

RURAL MUNICIPALITY OF HARRIS NO. 316

Auditor's Report

Financial Statements

December 31, 2023

MANAGEMENT'S RESPONSIBILITY

To the Ratepayers of
Rural Municipality of Harris No. 316:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. 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 financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are properly maintained to provide reliable information for the preparation of the financial statements.

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

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

Reeve

Administrator

INDEPENDENT AUDITOR'S REPORT

To the **Reeve** and Council of the **Rural Municipality of Harris No. 316**

Report on the Financial Statements

Qualified Opinion

We have audited the financial statements of the **Rural Municipality of Harris No. 316**, which comprise the statement of financial position as at **December 31, 2023** and the statements of financial activities, changes in net financial assets, changes in financial position, and remeasurement gains and losses for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Qualified Opinion

Under PSAS, the Rural Municipality was required to adopt a new accounting standard, PS 3280 - Asset Retirement Obligations. This new accounting standard required the Rural Municipality to record present liabilities for future expenditures with respect to legal obligations associated with the retirement of tangible capital assets. The Rural Municipality was unable to obtain and provide sufficient appropriate audit evidence regarding the completeness and valuation of these potential liabilities and the required disclosures. Consequently, we were unable to determine whether any adjustments were necessary to the presented amount of liabilities, accumulated surplus (deficit), expenditures, or surplus (deficit) of revenues over expenditures.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Rural Municipality in accordance with the ethical requirements that are relevant to our audit of the 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 Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Rural Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and the use of the going concern basis of accounting unless management either intends to liquidate the Rural Municipality or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Rural Municipality's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian 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 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'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's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Rural Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Saskatoon, Saskatchewan
May 6, 2024



Chartered Professional Accountants

RURAL MUNICIPALITY OF HARRIS NO. 316

Statement 1

STATEMENT OF FINANCIAL POSITION

December 31, 2023
with comparative figures for 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Financial assets:		
Cash and cash equivalents (Note 2)	\$ 3,161,530	3,850,114
Investments	-	-
Taxes receivable - Municipal (Note 3)	49,614	94,679
Other accounts receivable (Note 4)	87,298	50,804
Assets held for sale	-	-
Long-term receivables (Note 5)	43,483	40,777
Debt charges recoverable	-	-
Other	-	-
	<hr/>	<hr/>
Total financial assets	3,341,925	4,036,374
<u>LIABILITIES</u>		
Bank indebtedness	-	-
Accounts payable	68,534	70,460
Accrued liabilities payable	-	-
Deposits	-	-
Deferred revenue	546	546
Asset retirement obligations	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Long-term debt (Note 6)	-	-
Lease obligations	-	1,573
	<hr/>	<hr/>
Total liabilities	69,080	72,579
NET FINANCIAL ASSETS (DEBT)	3,272,845	3,963,795
Non-financial assets:		
Tangible capital assets (Schedule 6, 7)	3,397,733	2,337,675
Prepaid and deferred charges	268	38,969
Stock and supplies	83,351	93,472
	<hr/>	<hr/>
Total non-financial assets	3,481,352	2,470,116
Accumulated surplus (deficit)	<u>\$ 6,754,197</u>	<u>6,433,911</u>
Accumulated surplus (deficit) is comprised of:		
Accumulated surplus (deficit) excluding remeasurement gains (losses) (Schedule 8)	6,754,197	6,433,911
Accumulated remeasurement gains (losses) (Statement 5)	-	-

Contingent liabilities (Note 7)

APPROVED ON BEHALF OF COUNCIL:

_____ Reeve

_____ Councillor

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF HARRIS NO. 316

Statement 2

STATEMENT OF FINANCIAL ACTIVITIES

Year ended December 31, 2023
with comparative figures for 2022

		<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
Revenues:				
Tax revenue	(Schedule 1)	\$ 910,890	890,410	902,760
Other unconditional revenue	(Schedule 1)	282,395	282,531	292,165
Fees and charges	(Schedule 4, 5)	82,180	71,582	62,178
Conditional grants	(Schedule 4, 5)	53,468	53,168	67,760
Tangible capital asset sales - gain (loss)	(Schedule 4, 5)	-	-	7,500
Land sales - gain (loss)	(Schedule 4, 5)	-	-	-
Investment income	(Schedule 4, 5)	57,050	127,256	51,963
Commissions	(Schedule 4, 5)	-	-	-
Restructurings	(Schedule 4, 5)	-	-	-
Other revenues	(Schedule 4, 5)	-	-	-
Provincial/Federal capital grants and contributions	(Schedule 4, 5)	<u>12,159</u>	<u>13,008</u>	<u>5,964</u>
Total Revenues		<u>1,398,142</u>	<u>1,437,955</u>	<u>1,390,290</u>
Expenditures:				
General government services	(Schedule 3)	199,263	194,356	203,601
Protective services	(Schedule 3)	21,790	20,310	21,056
Transportation services	(Schedule 3)	1,018,602	836,282	741,208
Environmental and public health services	(Schedule 3)	60,900	57,085	55,166
Planning and development services	(Schedule 3)	-	-	-
Recreation and cultural services	(Schedule 3)	2,692	2,689	2,575
Utility services	(Schedule 3)	9,163	6,947	6,198
Restructurings	(Schedule 3)	-	-	-
Total Expenditures		<u>1,312,410</u>	<u>1,117,669</u>	<u>1,029,804</u>
Surplus (deficit) of revenues over expenditures		85,732	320,286	360,486
Accumulated surplus (deficit) excluding remeasurement gains (losses), beginning of year		<u>6,433,911</u>	<u>6,433,911</u>	<u>6,073,425</u>
Accumulated surplus (deficit) excluding remeasurement gains (losses), end of year		<u>\$ 6,519,643</u>	<u>6,754,197</u>	<u>6,433,911</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF HARRIS NO. 316

Statement 3

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2023
with comparative figures for 2022

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
Surplus (deficit)	\$ 85,732	320,286	360,486
(Acquisition) of tangible capital assets	-	(1,211,718)	(149,512)
Amortization of tangible capital assets	174,346	151,660	150,014
Proceeds on disposal of tangible capital assets	-	-	7,500
Loss (gain) on disposal of tangible capital assets	-	-	(7,500)
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (deficit) of capital expenses over expenditures	<u>174,346</u>	<u>(1,060,058)</u>	<u>502</u>
(Acquisition) of supplies inventories	-	-	(2,139)
(Acquisition) of prepaid expenses	-	(268)	(38,969)
Consumption of supplies inventories	-	10,121	38,240
Use of prepaid expenses	-	38,969	114
Surplus (deficit) of expenses of other non-financial over expenditures	<u>-</u>	<u>48,822</u>	<u>(2,754)</u>
Unrealized remeasurement gains (losses)	-	-	-
Increase (decrease) in Net Financial Assets	260,078	(690,950)	358,234
Net Financial Assets (Debt) - Beginning of the year	<u>3,963,795</u>	<u>3,963,795</u>	<u>3,605,561</u>
Net Financial Assets (Debt) - End of year	<u>\$ 4,223,873</u>	<u>3,272,845</u>	<u>3,963,795</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF HARRIS NO. 316

Statement 4

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 2023
with comparative figures for 2022

Cash provided by (used in) the following activities:	<u>2023</u>	<u>2022</u>
Operating:		
Surplus (deficit)	\$ 320,286	360,486
Amortization	151,660	150,014
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>(7,500)</u>
	471,946	503,000
Change in assets/liabilities		
Taxes receivable - Municipal	45,064	(24,328)
Other accounts receivable	(36,495)	58,087
Assets held for sale	-	-
Other financial assets	-	-
Accounts and accrued liabilities payable	(1,924)	2,042
Deposits	-	-
Deferred revenue	-	(52)
Asset retirement obligations	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Stock and supplies	10,121	36,101
Prepayments and deferred charges	38,701	(38,855)
Other	<u>-</u>	<u>-</u>
Net cash from operations	<u>527,413</u>	<u>535,995</u>
Capital:		
Cash used to acquire tangible capital assets	(1,211,718)	(149,512)
Proceeds on disposal of tangible capital assets	-	7,500
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(1,211,718)</u>	<u>(142,012)</u>
Investing:		
Decrease (increase) in restricted cash	-	-
Proceeds on disposal of investments	-	-
Decrease (increase) in investments	<u>(2,706)</u>	<u>9,707</u>
Net cash from (used for) investing	<u>(2,706)</u>	<u>9,707</u>
Financing activities:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	(1,573)	(1,343)
Other financing	<u>-</u>	<u>-</u>
Net cash used for financing	<u>(1,573)</u>	<u>(1,343)</u>
Change in cash and cash equivalents during the year	(688,584)	402,347
Cash and cash equivalents, beginning of year	<u>3,850,114</u>	<u>3,447,767</u>
Cash and cash equivalents, end of year (Note 2)	<u>\$ 3,161,530</u>	<u>3,850,114</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF HARRIS NO. 316

Statement 5

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

Year ended December 31, 2023
with comparative figures for 2022

	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
Accumulated remeasurement gains (losses), beginning of year	\$ -	-
Unrealized gains (losses)		
Derivatives	-	-
Equity investments measured at fair value	-	-
Foreign exchange	-	-
	-	-
Reclassified to the Statement of Financial Activities		
Derivatives	-	-
Equity investments measured at fair value	-	-
Foreign exchange	-	-
	-	-
Net remeasurement gains (losses)	-	-
Accumulated remeasurement gains (losses), end of year	<u>\$ -</u>	<u>-</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF HARRIS NO. 316

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Municipality are prepared by management in accordance with the local government accounting standards established by the Public Sector Accounting Board. Significant aspects of the accounting policies are as follows:

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues 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.

(b) Reporting Entity

The financial statements consolidate the assets, liabilities and flow of resources of the Municipality. The entity is comprised of all organizations 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.

(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 the relevant legislation. The amounts collected are disclosed in Note 3.

(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 the result of a direct financial return. Government transfers are recognized as either expenditures or revenues in the period that the events giving rise to the transfer occurred, as long as:

- a) the transfer is authorized;
- b) eligibility criteria have been met by the recipient; and
- c) a reasonable estimate of the amount can be made

Unearned government transfer amounts received but not earned will be recorded as deferred revenue.

Earned government transfer amounts not received will be recorded as an amount receivable.

(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 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) Local Improvement Charges

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

RURAL MUNICIPALITY OF HARRIS NO. 316

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) 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.

(i) 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.

(j) Appropriated Reserves

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

(k) 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.

(l) 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 or 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 financial activities when there is an other than temporary decline in value.

Interest and dividends attributable to financial instruments are reported in the statement of financial activities. 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 financial activities.

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

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

RURAL MUNICIPALITY OF HARRIS NO. 316

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) 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 of the inventory in the ordinary course of business.

(n) 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 the contribution. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. 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 Municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land improvements	15 years
Buildings	50 years
Vehicles and equipment	
Vehicles	10 years
Machinery & Equipment	10 to 15 years
<i>Infrastructure Assets</i>	
Water and sewer	40 years
Road network assets	15 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.

Leases: All leases are recorded on the financial statements as either a capital or operating lease. Any lease that transfers the majority of benefits and risk associated with the leased asset is classified as a capital lease. 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.

RURAL MUNICIPALITY OF HARRIS NO. 316

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

1. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

(o) Asset Retirement Obligations

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

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

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

(p) 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.

The Municipality does not have any contaminated sites.

(q) Employee Benefit Plans

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

RURAL MUNICIPALITY OF HARRIS NO. 316

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Measurement Uncertainty

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

Measurement uncertainty impacts the following financial statement areas:

- a) Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.
- b) The measurement of materials and supplies are based on estimates of volume and quality.
- c) The 'Opening asset costs' of tangible capital assets have been estimated where actual costs were not available.
- d) Amortization is based on the estimated useful lives of tangible capital assets.
- e) 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.
- f) Measurement of 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 period in which they become known.

(s) 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 borrowing.

These segments (functions) are as follows:

General Government: The general government segment provides for the administration of the Municipality.

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

Transportation Services: The transportation services segment 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: 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: The planning and development segment provides for neighbourhood development and sustainability.

Recreation and Culture: The recreation and culture segment provides for community services through the provision of recreation and leisure services.

Utility Services: The utility services segment provides for the delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

RURAL MUNICIPALITY OF HARRIS NO. 316

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

1. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

(t) Assets Held for Sale

The Municipality records assets held for sale when 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.

(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 10, 2023.

(v) Loan Guarantees

Loan guarantees provided by the Municipality for various organizations are not consolidated as part of the Municipality's financial statements. As the guarantees represent potential financial commitments for the Municipality, these amounts are considered contingent liabilities and are 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 organizations annually and in the event that payment by the Municipality is likely to occur, a provision will be recognized in the financial statements.

(w) 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.

RURAL MUNICIPALITY OF HARRIS NO. 316

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) 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 or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of remeasurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

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

2. CASH AND CASH EQUIVALENTS

	<u>2023</u>	<u>2022</u>
Cash	\$ 3,161,530	3,850,114
Short-term investments	-	-
Restricted cash	<u>-</u>	<u>-</u>
	<u>\$ 3,161,530</u>	<u>3,850,114</u>

Cash and cash equivalents include balances with banks, less outstanding cheques and plus outstanding deposits, and short-term deposits with maturities of three months or less.

RURAL MUNICIPALITY OF HARRIS NO. 316

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

3. TAXES AND GRANTS IN LIEU RECEIVABLE

	<u>2023</u>	<u>2022</u>
Municipal: - Current	\$ 44,208	81,865
- Arrears	<u>7,406</u>	<u>14,814</u>
	51,614	96,679
Less: allowance for uncollectibles	<u>(2,000)</u>	<u>(2,000)</u>
Total municipal taxes receivable	<u>49,614</u>	<u>94,679</u>
School: - Current	10,384	19,306
- Arrears	<u>1,983</u>	<u>3,921</u>
Total taxes to be collected on behalf of School Divisions	<u>12,367</u>	<u>23,227</u>
Other: - Current	12,198	26,741
- Arrears	<u>2,612</u>	<u>1,692</u>
Total other collections receivable	<u>14,810</u>	<u>28,433</u>
Total taxes and grants in lieu receivable or to be collected on behalf of other organizations	76,791	146,339
Deduct taxes receivable to be collected on behalf of other organizations	<u>(27,177)</u>	<u>(51,660)</u>
Total taxes receivable - Municipal	<u>\$ 49,614</u>	<u>94,679</u>

4. OTHER ACCOUNTS RECEIVABLE

	<u>2023</u>	<u>2022</u>
Federal government	\$ 64,072	25,410
Provincial government	10,663	10,136
Local government	-	-
Utility	-	-
Trade	12,563	15,258
Other	<u>-</u>	<u>-</u>
Total other accounts receivable	87,298	50,804
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Net other accounts receivable	<u>\$ 87,298</u>	<u>50,804</u>

5. LONG-TERM RECEIVABLES

	<u>2023</u>	<u>2022</u>
Sask. Assoc. of Rural Municipalities - Self-insurance fund	\$ 43,378	40,672
Other long term investments:		
Co-op shares	100	100
Credit Union shares	<u>5</u>	<u>5</u>
Total long term investments	<u>\$ 43,483</u>	<u>40,777</u>

RURAL MUNICIPALITY OF HARRIS NO. 316

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

6. LONG-TERM DEBT

The authorized debt limit for the Municipality is \$800,729. The authorized 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)). The incremental debt above the debt limit authorized in the *Municipalities Act* is approved by the Saskatchewan Municipal Board.

7. 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.

8. 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 Municipality's pension expense in 2023 was \$27,355 (2022 - \$27,718). The benefits accrued to the Municipality's employees from MEPP are calculated using the following: pensionable years of service, highest average salary, and the plan accrual rate.

Total current service contributions by the Municipality to MEPP in 2023 were \$27,355 (2022 - \$27,718). Total current service contributions by the employees of the Municipality to MEPP in 2023 were \$27,355 (2022 - \$27,718).

Based on the latest information available (December 31, 2022 Audited Financial Statements) the Municipal Employees Pension Plan had a surplus in the net assets available for benefits of \$1,021,301,000. This is based on the most recent actuarial valuation, completed December 31, 2021. The Rural Municipality's portion of this is not readily determinable.

RURAL MUNICIPALITY OF HARRIS NO. 316

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

9. RISK MANAGEMENT

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

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge their responsibilities with respect to the financial instrument, and in doing so, cause a loss for the other party. The Municipality is mainly exposed to credit risk with respect to its cash and taxes and other accounts receivable. It is management's opinion that the Municipality is not exposed to significant credit risk as its cash is held by financial institutions with high credit ratings, and a significant portion of its taxes and other accounts receivable can be collected through tax enforcement procedures.

Liquidity Risk

Liquidity risk is the risk that the Municipality will encounter difficulty in meeting financial obligations as they fall due. The Municipality undertakes regular cash flow analyses to ensure that there are sufficient cash resources to meet all obligations. The Municipality is mainly exposed to liquidity risk with respect to its accounts payable and accrued liabilities.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, and other price risk.

- Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The municipality is not subject to significant interest rate risk.
- Currency risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in currency fluctuations. The municipality is not subject to significant currency risk.
- Other price risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in the fair value of equity investments. The municipality is not subject to significant other price risk.

RURAL MUNICIPALITY OF HARRIS NO. 316

SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES

Year ended December 31, 2023
with comparative figures for 2022

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
TAXES			
General municipal tax levy	\$ 759,960	747,244	759,696
Abatements and adjustments	-	-	-
Discount on current year taxes	<u>(25,000)</u>	<u>(32,833)</u>	<u>(32,934)</u>
Net municipal taxes	734,960	714,411	726,762
Potash tax share	48,046	48,046	46,445
Trailer license fees	-	-	-
Penalties on tax arrears	3,000	5,101	4,039
Special tax levy	124,884	122,852	125,514
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Taxes	<u>910,890</u>	<u>890,410</u>	<u>902,760</u>
UNCONDITIONAL GRANTS			
Revenue sharing	277,460	277,500	241,417
Organized Hamlet	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Unconditional Grants	<u>277,460</u>	<u>277,500</u>	<u>241,417</u>
GRANTS IN LIEU OF TAXES			
Federal	1,815	1,892	1,625
Provincial			
S.P.C. Electrical	-	-	-
Sask. Energy Gas	-	-	-
TransGas	1,000	1,088	47,009
Central Services	-	-	-
Sasktel	2,120	2,051	2,114
Other	<u>-</u>	<u>-</u>	<u>-</u>
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Other Government Transfers			
S.P.C. Surcharge	-	-	-
Sask Energy Surcharge	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Grants in Lieu of Taxes	<u>4,935</u>	<u>5,031</u>	<u>50,748</u>
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	<u>\$ 1,193,285</u>	<u>1,172,941</u>	<u>1,194,925</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF HARRIS NO. 316

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2023
with comparative figures for 2022

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ -	-	-
Sales of supplies	1,200	1,252	1,977
Other	100	-	-
Total Fees and Charges	<u>1,300</u>	<u>1,252</u>	<u>1,977</u>
Tangible capital asset sales - gain (loss)	-	-	-
Land sales - gain (loss)	-	-	-
Investment income	57,050	127,256	51,963
Commissions	-	-	-
Other	-	-	-
Total other segmented revenue	<u>58,350</u>	<u>128,508</u>	<u>53,940</u>
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>58,350</u>	<u>128,508</u>	<u>53,940</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total General Government Services	<u>58,350</u>	<u>128,508</u>	<u>53,940</u>
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other	-	-	-
Total Fees and Charges	<u>-</u>	<u>-</u>	<u>-</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	<u>-</u>	<u>-</u>	<u>-</u>
Conditional Grants			
Student employment	-	-	-
Local government	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>-</u>	<u>-</u>	<u>-</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Provincial Disaster Assistance	-	-	-
Local government	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Protective Services	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF HARRIS NO. 316

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2023
with comparative figures for 2022

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 17,000	12,527	3,937
Sale of gravel and supplies	25,000	16,075	7,025
Road Maintenance and Restoration Agreements	15,000	17,331	24,481
Other	-	-	-
Total Fees and Charges	<u>57,000</u>	<u>45,933</u>	<u>35,443</u>
Tangible capital asset sales - gain (loss)	-	-	7,500
Other	-	-	-
Total other segmented revenue	<u>57,000</u>	<u>45,933</u>	<u>42,943</u>
Conditional Grants			
Primary Weight Corridor	49,360	49,360	64,080
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>49,360</u>	<u>49,360</u>	<u>64,080</u>
Total Operating	<u>106,360</u>	<u>95,293</u>	<u>107,023</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	12,159	13,008	5,964
MREP (Heavy Haul, CTP, Municipal Bridges)	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>12,159</u>	<u>13,008</u>	<u>5,964</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Transportation Services	<u>118,519</u>	<u>108,301</u>	<u>112,987</u>
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Waste and Disposal Fees	20,880	24,063	19,939
Other (sale of pest control products)	<u>50</u>	<u>104</u>	<u>78</u>
Total Fees and Charges	20,930	24,167	20,017
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	<u>20,930</u>	<u>24,167</u>	<u>20,017</u>
Conditional Grants			
Student employment	-	-	-
TAPD	-	-	-
Local government	300	-	-
Other (rat rebate program)	<u>3,808</u>	<u>3,808</u>	<u>3,680</u>
Total Conditional Grants	<u>4,108</u>	<u>3,808</u>	<u>3,680</u>
Total Operating	<u>25,038</u>	<u>27,975</u>	<u>23,697</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
TAPD	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Environmental and Public Health Services Services	<u>25,038</u>	<u>27,975</u>	<u>23,697</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF HARRIS NO. 316

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2023
with comparative figures for 2022

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Maintenance and Development Charges	\$ 2,900	4	4,731
Other	-	-	-
Total Fees and Charges	<u>2,900</u>	<u>4</u>	<u>4,731</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	<u>2,900</u>	<u>4</u>	<u>4,731</u>
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>2,900</u>	<u>4</u>	<u>4,731</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Planning and Development Services	<u>2,900</u>	<u>4</u>	<u>4,731</u>
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	<u>-</u>	<u>-</u>	<u>-</u>
Conditional Grants			
Student Employment	-	-	-
Local government	-	-	-
Donations	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>-</u>	<u>-</u>	<u>-</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Local government	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Recreation and Cultural Services	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF HARRIS NO. 316

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2023
with comparative figures for 2022

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Water	\$ -	-	-
Sewer	-	-	-
Other (well key sales)	50	226	10
Total Fees and Charges	<u>50</u>	<u>226</u>	<u>10</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	<u>50</u>	<u>226</u>	<u>10</u>
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>50</u>	<u>226</u>	<u>10</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
New Building Canada Fund (SCF, NRP)	-	-	-
Clean Water and Wastewater Fund	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Services	<u>50</u>	<u>226</u>	<u>10</u>
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 204,857</u>	<u>265,014</u>	<u>195,365</u>
SUMMARY			
Total Other Segmented Revenue	\$ 139,230	198,838	121,641
Total Conditional Grants	53,468	53,168	67,760
Total Capital Grants and Contributions	12,159	13,008	5,964
Restructuring Revenue	-	-	-
TOTAL REVENUE BY FUNCTION	<u>\$ 204,857</u>	<u>265,014</u>	<u>195,365</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF HARRIS NO. 316

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2023
with comparative figures for 2022

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 31,300	28,747	32,096
Wages and benefits	108,399	107,741	101,119
Professional/Contractual services	28,276	27,312	29,519
Utilities	6,000	5,567	5,670
Maintenance, materials, and supplies	19,938	17,380	27,841
Grants and contributions	800	1,127	315
-operating	-	-	-
-capital	-	-	-
Amortization	-	1,028	1,028
Accretion of asset retirement obligations	-	-	-
Interest	1,250	690	1,007
Allowance for uncollectibles	-	-	-
Other (election, tax enforcement costs, and misc.)	3,300	4,764	5,006
General Government Services	<u>199,263</u>	<u>194,356</u>	<u>203,601</u>
Restructuring	-	-	-
Total General Government Services	<u>199,263</u>	<u>194,356</u>	<u>203,601</u>
PROTECTIVE SERVICES			
Police protection			
Wages and benefits	-	-	-
Professional/Contractual services	10,863	11,787	10,863
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Accretion of asset retirement obligations	-	-	-
Interest	-	-	-
Other	-	-	-
Fire protection			
Wages and benefits	-	-	-
Professional/Contractual services	10,927	8,523	10,193
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Accretion of asset retirement obligations	-	-	-
Interest	-	-	-
Other	-	-	-
Protective Services	<u>21,790</u>	<u>20,310</u>	<u>21,056</u>
Restructuring	-	-	-
Total Protective Services	<u>21,790</u>	<u>20,310</u>	<u>21,056</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF HARRIS NO. 316

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2023
with comparative figures for 2022

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
TRANSPORTATION SERVICES			
Council remuneration and travel	\$ 8,700	6,167	6,667
Wages and benefits	339,715	315,985	287,790
Professional/Contractual services	105,654	73,995	59,835
Utilities	8,800	8,966	7,654
Maintenance, materials, and supplies	308,000	214,774	204,124
Gravel	75,000	67,376	30,266
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	170,233	146,519	144,872
Accretion of asset retirement obligations	-	-	-
Interest	-	-	-
Other (crop damage)	2,500	2,500	-
Transportation Services	<u>1,018,602</u>	<u>836,282</u>	<u>741,208</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Transportation Services	<u>1,018,602</u>	<u>836,282</u>	<u>741,208</u>
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	4,750	4,469	3,518
Professional/Contractual services	47,230	44,507	42,797
Utilities	-	-	-
Maintenance, materials, and supplies	7,000	6,189	6,931
Grants and contributions	-	-	-
-operating	-	-	-
Waste disposal	1,120	1,120	1,120
Public health	800	800	800
-capital	-	-	-
Waste disposal	-	-	-
Public health	-	-	-
Amortization	-	-	-
Accretion of asset retirement obligations	-	-	-
Interest	-	-	-
Other	-	-	-
Environmental and Public Health Services	<u>60,900</u>	<u>57,085</u>	<u>55,166</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Environmental and Public Health Services	<u>60,900</u>	<u>57,085</u>	<u>55,166</u>
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	-	-	-
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Accretion of asset retirement obligations	-	-	-
Interest	-	-	-
Other	-	-	-
Planning and Development Services	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Planning and Development Services	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF HARRIS NO. 316

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2023
with comparative figures for 2022

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
RECREATION AND CULTURAL SERVICES			
Wages and benefits	\$ -	-	-
Professional/Contractual services	652	652	652
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	2,020	2,017	1,903
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Accretion of asset retirement obligations	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other (Rivers West membership)	20	20	20
Recreation and Cultural Services	<u>2,692</u>	<u>2,689</u>	<u>2,575</u>
Restructuring	-	-	-
Total Recreation and Cultural Services	<u>2,692</u>	<u>2,689</u>	<u>2,575</u>
UTILITY SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	2,650	1,501	694
Utilities	1,900	1,333	1,391
Maintenance, materials, and supplies	500	-	-
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	4,113	4,113	4,113
Accretion of asset retirement obligations	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other	-	-	-
Utility Services	<u>9,163</u>	<u>6,947</u>	<u>6,198</u>
Restructuring	-	-	-
Total Utility Services	<u>9,163</u>	<u>6,947</u>	<u>6,198</u>
TOTAL EXPENDITURES BY FUNCTION	<u>\$ 1,312,410</u>	<u>1,117,669</u>	<u>1,029,804</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF HARRIS NO. 316

Schedule 4

SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2023

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and charges	\$ 1,252	-	45,933	24,167	4	-	226	71,582
Tangible capital asset sales - Gain (loss)	-	-	-	-	-	-	-	-
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income	127,256	-	-	-	-	-	-	127,256
Commissions	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	49,360	3,808	-	-	-	53,168
Grants - Capital	-	-	13,008	-	-	-	-	13,008
Restructurings	-	-	-	-	-	-	-	-
Total revenues	<u>128,508</u>	<u>-</u>	<u>108,301</u>	<u>27,975</u>	<u>4</u>	<u>-</u>	<u>226</u>	<u>265,014</u>
Expenses (Schedule 3)								
Wages & Benefits	136,488	-	322,152	4,469	-	-	-	463,109
Professional/Contractual Services	27,312	20,310	73,995	44,507	-	652	1,501	168,277
Utilities	5,567	-	8,966	-	-	-	1,333	15,866
Maintenance, materials and supplies	17,380	-	282,150	6,189	-	20	-	305,739
Grants and contributions	1,127	-	-	1,920	-	2,017	-	5,064
Amortization	1,028	-	146,519	-	-	-	4,113	151,660
Accretion of asset retirement obligations	-	-	-	-	-	-	-	-
Interest	690	-	-	-	-	-	-	690
Allowance for uncollectibles	-	-	-	-	-	-	-	-
Other	4,764	-	2,500	-	-	-	-	7,264
Restructurings	-	-	-	-	-	-	-	-
Total expenses	<u>194,356</u>	<u>20,310</u>	<u>836,282</u>	<u>57,085</u>	<u>-</u>	<u>2,689</u>	<u>6,947</u>	<u>1,117,669</u>
Surplus (deficit) by function	(65,848)	(20,310)	(727,981)	(29,110)	4	(2,689)	(6,721)	(852,655)
Taxation and other unconditional revenue (Schedule 1)								<u>1,172,941</u>
Net surplus (deficit)								<u>\$ 320,286</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF HARRIS NO. 316

Schedule 5

SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2022

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and charges	\$ 1,977	-	35,443	20,017	4,731	-	10	62,178
Tangible capital asset sales - Gain (loss)	-	-	7,500	-	-	-	-	7,500
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income	51,963	-	-	-	-	-	-	51,963
Commissions	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	64,080	3,680	-	-	-	67,760
Grants - Capital	-	-	5,964	-	-	-	-	5,964
Restructurings	-	-	-	-	-	-	-	-
Total revenues	<u>53,940</u>	<u>-</u>	<u>112,987</u>	<u>23,697</u>	<u>4,731</u>	<u>-</u>	<u>10</u>	<u>195,365</u>
Expenses (Schedule 3)								
Wages & Benefits	133,215	-	294,457	3,518	-	-	-	431,190
Professional/Contractual Services	29,519	21,056	59,835	42,797	-	652	694	154,553
Utilities	5,670	-	7,654	-	-	-	1,391	14,715
Maintenance, materials and supplies	27,841	-	234,390	6,931	-	20	-	269,182
Grants and contributions	315	-	-	1,920	-	1,903	-	4,138
Amortization	1,028	-	144,872	-	-	-	4,113	150,013
Accretion of asset retirement obligations	-	-	-	-	-	-	-	-
Interest	1,007	-	-	-	-	-	-	1,007
Allowance for uncollectibles	-	-	-	-	-	-	-	-
Other	5,006	-	-	-	-	-	-	5,006
Restructurings	-	-	-	-	-	-	-	-
Total expenses	<u>203,601</u>	<u>21,056</u>	<u>741,208</u>	<u>55,166</u>	<u>-</u>	<u>2,575</u>	<u>6,198</u>	<u>1,029,804</u>
Surplus (deficit) by function	(149,661)	(21,056)	(628,221)	(31,469)	4,731	(2,575)	(6,188)	(834,439)
Taxation and other unconditional revenue (Schedule 1)								<u>1,194,925</u>
Net surplus (deficit)								<u>\$ 360,486</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF HARRIS NO. 316
SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

Year ended December 31, 2023
with comparative figures for 2022

	2023							2022	
	General Assets					Infrastructure Assets	General / Infrastructure Assets Under Construction	Total	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
Asset cost									
Opening asset costs	\$ 50,135	-	88,542	148,780	987,315	4,443,657	-	5,718,429	5,568,917
Additions during the year	-	-	-	-	466,648	745,070	-	1,211,718	149,512
Disposals and write-downs during the year	-	-	-	-	-	-	-	-	-
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing asset costs	<u>50,135</u>	<u>-</u>	<u>88,542</u>	<u>148,780</u>	<u>1,453,963</u>	<u>5,188,727</u>	<u>-</u>	<u>6,930,147</u>	<u>5,718,429</u>
Accumulated amortization cost									
Opening accumulated amortization costs	-	-	61,993	111,258	579,211	2,628,292	-	3,380,754	3,230,740
Add: Amortization taken	-	-	1,562	7,531	47,206	95,361	-	151,660	150,014
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	-	-
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	<u>-</u>	<u>-</u>	<u>63,555</u>	<u>118,789</u>	<u>626,417</u>	<u>2,723,653</u>	<u>-</u>	<u>3,532,414</u>	<u>3,380,754</u>
Net book value	<u>\$ 50,135</u>	<u>-</u>	<u>24,987</u>	<u>29,991</u>	<u>827,546</u>	<u>2,465,074</u>	<u>-</u>	<u>3,397,733</u>	<u>2,337,675</u>
1. Total contributed/donated assets received in 2023:			\$ -						
2. List of assets recognized at nominal value in 2023 are:									
-Infrastructure Assets			\$ -						
-Vehicles			\$ -						
-Machinery and Equipment			\$ -						
3. Amount of interest capitalized in 2023:			\$ -						

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF HARRIS NO. 316
SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION
Year ended December 31, 2023
with comparative figures for 2022

	2023							2022	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
Asset cost									
Opening asset costs	\$ 15,989	-	5,598,504	-	-	-	103,936	5,718,429	5,568,917
Additions during the year	-	-	1,211,718	-	-	-	-	1,211,718	149,512
Disposals and write-downs during the year	-	-	-	-	-	-	-	-	-
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing asset costs	<u>15,989</u>	<u>-</u>	<u>6,810,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,936</u>	<u>6,930,147</u>	<u>5,718,429</u>
Accumulated amortization cost									
Opening accumulated amortization costs	14,513	-	3,312,766	-	-	-	53,475	3,380,754	3,230,740
Add: Amortization taken	1,028	-	146,519	-	-	-	4,113	151,660	150,014
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	-	-
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	<u>15,541</u>	<u>-</u>	<u>3,459,285</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,588</u>	<u>3,532,414</u>	<u>3,380,754</u>
Net book value	<u>\$ 448</u>	<u>-</u>	<u>3,350,937</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,348</u>	<u>3,397,733</u>	<u>2,337,675</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF HARRIS NO. 316

SCHEDULE OF ACCUMULATED SURPLUS

Year ended December 31, 2023

	<u>2022</u>	<u>Changes</u>	<u>2023</u>
UNAPPROPRIATED SURPLUS	\$ <u>1,993,193</u>	<u>119,505</u>	<u>2,112,698</u>
APPROPRIATED RESERVES			
Machinery and equipment	32,659	2,000	34,659
Public reserve	11,030	-	11,030
Capital trust	495,258	(401,721)	93,537
Utility	-	-	-
Other	<u>1,564,096</u>	<u>(459,556)</u>	<u>1,104,540</u>
Total Appropriated	<u>2,103,043</u>	<u>(859,277)</u>	<u>1,243,766</u>
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	2,337,675	1,060,058	3,397,733
Less: Related debt	<u>-</u>	<u>-</u>	<u>-</u>
Net Investment in Tangible Capital Assets	<u>2,337,675</u>	<u>1,060,058</u>	<u>3,397,733</u>
Accumulated Surplus excluding remeasurement gains (losses)	\$ <u><u>6,433,911</u></u>	<u><u>320,286</u></u>	<u><u>6,754,197</u></u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF HARRIS NO. 316

SCHEDULE OF MILL RATES AND ASSESSMENTS

Year ended December 31, 2023
with comparative figures for 2022

	PROPERTY CLASS						Total
	<u>Agriculture</u>	<u>Residential</u>	<u>Residential Condominium</u>	<u>Seasonal Residential</u>	<u>Commercial & Industrial</u>	<u>Potash Mine(s)</u>	
Taxable Assessment	\$ 113,642,855	5,064,775	-	-	4,385,575	-	123,093,205
Regional Park Assessment							-
Total Assessment							123,093,205
Mill Rate Factor(s)	0.9400	1.7500	1.0000	1.0000	2.5000		
Total Base/Minimum Tax (generated for each property class)	-	-	-	-	-		
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ 630,263	52,294	-	-	64,687		

<u>MILL RATES:</u>	<u>MILLS</u>
Average Municipal*	6.071
Average School*	1.889
Potash Mill Rate	-
Uniform Municipal Mill Rate	5.900

* Average Mill Rates (multiply the total tax levy for each taxing authority by 1000 and divide by the total assessment for the taxing authority)

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF HARRIS NO. 316

SCHEDULE OF COUNCIL REMUNERATION

Year ended December 31, 2023
with comparative figures for 2022

Position	Name	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Reeve	Dan Mireau	\$ 7,100	189	7,289
Councillor	Russell Gordon	3,800	-	3,800
Councillor	Marty Sigstad	3,200	66	3,266
Councillor	Rebecca Longworth	2,567	-	2,567
Councillor	Jim Richardson	3,200	303	3,503
Councillor	Brent Genest	3,900	22	3,922
Councillor	Kevin Genest	1,534	124	1,658
Councillor	Curtis Perry	1,867	57	1,924
Total		<u>\$ 27,168</u>	<u>761</u>	<u>27,929</u>

See accompanying notes to the financial statements.

RURAL MUNICIPALITY OF HARRIS NO. 316

SCHEDULE OF RESTRUCTURING

Year ended December 31, 2023

Carrying Amount of Assets and Liabilities Transferred/Received at Restructuring Date

Cash and cash equivalents	\$	-
Investments		-
Taxes receivable - Municipal		-
Other accounts receivable		-
Assets held for sale		-
Long-term receivables		-
Debt charges recoverable		-
Bank indebtedness		-
Accounts payable		-
Accrued liabilities payable		-
Deposits		-
Deferred revenue		-
Asset retirement obligations		-
Liability for contaminated sites		-
Other liabilities		-
Long-term debt		-
Lease obligations		-
Tangible capital assets		-
Prepayments and deferred charges		-
Stock and supplies		-
Other		-
Total Net Carrying Amount Received (Transferred)	\$	-

See accompanying notes to the financial statements.