R. M. of Wawken No. 93

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2023

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Management's Responsibility

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 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 is required.

In discharging its responsibilities for the integrity and fair presentation 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 fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with external auditors. The council is also responsible for recommending the appointment of the municipality's external auditors.

Baker Tilly SK LLP, an independent firm of chartered professional accountants, is appointed by the council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the council and management to discuss their audit findings.

Reeve

Administrator

Independent Auditors' Report

To the Council
R. M. of Wawken No. 93

Qualified Opinion

We have audited the consolidated financial statements of R. M. of Wawken No. 93, (the municipality), which comprise the consolidated Statement of Financial Position as at December 31, 2023 and the consolidated Statements of Operations, Change in Net Financial Assets and Cash Flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the municipality as at December 31, 2023, and results of its operations and its consolidated cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

PS 3280 asset retirement obligations requires the municipality to recognize a liability at the reporting date for future costs that the municipality is legally obligated to incur for the retirement of a tangible capital asset. The municipality has identified several buildings which likely contain asbestos and will require remediation upon the retirement of the building. A liability has not been recognized for these costs. As insufficient information is available with regards to the extent and expected costs of the likely remediation activities, we are unable to determine the asset retirement obligation liability that would have been recognized on the current or prior year’s statement of financial position, or the impacts on expenses, surplus and accumulated surplus of the current or prior year.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have 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 opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the municipality'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 municipality or to cease operations, or has no realistic alternative but to do so.

Council is responsible for overseeing the municipality's financial reporting process.

Auditors' 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 auditors' 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 generally accepted auditing standards, we exercise 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 municipality'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 municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the municipality 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 municipality to express an opinion on the consolidated financial statements. We are responsible for the direction, 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.

Baker Tilly SK LLP

Baker Tilly SK LLP

Yorkton, SK
June 19, 2024

R. M. of Wawken No. 93

Wawota, Saskatchewan

Statement 1

Consolidated Statement of Financial Position as at December 31, 2023

	2023	2022
Assets		
Financial Assets		
Cash and cash equivalents - note 2	2,729,111	2,322,953
Taxes receivable - municipal - note 3	28,795	15,756
Other accounts receivable - note 4	69,731	64,916
Long-term investments - note 7	54,136	1,349,983
Other	130,862	145,846
Total Financial Assets	3,012,635	3,899,454
Liabilities		
Accounts payable	43,912	24,589
Deferred revenue - note 9	25,528	
Total Liabilities	69,440	24,589
Net Financial Assets	2,943,195	3,874,865
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	4,563,798	3,402,670
Prepayments and deferred charges	4,092	13,252
Stock and supplies - note 6	554,593	786,121
Total Non-Financial Assets	5,122,483	4,202,043
Accumulated Surplus Excluding Remeasurement Gains - schedule 8	$ 8,065,678	$ 8,076,908

Approved on behalf of the council:

Reeve

Councillor

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

R. M. of Wawken No. 93

Consolidated Statement of Operations

For the year ended December 31, 2023

Statement 2

	2023 Budget [Note 1(u)]	2023 Actual	2022 Actual
Revenues			
Tax revenue - schedule 1	1,336,906	1,331,597	1,312,612
Fees and charges - schedules 4 and 5	49,080	69,560	79,092
Conditional grants - schedules 4 and 5	4,630	3,872	4,623
Tangible capital asset sales - gain - schedules 4 and 5	180,000	61,193	10,000
Investment income - schedules 4 and 5	53,730	149,396	57,388
Other - schedules 4 and 5		1,333	575
Provincial/federal capital grants and contributions - schedules 4 and 5	80,190	55,348	203,866
Total Revenue	1,704,536	1,672,299	1,668,156
Expenses - schedule 3			
General government services	279,850	280,340	250,133
Protective services	51,680	64,197	50,231
Transportation services	1,255,560	1,217,704	1,190,493
Environmental and public health services	54,080	54,345	52,339
Planning and development services		36,677	6,227
Recreation and cultural services	25,720	29,866	31,399
Utilities services	900	400	2,564
Total Expenses	1,667,790	1,683,529	1,583,386
Surplus (Deficit) of Revenue over Expenses	36,746	(11,230)	84,770
Accumulated Surplus Excluding Remeasurement Gains, Beginning of Year	8,076,908	8,076,908	7,992,138
Accumulated Surplus Excluding Remeasurement Gains, End of Year	$ 8,113,654	$ 8,065,678	$ 8,076,908

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

R. M. of Wawken No. 93

Consolidated Statement of Change in Net Financial Assets — Statement 3

For the year ended December 31, 2023

	2023 Budget [Note 1(u)]	2023 Actual	2022 Actual
Surplus (Deficit)	36,746	(11,230)	84,770
(Acquisition) of tangible capital assets	(315,000)	(1,508,784)	(615,543)
Amortization of tangible capital assets		228,849	290,111
Proceeds on disposal of tangible capital assets		180,000	10,000
Loss (gain) on the disposal of tangible capital assets	(180,000)	(61,193)	(10,000)
Surplus (Deficit) of Capital Expenses over Expenditures	(495,000)	(1,161,128)	(325,432)
(Acquisition) of supplies inventories			(6,804)
Consumption of supplies inventory		231,528	203,146
Use of prepaid expense		9,160	10,825
Surplus of Expenses of Other Non-Financial over Expenditures	0	240,688	207,167
Increase (Decrease) in Net Financial Assets	(458,254)	(931,670)	(33,495)
Net Financial Assets, beginning of year	3,874,865	3,874,865	3,908,360
Net Financial Assets, End of Year	$ 3,416,611	$ 2,943,195	$ 3,874,865

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

R. M. of Wawken No. 93

Consolidated Statement of Cash Flow

For the year ended December 31, 2023

Statement 4

	2023	2022
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus (Deficit)	(11,230)	84,770
Amortization	228,849	290,111
Loss (gain) on disposal of tangible capital assets	(61,193)	(10,000)
	156,426	364,881
Change in Assets/Liabilities		
Taxes receivable - municipal	(13,039)	(5,943)
Other receivables	(4,816)	(41,514)
Other financial assets	14,984	(1,408)
Accounts payable	19,322	(19,101)
Deferred revenue	25,528	(143,833)
Stock and supplies for use	231,528	196,342
Prepayments and deferred charges	9,160	10,825
Cash Provided by Operating Transactions	439,093	360,249
Capital:		
Acquisition of capital assets	(1,508,784)	(615,543)
Proceeds on sale of tangible capital assets	180,000	10,000
Cash Applied to Capital Transactions	(1,328,784)	(605,543)
Investing:		
Proceeds on disposal of investments	1,301,328	1,312,268
Acquisition in investment	(5,479)	(1,301,327)
Cash Provided by (Applied to) Investing Transactions	1,295,849	10,941
Change in Cash and Cash Equivalents During the Year	406,158	(234,353)
Cash and cash equivalents, beginning of year	2,322,953	2,557,306
Cash and Cash Equivalents, End of Year	$ 2,729,111	$ 2,322,953

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

1. **Significant Accounting Policies**

The consolidated financial statements of the municipality have been 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:

(a) Basis of accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting requires revenues to be recognized as they become available and measurable, and 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.

(b) Reporting entity

The consolidated 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 the council for the administration of their financial affairs and resources.

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.

Entities included in these consolidated financial statements are as follows:

Entity	**Basis of Recording**
Municipal Building Fund	33%
Wawota District Fire Board	33%
Wawota Recreation Board	33%
Wawken/Walpole Vet Board	50%

All inter-organizational transactions and balances have been eliminated.

(c) 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.

1. **Significant Accounting Policies** - continued

(d) 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 are 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:

(i) the transfers are authorized;
(ii) any eligibility criteria have been met; and
(iii) a reasonable estimate of the amount can be made.

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 eligibility criteria have been met.

(e) 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.

(f) Deferred revenue - fees and charges

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.

(g) Net financial assets

Net financial assets at the end of an 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.

(h) 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.

1. **Significant Accounting Policies** - continued

(i) 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.

(j) 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.

Long-term debt: 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.

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

Measurement of Financial Instruments:

The municipalities financial assets and liabilities are measured as follows:

Financial statement line item	
Cash and cash equivalents	cost or amortized cost
Investments	cost or amortized cost
Other accounts receivable	cost or amortized cost
Long-term receivables	cost or amortized cost
Debt charges recoverable	cost or amortized cost
Bank indebtedness	cost or amortized cost
Accounts payable and accrued liabilities	cost or amortized cost
Deposit liabilities	cost or amortized cost
Long-term debt	cost or amortized cost

(k) 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.

1. **Significant Accounting Policies** - continued

(l) Tangible capital assets

All tangible capital asset acquisitions or betterments 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 tangible capital assets that are recognized at a nominal value are disclosed in schedule 6. The cost 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 municipality's tangible capital asset useful lives are estimated as follows:

General Assets	
Land	Indefinite
Land improvements	10-25 years
Buildings	50 years
Vehicles	10 years
Machinery and equipment	5-15 years
Linear assets	15-40 years
Infrastructure Assets	

(m) 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.

(n) Works of art

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.

(o) Capitalization of interest

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

(p) Leases

All leases are recorded on the consolidated financial statement 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. 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.

1. **Significant Accounting Policies** - continued

(q) 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.

(r) 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. Penalties on overdue taxes are recorded in the period levied.

All other revenue is recorded when received, or receivable, collection is likely, and the amount can be reasonably determined.

(s) Measurement uncertainty

The preparation of 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. Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

Measurement uncertainty impacts the following financial statement areas:

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.

1. **Significant Accounting Policies** - continued

(t) 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 for the administration of the municipality.
Protective services: comprised of expenses for police and fire protection.
Transportation services: responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.
Environmental and public health: The environmental segment provides waste disposal and other environmental services. 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 the provision of recreation and leisure services.
Utility services: provides for delivery of water, collecting and treating of wastewater, and providing collection and disposal of solid waste.

(u) Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on May 11, 2023.

(v) 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.

(w) 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 use and 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.

1. **Significant Accounting Policies** - continued

(w) Asset retirement obligation - continued

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 de-recognizes 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.

(x) 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.

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 instruments that are quoted in an active market; all other financial instruments can be measured at cost/amortized cost of 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 extend of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

1. **Significant Accounting Policies** - continued

(x) New standards and amendments to standards - continued

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.

2. **Cash and Cash Equivalents**

	2023	**2022**
Cash	$ 2,729,111	$ 2,322,953

Cash and cash equivalents include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less.

3. **Taxes and Grants In Lieu Receivable**

	2023	**2022**
Municipal - current	24,738	8,954
Municipal - arrears	4,057	6,802
	28,795	15,756
Less: Allowance for uncollectibles	0	0
Total municipal taxes receivable	28,795	15,756
School - current	10,059	5,159
School - arrears	898	718
Total school taxes receivable	10,957	5,877
Other	1,978	0
Total taxes and grants in lieu receivable	41,730	21,633
Less: Taxes receivable to be collected on behalf of other organizations	12,935	5,877
Municipal and Grants In Lieu Taxes Receivable	$ 28,795	$ 15,756

4. **Other Accounts Receivable**

	2023	**2022**
Federal government	65,892	42,258
Provincial government	1,918	1,918
Trade	1,921	20,740
Net Other Accounts Receivable	$ 69,731	$ 64,916

5. **Assets Held for Sale**

	2023	**2022**
Tax title property	2,026	2,026
Less: Allowance for market value adjustment	2,026	2,026
Total Assets Held for Sale	$ 0	$ 0

6. **Inventories**

Inventories are comprised of the following:

	2023	2022
Gravel	513,034	739,656
Culverts	37,352	43,159
Other	4,207	3,306
	$ 554,593	$ 786,121

7. **Long-Term Investments**

	2023	2022
Portfolio investments		1,301,327
SARM Liability Self-Insurance Plan	54,136	48,656
	$ 54,136	$ 1,349,983

The long-term investments in the Saskatchewan Association of Rural Municipalities - Self-Insurance Fund are accounted for on the equity basis.

8. **Bank Indebtedness**

Bank indebtedness includes an operating loan amounting to $100,000 (2022 - $100,000) and bearing interest at 7.45%.

9. **Deferred Revenue**

	Balance, Beginning of Year	Plus Amount Received	Less Amount Recognized	Balance, End of Year
Canada Community Building Fund	$ 0	$ 38,485	$ 12,957	$ 25,528

10. **Long-Term Debt**

The debt limit of the municipality for 2024 is $1,376,654. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (*The Municipalities Act Sec. 161(1)*).

11. **Pension Plan**

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. 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.

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

All contributions by employees are matched equally by the employer. The contribution rates were updated on July 1, 2018. Employee contribution rates in effect for the year are as follows:

	2023	**2022**
General members	9.00 %	9.00 %
Designated members	12.50 %	12.50 %

Contributions to the plan during the year were as follows:

Benefit expense	$ 20,260	$ 16,672

As per the most recently audited consolidated financial statements, dated December 31, 2022, the plan surplus is $1,021,301.

12. **Contingent Liabilities**

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.

The municipality is also contingently liable for the following:

- The costs of additional improvements to Highway 48, should such be required. The municipality has a cost-sharing arrangement with Saskatchewan Ministry of Highways and Infrastructure for the construction of Highway 48.

13. **Commitments**

The municipality has committed $10,000 to be paid in the next year to the Moosomin Airport.

14. **Risk Management**

It is managements opinion that the municipality is not exposed to significant risks arising from these financial instruments.

R. M. of Wawken No. 93

Consolidated Schedule of Taxes and Other Unconditional Revenue — Schedule 1

For the year ended December 31, 2023

	2023 Budget [Note 1(u)]	2023 Actual	2022 Actual
Taxes			
General municipal tax levy	1,171,494	1,171,494	1,178,309
Abatements and adjustments	(8,582)	(8,947)	(8,980)
Discount on current year taxes	(61,150)	(61,530)	(61,151)
Net municipal taxes	1,101,762	1,101,017	1,108,178
Penalties on tax arrears	5,000	510	292
Total Taxes	1,106,762	1,101,527	1,108,470
Unconditional Grants			
Equalization (revenue sharing)	228,564	228,500	202,572
Total Unconditional Grants	228,564	228,500	202,572
Grants In Lieu of Taxes			
Provincial			
Transgas	410	408	408
SARM Fish & Wildlife	370	363	363
Local/Other			
Treaty land entitlement	800	799	799
Total Grants In Lieu of Taxes	1,580	1,570	1,570
Total Taxes and Other Unconditional Revenue	$ 1,336,906	$ 1,331,597	$ 1,312,612

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

R. M. of Wawken No. 93

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-1

For the year ended December 31, 2023

	2023 Budget [Note 1(u)]	2023 Actual	2022 Actual
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of supplies	880	856	830
Municipal Building Fund		11,974	13,584
Total Fees and Charges	880	12,830	14,414
Investment income	53,730	149,396	57,388
Other	580	800	575
Total Other Segmented Revenue	55,190	163,026	72,377
Total General Government Services	$ 55,190	$ 163,026	$ 72,377
Protective Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Policing and fire fees		7,937	5,558
Total Other Segmented Revenue	0	7,937	5,558
Total Protective Services	$ 0	$ 7,937	$ 5,558
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	6,500	7,644	6,539
Sale of supplies	27,600	10,538	26,286
Licenses and permits	1,500	3,225	1,500
Road maintenance and restoration agreement	4,000	5,515	
Total Fees and Charges	39,600	26,922	34,325
Tangible capital asset sales - gain	180,000	61,193	10,000
Total Other Segmented Revenue	219,600	88,115	44,325
Total Operating	219,600	88,115	44,325
Capital			
Conditional Grants			
Canada Community Building Fund	37,800	12,958	161,476
Designated municipal roads and bridges	42,390	42,390	42,390
Total Capital	80,190	55,348	203,866
Total Transportation Services	$ 299,790	$ 143,463	$ 248,191

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

R. M. of Wawken No. 93

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-2
For the year ended December 31, 2023

	2023 Budget [Note 1(u)]	2023 Actual	2022 Actual
Environmental and Public Health Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Waste and disposal fees	4,600	5,194	4,578
Total Other Segmented Revenue	4,600	5,194	4,578
Conditional Grants			
Other (Provincial Rat Control/Beaver Control)	4,630	3,872	4,623
Total Conditional Grants	4,630	3,872	4,623
Total Environmental and Public Health Services	$ 9,230	$ 9,066	$ 9,201
Planning and Development Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Rentals		2,086	1,806
Other (Veterinary Board)	2,500	12,182	8,424
Other	2,500	533	
Total Other Segmented Revenue	5,000	14,801	10,230
Total Planning and Development Services	$ 5,000	$ 14,801	$ 10,230
Recreation and Cultural Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Recreation Board		1,134	8,512
Total Other Segmented Revenue	0	1,134	8,512
Total Recreation and Cultural Services	$ 0	$ 1,134	$ 8,512
Utility Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Well Key Rentals	1,500	1,275	1,475
Total Other Segmented Revenue	1,500	1,275	1,475
Total Utility Services	$ 1,500	$ 1,275	$ 1,475
Total Operating and Capital Revenue by Function	$ 370,710	$ 340,702	$ 355,544

R. M. of Wawken No. 93

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-3

For the year ended December 31, 2023

	2023 Budget [Note 1(u)]	2023 Actual	2022 Actual
Summary			
Total Other Segmented Revenue	285,890	281,482	147,055
Total Conditional Grants	4,630	3,872	4,623
Total Capital Grants and Contributions	80,190	55,348	203,866
Total Operating and Capital Revenue by Function	$ 370,710	$ 340,702	$ 355,544

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

R. M. of Wawken No. 93

Total Expenses by Function — Schedule 3-1

For the year ended December 31, 2023

	2023 Budget [Note 1(u)]	2023 Actual	2022 Actual
General Government Services			
Council remuneration and travel	40,780	41,115	31,124
Wages and benefits	126,350	118,222	110,639
Professional/Contractual services	96,160	82,132	76,143
Utilities	1,300	1,262	1,247
Maintenance, materials and supplies	8,150	27,687	23,284
Grants and contributions - operating	2,530	2,410	675
Grants and contributions - capital	500	500	500
Amortization		3,630	3,630
Interest	80	356	16
Other	4,000	3,026	2,875
Total General Government Services	$ 279,850	$ 280,340	$ 250,133
Protective Services			
Police protection			
Professional/Contractual services	34,000	35,302	32,448
Fire protection			
Professional/Contractual services		9,856	7,539
Maintenance, materials and supplies	10,100	8,523	
Grants and contributions - operating	5,500	4,333	4,333
Amortization		3,840	3,840
Other	2,080	2,343	2,071
Total Protective Services	$ 51,680	$ 64,197	$ 50,231
Transportation Services			
Wages and benefits	248,110	208,413	210,384
Professional/Contractual services	524,200	116,273	116,612
Utilities	7,950	9,617	7,711
Maintenance, materials and supplies	373,300	295,988	258,175
Gravel	102,000	366,034	316,175
Amortization		221,379	281,436
Total Transportation Services	$ 1,255,560	$ 1,217,704	$ 1,190,493

R. M. of Wawken No. 93

Total Expenses by Function

Schedule 3-2

For the year ended December 31, 2023

	2023 Budget [Note 1(u)]	2023 Actual	2022 Actual
Environmental and Public Health Services			
Professional/Contractual services	50,170	43,593	50,359
Utilities		668	
Maintenance, materials and supplies	3,000	8,985	1,072
Other	910	1,099	908
Total Environmental and Public Health Services	$ 54,080	$ 54,345	$ 52,339
Planning and Development Services			
Professional/Contractual services		36,677	5,022
Amortization			1,205
Total Planning and Development Services	$ 0	$ 36,677	$ 6,227
Recreation and Cultural Services			
Professional/Contractual services	18,220	23,793	25,566
Grants and contributions - operating	7,500	6,073	5,833
Total Recreation and Cultural Services	$ 25,720	$ 29,866	$ 31,399
Utility Services			
Professional/Contractual services	100	44	309
Utilities	800	356	793
Maintenance, materials and supplies			1,462
Total Utility Services	$ 900	$ 400	$ 2,564
Total Expenses by Function	$ 1,667,790	$ 1,683,529	$ 1,583,386

R. M. of Wawken No. 93

Consolidated Schedule of Segment Disclosure by Function

For the year ended December 31, 2023

Schedule 4

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	12,830	7,937	26,922	5,194	14,268	1,134	1,275	69,560
Tangible capital asset sales - gain			61,193					61,193
Investment income	149,396							149,396
Other revenues	800				533			1,333
Grants - conditional				3,872				3,872
Grants - capital			55,348					55,348
Total Revenues	163,026	7,937	143,463	9,066	14,801	1,134	1,275	340,702
Expenses - schedule 3								
Wages and benefits	118,222		208,413					326,635
Professional/contractual services	123,247	45,158	116,273	43,593	36,677	23,793	44	388,785
Utilities	1,262		9,617	668			356	11,903
Maintenance materials and supplies	27,687	8,523	662,022	8,985				707,217
Grants and contributions	2,910	4,333				6,073		13,316
Amortization	3,630	3,840	221,379					228,849
Interest	356							356
Other	3,026	2,343		1,099				6,468
Total Expenses	280,340	64,197	1,217,704	54,345	36,677	29,866	400	1,683,529
Surplus (Deficit) by Function	$(117,314)	$(56,260)	$(1,074,241)	$(45,279)	$(21,876)	$(28,732)	$ 875	(1,342,827)
Taxation and other unconditional revenue - schedule 1								1,331,597
Net Surplus (Deficit)								$(11,230)

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

R. M. of Wawken No. 93

Consolidated Schedule of Segment Disclosure by Function

Schedule 5

For the year ended December 31, 2022

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	14,414	5,558	34,325	4,578	10,230	8,512	1,475	79,092
Tangible capital asset sales - gain			10,000					10,000
Investment income	57,388							57,388
Other revenues	575							575
Grants - conditional				4,623				4,623
Grants - capital			203,866					203,866
Total Revenues	72,377	5,558	248,191	9,201	10,230	8,512	1,475	355,544
Expenses - schedule 3								
Wages and benefits	141,763		210,384					352,147
Professional/contractual services	76,143	39,987	116,612	50,359	5,022	25,566	309	313,998
Utilities	1,247		7,711				793	9,751
Maintenance materials and supplies	23,284		574,350	1,072			1,462	600,168
Grants and contributions	1,175	4,333				5,833		11,341
Amortization	3,630	3,840	281,436		1,205			290,111
Interest	16							16
Other	2,875	2,071		908				5,854
Total Expenses	250,133	50,231	1,190,493	52,339	6,227	31,399	2,564	1,583,386
Surplus (Deficit) by Function	$(177,756)	$(44,673)	$(942,302)	$(43,138)	$ 4,003	$(22,887)	$(1,089)	(1,227,842)
Taxation and other unconditional revenue - schedule 1								1,312,612
Net Surplus								$ 84,770

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

R. M. of Wawken No. 93

Consolidated Schedule of Tangible Capital Assets by Object

For the year ended December 31, 2023

Schedule 6

	2023								2022
		General Assets				Infrastruct. Assets	General/ Infrastruct. Assets		
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Assets under Constr.	Total	Total
Asset Cost									
Opening Asset Cost	180,271	2,619	232,233	0	1,308,759	5,482,114	0	7,205,996	6,658,933
Additions during the year					629,879	878,905		1,508,784	615,543
Disposals and write-down during the year					(500,749)			(500,749)	(68,480)
Closing Asset Costs	180,271	2,619	232,233	0	1,437,889	6,361,019	0	8,214,031	7,205,996
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	0	0	208,868	0	844,552	2,749,906	0	3,803,326	3,581,695
Add: Amortization taken			3,440		113,959	111,450		228,849	290,111
Less: Accumulated amortization on disposals					381,942			381,942	68,480
Closing Accumulated Amortization Costs	0	0	212,308	0	576,569	2,861,356	0	3,650,233	3,803,326
Net Book Value	$ 180,271	$ 2,619	$ 19,925	$ 0	$ 861,320	$ 3,499,663	$ 0	$ 4,563,798	$ 3,402,670

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

R. M. of Wawken No. 93

Consolidated Schedule of Tangible Capital Assets by Function

For the year ended December 31, 2023

Schedule 7

	2023								2022
	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Water & Sewer	Total	Total
Asset Cost									
Opening Asset Cost	134,504	72,751	6,899,121	0	86,550	0	13,070	7,205,996	6,658,933
Additions during the year			1,508,784					1,508,784	615,543
Disposals and write-down during the year			(500,749)					(500,749)	(68,480)
Closing Asset Costs	134,504	72,751	7,907,156	0	86,550	0	13,070	8,214,031	7,205,996
Accumulated Amortization Cost									
Opening Accumulated Amortization costs	115,122	50,836	3,564,048	0	60,250	0	13,070	3,803,326	3,581,695
Add: Amortization taken	3,630	3,840	221,379					228,849	290,111
Less: Accumulated amortization on disposals			381,942					381,942	68,480
Closing Accumulated Amortization Costs	118,752	54,676	3,403,485	0	60,250	0	13,070	3,650,233	3,803,326
Net Book Value	$ 15,752	$ 18,075	$ 4,503,671	$ 0	$ 26,300	$ 0	$ 0	$ 4,563,798	$ 3,402,670

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

R. M. of Wawken No. 93

Consolidated Schedule of Accumulated Surplus — Schedule 8

For the year ended December 31, 2023

	2022	Changes	2023
Unappropriated Surplus	4,454,526	(1,172,358)	3,282,168
Appropriated Surplus			
Machinery and equipment			
Dedicated land reserve	712		712
Future expenditures/capital	219,000		219,000
	219,712	0	219,712
Total Appropriated	219,712	0	219,712
Net Investment in Tangible Capital Assets			
Tangible capital assets - schedule 6	3,402,670	1,161,128	4,563,798
Net Investment in Tangible Capital Assets	3,402,670	1,161,128	4,563,798
Accumulated Surplus Excluding Remeasurement Gains (Losses)	$ 8,076,908	$(11,230)	$ 8,065,678

R. M. of Wawken No. 93

Schedule of Mill Rates and Assessments

For the year ended December 31, 2023

	Property Class						
	Agriculture	**Residential**	**Residential Condominium**	**Seasonal Residential**	**Commercial & Industrial**	**Potash Mine(s)**	**Total**
Taxable Assessment	91,543,970	9,218,910			58,719,975		159,482,855
Regional Park Assessment							
Total Assessment							159,482,855
Mill Rate Factor(s)	0.8500	1.0000			1.5000		
Total Base/Minimum Tax (generated for each property class)							
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	520,565	61,674			589,255		1,171,494

Mill Rates:	**Mills**
Average Municipal*	7.3456
Average School*	4.6600
Potash Mill Rate	
Uniform Municipal Mill Rate	6.6900

*Average Mill Rates (multiply the total tax levy for each taxing authority by 1,000 and divide by the total assessment for the taxing authority).

R. M. of Wawken No. 93

Schedule of Council Remuneration

Schedule 10

For the year ended December 31, 2023

Name	Remuneration	Reimbursed Costs	Total
Hector Lamontagne	12,252		12,252
Darrell Petterson	10,553		10,553
Jill Lowe	7,059		7,059
Blaine Ehr	10,116		10,116
Dale Hewitt	11,078		11,078
Earl Bourhis	4,984		4,984
Ryley Clements	5,613		5,613
	$ 61,655	$ 0	$ 61,655

The notes to consolidated financial statements are an integral part of these consolidated financial statements.