	2024 Budget Unaudited (Note 1)	2024 Actual	2023 Actual
PLANNING AND DEVELOPMENT SERVICES			
Professional/Contractual services	\$ 51,520	\$ 75,054	\$ 67,832
Total Planning and Development Services	51,520	75,054	67,832
RECREATION AND CULTURAL SERVICES			
Professional/Contractual services		6,100	
Utilities	7,400	8,371	7,304
Maintenance, materials, and supplies	6,240	2,003	6,232
Grants and contributions			
- Operating	126,410	126,100	125,196
Amortization of tangible capital assets			444
Total Recreation and Cultural Services	140,050	142,574	139,176
UTILITY SERVICES			
Professional/Contractual services	14,800	10,271	15,414
Amortization of tangible capital assets	1,479	1,479	1,479
Total Utility Services	16,279	11,750	16,893
TOTAL EXPENSES BY FUNCTION	\$ 4,014,813	\$ 3,595,043	\$ 3,517,791

RURAL MUNICIPALITY OF SPIRITWOOD #496
SCHEDULE 4 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
For the year ended December 31, 2024

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 28,937	\$ 119,125	\$ 92,830	\$ 38,553	\$ 45,884	\$ 23,020	\$ 5,876	\$ 354,225
Tangible Capital Asset Sale - Gain (Loss)			18,020					18,020
Intangible Capital Asset Sale - Gain (Loss)								
Land Sales - Gain (Loss)								
Investment Income	90,131							90,131
Commissions	1,065							1,065
Other Revenues		1,500				145,873		147,373
Grants - Conditional			25,950	25,060				51,010
- Capital			109,061					109,061
Total revenues	120,133	120,625	245,861	63,613	45,884	168,893	5,876	770,885
Expenses (Schedule 3)								
Wages & Benefits	267,441	28,422	764,299					1,060,162
Professional/Contractual Services	114,667	108,639	37,865	54,551	75,054	6,100	10,271	407,147
Utilities	9,350	6,735	17,291			8,371		41,747
Maintenance, Materials, Supplies	48,373	41,268	1,178,214	21,267		2,003		1,291,125
Grants and Contributions		2,725				126,100		128,825
Amortization of Tangible Capital Assets	2,100	12,107	622,946				1,479	638,632
Amortization of Intangible Capital Assets								
Interest								
Accretion of asset retirement obligation			25,126					25,126
Allowance for Uncollectibles	2,279							2,279
Other								
Total expenses	444,210	199,896	2,645,741	75,818	75,054	142,574	11,750	3,595,043
Surplus (Deficit) by Function	(324,077)	(79,271)	(2,399,880)	(12,205)	(29,170)	26,319	(5,874)	(2,824,158)
Taxation and other unconditional revenue (Schedule 1)								3,393,981
Net Surplus (Deficit)								\$ 569,823

RURAL MUNICIPALITY OF SPIRITWOOD #496
SCHEDULE 5 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
For the year ended December 31, 2023

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 27,898	\$ 140,326	\$ 171,531	\$ 36,995	\$ 36,084	\$ 28,127	\$ 6,914	\$ 447,875
Tangible Capital Asset Sale - Gain (Loss)		(11,200)						(11,200)
Intangible Capital Asset Sale - Gain (Loss)								
Land Sales - Gain (Loss)	1,498							1,498
Investment Income	114,472							114,472
Commissions	1,028							1,028
Other Revenues			7,845	17,690		721		25,535
Grants - Conditional			107,894					107,894
- Capital								
Total revenues	144,896	129,126	287,270	54,685	36,084	28,848	6,914	687,823
Expenses (Schedule 3)								
Wages & Benefits	243,760	19,769	732,036					995,565
Professional/Contractual Services	92,042	121,665	41,900	55,537	67,832		15,414	394,390
Utilities	9,659	6,968	18,481			7,304		42,412
Maintenance, Materials, Supplies	50,427	3,879	1,300,528	9,268		6,232		1,370,334
Grants and Contributions		1,575				125,196		126,771
Amortization of Tangible Capital Assets	2,100	12,107	544,332			444		560,462
Amortization of Intangible Capital Assets								
Interest								
Accretion of asset retirement obligation			27,857					27,857
Allowance for Uncollectibles								
Other								
Total expenses	397,988	165,963	2,665,134	64,805	67,832	139,176	16,893	3,517,791
Surplus (Deficit) by Function	(253,092)	(36,837)	(2,377,864)	(10,120)	(31,748)	(110,328)	(9,979)	(2,829,968)
Taxation and other unconditional revenue (Schedule 1)								3,277,576
Net Surplus (Deficit)								\$ 447,608

RURAL MUNICIPALITY OF SPIRITWOOD #496
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
Opening costs	\$ 6,839	\$ 819,520	\$ 973,671	\$ 464,859	\$ 3,407,669	\$ 12,614,894	\$	\$ 18,287,452	\$ 17,642,239	
Additions during the year		27,255			341,365	129,495		498,115	1,107,087	
Disposals and write downs					(35,395)	(1)		(35,396)	(461,874)	
Transfers from assets under construction										
Closing costs	<u>6,839</u>	<u>819,520</u>	<u>1,000,926</u>	<u>464,859</u>	<u>3,713,639</u>	<u>12,744,388</u>		<u>18,750,171</u>	<u>18,287,452</u>	
Accumulated Amortization										
Opening accumulated amortization		426,164	236,248	250,824	1,570,233	6,961,770		9,445,239	9,145,450	
Amortization		39,452	20,176	21,967	259,430	297,607		638,632	560,462	
Disposals and write downs					(35,395)			(35,395)	(260,673)	
Closing accumulated amortization		<u>465,616</u>	<u>256,424</u>	<u>272,791</u>	<u>1,794,268</u>	<u>7,259,377</u>		<u>10,048,476</u>	<u>9,445,239</u>	
Net Book Value	<u>\$ 6,839</u>	<u>\$ 353,904</u>	<u>\$ 744,502</u>	<u>\$ 192,068</u>	<u>\$ 1,919,371</u>	<u>\$ 5,485,011</u>	<u>\$</u>	<u>\$ 8,701,695</u>	<u>\$ 8,842,213</u>	

RURAL MUNICIPALITY OF SPIRITWOOD #496
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	\$ 125,068	\$ 318,442	\$ 17,781,153	\$ 8,053	\$	\$ 17,750	\$ 36,986	\$ 18,287,452	\$ 17,642,239
Additions during the year	27,255		470,860					498,115	1,107,087
Disposals and write downs			(35,396)					(35,396)	(461,874)
Closing costs	152,323	318,442	18,216,617	8,053		17,750	36,986	18,750,171	18,287,452
Accumulated Amortization									
Opening accumulated amortization	95,561	144,447	9,179,574	8,053		10,209	7,395	9,445,239	9,145,450
Amortization	2,100	12,107	622,946				1,479	638,632	560,462
Disposals and write downs			(35,395)					(35,395)	(260,673)
Closing accumulated amortization	97,661	156,554	9,767,125	8,053		10,209	8,874	10,048,476	9,445,239
Net Book Value	\$ 54,662	\$ 161,888	\$ 8,449,492	\$	\$	\$ 7,541	\$ 28,112	\$ 8,701,695	\$ 8,842,213

RURAL MUNICIPALITY OF SPIRITWOOD #496
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	Assets Under Construction	2024	2023	
Cost	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening costs										
Additions during the year										
Disposals and write downs										
Transfers from assets under construction										
Closing costs										
Accumulated Amortization										
Opening accumulated amortization										
Amortization										
Disposals and write downs										
Closing accumulated amortization										
Net Book Value	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

RURAL MUNICIPALITY OF SPIRITWOOD #496
SCHEDULE 9 - SCHEDULE OF INTANGIBLE CAPITAL ASSETS BY FUNCTION
For the year ended December 31, 2024

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

RURAL MUNICIPALITY OF SPIRITWOOD #496
SCHEDULE 10 - SCHEDULE OF ACCUMULATED SURPLUS
For the year ended December 31, 2024

	2023	Changes	2024
UNAPPROPRIATED SURPLUS	\$ 2,221,805	\$ 621,657	\$ 2,843,462
APPROPRIATED RESERVES			
Spiritwood Fire Department Reserve		49,800	49,800
Lagoon Infrastructure Reserve	8,101	41	8,142
Capital Trust Fund Reserve	827,829	23,018	850,847
Total appropriated	835,930	72,859	908,789
ORGANIZED HAMLETS			
Spruce Bay	135,044	5,677	140,721
Total Hamlets	135,044	5,677	140,721
NET INVESTMENT IN CAPITAL ASSETS			
Tangible capital assets (Schedules 6 and 7)	8,842,213	(140,518)	8,701,695
Intangible capital assets (Schedules 8 and 9)			
Less: Related debt	(456,215)	10,148	(446,067)
Net investment in capital assets	8,385,998	(130,370)	8,255,628
ACCUMULATED SURPLUS excluding remeasurement gains (losses)	\$ 11,578,777	\$ 569,823	\$ 12,148,600

RURAL MUNICIPALITY OF SPIRITWOOD #496
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	
Taxable assessment	202,780,355	95,243,804		20,307,360	9,625,014	327,956,533
Regional Park Assessment						
Total Assessment						327,956,533
Mill Rate Factor(s)	1.00	0.87		1.00	1.20	
Total Base/Minimum Tax	100,950	303,500		2,430	40,800	447,680
Total Municipal Tax Levy	1,662,232	843,368		40,757	118,071	2,664,428

	MILLS
Average Municipal	8.1243
Average School	2.6789
Potash Mill Rate	
Uniform Municipal Mill Rate	8.0000

RURAL MUNICIPALITY OF SPIRITWOOD #496
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 - Shirley Dauvin	\$ 7,799	\$ 559	8,358
Councilor - Heather Warketin	4,069	1,101	5,170
Councilor - Dennis Laventure	3,275		3,275
Councilor - Terry Wingerter	3,225		3,225
Councilor - Dale Wasden	3,075	302	3,377
Councilor - Larry Vaagen	3,003	448	3,451
Councilor - Bevra Fee	1,563		1,563
Councilor - Steve Buban	269	7	276
	<u>\$ 26,278</u>	<u>\$ 2,417</u>	<u>28,695</u>