

Annual Financial Statements

And Supporting Schedules

For The

Rural Municipality of Hillsdale No. 440

As at December 31, 2023

Management's Responsibility for Financial Reporting

The financial statements of Rural Municipality of Hillsdale No. 440 have been prepared in accordance with Canadian public sector accounting standards (PSAS). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Rural Municipality of Hillsdale No. 440's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Council is composed of elected officials, who are not employees of the municipality, and meets periodically with management to review significant accounting, reporting and internal control matters. The Council is also responsible for the approval of the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by HRO Chartered Professional Accountants, in accordance with Canadian public sector accounting standards.

May 9, 2024

Date


Reeve


Administrator



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INDEPENDENT AUDITOR'S REPORT

To the Members of Rural Municipality of Hillsdale No. 440

Qualified Opinion

We have audited the financial statements of Rural Municipality of Hillsdale No. 440 (the Municipality), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net financial assets, changes in accumulated surplus and cash flows 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 Municipality as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The municipality has interests in Cut Knife & District Fire Association, Maidstone Waseca & District Fire Board, Neilburg Fire Board, R.M. of Manitou Lake Fire & Rescue Co-operative Ltd., and Highway 40 Health Holdings Board (Note 1a). The municipality has not recorded these interests in its financial statements using the proportionate consolidation method, which constitutes a departure from Canadian Public Sector Accounting Standards. The effect on the financial statements has not been determined for the fiscal 2023 and 2022 years. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation of scope.

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 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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

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

(continues)

LORALIE A. RAICHE, CPA, CA, CFP®
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Independent Auditor's Report to the Members of Rural Municipality of Hillsdale No. 440 *(continued)*

In preparing the financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

HRO

North Battleford, Saskatchewan
May 9, 2024

Chartered Professional Accountants

Rural Municipality of Hillsdale No. 440

Statement of Financial Position

As at December 31, 2023

Statement 1

	2023	2022
FINANCIAL ASSETS		
Cash and Cash Equivalents (Note 2)	\$ 7,732,027	\$ 7,303,925
Investments (Note 3)	2,048,478	2,049,798
Taxes Receivable - Municipal (Note 4)	123,341	113,387
Other Accounts Receivable (Note 5)	501,934	211,298
Assets Held for Sale (Note 6)	29,108	29,108
Long-Term Receivable (Note 7)	298,259	279,882
Debt Charges Recoverable		
Derivative Assets		
Other (Specify)		
Total Financial Assets	10,733,147	9,987,398
LIABILITIES		
Bank Indebtedness		
Accounts Payable	497,421	538,465
Accrued Liabilities Payable	238,627	9,922
Derivative Liabilities		
Deposits		
Deferred Revenue (Note 9)	8,750	8,750
Asset Retirement Obligation		
Liability for Contaminated Sites		
Other Liabilities		
Long-Term Debt (Note 10)	6,452,894	7,315,861
Lease Obligations		
Total Liabilities	7,197,692	7,872,998
NET FINANCIAL ASSETS (DEBT)	3,535,455	2,114,400
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	27,440,557	27,930,493
Prepayments and Deferred Charges	55,491	6,636
Stock and Supplies	601,583	316,080
Other (Gravel Pit) (Note 11)	9,184,906	9,406,182
Total Non-Financial Assets	37,282,537	37,659,391
ACCUMULATED SURPLUS (DEFICIT)	\$ 40,817,992	\$ 39,773,791
Accumulated surplus (deficit) is comprised of:		
Accumulated Surplus (Deficit) excluding remeasurement gains (losses) (Schedule 8)	\$ 40,817,992	\$ 39,773,791
Accumulated remeasurement gains (losses) (Statement 5)	\$ -	\$ -

Contingent Liabilities (Note 12)

The accompanying notes and schedules are an integral part of these statements.

	2023 Budget	2023	2022
REVENUES			
Tax Revenue (Schedule 1)	\$ 4,557,500	\$ 4,576,396	\$ 5,861,737
Other Unconditional Revenue (Schedule 1)	299,915	299,891	259,243
Fees and Charges (Schedule 4, 5)	246,720	269,715	255,615
Conditional Grants (Schedule 4, 5)	80,297	91,414	83,906
Tangible Capital Asset Sales - Gain (Loss) (Schedule 4, 5)	-	41,109	(23,161)
Land Sales - Gain (Schedule 4, 5)	-	-	-
Investment Income (Note 3) (Schedule 4, 5)	140,000	434,722	146,677
Commissions (Schedule 4, 5)	-	754	974
Restructurings (Schedule 4,5)	-	-	-
Other Revenues (Schedule 4, 5)	6,382	9,302	19,303
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	50,000	37,272	452,509
Total Revenues	5,380,814	5,760,575	7,056,803

EXPENSES			
General Government Services (Schedule 3)	618,066	600,418	604,167
Protective Services (Schedule 3)	261,632	212,752	203,656
Transportation Services (Schedule 3)	3,969,882	3,657,271	3,669,987
Environmental and Public Health Services (Schedule 3)	93,848	87,545	73,096
Planning and Development Services (Schedule 3)	15,725	37,091	15,682
Recreation and Cultural Services (Schedule 3)	101,973	121,297	107,554
Utility Services (Schedule 3)	-	-	-
Restructurings (Schedule 3)	-	-	-
Total Expenses	5,061,126	4,716,374	4,674,142

Annual Surplus (Deficit) of Revenues over Expenses	319,688	1,044,201	2,382,661
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), Beginning of Year	39,773,791	39,773,791	37,391,130
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), End of Year	\$ 40,093,479	\$ 40,817,992	\$ 39,773,791

The accompanying notes and schedules are an integral part of these statements.

Rural Municipality of Hillsdale No. 440
Statement of Change in Net Financial Assets
As at December 31, 2023

Statement 3

	2023 Budget	2023	2022
Annual Surplus (Deficit) of Revenues over Expenses	\$ 319,688	\$ 1,044,201	\$ 2,382,661
(Acquisition) of tangible capital assets		(1,674,344)	(1,708,010)
Amortization of tangible capital assets		2,000,387	2,145,818
Proceeds on disposal of tangible capital assets		205,000	145,000
Loss (gain) on the disposal of tangible capital assets		(41,109)	23,161
Transfer of assets/liabilities in restructuring transactions		-	-
Surplus (Deficit) of capital expenses over expenditures	-	489,934	605,969
(Acquisition) of supplies inventories		(285,503)	
(Acquisition) of prepaid expense		(48,853)	(199)
Use of gravel pit		221,276	
Consumption of supplies inventory			214,852
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures	-	(113,080)	214,653
Unrealized remeasurement gains (losses)	-	-	-
Increase/Decrease in Net Financial Assets	319,688	1,421,055	3,203,283
Net Financial Assets (Debt) - Beginning of Year		2,114,400	(1,088,883)
Net Financial Assets (Debt) - End of Year		\$ 3,535,455	\$ 2,114,400

The accompanying notes and schedules are an integral part of these statements.

	2023	2022
Cash provided by (used for) the following activities		
Operating:		
Annual Surplus (Deficit) of Revenues over Expenses	\$ 1,044,201	\$ 2,382,661
Amortization	2,000,387	2,145,818
Loss (gain) on disposal of tangible capital assets	(41,109)	23,161
	3,003,479	4,551,640
Change in assets/liabilities		
Taxes Receivable - Municipal	(9,954)	39,762
Other Receivables	(290,636)	45,679
Assets Held for Sale	-	-
Long-Term Receivable	(18,377)	22,612
Other Financial Assets	-	-
Accounts and Accrued Liabilities Payable	187,661	336,575
Derivative Liabilities (if applicable)	-	-
Deposits	-	-
Deferred Revenue	-	-
Asset Retirement Obligation	-	-
Liability for Contaminated Sites	-	-
Other Liabilities	-	-
Stock and Supplies	(285,503)	214,852
Prepayments and Deferred Charges	(48,853)	(199)
Other (Gravel Pit)	221,276	-
Cash provided by operating transactions	2,759,093	5,210,921
Capital:		
Acquisition of capital assets	(1,674,344)	(1,708,010)
Proceeds from the disposal of capital assets	205,000	145,000
Cash applied to capital transactions	(1,469,344)	(1,563,010)
Investing:		
Decrease (increase) in restricted cash	-	-
Proceeds from disposal of investments	-	-
Decrease (increase) in investments	1,320	(2,000,094)
Cash provided by (applied to) investing transactions	1,320	(2,000,094)
Financing:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	(862,967)	(1,684,138)
Other financing	-	-
Cash provided by (applied to) financing transactions	(862,967)	(1,684,138)
Change in Cash and Cash Equivalents during the year	428,102	(36,321)
Cash and Cash Equivalents - Beginning of Year	7,303,925	7,340,246
Cash and Cash Equivalents - End of Year	\$ 7,732,027	\$ 7,303,925
Cash and cash equivalents is made up of:		
Cash and cash equivalents (Note 2)	7,732,027	7,303,925
Less: restricted portion of cash and cash equivalents (Note 2)	-	-
Temporary bank indebtedness	-	-
	\$ 7,732,027	\$ 7,303,925

	2023	2022
Accumulated remeasurement gains (losses) at the beginning of the year:	-	-
Unrealized gains (losses) attributable to (Note 3):		
Derivatives		
Equity Investments measured at fair value		
Foreign exchange (if applicable)		
	-	-
Amounts reclassified to the Statement of Operations (Note 3):		
Derivatives		
Equity Investments measured at fair value		
Foreign exchange (if applicable)		
	-	-
Net remeasurement gains (losses) for the year	-	-
Accumulated remeasurement gains(losses) at end of year	-	-

1. Significant Accounting Policies

The 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 adopted by the municipality are as follows:

Basis of Accounting: The 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.

- a) **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. Entities included in these consolidated financial statements are as follows:

Entity
Rural Municipality of Hillsdale No. 440

All inter-organizational transactions and balances have been eliminated.

Partnerships: A partnership represents a contractual arrangement between the municipality and a party or parties outside the reporting entity. The partners have significant, clearly defined common goals, make a financial investment in the partnership, share control of decision making, and share, on an equitable basis, the significant risks and benefits associated with the operations of the partnership. These consolidated financial statements contain the following partnerships:

Cut Knife & District Fire Association - not consolidated
Maidstone Waseca & District Fire Board - not consolidated
Neilburg Fire Board - not consolidated
R.M. of Manitou Lake Fire & Rescue Co-operative Ltd. - not consolidated
Highway 40 Health Holdings Board - not consolidated

The municipality is unable to consolidate the above partnerships because audited financial statements at December 31, 2023 for each are unavailable at the time of completion.

- b) **Collection of funds for other authorities:** Collection of funds by the municipality for school boards, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.
- c) **Government Transfers:** Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occur, providing:
- a) the transfers are authorized;
 - b) any eligibility criteria and stipulations have been met; and
 - c) reasonable estimates of the amounts 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.

- d) **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.
- e) **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.
- f) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- 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.
- 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.

1. Significant Accounting Policies - continued

- j) **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. 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.
- k) **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:

<u>Financial Statement line item</u>	<u>Measurement</u>
Cash & Cash Equivalents	Cost and amortized cost
Investments	Cost
Other Accounts Receivable	Cost and amortized cost
Long term receivables	Cost
Debt Charges Recoverable	Amortized cost
Bank Indebtedness	Amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Long-Term Debt	Amortized cost
Derivative Assets and Liabilities	Fair Value

- l) **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.
- m) **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 deflation 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 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. Tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
General Assets	
Land	Indefinite
Land Improvements	15 Yrs
Buildings	40 Yrs
Vehicles & Equipment	
Vehicles	10 Yrs
Machinery and Equipment	3 to 20 Yrs
Leased capital assets	Lease term
Infrastructure Assets	
Infrastructure Assets	
Road Network Assets	15 to 40 Yrs

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 substantially all of the benefits and risk associated with the leased asset is classified as a capital lease and recorded as tangible capital assets. 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. 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

- n) **Employee Benefit Plans:** Contributions to the municipality's multiemployer defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.
- o) **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.

- p) **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.

Measurement uncertainty impacts the following financial statement areas:

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

The measurement of materials and supplies and the gravel pit 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.

- q) **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.

- r) **Budget Information:** Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on April 6, 2023.
- s) **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.
- t) **Tax Title Property:** Property acquired through the tax enforcement process and temporarily held is recorded at the lesser of the carrying amount (cost equal to the outstanding taxes including any applicable penalties up to the date of acquisition plus any costs necessary to maintain after acquisition) and the net recoverable amount. Impairment losses are not reversed in subsequent years, if net recoverable value subsequently increases.
- u) **Land Sales:** Land sales are recognized in the financial statements as revenues in the period in which the contract is signed and the ability to collect is reasonably assured.

1. Significant Accounting Policies - continued

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

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

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

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

- w) **Loan Guarantees:** The municipality provides loan guarantees for various (describe) organizations, which are not consolidated as part of the municipality's Statements. As the guarantees represent potential financial commitments for the municipality, these amounts are considered as contingent liabilities and not formally recognized as liabilities until the municipality considers it likely for the borrower to default on its obligation and the amount of the liability can be estimated. The municipality monitors the status of the organizations, loans, and lines of credit annually and in the event that payment by the municipality is likely to occur, a provision will be recognized in the Statements.

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.

y) **New Accounting Policies Adopted During the Year:**

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

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

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

Prospective application: During the year, the municipality adopted a new accounting policy with respect to Asset Retirement Obligations. Prior to this, the municipality did not account for these transactions. The adoption of this accounting policy has not impacted the municipality's financial statements.

Rural Municipality of Hillsdale No. 440

Notes to the Financial Statements

As at December 31, 2023

2. Cash and Cash Equivalents

	2023	2022
Cash	\$ 7,732,027	\$ 7,303,925
Short-term investments - amortized cost		
Restricted Cash		
Total Cash and Cash Equivalents	\$ 7,732,027	\$ 7,303,925

Cash and cash equivalents includes balances with banks and short-term deposits with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

The municipality has not set aside funds (restricted cash) to finance future expenditures based upon appropriated reserves (Schedule 8) determined by council; these funds are internally restricted. The appropriated reserves are under funded by \$5,441,489 (2022 - \$5,439,239). However, there are sufficient funds in the general account to fund the reserves.

3. Investments

	2023	2022
Investments carried at cost:		
Lloydminster & District Co-op. - equity	\$ 19,863	\$ 19,683
Lloydminster & District Co-op. - shares	10	10
Pine Island Lodge - shares	100	100
Synergy Credit Union - equity	28,500	30,000
Synergy Credit Union - shares	5	5
Synergy Credit Union - term deposits	2,000,000	2,000,000
Total investments	\$ 2,048,478	\$ 2,049,798

Short-term notes and deposits have effective interest rates of 5.5% (2022 - 4.09% to 4.72%) and mature in two years.

	2023	2022
Investment Income		
Interest	\$ 84,878	\$ 20,223
Dividends	13,264	7,638
Total investment income	\$ 98,142	\$ 27,861

For those instruments measured at cost, the carrying value approximates fair value.

4. Taxes Receivable - Municipal

	2023	2022
Municipal - Current	\$ 110,865	\$ 110,506
- Arrears	197,723	147,390
	308,588	257,896
- Less Allowance for Uncollectible	(185,247)	(144,509)
Total municipal taxes receivable	123,341	113,387

School - Current	17,029	17,706
- Arrears	22,544	17,815
Total taxes to be collected on behalf of School Divisions	39,573	35,521

Other		
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Total taxes and grants in lieu receivable or to be collected on behalf of other organizations 162,914 148,908

Deduct taxes to be collected on behalf of other organizations (39,573) (35,521)

Total Taxes Receivable - Municipal \$ 123,341 \$ 113,387

Rural Municipality of Hillsdale No. 440

Notes to the Financial Statements

As at December 31, 2023

5. Other Accounts Receivable

	2023	2022
Federal Government	\$ 47,706	\$ 29,072
Provincial Government		
Local Government	397,178	134,486
Utility		
Trade	57,050	47,740
Other (Specify)		
Total Other Accounts Receivable	501,934	211,298
Less: Allowance for Uncollectible		
Net Other Accounts Receivable	\$ 501,934	\$ 211,298

6. Assets Held for Sale

	2023	2022
Tax Title Property	\$ 29,108	\$ 29,108
Allowance for market value adjustment		
Net Tax Title Property	29,108	29,108
Other Land		
Allowance for market value adjustment		
Net Other Land	-	-
Other (Describe)		
Total Assets Held for Sale	\$ 29,108	\$ 29,108

7. Long-Term Receivable

	2023	2022
Sask Assoc. of Rural Municipalities - Self Insurance Fund	\$ 50,169	\$ 47,043
Sask Assoc. of Rural Municipalities - Tax Loss Compensation Fund	248,090	232,839
Other (Specify)		
Total Long-Term Receivables	\$ 298,259	\$ 279,882

8. Credit Facility Agreement

The municipality has a credit facility agreement with its financial institution that covers a revolving operating line of credit in the amount of \$750,000 and credit cards with a limit of \$20,000.

Interest on the line of credit is 7.1% (2022 - 6.45%). Security for the line of credit is the assignment of the municipality's municipal taxes receivable. There was no balance owing at year end under this line of credit in 2023 or 2022.

Credit card interest is 19.99%. Any balance owing is included in the accounts payable at year end.

9. Deferred Revenue	Externally Restricted	
	2022	2023
	Inflows	Revenue Earned
Prepaid lease fees	\$ 8,750	\$ 8,750
Total Deferred Revenue	\$ 8,750	\$ 8,750

10. Long-Term Debt

The debt limit of the municipality is \$6,390,015. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the *Municipalities Act* section 161(1)).

Debenture debt has been issued by the Saskatchewan Municipal Board for financing a gravel pit. Annual payments are \$983,679 including interest at 1.65%. The debt is due December, 2030.

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Year Total	Prior Year Principal
2023				\$ 862,967
2024	\$ 877,206	\$ 106,473	\$ 983,679	877,206
2025	891,680	91,999	983,679	891,680
2026	906,393	77,286	983,679	906,393
2027	921,348	62,331	983,679	921,348
2028	936,551	47,128	983,679	936,551
Thereafter	1,919,716	47,642	1,967,358	1,919,716
Balance	\$ 6,452,894	\$ 432,859	\$ 6,885,753	\$ 7,315,861

11. Other Non-financial Assets

Gravel Pit

	2023	2022
	\$ 9,184,906	\$ 9,406,182

The gravel pit is a purchased deposit valued at cost.

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.

13. Pension Plan

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer 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 \$48,086 (2022 - \$42,936). 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 the MEPP in 2023 were \$48,086 (2022 - \$42,936). Total current service contributions by the employees of the municipality to the MEPP in 2023 were \$48,086 (2022 - \$42,936).

At December 31, 2021, the MEPP disclosed an actuarial deficiency/surplus of \$350,928,000.

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

14. Comparative Figures

Prior year comparative figures have been restated to conform to the current year's presentation.

15. 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 so doing, cause a loss for the other party. The financial instruments that potentially subject the municipality to credit risk consist of taxes receivable, other accounts receivable, and long-term receivable. The municipality has a significant number of customers which minimizes concentration of credit risk. There was no allowance for doubtful accounts for December 31, 2023 and 2022.

Liquidity Risk

Liquidity risk is the risk that the entity 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 financial instruments that potentially subject the municipality to liquidity risk consist of accounts payable, accrued liabilities payable, and long-term debt.

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 and other price risk.

Interest Rate 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 financial instruments that potentially subject the municipality to interest rate risk consist of *[financial statement line items impacted, how this risk is mitigated and any changes in exposure to the risk from prior period]*.

Currency 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 exposed to foreign currency exchange risk on accounts payable in U.S. dollars.

Other Price Risk

Other price risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in fair value of equity investments. The financial instruments that potentially subject the municipality to other price risk consist of investments. There has been no change in exposure from the prior period.

Rural Municipality of Hillsdale No. 440
Schedule of Taxes and Other Unconditional Revenue
As at December 31, 2023

Schedule 1

	2023 Budget	2023	2022
TAXES			
General municipal tax levy	\$ 4,490,480	\$ 4,490,347	\$ 5,802,086
Abatements and adjustments	(2,350)	(3,865)	(2,350)
Discount on current year taxes			(102)
Net Municipal Taxes	4,488,130	4,486,482	5,799,634
Potash tax share			
Trailer license fees			
Penalties on tax arrears	40,000	50,529	45,836
Special tax levy			
Other (Specify)			
Total Taxes	4,528,130	4,537,011	5,845,470

UNCONDITIONAL GRANTS			
Revenue Sharing	299,915	299,891	259,243
(Organized Hamlet)			
Safe Restart			
Other (Specify)			
Total Unconditional Grants	299,915	299,891	259,243

GRANTS IN LIEU OF TAXES			
Federal			
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
Central Services			
SaskTel	28,100	22,863	25,090
Other (Sask. Environment & Resource Management)	1,270	1,270	1,134
Local/Other			
Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement (Deficit)		15,252	(9,957)
Other (Specify)			
Other Government Transfers			
S.P.C. Surcharge			
Sask Energy Surcharge			
Other (Specify)			
Total Grants in Lieu of Taxes	29,370	39,385	16,267

TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 4,857,415	\$ 4,876,287	\$ 6,120,980
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Rural Municipality of Hillsdale No. 440
Schedule of Operating and Capital Revenue by Function
As at December 31, 2023

Schedule 2 - 1

GENERAL GOVERNMENT SERVICES

Operating

	2023 Budget	2023	2022
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 2,000	\$ 1,820	\$ 2,375
- Sales of supplies	2,000	2,435	2,031
- Other (Tax certificates and general office services)	2,000	2,475	1,035
Total Fees and Charges	6,000	6,730	5,441
- Tangible capital asset sales - gain (loss)			
- Land sales - gain			
- Investment income	140,000	434,722	146,677
- Commissions		754	974
- Other (SARM and WCB)	5,000	1,635	17,361
Total Other Segmented Revenue	151,000	443,841	170,453
Conditional Grants			
- Student Employment	65,500	65,315	60,433
- MEEP			
- Other (Specify)			
Total Conditional Grants	65,500	65,315	60,433
Total Operating	216,500	509,156	230,886

Capital

Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- Provincial Disaster Assistance			
- MEEP			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue (Specify, if any)			
Total General Government Services	216,500	509,156	230,886

PROTECTIVE SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Other (Fire fees)	500	11,406	5,483
Total Fees and Charges	500	11,406	5,483
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	500	11,406	5,483
Conditional Grants			
- Student Employment			
- Local government			
- MEEP			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	500	11,406	5,483

Capital

Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- Provincial Disaster Assistance			
- Local government			
- MEEP			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue (Specify, if any)			
Total Protective Services	500	11,406	5,483

Rural Municipality of Hillsdale No. 440
Schedule of Operating and Capital Revenue by Function
As at December 31, 2023

Schedule 2 - 2

	2023 Budget	2023	2022
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	20,000	10,627	20,467
- Sales of supplies	1,000	3,423	2,088
- Road Maintenance and Restoration Agreements	35,000	38,069	34,139
- Frontage			
- Other (Licenses and permits)	12,250	19,400	11,450
Total Fees and Charges	68,250	71,519	68,144
- Tangible capital asset sales - gain (loss)		41,109	(23,161)
- Other (Specify)			
Total Other Segmented Revenue	68,250	112,628	44,983
Conditional Grants			
- RIRG (CTP)	11,652	11,652	11,652
- Student Employment			
- MEEP			
- Other (Specify)			
Total Conditional Grants	11,652	11,652	11,652
Total Operating	79,902	124,280	56,635
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	50,000	37,272	17,088
- ICIP			
- RIRG (CTP, Bridge and Large Culvert, Road Const.)			435,421
- Provincial Disaster Assistance			
- MEEP			
- Other (Specify)			
Total Capital	50,000	37,272	452,509
Restructuring Revenue (Specify, if any)			
Total Transportation Services	129,902	161,552	509,144

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	4,000	4,690	4,126
- Other (Stray Animal)		590	2,704
Total Fees and Charges	4,000	5,280	6,830
- Tangible capital asset sales - gain (loss)			
- Other (Cemetery & Vet Service Board)	1,382	7,667	1,942
Total Other Segmented Revenue	5,382	12,947	8,772
Conditional Grants			
- Student Employment			
- TAPD			
- Local government			
- MEEP			
- Other (PREP/IWP/MMSW)	3,145	14,447	11,821
Total Conditional Grants	3,145	14,447	11,821
Total Operating	8,527	27,394	20,593
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- TAPD			
- Provincial Disaster Assistance			
- MEEP			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue (Specify, if any)			
Total Environmental and Public Health Services	8,527	27,394	20,593

	2023 Budget	2023	2022
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges		17,953	600
- Other (Pasture and oil well surface lease)	167,970	156,007	168,022
Total Fees and Charges	167,970	173,960	168,622
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	167,970	173,960	168,622
Conditional Grants			
- Student Employment			
- MEEP			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	167,970	173,960	168,622
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- Provincial Disaster Assistance			
- MEEP			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue (Specify, if any)			
Total Planning and Development Services	167,970	173,960	168,622

RECREATION AND CULTURAL SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (Donations)		820	1,095
Total Fees and Charges	-	820	1,095
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	-	820	1,095
Conditional Grants			
- Student Employment			
- Local government			
- MEEP			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	-	820	1,095
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- Local government			
- Provincial Disaster Assistance			
- MEEP			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue (Specify, if any)			
Total Recreation and Cultural Services	-	820	1,095

Rural Municipality of Hillsdale No. 440
Schedule of Operating and Capital Revenue by Function
As at December 31, 2023

Schedule 2 - 4

	2023 Budget	2023	2022
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water			
- Sewer			
- Other (Specify)			
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment			
- MEEP			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- New Building Canada Fund (SCF, NRP)			
- Clean Water and Wastewater Fund			
- Provincial Disaster Assistance			
- MEEP			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue (Specify, if any)			
Total Utility Services	-	-	-
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 523,399	\$ 884,288	\$ 935,823

SUMMARY			
Total Other Segmented Revenue	393,102	755,602	399,408
Total Conditional Grants	80,297	91,414	83,906
Total Capital Grants and Contributions	50,000	37,272	452,509
Restructuring Revenue	-	-	-
TOTAL REVENUE BY FUNCTION	\$ 523,399	\$ 884,288	\$ 935,823

	2023 Budget	2023	2022
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 37,500	\$ 33,791	\$ 28,413
Wages and benefits	391,236	394,486	361,895
Professional/Contractual services	97,076	86,556	100,320
Utilities	10,800	9,097	8,391
Maintenance, materials and supplies	21,225	20,745	21,507
Grants and contributions - operating	100	850	100
- capital			
Amortization	14,129	14,129	14,129
Accretion of asset retirement obligation			
Interest		26	
Allowance for uncollectible	46,000	40,738	69,412
Other (Specify)			
General Government Services	618,066	600,418	604,167
Restructuring (Specify, if any)			
Total General Government Services	618,066	600,418	604,167

PROTECTIVE SERVICES**Police protection**

Wages and benefits			
Professional/Contractual services	155,530	108,473	103,049
Utilities			
Maintenance, material and supplies			
Accretion of asset retirement obligation			
Grants and contributions - operating			
- capital			
Other (Specify)			

Fire protection

Wages and benefits			
Professional/Contractual services	106,102	104,279	100,607
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Accretion of asset retirement obligation			
Other (Specify)			

Protective Services	261,632	212,752	203,656
Restructuring (Specify, if any)			
Total Protective Services	261,632	212,752	203,656

TRANSPORTATION SERVICES

Wages and benefits	445,057	310,827	262,960
Professional/Contractual Services	517,383	565,439	343,480
Utilities	19,220	18,733	18,467
Maintenance, materials, and supplies	409,000	410,508	366,917
Gravel	465,000	248,907	415,849
Grants and contributions - operating			
- capital			
Amortization	1,993,510	1,983,315	2,128,746
Interest	120,712	119,542	133,568
Accretion of asset retirement obligation			
Other (Specify)			

Transportation Services	3,969,882	3,657,271	3,669,987
Restructuring (Specify, if any)			
Total Transportation Services	3,969,882	3,657,271	3,669,987

	2023 Budget	2023	2022
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits			
Professional/Contractual services	63,630	62,165	59,704
Utilities	1,500	1,004	953
Maintenance, materials and supplies	16,700	8,751	421
Grants and contributions - operating			
o Waste disposal			
o Public Health	10,000	10,000	10,000
- capital			
o Waste disposal			
o Public Health			
Amortization	2,018	2,018	2,018
Interest			
Accretion of asset retirement obligation			
Other (Allowance for Uncollectible)		3,607	
Environmental and Public Health Services	93,848	87,545	73,096
Restructuring (Specify, if any)			
Total Environmental and Public Health Services	93,848	87,545	73,096

PLANNING AND DEVELOPMENT SERVICES

Wages and benefits			
Professional/Contractual Services	14,800	36,166	14,757
Grants and contributions - operating			
- capital			
Amortization	925	925	925
Interest			
Accretion of Asset Retirement Obligation			
Other (Specify)			
Planning and Development Services	15,725	37,091	15,682
Restructuring (Specify, if any)			
Total Planning and Development Services	15,725	37,091	15,682

RECREATION AND CULTURAL SERVICES

Wages and benefits			
Professional/Contractual services	6,973	7,803	6,973
Utilities			
Maintenance, materials and supplies		204	
Grants and contributions - operating	95,000	113,290	100,581
- capital			
Amortization			
Interest			
Accretion of asset retirement obligation			
Allowance for uncollectible			
Other (Specify)			
Recreation and Cultural Services	101,973	121,297	107,554
Restructuring (Specify, if any)			
Total Recreation and Cultural Services	101,973	121,297	107,554

	2023 Budget	2023	2022
UTILITY SERVICES			
Wages and benefits			
Professional/Contractual services			
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Accretion of asset retirement obligation			
Allowance for Uncollectible			
Other (Specify)			
Utility Services	-	-	-
Restructuring (Specify, if any)			
Total Utility Services	-	-	-
TOTAL EXPENSES BY FUNCTION	\$ 5,061,126	\$ 4,716,374	\$ 4,674,142

Rural Municipality of Hillsdale No. 440
Schedule of Segment Disclosure by Function
As at December 31, 2023

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 6,730	\$ 11,406	\$ 71,519	\$ 5,280	\$ 173,960	\$ 820	\$	\$ 269,715
Tangible Capital Asset Sales - Gain	-	-	41,109	-	-	-	-	41,109
Land Sales - Gain	-	-	-	-	-	-	-	-
Investment Income	434,722	-	-	-	-	-	-	434,722
Commissions	754	-	-	-	-	-	-	754
Other Revenues	1,635	-	-	7,667	-	-	-	9,302
Grants - Conditional	65,315	-	11,652	14,447	-	-	-	91,414
- Capital	-	-	37,272	-	-	-	-	37,272
Restructurings	-	-	-	-	-	-	-	-
Total Revenues	509,156	11,406	161,552	27,394	173,960	820	-	884,288
Expenses (Schedule 3)								
Wages & Benefits	428,277	-	310,827	-	-	-	-	739,104
Professional/ Contractual Services	86,556	212,752	565,439	62,165	36,166	7,803	-	970,881
Utilities	9,097	-	18,733	1,004	-	-	-	28,834
Maintenance Materials and Supplies	20,745	-	659,415	8,751	-	204	-	689,115
Grants and Contributions	850	-	-	10,000	-	113,290	-	124,140
Amortization	14,129	-	1,983,315	2,018	925	-	-	2,000,387
Interest	26	-	119,542	-	-	-	-	119,568
Accretion of asset retirement obligation	-	-	-	-	-	-	-	-
Allowance for Uncollectible	40,738	-	-	3,607	-	-	-	44,345
Restructurings	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenses	600,418	212,752	3,657,271	87,545	37,091	121,297	-	4,716,374
Surplus (Deficit) by Function	\$ (91,262)	\$ (201,346)	\$ (3,495,719)	\$ (60,151)	\$ 136,869	\$ (120,477)	\$	\$ (3,832,086)

axes and other unconditional revenue (Schedule 1)

4,876,287

Net Surplus (Deficit)	\$ 1,044,201
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Rural Municipality of Hillsdale No. 440
Schedule of Segment Disclosure by Function
As at December 31, 2022

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 5,441	\$ 5,483	\$ 68,144	\$ 6,830	\$ 168,622	\$ 1,095	-	\$ 255,615
Tangible Capital Asset Sales - Gain (Loss)	-	-	(23,161)	-	-	-	-	(23,161)
Land Sales - Gain	-	-	-	-	-	-	-	-
Investment Income	146,677	-	-	-	-	-	-	146,677
Commissions	974	-	-	-	-	-	-	974
Other Revenues	17,361	-	-	1,942	-	-	-	19,303
Grants - Conditional	60,433	-	11,652	11,821	-	-	-	83,906
- Capital	-	-	452,509	-	-	-	-	452,509
Restructurings	-	-	-	-	-	-	-	-
Total Revenues	230,886	5,483	509,144	20,593	168,622	1,095	-	995,823
Expenses (Schedule 3)								
Wages & Benefits	390,308	-	262,960	-	-	-	-	653,268
Professional/ Contractual Services	100,320	203,656	343,480	59,704	14,757	6,973	-	728,890
Utilities	8,391	-	18,467	953	-	-	-	27,811
Maintenance Materials and Supplies	21,507	-	782,766	421	-	-	-	804,694
Grants and Contributions	100	-	-	10,000	-	100,581	-	110,681
Amortization	14,129	-	2,128,746	2,018	925	-	-	2,145,818
Interest	-	-	133,568	-	-	-	-	133,568
Accretion of asset retirement obligation	-	-	-	-	-	-	-	-
Allowance for Uncollectible	69,412	-	-	-	-	-	-	69,412
Restructurings	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenses	604,167	203,656	3,669,987	73,096	15,682	107,554	-	4,674,142
Surplus (Deficit) by Function	\$ (373,281)	\$ (198,173)	\$ (3,160,843)	\$ (52,503)	\$ 152,940	\$ (106,459)	\$ -	\$ (3,738,319)

Taxes and other unconditional revenue (Schedule 1)

6,120,980

Net Surplus (Deficit)

\$ 2,382,661

2023

2022

	General Assets						Infrastructure Assets	General/ Infrastructure Assets Under Construction	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets			
Asset cost									
Opening Asset costs	\$ 1,455,621	\$ 101,131	\$ 1,193,023	\$ 164,317	\$ 3,307,023	\$ 43,894,826	\$ 8,178	\$ 50,124,119	\$ 48,778,193
Additions during the year		4,219			620,984		1,073,341	1,698,544	1,708,010
Disposals and write-downs during the year					(440,549)			(440,549)	(362,084)
Transfers (from) assets under construction						1,049,419	(1,049,419)	-	
Transfer of Capital Assets related to restructuring								-	
Closing Asset Costs	1,455,621	105,350	1,193,023	164,317	3,487,458	44,944,245	32,100	51,382,114	50,124,119
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs		51,188	357,357	66,474	1,339,092	20,379,515		22,193,626	20,241,731
Add: Amortization taken		6,741	24,979	14,839	261,703	1,692,125		2,000,387	2,145,818
Less: Accumulated amortization on disposals					(252,456)			(252,456)	(193,923)
Transfer of Capital Assets related to restructuring								-	
Closing Accumulated Amortization Costs	-	57,929	382,336	81,313	1,348,339	22,071,640	-	23,941,557	22,193,626
Net Book Value	\$ 1,455,621	\$ 47,421	\$ 810,687	\$ 83,004	\$ 2,139,119	\$ 22,872,605	\$ 32,100	\$ 27,440,557	\$ 27,930,493

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 Schedule 6

Rural Municipality of Hillsdale No. 440
 Schedule of Tangible Capital Assets by Function
 as at December 31, 2023

Schedule 7

	2023						2022	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total
Asset cost								
Opening Asset costs	\$ 680,145		\$ 48,249,237	\$ 40,053	\$ 1,154,684			\$ 48,778,193
Additions during the year			1,670,125		4,219			1,708,010
Disposals and write-downs during the year	(9,406)		(406,943)					(362,084)
Transfer of Capital Assets related to restructuring								
Closing Asset Costs	670,739		49,512,419	40,053	1,158,903			50,124,119
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	212,223		21,960,728	14,825	5,850			20,241,731
Add: Amortization taken	14,129		1,983,315	2,018	925			2,145,818
Less: Accumulated amortization on disposals	(9,404)		(243,052)					(193,923)
Transfer of Capital Assets related to restructuring								
Closing Accumulated Amortization Costs	216,948		23,700,991	16,843	6,775			22,193,626
Net Book Value	\$ 453,791		\$ 25,811,428	\$ 23,210	\$ 1,152,128			\$ 27,930,493

Rural Municipality of Hillsdale No. 440
Schedule of Accumulated Surplus
As at December 31, 2023

Schedule 8

	2022	Changes	2023
UNAPPROPRIATED SURPLUS	\$ 6,404,059	\$ 1,531,887	\$ 7,935,946
APPROPRIATED RESERVES			
Machinery and Equipment			-
Public Reserve	1,701		1,701
Capital Trust			-
Utility			-
Other (Future Capital)	5,437,538	2,250	5,439,788
Total Appropriated	5,439,239	2,250	5,441,489
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6, 7)	27,930,493	(489,936)	27,440,557
Less: Related debt			-
Net Investment in Tangible Capital Assets	27,930,493	(489,936)	27,440,557
Accumulated Surplus (Deficit) excluding remeasurement gains (losses)	\$ 39,773,791	\$ 1,044,201	\$ 40,817,992

Rural Municipality of Hillsdale No. 440
Schedule of Mill Rates and Assessments
As at December 31, 2023

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	\$ 130,301,970	\$ 10,561,285		\$ 19,520	\$ 30,308,365		\$ 171,191,140
Regional Park Assessment							
Total Assessment							171,191,140
Mill Rate Factor(s)	1.0000	1.3000		1.3000	8.7500		
Total Base/Minimum Tax (generated for each property class)		46,800			1,748,100		1,794,900
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ 859,993	\$ 131,778		\$ 167	\$ 3,498,409		\$ 4,490,347

MILL RATES:

	MILLS
Average Municipal*	26.23
Average School*	3.09
Potash Mill Rate	
Uniform Municipal Mill Rate	6.60

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

