

City of North Battleford

Annual Consolidated Financial Statements

And Supporting Schedules

For the year ended December 31, 2023

Management's Report

To the ratepayers and stakeholders of City of North Battleford;

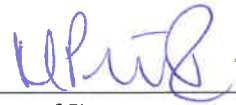
The municipality's management is responsible for the preparation and presentation of the accompanying consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles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

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

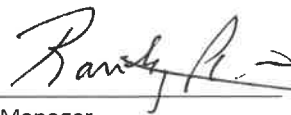
The Council is composed of elected officials who are not employees of the municipality. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities. The Council fulfils these responsibilities by reviewing the financial information prepared by management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

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

North Battleford, Saskatchewan, Canada
August 27, 2024



Director of Finance



City Manager



Tel: 306-668-5900
Fax: +1 306-652-1315
www.bdo.ca

BDO Canada LLP
128 4th Avenue South, Suite 600
Saskatoon, Saskatchewan
S7K 1M8

Independent Auditor's Report

To His Worship the Mayor and Members of City Council of City of North Battleford

Opinion

We have audited the consolidated financial statements of City of North Battleford and its controlled entities (the City), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of operations and accumulated surplus, the consolidated statement of change in net debt, the consolidated statement of cash flows and the consolidated statement of remeasurement gains and losses for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2023, and its consolidated results of operations, its consolidated measurement gains and losses, its consolidated change in net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Matter - Comparative Figures

The consolidated financial statements for the year ended December 31, 2022, prior to the adjustment that was applied to restate certain comparative information as explained in note 20, were audited by another auditor who expressed an unmodified opinion on the consolidated financial statements on July 17, 2023.

Other Matter - Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of Schedules 1 and 2 to the City's consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor's report thereon, included in the Annual Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



We obtained the annual report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit



evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Chartered Professional Accountants

Saskatoon, Saskatchewan
August 27, 2024

Consolidated Statement of Financial Position

as at December 31, 2023

Statement 1

Assets	2023	2022 (Restated - Note 20)
Financial Assets		
Cash and cash equivalents (Note 2)	\$ 2,502,917	\$ 5,836,076
Investments (Note 5)	14,777,955	15,272,477
Taxes receivable - municipal (Note 3)	3,756,337	3,955,223
Other accounts receivable (Note 4)	3,397,845	4,116,577
Other	9,276	13,221
Total Financial Assets	24,444,330	29,193,574
Liabilities		
Accounts payable	5,485,602	6,341,958
Accrued liabilities	935,171	791,305
Utility deposits	194,391	179,496
Deferred revenue (Note 6)	5,464,454	5,461,624
Asset retirement obligation (Note 7)	2,033,062	1,875,937
Long-term debt (Note 8)	31,804,992	34,417,006
Lease and other obligations	-	137,213
Total Liabilities	45,917,672	49,204,539
Net Debt	(21,473,342)	(20,010,965)
Non-Financial Assets		
Tangible capital assets (Note 23)	196,615,009	191,864,339
Land for resale (Note 10)	2,516,195	2,091,987
Prepayments and deferred charges	66,713	46,540
Stock and supplies	623,032	593,740
Total Non-Financial Assets	199,820,949	194,596,606
Accumulated Surplus (Note 25)	\$ 178,347,607	\$ 174,585,641
Accumulated surplus is comprised of:		
Accumulated Surplus excluding remeasurement gains	177,508,751	174,585,641
Accumulated remeasurement gains	838,856	-
	\$ 178,347,607	\$ 174,585,641
Commitments (Note 11)		
Contingent Liabilities (Note 15)		

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

Consolidated Statement of Operations and Accumulated Surplus

for the year ended December 31, 2023

Statement 2

Revenues	2023 Budget	2023	2022 (Restated - Note 20)
Taxes revenue (Note 24)	\$ 18,219,661	\$ 18,544,046	\$ 17,507,345
Other unconditional revenue (Note 24)	5,947,277	6,375,266	5,861,668
Underground pipe and asphalt levy (Note 24)	1,760,733	1,740,353	1,496,321
Fees and charges (Note 22)	14,091,772	14,288,916	13,866,444
Underground pipe replacement fees (Note 22)	1,957,638	1,942,423	1,947,091
Conditional grants (Note 22)	1,421,066	2,680,644	1,997,996
Tangible capital asset sales - gain (Note 22)	-	98,119	11,999
Land sales - gain(loss) (Note 22)	-	(7,383)	(3,889)
Investment income and commissions (Note 22)	483,000	991,715	563,455
Other revenues (Note 22)	1,490,434	1,622,167	1,593,611
Provincial/Federal Capital Grants and Contributions (Note 22)	901,845	1,962,391	3,254,505
Community Capital Pledges/Contributions (Note 22)	-	16,533	-
Total Revenues	46,273,426	50,255,190	48,096,546
Expenses			
General government services	5,322,764	5,960,261	4,933,604
Policing services	6,421,727	6,588,560	6,290,300
Fire and protective services	3,675,671	3,649,660	3,522,587
Operations services	8,361,622	8,619,654	8,047,368
Waste management services	2,051,272	1,867,696	1,898,235
EPAL services	2,013,271	1,833,919	1,943,040
Parks & Recreation services	9,124,845	9,587,021	8,951,592
Water services	4,555,360	5,081,824	5,036,669
Sanitary sewer services	4,589,882	4,143,485	4,015,619
Total Expenses	46,116,414	47,332,080	44,639,014
Annual Surplus (Deficit) of Revenues over Expenses	\$ 157,012	\$ 2,923,110	\$ 3,457,532
Accumulated Surplus excluding remeasurement gains, Beginning of Year - as previously stated			170,938,178
Change in accounting policy (Note 20)			189,931
Accumulated Surplus excluding remeasurement gains, Beginning of Year - As restated	174,585,641	174,585,641	171,128,109
Accumulated Surplus, excluding remeasurement gains, End of Year	\$ 174,742,653	\$ 177,508,751	\$ 174,585,641

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

Consolidated Statement of Change in Net Debt

for the year ended December 31, 2023

Statement 3

	2023 Budget	2023	2022 (Restated - Note 20)
Annual Surplus (Deficit) of Revenues over Expenses	\$ 157,012	\$ 2,923,110	\$ 3,457,532
(Acquisition) of tangible capital assets	\$ (12,631,850)	(12,572,072)	\$ (14,785,830)
Amortization of tangible capital assets	7,454,268	7,819,760	7,398,811
Proceeds on disposal of tangible capital assets	-	99,761	11,999
Gain on disposal of tangible capital assets	-	(98,119)	(11,999)
Deficit of Capital Expenditures over Expenses	\$ (5,177,582)	(4,750,670)	\$ (7,387,019)
(Acquisition) use of supplies inventories	-	(29,292)	(564)
Net change in land for resale	-	(424,208)	246,050
Use of prepaid expense	-	(20,173)	(25,568)
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	-	(473,673)	219,918
Unrealized remeasurement gains	-	838,856	-
Increase (Decrease) in Net Financial Assets	(5,020,570)	(1,462,377)	(3,709,569)
Net Financial Debt, Beginning of Year as Previously Reported			(15,852,251)
Change in accounting policy (Note 20)			(449,145)
Net Financial Debt, Beginning of Year as Restated	(20,010,965)	(20,010,965)	(16,301,396)
Net Debt - End of Year	\$ (25,031,535)	\$ (21,473,342)	\$ (20,010,965)

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

Consolidated Statement of Cash Flows

for the year ended December 31, 2023

Statement 4

	2023	2022 (Restated - Note 20)
Cash Provided by (used for) the following activities:		
Operating:		
Annual surplus of revenues over expenses	\$ 2,923,110	\$ 3,457,532
Amortization of tangible capital assets	7,819,760	7,398,811
Asset retirement obligations cost and accretion	157,125	90,079
Gain on disposal of tangible capital assets	(98,119)	(11,999)
	10,801,876	10,934,423
Change in non-cash assets and liabilities related to operations:		
Taxes receivable - municipal	198,886	(606,868)
Other accounts receivable	718,732	3,372,835
Land for resale	(424,208)	246,050
Other financial assets	3,945	5,503
Prepayments and deferred charges	(20,173)	(25,568)
Stock and supplies	(29,292)	(562)
Accounts payable	(856,356)	(329,075)
Accrued liabilities payable	143,866	32,621
Asset retirement obligation	0	13,612
Utility deposits	14,895	1,102
Deferred revenue	2,830	21,795
Cash provided by operating transactions	10,555,001	13,665,868
Capital:		
Purchase of tangible capital assets (excluding UPAR)	(7,051,695)	(9,632,403)
Purchases of underground pipe and asphalt replacement assets	(5,520,377)	(5,153,427)
Proceeds from the disposal of tangible capital assets	99,761	11,999
Cash used in capital transactions	(12,472,311)	(14,773,831)
Investing:		
Decrease (increase) investments	1,333,378	(53,619)
Long-term service agreements	-	25,000
Cash provided by (applied to) investing transactions	1,333,378	(28,619)
Financing:		
Long-term debt issued	-	7,500,000
Long-term debt repaid	(2,612,014)	(2,955,332)
Lease and other obligations repaid	(137,213)	(73,334)
Cash provided by financing transactions	(2,749,227)	4,471,334
Change in cash and cash equivalents during the year	(3,333,159)	3,334,752
Cash and cash equivalents - Beginning of Year	5,836,076	2,501,324
Cash and cash equivalents - End of Year	\$ 2,502,917	\$ 5,836,076

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

Consolidated Statement of Remeasurement Gains and Losses

As at December 31, 2023

Statement 5

	2023	2022
Accumulated remeasurement gains at the beginning of the year:	\$ -	\$ -
Adjustment on adoption of financial instruments (Note 1w)		
Equity investments measured at fair value	566,324	
Accumulated remeasurement gains at the beginning of the year:	566,324	-
Unrealized gains (losses) attributable to (Note 5):		
Equity Investments measured at fair value	625,823	
Amounts reclassified to the Statement of Operations:		
Equity Investments measured at fair value	(353,291)	-
Net remeasurement gains (losses) for the year	272,532	-
Accumulated remeasurement gains at end of year	\$ 838,856	\$ -

Notes to Consolidated Financial Statements

for the year ended December 31, 2023

The City of North Battleford (hereafter referred to as the 'City') is the largest city in Saskatchewan's North West and has been a service center and transportation hub for more than 100 years. North Battleford was incorporated as a village in 1906, a town in 1907 and a city in 1913. The City operates under the provisions of *The Cities Act* of The Statutes of Saskatchewan, 2002 as amended by the Statutes of Saskatchewan, 2003.

1. Summary of Significant Accounting Policies

The consolidated financial statements of the City are prepared by management in accordance with Canadian Public Sector Accounting Standards as recommended by the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies are as follows:

a) Basis of accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting 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 consolidated financial statements include divisions of City business, facilities and operating entities of the City. The statements consolidate the assets, liabilities, revenues and expenses of the general government operating fund, water utility fund, sanitary sewer utility fund, and reserves of the City. 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:

Consolidated entities:

The City of North Battleford
The Battlefords Transit System
Dekker Centre for the Performing Arts Inc.
North Battleford Business Improvement District Corp

Arenas/Facilities:

Battlefords Co-Op Aquatic Centre
Cameron McIntosh Airfield
Civic Centre
Dekker Centre for Performing Arts Building
Don Ross Arena
Nations West Field House
Northland Power Curling Centre

Community Centres/Galleries:

Allen Sapp Gallery
Chapel Gallery
Don Ross Complex

All inter-organizational transactions and balances have been eliminated.

c) Collection of funds for other authorities

The education property tax (EPT) funds under the governance of the Ministry of Education for the respective school divisions, Light of Christ Roman Catholic Separate School Division (RCSSD) No. 16 and Living Sky School Division No. 202, have been collected and remitted by the City in accordance with relevant legislation. The amounts outstanding at December 31, 2023 are disclosed in Note 3.

d) 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. The value of land for resale is recognized at the lower of cost and net realized value. Cost includes land acquisition and improvements to prepare the land for sale or servicing. Development costs incurred to provide infrastructure are recorded as tangible capital assets under their respective function.

e) 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. Some of the more significant estimates are allowances for uncollected taxes and receivable, salary provisions, employee benefit obligations, useful lives of tangible capital assets, liabilities for contaminated sites and asset retirement obligations. Actual results could differ from those estimates.

The measurement of materials and supplies are based on estimates of volume and quality. The 'Opening Asset Costs' of tangible capital assets have been estimated where actual costs were not available. Amortization is based on the estimated useful lives of tangible capital assets.

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

f) 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 by Administration and approved 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. Assessments are subject to appeal.

Annually, the City bills and collects property tax revenues for municipal purposes as well as provincial EPT on behalf of the Minister of Education representing the Province of Saskatchewan for education purposes. The authority to levy and collect property taxes is established under *The Cities Act, 2002, Tax Enforcement Act, The Education Act*, and other legislation.

The amount of the total annual property tax levy is determined each year through Council's approval of the annual operating and capital budgets. Municipal tax rates are set annually by Council for each class or type of property, in accordance with legislation and Council-approved bylaws and policies, in order to raise the revenues required to meet operating budget requirements. Education tax rates are established by the Province each year in order to fund the cost of education on a Province-wide basis.

Notes to Consolidated Financial Statements

for the year ended December 31, 2023

1. Summary of Significant Accounting Policies - continued

f) Property tax revenue (continued)

The property assessments, on which property taxes are based, are established by Saskatchewan Assessment Management Agency (SAMA) policies, standards and procedures; audit assessments, and review of City assessment rolls; and property valuation services. SAMA is an agency that was established in 1987 by the Saskatchewan Local Government Finance Commission. The current value assessment of a property represents an estimated market value of a property as of a fixed date. Assessed values for all properties within the municipality are provided to the City in the returned assessment roll once every four years per the Province.

The amount of property tax levied on an individual property is the product of the taxable assessed value (assessed by CD Consulting) and the tax rate for the class (approved by Council), together with any adjustments that reflect Council approved mitigation or other tax policy measures, and/or rebate programs.

Property taxes are billed by the City once per year, following Council's approval of the capital and operating budgets for the year, the total property tax levy, and the property tax policy and mill rate bylaws needed to fund the City's operations.

g) Government transfers

Government transfers are transfers of assets from senior levels of government, Federal or Provincial government, that are not the result of an exchange transaction and are not expected to be repaid in the future. Government transfers are recognized as revenue in the fiscal year in which events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria and stipulations, if any, have been met and 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 account 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.

h) 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.

i) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on deposits with financial institutions including bank indebtedness and highly liquid investments with original term to maturity of three months or less.

j) Local improvement charges

Local improvement projects financed by frontage levies recognize any prepayment charges as revenue in the period in which the related expenditures occurred.

k) Net-financial assets

Net-financial assets (debt) 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.

l) Non-financial assets

Tangible capital and other non-financial assets are accounted for as assets by the City 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 City unless they are sold.

m) Reserves

Reserves are comprised of funds set aside for specific purposes by Council and funds set aside for specific purposes by legislation, regulation or agreement. For financial reporting purposes, reserve funds set aside are reported as part of the accumulated surplus on the Consolidated Statement of Financial Position. See the appropriated reserves described on Note 25 for the funds that Council designated. The City's reserves were recorded in compliance with the operating and capital budgets approved by Council. The reserves are fully funded as of December 31, 2023 and December 31, 2022.

n) Inventories

Inventories of materials and supplies expected to be used by the City are valued at the lower of cost or replacement value.

Land for resale, is recorded at the lower of cost to prepare the land for sale and the market value of the land. Costs to prepare the land for sale include leveling, grading and utility service connections. The land is considered available for sale when all the land preparation is completed. Tax title property is property acquired through the tax enforcement process and temporarily held is recorded at the lessor 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.

o) Tangible capital assets

All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost which includes all amount that are directly attributable to acquisition, construction, development or betterment of the asset. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The tangible capital assets are disclosed on Note 23. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The City's tangible capital asset useful lives are estimated as follows:

Notes to Consolidated Financial Statements

for the year ended December 31, 2023

1. Summary of Significant Accounting Policies - continued

o) Tangible capital assets (continued)

<u>Asset</u>	<u>Useful Life</u>
General Assets	
Land	Indefinite
Land Improvements	15 to 50 Yrs
Buildings	20 to 45 Yrs
Building Improvement	10 to 25 Yrs
Vehicles	7 to 10 Yrs
Machinery and Equipment	5 to 25 Yrs
Linear Infrastructure Assets	
Water & Sewer	10 to 60 Yrs
Road Network Assets	20 to 50 Yrs
Other	15 to 60 Yrs

Government contributions

Government contributions for the acquisition of capital assets are reported as revenue and do not reduce the cost of the related asset.

Works of Art

Assets that have a historical or cultural significance, which include works of art, monuments and other cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with this property has not been made.

Capitalization of Interest

The City capitalizes interest incurred while a tangible capital asset is under construction.

p) Leases

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

q) Basis of segmentation by division

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

The segments (divisions) are as follows:

General Government Services: provides for the administration of the City.

Police Services: is comprised of expenses for police.

Fire & Protective Services: comprised of expenses for fire protection, bylaw enforcement and safety initiatives.

Operations & Maintenance Services: responsible for the delivery of public works services related to the development and maintenance of roadway systems, street lighting, fleet services, airport maintenance and storm collection.

Waste Management Services: provides for solid waste collection and disposal.

EPAI Services: provides for neighborhood development and sustainability.

Parks & Recreation Services: provides for community services through the provision of recreation, city parks, cemeteries and leisure services.

Water Services: provides for delivery of clean potable water.

Sanitary Water Services: provides for collecting and treating of wastewater and collection and disposal of solid waste.

r) Employee benefit plans

Contributions to the City's multiemployer defined benefit plans are expenses when contributions are made. Under the defined benefit plan, the City's obligations are limited to their contributions.

s) 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 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 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.

Notes to Consolidated Financial Statements

for the year ended December 31, 2023

- t) **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.

Sites that are currently in productive use are only considered contaminated sites if an unexpected event results in remediation. In cases where the City's responsibility is not determinable, a contingent liability may be disclosed.

- u) **Financial Instruments:** Derivative and equity investments 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 from changes in the fair value of financial instruments 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.

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	Fair value and cost/amortized cost
Other Accounts Receivable	Cost and amortized cost
Bank Indebtedness	Amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Long-Term Debt	Amortized cost
Derivatives	Fair Value

Financial instruments are classified as level 1, 2 or 3 for the purposes of describing the basis of the inputs used to measure the fair values of financial instruments in the fair value measurement category, as described below:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets / liabilities;

Level 2 - Inputs other than those in Level 1, that are either directly or indirectly observable for the assets or liabilities; and

Level 3 - Inputs that are not based on observable market data (unobservable inputs).

- v) **New Standards and Amendments to Standards:**

The following new accounting standards were issued by the Public Sector Accounting Board (PSAB). The City continues to assess the impacts of the standards and the impact of these standards on the City's financial statement is unknown:

Effective for fiscal year ending 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.

Notes to Consolidated Financial Statements

for the year ended December 31, 2023

w) 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.

Prospective application: During the year, the municipality changed its accounting policy with respect to financial instruments. Prior to this, the municipality accounted for SWAPs at their nominal value and investments at the lower of cost, less any provisions for other than temporary impairment. The change in accounting policy has impacted the municipality's consolidated financial statements with a new Statement 5 - Remeasurement Gains/Losses.

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

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

2. Cash and Cash Equivalents

	2023	2022
Cash	\$ 2,502,917	\$ 5,836,076
Total Cash and Cash Equivalents	\$ 2,502,917	\$ 5,836,076

3. Taxes Receivable

	2023	2022
Current	2,347,962	\$ 2,562,435
Arrears	4,333,787	4,208,147
Less Allowance for Uncollectible	(495,262)	(414,040)
	6,186,487	6,356,542
Deduct taxes receivable to be collected on behalf of other organizations - Schools	(2,430,150)	(2,401,319)
Total Taxes Receivable	\$ 3,756,337	\$ 3,955,223

4. Other Accounts Receivable

Other accounts receivable includes revenue associated with receivables for Goods and Services Tax (GST) receivable from the Federal government, grants and grants-in-lieu from the Provincial government and others, water and sanitary sewer, general operations, and local improvements.

	2023	2022
Federal government	\$ 193,904	\$ 433,442
Provincial government and other accruals	2,123,940	2,694,870
Utility	310,306	345,885
Trade	1,119,185	934,803
Local improvements	11,002	39,789
Consolidated entities	48,969	69,402
Total Other Accounts Receivable	\$ 3,807,306	\$ 4,518,191
Less Allowance for Uncollectible		
Utility	(4,000)	(4,000)
Other Accounts Receivable	(405,461)	(397,614)
Net Other Accounts Receivable	\$ 3,397,845	\$ 4,116,577

5. Investments

Investments carried at fair value:

	2023	2022
Equity investments quoted in an active market	\$ 8,946,360	-

Investments carried at amortized cost:

Fixed income investments	5,831,595	6,039,893
Equity investments	-	9,232,584
Total investments	\$ 14,777,955	\$ 15,272,477

Fixed income investments consist of Provincial Government bonds, Canadian Government Bonds and Guaranteed Income Certifications which will mature between 2024 and 2048, with effective interest rates of 1.75% to 5.85%.

Notes to Consolidated Financial Statements

for the year ended December 31, 2023

5. Investments (continued)

Of the funds above, the City has set aside funds to finance future expenditures based upon appropriated reserves (Note 25) as determined by Council via the yearly budget approval process. These appropriated reserves are internally restricted and based on working capital calculation are 100% funded as of December, 31, 2023 and 2022.

	2023	2022
Investment Income		
Interest	108,923	56,718
Dividends	313,250	212,419
Realized gains (losses) on disposal	352,939	39,630
Income from portfolio investments	50,829	
Total investment income	<u>\$ 825,941</u>	<u>\$ 308,767</u>

Unrealized gains on equity investments carried at fair value of \$838,856 have been recognized in the statement of remeasurement gains and losses.

6. Deferred Revenue

	2022	Externally restricted inflows	Revenue earned	2023
Federal and Provincial Government Transfers	\$ 3,635,690	\$ 1,140,477	\$ 1,953,073	\$ 2,823,094
King Hill Project	-	800,000	-	800,000
Galleries Grants	71,409	41,510	71,409	41,510
Naming Rights	150,000	-	-	150,000
River Valley Trust Fund	302,372	83,000	127,808	257,564
Property Tax Prepayments	316,179	117,397	-	433,576
Other Deferred Revenue	677,520	143,456	126,044	694,931
Consolidated Entities	308,454	84,221	128,896	263,779
Total Deferred Revenue	<u>\$ 5,461,624</u>	<u>\$ 2,410,061</u>	<u>\$ 2,407,230</u>	<u>\$ 5,464,454</u>

7. Asset Retirement Obligation

The transition and recognition of asset retirement obligations involved an accompanying increase to the tangible capital assets and the restatement of prior year numbers (see Note 20). In subsequent periods, the asset retirement obligations are adjusted for accretion. The accretion rate used for 2023 is 5.08% for landfill and 4.83 - 5.08% for buildings.

Changes to asset retirement obligations in the year are as follows:

	Balance, Beginning of the year (Restated - Note 20)			2023	
		Accretion Expense	Change in Estimate	Balance, End of the year	
Landfill	\$ 1,358,916	\$ 68,965	\$ 40,274	\$ 1,468,155	
Buildings (Asbestos)	517,021	25,659	22,227	\$ 564,907	
	<u>\$ 1,875,937</u>	<u>\$ 94,624</u>	<u>\$ 62,501</u>	<u>\$ 2,033,062</u>	

	Adjustment on transition - January 1,			2022	
	Balance Beginning of the year	2022	Accretion Expense	Change in Estimate	Balance, End of the year (Restated - Note 20)
Landfill	-	\$ 1,293,282	\$ 65,634	-	\$ 1,358,916
Buildings (Asbestos)	-	492,577	24,444	-	517,021
	<u>-</u>	<u>\$ 1,785,859</u>	<u>\$ 90,078</u>	<u>-</u>	<u>\$ 1,875,937</u>

Landfill

The Municipal Refuse Management Regulations, 1986 requires landfill closure and post-closure care of solid waste landfill sites. Closure care includes final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, ground water monitoring, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a 31 year period (2022 - 15.6yrs) using the best information available to management. The period for post-closure care is estimated to be 30 years (2022 - 30 years). Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

Undiscounted future cash flows expected in 2054 - 2084 is \$9,457,112. The estimated total liability is based on the sum of discounted future cash flows for abatement activities using a discount rate of 5.14% (2022 - 5.08%) and assuming long-term inflation of 2.5% (2022 - 2.5%).

Asbestos

The municipality owns assets which contains asbestos, and therefore, the municipality is legally required to perform abatement activities upon renovation or demolition of this asset. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. Undiscounted future cash flows expected are an abatement cost in 2028 - 2081 of \$1,866,302. The estimated total liability is based on the sum of discounted future cash flows for abatement activities using a discount rate of 4.82 - 5.14% (2022 - 4.83% - 5.08%) and assuming long-term inflation of 2.5% (2022 - 2.5%).

The municipality has designated unappropriated reserves to settle the abatement activities.

Notes to Consolidated Financial Statements

for the year ended December 31, 2023

8. Long-Term Debt

Pursuant to individual loan bylaws, the City can incur bank indebtedness. The Council has passed a bylaw for each loan that creates debt not payable within the current year for projects that Council deems necessary, pursuant to Section 134 of *The Cities Act*. Council resolution 844, Council meeting #50, increased the debt limit from \$45 Million to \$55 Million. The City's authorized debt limit of \$55 Million was approved in 2019 by the Saskatchewan Municipal Board (SMB) pursuant to the provisions of *The Cities Act*.

The City has maintained a total indebtedness less than the established debt limit.

	2023	2022
Bank indebtedness		
Authorized debt limit	\$ 55,000,000	\$ 55,000,000
Long Term Debt at December 31	31,804,992	34,417,006
Interest rates	2.7 - 5.7%	2.7 - 5.7%
Interest costs for year	\$ 1,275,045	\$ 1,582,878

Long-term debt reported on the consolidated statement of financial position is comprised of the following:

	2023	2022
Transportation Services - Kinsmen Park Storm Sewer		
Long-term loan payable to Canada Mortgage & Housing Corporation at a rate of interest of 3.98% maturing August 1, 2024.	\$ 218,038	\$ 427,730
Recreation Cultural & Park - Credit Union Cplex		
Bank of Montreal's swap loan agreement at a rate of interest of 2.465% maturing June 1, 2032.	\$ 6,529,863	\$ 7,305,689
Water Services - Water Treatment Plant		
Long-term loan payable to Canada Mortgage & Housing Corporation at a rate of interest of 3.83% maturing July 1, 2025.	\$ 420,091	\$ 618,587
Sanitary Sewer Services - Sewage Treatment Plant		
Royal Bank's swap loan agreement at a rate of interest of 5.35% maturing October 1, 2030.	\$ 6,096,000	\$ 6,831,000
Land Development on 114th Street		
Royal Bank's swap loan agreement at a rate of interest of 3.24% maturing September 2, 2039.	\$ 3,491,000	\$ 3,646,000
Land development, Leisure facility betterment, Water utility and upgrades, Road transportation improvement, Waste		
Royal Bank's swap loan agreement at a rate of interest of 2.7% maturing November 19, 2040.	\$ 4,191,000	\$ 4,373,000
Leisure facility betterments and road transportation improvements		
Royal Bank's swap loan agreement at a rate of interest of 2.37% maturing November 21, 2041.	\$ 1,184,000	\$ 1,233,000
Capital projects - 2017		
Royal Bank's swap loan agreement at a rate of interest of 3.01% maturing January 2043.	\$ 2,588,000	\$ 2,685,000
Sewer Trunk		
Royal Bank's swap loan agreement at a rate of interest of 2.46% maturing October 11, 2046.	\$ 7,087,000	\$ 7,297,000
	\$ 31,804,992	\$ 34,417,006

Principal repayments and interest

Anticipated annual principal repayment over the next five years and thereafter are as follows:

Year	Principal	Interest	Total
2024	2,692,962	1,180,476	3,873,438
2025	2,547,818	1,062,484	3,610,302
2026	2,400,825	960,585	3,361,410
2027	2,475,825	853,575	3,329,400
2028	2,550,825	748,230	3,299,055
2030 to Maturity	19,136,737	4,144,382	23,281,119
Total Long-Term Debt	\$ 31,804,992	\$ 8,949,732	\$ 40,754,724

9. Credit Facility Agreement

The City has an operating line of credit with Innovation Credit Union in the amount of \$4,000,000. Interest on the line of credit is at 6.40% (2022 - 5.65%). The balance used at December 31, 2023 was \$ Nil (2022 - \$Nil). The line of credit is secured by a Line of Credit Agreement and a General Security Agreement with an assignment of taxes and grants.

Notes to Consolidated Financial Statements

for the year ended December 31, 2023

10. Land for Resale

	2023	2022
Tax Title Property	1,357,499	563,614
Allowance for market value adjustment	(451,945)	(82,268)
Net Tax Title Property	905,554	481,346
Other Land	1,610,641	1,610,641
Allowance for market value adjustment	-	-
Net Other Land	1,610,641	1,610,641
Total Land for Resale	\$ 2,516,195	\$ 2,091,987

11. Commitments

The City has lease agreements with external organizations to manage and operate City facilities.

The City signed an agreement with the Twin Rivers Curling Club, which is a non-profit corporation for the management and operations of the curling rink, restaurant and lounge. The term of the agreement took effect as of September 15, 2012 and is under renewal process.

The City also maintained a lease agreement for the use of the public golf course land with the North Battleford Golf and Country Club board, which is a non-profit organization. As part of the agreement, the City provided an annual grant in the amount of \$75,000 (2022 - \$75,000) until July 31, 2031.

The City agrees to provide \$150,000 to the Humane Society of the Battlefords, a non-profit corporation, for the operational costs of the 114th street facility that is used by them. The term of the agreement took effect on January 1, 2019 and remains until such a time that the Society relocates to their new facility.

12. Pension Plan

The City is an employer member of Municipal Employee Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. Firefighters and Special Constables contributed 12.5% of their salary and all other members, excluding employees of The Battlefords Transit System, North Battleford Business Improvement District Corp, and the Dekker Centre for the Performing Arts Inc., contributed 9.0% of their salary to the plan. The City matches all the member contributions to the plan. The City pension expense in 2023 was \$1,041,130 (2022 - \$977,388).

The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The benefits accrued to the City employees from MEPP are calculated using the following: Pensionable Years of Service, Highest Average Salary, and the plan accrual rate.

At December 31, 2023, MEPP disclosed an actuarial surplus of \$1.161 billion (2022 - \$1.021 billion). The most recent actuarial valuation was completed December 31, 2022. The City's portion of this is not readily determinable.

13. Liability for contaminated sites

The City carried out an inventory of land owned by the city that was no longer in productive use and determined that there is two sites owned by the City which is contaminated beyond the existing environmental standards as of the date of this financial statement. Detail as follows:

1001 - 103rd Street (Plan B 1929). In 2001 a qualified engineering firm carried out a Phase II Environmental Site Assessment which revealed that up to 1000 cubic meters of Petroleum Hydrocarbon (PHC) impacted soil is present on the site. The City has an estimate of \$120,000 to carry out remediation however this estimate was supplied in 2001 and has since not been updated.

1051 - 101st Street. In 2006 a qualified engineering firm carried out a Phase II Environmental Site Assessment which revealed the PHC impacted soil is not expected to exceed 3,000 cubic meters on the site. Further examination is being conducted in 2024 with a new submission being presented to the Province for approval of future monitoring and remediation. Future budget and monitoring in 2024 estimated to be approximately \$45,000.

14. Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The City's contractual rights arise because of contracts entered into for various services and long-term leases. Contractual rights arise from the normal course of business and are not reflected in the consolidated financial statements until revenues or assets are received. The city has \$459,511 for 2024 from the Community Building Fund (formally Gas Tax). The agreement ended March 31, 2024 and as of reporting date, nothing further has been confirmed.

15. Contingent Liabilities

The City is also contingently liable for legal claims in which the City has been named as a defendant in which damages have been sought. The outcome of these actions is not determinable as at the date of reporting and accordingly, no provision has been made in these financial statements for any liability.

16. Financial Instruments - Fair Value Disclosures

FINANCIAL ASSETS	Fair value hierarchy level	2023	
		Cost	Fair Value
Financial assets carried at fair value			
Equity investments quoted in the active market	1	\$ 8,107,503	\$ 8,946,360
Total financial assets carried at fair value - current year		8,107,503	8,946,360

17. 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 *cash, fixed investments*, taxes receivable and other receivables and derivative (interest rate swaps).

Notes to Consolidated Financial Statements

for the year ended December 31, 2023

17. Risk Management (continued)

To mitigate the risk, taxes receivable that are unpaid are subject to the tax enforcement procedures. For other receivables, the municipality has adopted policies which include close monitoring of overdue accounts. The credit risk related to receivables from the provincial and federal government are considered to be minimal. Management reviews accounts receivable on a case by case basis to determine if a valuation allowance is necessary to reflect impairment in collectability.

At December 31 the following were past due but not impaired:

	Total	30 days	60 days	90 days	Over 90 days
<i>Trade accounts receivable</i>	\$ 789,850	\$ 330,066	\$ 151,054	\$ 30,566	\$ 278,164
				<u>Current</u>	<u>Arrears</u>
<i>Taxes receivable</i>				\$ 2,347,962	\$ 3,838,524
<i>Utility receivable</i>				283,683	23,538

Liquidity Risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting financial obligations as they fall due. The City of North Battleford undertakes regular cash flow analyses, budget practices, monitoring and forecasting to ensure that there are sufficient cash resources to meet all obligations. The City also maintains an operating line of credit in the amount of \$4,000,000 (Note 9). The financial instruments that potentially subject the municipality to liquidity risk consist of accounts payable, accrued liabilities and long-term debt.

The following table outlines the maturity analysis of certain non-derivative and derivative financial liabilities as at December 31:

	Total	2024	2025	2026	Post 2026
<i>Trade accounts payable</i>	\$ 1,431,525	\$ 1,431,525			
<i>Long-term debt</i>	31,804,990	2,692,962	\$ 2,547,818	\$ 2,400,825	\$ 24,163,385
Net total	33,236,515	4,124,487	2,547,818	2,400,825	24,163,385

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 cash and cash equivalents, investments and interest rate SWAPs (long-term debt).

The municipality has an authorized overdraft limit of \$4,000,000 with interest payable monthly at a rate of prime less 0.8%. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. The SWAP agreements the municipality has entered into entail interest rate risk as the municipality profits if interest rates rise and loses if rates fall.

To mitigate this interest rate risk, the municipality holds interest rate SWAPs, cash in an account at a Canadian bank denominated in CDN \$, uses an asset mix for investments to diversify the portfolio over short, moderate and long terms, invests in fixed income investments, manages cash flows to minimize utilization of the overdraft.

If interest rates increased (decreased) by 1% as at December 31, 2023, and all other variables are held constant, the operating surplus (deficit) would increase (decrease) by approximately \$12,750 (2022 - \$15,828).

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 currency risk on purchases denominated in U.S. dollars for which the related accounts payable balances are subject to exchange rate fluctuations.

Price Risk

Other price risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market value, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The financial instruments that potentially subject the municipality to other price risk consist of investments in equity instruments traded in an active market. To manage this risk, the City has established an investment policy with a target asset mix that is diversified by asset class with individual issuer limits and is designated to achieve a long-term rate of return with an acceptable level of risk.

At December 31, 2023, if equity prices increased (decreased) by 10% with all other factors remaining constant, the City's fair value of equity investments and accumulated remeasurement gains and losses would increase (decrease) by approximately \$894,359 (2022 - \$979,891).

18. Budget Information

Budget figures are reported for information purposes only and are not included in the scope of the external audit. Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on December 11, 2023.

Notes to Consolidated Financial Statements

for the year ended December 31, 2023

19. Budget to Accrual Based Reporting

The budget is reported on an accrual basis, consistent with principles applied in the consolidated financial statements. Included in the table below are presentation and elimination adjustments required to comply with Canadian public sector accounting standards for inclusion in the Consolidated Statement of Operations and Accumulated Surplus.

	<u>2023</u>	<u>2022</u>
Budgeted Revenues as approved by Council on December 12, 2022 (Stmt 2)	45,530,056	46,027,923
Consolidation- Other Controlled Entities	1,322,036	1,310,155
Elimination Entries	<u>(578,666)</u>	<u>(570,304)</u>
Budgeted Revenues for Financial Statement Purposes	<u>46,273,426</u>	<u>46,767,774</u>
Budgeted Expenses as Approved by Council on December 12, 2022 (Stmt 2)	37,961,477	35,367,992
Amortization	7,454,268	7,004,975
Consolidation- Other Controlled Entities	1,279,335	1,195,994
Elimination Entries	<u>(578,666)</u>	<u>(608,805)</u>
Budgeted Expenses for Financial Statement Purposes	<u>46,116,414</u>	<u>42,960,156</u>

20. Change in Accounting Policy

During the year, the municipality changed its accounting policy with respect to PS3280 Asset Retirement Obligations. The municipality believes the new policy provides a fair presentation of the results and the financial position of the municipality.

This change in policy has been applied on a modified retroactive basis and prior periods have been restated to reflect the liability for asset retirement obligations as of January 1, 2022. In accordance with the provisions of this new standard, the City reflected the following adjustments for the year ended December 31, 2022.

	Balance as previously reported December 31, 2022	Adjustment	Balance as restated at December 31, 2022
Tangible capital assets	191,245,411	618,928	191,864,339
Landfill liability	(1,336,711)	1,336,711	-
Asset retirement obligations	-	(1,875,937)	(1,875,937)
Accumulated surplus, opening	(170,938,178)	(189,931)	(171,128,109)
Impact on expenses for accretion and amortization	7,378,658	110,229	7,488,887

21. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

22. Segmented Information

The Consolidated Segmented Disclosures has been prepared in accordance with PS 2700 Segmented Disclosures. Segmented Disclosures are intended to enable users to better understand the government reporting entity as well as the major expense and revenue activities of the City. For each reported segment, revenues and expenses represent amounts directly or reasonably attributable to the segment.

The segments have been selected based on a presentation similar to that adopted for the municipal planning and budgeting processes.

Notes to Consolidated Financial Statements

for the year ended December 31, 2023

22. Segmented Information - continued

	General Government Services	Policing Services	Fire & Protective Services	Operations Services	Waste Management Services	EPAI Services	Parks & Recreation Services	Water Services	Sanitary Sewer Services	Total
Revenues										
Taxes and unconditional revenue	26,659,665	-	-	-	-	-	-	-	-	26,659,665
Fees and charges	161,905	145,809	706,421	323,631	1,227,389	623,356	2,636,008	4,103,352	4,361,045	14,288,916
Underground Pipe Replacement Fees	-	-	-	-	-	-	-	1,942,423	-	1,942,423
Tangible capital asset sales - gain	98,119	-	-	-	-	-	-	-	-	98,119
Land sales - gain(loss)	-	-	-	-	-	(7,383)	-	-	-	(7,383)
Investment income and commissions	927,217	-	-	-	-	117	-	64,381	-	991,715
Grants - conditional	44,825	852,408	-	392,223	225,066	823,742	342,380	-	-	2,680,644
- Capital	-	-	6,919	323,525	-	-	1,493,476	138,471	-	1,962,391
- Community capital pledges/contributions	-	-	-	-	-	-	16,533	-	-	16,533
Other revenues	-	406,677	25,764	16,125	1,173,601	-	-	-	-	1,622,167
Total Revenues	27,891,730	1,404,895	739,104	1,055,504	2,626,057	1,439,832	4,488,396	6,248,627	4,361,045	50,255,190
Expenses										
Wages and benefits	2,815,822	552,055	2,719,501	1,691,311	620,849	852,848	3,728,348	1,657,289	1,160,541	15,798,564
Professional/contractual services	1,270,547	5,725,297	236,199	1,599,140	809,904	139,665	1,063,509	1,352,186	347,595	12,544,042
Subscription/memberships	85,954	-	46,010	15,836	5,862	26,710	6,286	13,214	3,664	203,536
Utilities	141,872	83,604	65,267	602,036	12,134	-	1,296,898	475,448	403,947	3,081,206
Maintenance, materials and supplies	196,370	115,217	335,311	1,462,318	235,206	192,689	602,112	629,155	378,309	4,146,687
Travel	11,819	-	10,770	8,825	1,287	125,555	17,449	6,067	2,596	184,368
Amortization	108,821	101,643	230,770	3,033,997	99,929	98,725	1,966,138	878,061	1,301,677	7,819,761
Accretion of asset retirement obligation	419	-	5,577	558	68,965	-	18,959	146	-	94,624
Interest	-	10,744	-	73,511	13,560	253,472	308,344	70,258	545,156	1,275,045
Allowance for uncollectible	563,420	-	-	-	-	-	-	-	-	563,420
Insurance	589,935	-	-	116,563	-	-	-	-	-	706,498
Medical	1,065	-	255	-	-	-	-	-	-	1,320
Grants and contributions	171,500	-	-	-	-	137,455	569,127	-	-	878,082
Other	2,717	-	-	15,559	-	6,800	9,851	-	-	34,927
Total Expenses	5,960,261	6,588,560	3,649,660	8,619,654	1,867,696	1,833,919	9,587,021	5,081,824	4,143,485	47,332,080
Net Surplus (Deficit) by Division	21,931,469	(5,183,665)	(2,910,556)	(7,564,150)	758,361	(394,087)	(5,098,625)	1,166,803	217,560	2,923,110

Notes to Consolidated Financial Statements

for the year ended December 31, 2023

22. Segmented Information - continued

	General Government Services	Policing Services	Fire & Protective Services	Operations Services	Waste Management Services	Planning & Development Services	Parks & Recreation Services	Water Services	Sanitary Sewer Services	Total (Restated - Note 20)
For the year ended December 31, 2022										
Revenues										
Taxes and unconditional revenue	24,865,335	-	-	-	-	-	-	-	-	24,865,335
Fees and charges	354,434	121,570	352,199	302,082	1,329,462	757,127	2,454,317	4,071,937	4,123,316	13,866,444
Underground Pipe Replacement Fees	-	-	-	-	-	-	-	1,947,091	-	1,947,091
Tangible capital asset sales - gain	11,999	-	-	-	-	-	-	-	-	11,999
Land sales - gain	-	-	-	-	-	(3,889)	-	-	-	(3,889)
Investment income and commissions	450,634	-	-	-	-	635	-	112,186	-	563,455
Grants - conditional	18,995	836,245	-	616,602	185,548	141,460	199,146	-	-	1,997,996
- Capital	-	-	-	119,690	-	-	2,400	270,200	2,862,215	3,254,505
- Community capital pledges/contributions	-	-	-	-	-	-	-	-	-	-
Other revenues	-	427,320	25,129	31,591	1,109,571	-	-	-	-	1,593,611
Total Revenues	25,701,395	1,385,136	377,327	1,069,965	2,624,582	895,334	2,655,862	6,401,414	6,985,532	48,096,546
Expenses										
Wages and benefits	2,609,545	490,925	2,752,437	1,545,625	601,977	760,005	3,354,359	1,703,076	1,073,672	14,891,621
Professional/contractual services	1,113,183	5,505,676	192,575	1,355,887	817,626	343,364	1,016,546	1,189,067	225,072	11,758,996
Subscription/memberships	63,873	-	17,125	15,795	3,429	12,613	10,021	14,718	1,565	139,139
Utilities	134,693	72,881	53,379	562,527	11,094	-	1,166,522	439,106	331,583	2,771,785
Maintenance, materials and supplies	174,784	111,470	273,129	1,601,413	183,618	167,828	613,396	818,024	314,894	4,258,556
Travel	11,302	-	5,704	6,267	4,892	115,581	4,823	12,941	1,371	162,881
Amortization	84,603	101,643	222,727	2,863,826	180,901	79,780	1,856,592	790,408	1,218,331	7,398,811
Accretion of asset retirement obligation	399	-	5,311	532	65,634	-	18,064	139	-	90,079
Interest	-	7,705	-	76,931	15,451	241,808	322,661	69,190	849,131	1,582,877
Allowance for uncollectible	(14,029)	-	-	-	-	-	-	-	-	(14,029)
Insurance	564,430	-	-	-	-	-	-	-	-	564,430
Medical	395	-	200	-	-	-	-	-	-	595
Grants and contributions	159,000	-	-	-	-	214,462	581,884	-	-	955,346
Other	31,424	-	-	18,565	13,613	7,600	6,725	-	-	77,927
Total Expenses	4,933,602	6,290,300	3,522,587	8,047,368	1,898,235	1,943,041	8,951,593	5,036,669	4,015,619	44,639,014
Net Surplus (Deficit) by Division	20,767,793	(4,905,164)	(3,145,259)	(6,977,403)	726,347	(1,047,707)	(6,295,731)	1,364,746	2,969,912	3,457,532

Notes to Consolidated Financial Statements

for the year ended December 31, 2023

23. Tangible capital assets

		2023						2022		
		General Assets				Operations Assets	General/ Infrastructure			
		Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Infrastructure Assets	Assets Under Construction	Total	Total (Restated - Note 20)
Assets	Asset Cost									
	Opening asset costs	10,363,992	7,447,999	92,787,237	4,097,734	18,898,707	171,980,913	27,763,345	333,339,927	317,776,016
	Additions during the year	-	58,229	312,116	66,777	1,733,252	7,522,963	2,878,735	12,572,072	15,668,096
	Disposals and write-downs during the year	(6)	-	(444,653)	(50,004)	(690,476)	-	-	(1,185,139)	(104,185)
	Transfers (from) assets under construction	-	-	663,730	-	3,873,753	6,972,118	(11,509,601)	-	-
	Closing Asset Costs	10,363,986	7,506,228	93,318,430	4,114,507	23,815,236	186,475,994	19,132,479	344,726,860	333,339,927
Amortization	Accumulated Amortization Cost									
	Opening accumulated amortization costs	-	5,322,064	31,940,779	2,417,163	10,793,254	91,002,328	-	141,475,588	134,180,963
	Add: Amortization taken	-	179,156	2,311,180	318,951	1,133,230	3,877,243	-	7,819,760	7,398,810
	Less: Accumulated amortization on disposals	-	-	(444,653)	(50,004)	(688,840)	-	-	(1,183,497)	(104,185)
	Closing Accumulated Amortization Costs	-	5,501,220	33,807,306	2,686,110	11,237,644	94,879,571	-	148,111,851	141,475,588
	Net Book Value	10,363,986	2,005,008	59,511,124	1,428,397	12,577,592	91,596,423	19,132,479	196,615,009	191,864,339

Notes to Consolidated Financial Statements

for the year ended December 31, 2023

24. Taxes and Other Unconditional Revenue

	2023 Budget	2023	2022
Taxes			
General municipal tax levy	\$ 17,949,400	\$ 17,588,101	\$ 16,773,498
Abatements and adjustments	(400,000)	(270,729)	(277,461)
Net municipal taxes	17,549,400	17,317,372	16,496,037
Penalties on tax arrears	622,000	1,178,413	963,944
Trailer park levies	48,261	48,261	47,364
Total Taxes	18,219,661	18,544,046	17,507,345
Unconditional Grants			
Municipal operating grants	2,579,444	2,864,379	2,530,412
Total Unconditional Grants	2,579,444	2,864,379	2,530,412
Grants in lieu of Taxes			
Sask Energy grant in lieu	300,000	419,282	406,201
Sask Property Management Corp.	195,685	190,587	179,938
Sask Tel grant in lieu	110,000	120,950	114,222
Provincial other grant in lieu	66,500	75,278	66,433
North Battleford Housing Authority	745,650	779,071	745,970
Total Grants in Lieu of Taxes	1,417,835	1,585,168	1,512,764
Surcharges			
Sask Power surcharge fees	1,950,000	1,925,719	1,818,491
Total Surcharges	1,950,000	1,925,719	1,818,491
Underground Pipe and Asphalt Levy	1,760,733	1,740,353	1,496,321
Total Taxes and Other Unconditional Revenue	\$ 25,927,674	\$ 26,659,665	\$ 24,865,333

Notes to Consolidated Financial Statements

for the year ended December 31, 2023

25. Consolidated Schedule of Accumulated Surplus

	2022	Changes	2023
	(Restated - Note 20)		
Unappropriated Surplus (Deficit)			
Government activities	\$ 10,493,727	\$ (5,975,430)	\$ 4,518,297
Water	1,933,846	(426,703)	1,507,143
Sanitary sewer	(12,969,838)	6,103,368	(6,866,470)
Consolidated entities	111,695	(47,566)	64,129
Transit services	180,451	(44,756)	135,695
Total Unappropriated Surplus (Deficit)	(250,119)	(391,087)	(641,206)
Appropriated Reserves			
General government	1,004,247	1,272,656	2,276,903
Fire and protective	1,506,912	(382,389)	1,124,523
Operations	4,376,257	(1,938,709)	2,437,548
Waste management	887,895	99,118	987,013
EPAI	290,187	9,597	299,784
Policing initiatives	(907,962)	808,932	(99,030)
Parks & Recreation	1,538,864	(401,453)	1,137,411
Water	3,915,599	(1,619,322)	2,296,277
Sanitary sewer	4,913,641	(1,195,274)	3,718,367
Total Appropriated Reserve	17,525,640	(3,346,844)	14,178,796
Net Investment in Tangible Capital Assets			
Tangible capital assets (Note 23)	191,864,339	4,750,670	196,615,009
Less: Related long term debt	(34,417,006)	2,612,014	(31,804,992)
Less: Related Lease and other obligations	(137,213)	137,213	-
Net Investment in Tangible Capital Assets	157,310,120	7,499,897	164,810,017
Accumulated Surplus excluding remeasurement gains (losses)	\$ 174,585,641	\$ 3,761,966	\$ 178,347,607

FINANCIAL STATEMENTS

City of North Battleford Supporting Schedules

December 31, 2023

(UNAUDITED)

Consolidated Schedule of Operations by Division

for the year ended December 31, 2023
(unaudited)

Schedule 1

	2023 Budget	2023	2022
General Government Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Sales of supplies	96,700	143,594	321,520
- Taxation services	19,500	6,362	20,120
- Expense recoveries	-	11,949	12,795
Total Fees and Charges	116,200	161,905	354,435
- Tangible capital asset sales - gain (loss)	-	98,119	11,999
- Investment & interest	465,000	927,217	450,634
Total Other Segmented Revenue	581,200	1,187,241	817,068
Conditional Grants and Donations			
- Grants	-	44,825	18,995
Total Operating Revenue	581,200	1,232,066	836,063
Operating Expenses			
Council remuneration and travel	314,549	313,044	309,815
Wages and benefits	2,388,172	2,502,778	2,299,730
Professional/contractual services	1,291,434	1,270,547	1,113,183
Subscription/memberships	86,854	85,954	63,873
Utilities	125,788	141,872	134,693
Maintenance, materials and supplies	198,945	196,370	174,784
Travel	24,035	11,819	11,302
Amortization	75,888	108,821	84,603
Accretion of asset retirement obligation	-	419	399
Interest	-	-	-
Allowance for uncollectibles	-	563,420	(14,029)
Insurance	650,099	589,935	564,430
Medical	5,000	1,065	395
Grants and contributions	159,000	171,500	159,000
Other	3,000	2,717	31,426
Total Government Services Expenses	5,322,764	5,960,261	4,933,604
Capital			
Conditional Grants			
- Capital grants	-	-	-
Total General Government Services Surplus (Deficit)	(4,741,564)	(4,728,195)	(4,097,542)

Consolidated Schedule of Operations by Division

for the year ended December 31, 2023
(unaudited)

Schedule 1

	2023 Budget	2023	2022
Policing Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Policing fees/fines	150,000	145,809	121,570
Total Fees and Charges	150,000	145,809	121,570
- Total police services other revenue	406,292	406,677	427,320
Total Other Segmented Revenue	556,292	552,486	548,890
Conditional Grants			
- Grants	819,353	852,408	836,245
Total Operating	1,375,645	1,404,894	1,385,135
Operating Expenses			
Wages and benefits	616,861	552,055	490,925
Professional/contractual services	5,504,548	5,725,297	5,505,676
Subscription/memberships	-	-	-
Utilities	82,760	83,604	72,881
Maintenance, materials and supplies	109,000	115,217	111,470
Travel	-	-	-
Amortization	101,643	101,643	101,643
Accretion of asset retirement obligation	-	-	-
Interest	6,915	10,744	7,705
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	-	-
Total Policing Services Expense	6,421,727	6,588,560	6,290,300
Total Policing Services Surplus (Deficit)	(5,046,082)	(5,183,666)	(4,905,165)

Consolidated Schedule of Operations by Division

for the year ended December 31, 2023
(unaudited)

Schedule 1

	2023 Budget	2023	2022
Fire and Protective Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Total fire services fees/fines	79,500	164,570	91,446
- Total Provincial Fines	150,000	234,897	186,442
- Total special constables fees/fines	244,000	306,954	74,310
Total Fees and Charges	473,500	706,421	352,198
- Total fire services other revenue	2,100	18,219	23,004
- Total special constables other revenue	-	7,545	2,125
Total Other Segmented Revenue	475,600	732,185	377,327
Conditional Grants			
- Grants	-	-	-
Total Operating Revenue	475,600	732,185	377,327

Operating Expenses

Special Constables

Wages and benefits	630,779	618,062	597,266
Professional/contractual services	9,511	17,488	1,917
Subscription/memberships	4,120	3,734	1,434
Utilities	4,975	6,892	4,186
Maintenance, materials and supplies	87,125	120,003	95,676
Travel	4,635	2,424	2,372
Amortization	-	-	-
Accretion of asset retirement obligation	-	2,141	2,040
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other	-	-	-
Total Special Constables Expenses	741,145	770,744	704,891

Fire Services

Wages and benefits	2,133,039	2,101,439	2,155,171
Professional/contractual services	120,126	52,217	31,616
Subscription/memberships	53,488	42,276	8,585
Utilities	42,744	43,327	36,763
Maintenance, materials and supplies	160,692	211,204	174,876
Travel	7,471	8,346	3,333
Amortization	229,790	230,770	222,727
Accretion of asset retirement obligation	-	834	794
Interest	-	-	-
Insurance	-	-	-
Medical	1,061	255	200
Grants and contributions	-	-	-
Other	-	-	-
Total Fire Services Expenses	2,748,411	2,690,668	2,634,065

Consolidated Schedule of Operations by Division

for the year ended December 31, 2023
(unaudited)

Schedule 1

	2023 Budget	2023	2022
Emergency Preparedness			
Wages and benefits	-	-	-
Professional/contractual services	13,056	16,382	8,836
Subscription/memberships	7,210	-	7,106
Utilities	-	-	-
Maintenance, materials and supplies	583	277	1,205
Travel	1,644	-	-
Amortization	-	-	-
Accretion of asset retirement obligation	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	-	-
Total Emergency Preparedness Expenses	22,493	16,659	17,147
Animal, Humane Society Expenses			
Wages and benefits	-	-	-
Professional/contractual services	150,000	150,112	150,206
Subscription/memberships	-	-	-
Utilities	10,970	15,048	12,429
Maintenance, materials and supplies	2,652	3,827	1,372
Travel	-	-	-
Amortization	-	-	-
Accretion of asset retirement obligation	-	2,602	2,477
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	-	-
Total Animal, Humane Society Expenses	163,622	171,589	166,484
Total Fire and Protective Services Expenses	3,675,671	3,649,660	3,522,587
Capital			
Conditional Grants			
- Capital grants	-	6,919	-
Total Fire & Protective Services Surplus (Deficit)	(3,200,071)	(2,910,556)	(3,145,259)

Consolidated Schedule of Operations by Division

for the year ended December 31, 2023
(unaudited)

Schedule 1

	2023 Budget	2023	2022
Operations Services			
Operation Revenue			
Other Segmented Revenue			
Fees and Charges			
- Aviation revenue	383,150	323,631	302,082
Total Fees and Charges	383,150	323,631	302,082
- Expense recoveries	4,250	16,125	31,591
Total Other Segmented Revenue	387,400	339,756	333,673
Conditional Grants			
- Grants	100,000	392,223	616,602
Total Operating Revenue	487,400	731,979	950,275
Operating Expenses			
Public Works & Fleet			
Wages and benefits	1,848,268	1,691,311	1,545,625
Professional/contractual services	1,639,429	1,599,140	1,238,350
Subscription/memberships	30,811	15,836	15,795
Utilities	559,492	602,036	562,527
Maintenance, materials and supplies	1,355,613	1,462,318	1,601,413
Travel	22,813	8,825	6,267
Amortization	2,694,389	3,033,997	2,863,826
Accretion of asset retirement obligation	-	558	532
Interest	55,807	73,511	76,931
Allowance for uncollectibles	-	-	-
Insurance	135,000	116,563	117,537
Medical	-	-	-
Grants and contributions	-	-	-
Other	20,000	15,559	18,565
Total Public Works & Fleet Expenses	8,361,622	8,619,654	8,047,368
Total Operation Expenses	8,361,622	8,619,654	8,047,368
Capital			
Conditional Grants			
- Capital grants	901,845	323,525	119,690
Total Operations Surplus (Deficit)	(6,972,377)	(7,564,150)	(6,977,403)

Consolidated Schedule of Operations by Division

for the year ended December 31, 2023
(unaudited)

Schedule 1

	2023 Budget	2023	2022
Waste Management Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
Waste and disposal fees	1,411,000	1,227,389	1,329,462
Total Fees and Charges	1,411,000	1,227,389	1,329,462
Other revenue, garbage and recycling	1,077,792	1,173,601	1,109,571
Total Other Segmented Revenue	2,488,792	2,400,990	2,439,033
Conditional Grants			
Grants	143,808	225,066	185,548
Total Operating Revenue	2,632,600	2,626,056	2,624,581
Operating Expenses			
Wages and benefits	634,944	620,849	601,977
Professional/contractual services	992,896	809,904	817,626
Subscription/memberships	8,932	5,862	3,429
Utilities	17,909	12,134	11,094
Maintenance, materials and supplies	169,792	235,206	183,618
Travel	9,316	1,287	4,892
Amortization	133,911	99,929	180,901
Accretion of asset retirement obligation	70,000	68,965	65,634
Interest	13,572	13,560	15,451
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	-	13,613
Total Waste Management Services Expenses	2,051,272	1,867,696	1,898,235
Capital			
Conditional Grants			
- Capital grants	-	-	-
Total Waste Management Services Surplus (Deficit)	581,328	758,360	726,346

Consolidated Schedule of Operations by Division

for the year ended December 31, 2023
(unaudited)

Schedule 1

	2023 Budget	2023	2022
Engineering, Planning, Asset Management & Infrastructure Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Business licenses	240,000	184,563	215,167
- Building & development permits	280,400	183,382	345,045
- Development agreements	76,000	79,073	45,847
- Land rent	63,000	65,565	61,028
- Transit & Handi Bus fares	164,600	110,773	90,040
Total Fees and Charges	824,000	623,356	757,127
- Land - gain (loss)	-	(7,383)	(3,889)
- Investment & interest	-	117	635
Total Other Segmented Revenue	824,000	616,090	753,873
Conditional Grants			
- Transit Grants	68,832	89,475	141,460
- Grants	35,223	734,267	-
Total Operating Revenue	928,055	1,439,832	895,333
Operating Expenses			
Business Licenses			
Wages and benefits	53,409	58,446	79,492
Professional/contractual services	75,000	31,369	143,904
Subscription/memberships	-	-	-
Utilities	-	-	-
Maintenance, materials and supplies	500	2,396	2,574
Travel	-	-	-
Total Business Licenses Expenses	128,909	92,211	225,970
Economic Development			
Wages and benefits	216,576	175,383	37,485
Professional/contractual services	17,250	19,602	10,378
Subscription/memberships	17,750	23,247	1,056
Utilities	-	-	-
Maintenance, materials and supplies	-	10	-
Travel	145,750	125,353	109,821
Amortization	-	3,439	3,801
Accretion of asset retirement obligation	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	40,000	40,000	40,000
Other	-	-	-
Total Economic Development Expenses	437,326	387,034	202,541

Consolidated Schedule of Operations by Division

for the year ended December 31, 2023
(unaudited)

Schedule 1

	2023 Budget	2023	2022
Engineering			
Wages and benefits	269,429	83,823	35,237
Professional/contractual services	26,000	8,265	5,649
Subscription/memberships	-	450	-
Utilities	-	-	-
Maintenance, materials and supplies	4,100	4,683	19,288
Travel	-	-	-
Amortization	-	-	-
Accretion of asset retirement obligation	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Total Engineering Expenses	299,529	97,221	60,174
Planning			
Wages and benefits	190,536	128,184	275,107
Professional/contractual services	60,000	48,264	32,475
Subscription/memberships	5,500	3,013	11,557
Utilities	-	-	-
Maintenance, materials and supplies	500	394	462
Travel	6,000	202	5,519
Amortization	-	-	-
Accretion of asset retirement obligation	-	-	-
Interest	214,676	253,472	241,808
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Grants and contributions	93,197	97,455	174,462
Other	-	-	-
Total Planning Expenses	570,409	530,984	741,390
Transit & Handi Bus			
Wages and benefits	418,370	407,012	332,684
Professional/contractual services	9,633	32,165	150,957
Subscription/memberships	-	-	-
Utilities	-	-	-
Maintenance, materials and supplies	141,770	185,206	145,503
Travel	-	-	241
Amortization	-	95,286	75,979
Accretion of asset retirement obligation	-	-	-
Interest	-	-	-
Insurance	-	-	-
Other	7,325	6,800	7,600
Total Transit & Handi Bus Expenses	577,098	726,469	712,964
Total Planning and Development Services Expenses	2,013,271	1,833,919	1,943,040
Total Planning and Development Services Surplus (Deficit)	(1,085,216)	(394,087)	(1,047,707)

Consolidated Schedule of Operations by Division

for the year ended December 31, 2023
(unaudited)

Schedule 1

	2023 Budget	2023	2022
Parks & Recreation Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Recreation fees & services	1,178,646	1,421,733	1,366,746
- Galleries	44,800	54,538	47,404
- Recreation facilities rental	903,500	957,563	871,882
- Cemetery	170,000	202,174	168,285
Total Fees and Charges	2,296,946	2,636,008	2,454,317
- Park expense recovery	-	-	-
Total Other Segmented Revenue	2,296,946	2,636,008	2,454,317
Conditional Grants			
- Grants	253,850	342,380	199,146
Total Operating Revenue	2,550,796	2,978,388	2,653,463

Operating Expenses

Recreational Facilities & Programing

Wages and benefits	2,758,641	2,722,369	2,365,991
Professional/contractual services	565,476	711,734	737,787
Subscription/memberships	17,060	6,286	10,021
Utilities	904,645	1,028,186	897,167
Maintenance, materials and supplies	373,955	444,289	494,675
Travel	6,200	11,550	4,823
Amortization	314,880	294,436	294,811
Accretion of asset retirement obligation	-	18,276	17,413
Interest	286,096	308,344	322,661
Insurance	-	-	-
Grants and contributions	506,167	505,127	517,884
Other	12,500	9,851	6,725
Total Recreational Facilities & Programing Expenses	5,745,620	6,060,448	5,669,958

Galleries

Wages and benefits	303,017	278,036	254,968
Professional/contractual services	99,645	88,292	73,901
Utilities	37,638	49,702	43,632
Maintenance, materials and supplies	34,000	57,125	35,362
Travel	400	383	-
Amortization	12,064	19,681	12,903

Consolidated Schedule of Operations by Division

for the year ended December 31, 2023
(unaudited)

Schedule 1

	2023 Budget	2023	2022
Accretion of asset retirement obligation	-	-	-
Total Galleries Expenses	486,764	493,219	420,766
Cemeteries			
Wages and benefits	138,100	139,802	157,548
Professional/contractual services	3,000	1,105	500
Subscription/memberships	-	-	-
Utilities	22,290	26,501	21,136
Maintenance, materials and supplies	8,300	11,099	3,827
Travel	-	-	-
Amortization	-	-	-
Accretion of asset retirement obligation	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	-	-
Total Cemeteries Expenses	171,690	178,507	183,011
Parks & Forestry			
Wages and benefits	651,813	588,141	575,852
Professional/contractual services	224,800	262,378	204,358
Subscription/memberships	-	-	-
Utilities	169,990	192,509	204,587
Maintenance, materials and supplies	86,500	89,599	79,532
Travel	-	5,516	-
Amortization	1,523,668	1,652,021	1,548,877
Accretion of asset retirement obligation	-	683	651
Interest	-	-	-
Insurance	-	-	-
Grants and contributions	64,000	64,000	64,000
Other	-	-	-
Total Parks & Forestry Expenses	2,720,771	2,854,847	2,677,857
Total Parks & Recreation Services Expenses	9,124,845	9,587,021	8,951,592
Capital			
Conditional Grants			
- Capital grants	-	1,493,476	2,400
- Community capital pledges/contributions	-	16,533	-
Total Capital	-	1,510,009	2,400
Total Parks & Recreation Services	(6,574,049)	(5,098,625)	(6,295,729)

Consolidated Schedule of Operations by Division

for the year ended December 31, 2023
(unaudited)

Schedule 1

	2023 Budget	2023	2022
Water Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Water fees	4,025,820	4,050,525	3,999,942
- Water works expense recovery	28,000	52,827	71,994
Total Fees and Charges	4,053,820	4,103,352	4,071,936
- Underground Pipe Replacement Fees	1,957,638	1,942,423	1,947,091
- Investment & interest	18,000	64,381	112,186
Total Other Segmented Revenue	6,029,458	6,110,156	6,131,213
Conditional Grants			
- Grants	-	-	-
Total Operating	6,029,458	6,110,156	6,131,213
Operating Expenses			
Wages and benefits	1,603,832	1,657,289	1,703,076
Professional/contractual services	880,900	1,352,186	1,189,067
Subscription/memberships	18,352	13,214	14,718
Utilities	425,912	475,448	439,106
Maintenance, materials and supplies	743,950	629,155	818,024
Travel	14,118	6,067	12,941
Amortization	818,922	878,061	790,408
Accretion of asset retirement obligation	-	146	139
Interest	49,119	70,258	69,190
Allowance for uncollectibles	100	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	155	-	-
Total Water Services Expenses	4,555,360	5,081,824	5,036,669
Capital			
Conditional Grants			
- Capital grants	-	138,471	270,200
Total Water Services	1,474,098	1,166,803	1,364,745

Consolidated Schedule of Operations by Division

for the year ended December 31, 2023
(unaudited)

Schedule 1

	2023 Budget	2023	2022
Sanitary Sewer Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Sanitary sewer fees	4,378,156	4,352,389	4,114,759
- Sanitary sewer expense recovery	5,000	8,656	8,558
Total Other Segmented Revenue	4,383,156	4,361,045	4,123,317
Conditional Grants			
- Grants	-	-	-
Total Operating Revenue	4,383,156	4,361,045	4,123,317
Operating Expenses			
Wages and benefits	1,267,154	1,160,541	1,073,672
Professional/contractual services	371,350	347,595	225,072
Subscription/memberships	8,095	3,664	1,565
Utilities	330,460	403,947	331,583
Maintenance, materials and supplies	381,100	378,309	314,894
Travel	10,494	2,596	1,371
Amortization	1,549,113	1,301,677	1,218,331
Accretion of asset retirement obligation	-	-	-
Interest	672,116	545,156	849,131
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Grants and contributions	-	-	-
Other	-	-	-
Total Sanitary Sewer Services Expenses	4,589,882	4,143,485	4,015,619
Capital			
Conditional Grants			
- Capital Grants	-	-	2,862,215
Total Sanitary Sewer Services	(206,726)	217,560	2,969,913
SUMMARY			
Total Other Segmented Revenue	16,065,206	16,993,534	16,031,619
Total Underground Pipe Replacement Fees	1,957,638	1,942,423	1,947,091
Total Conditional Grants	1,421,066	2,680,644	1,997,996
Total Capital Grants and Contributions	901,845	1,978,924	3,254,505
Total Operating and Capital Revenue by Division	20,345,755	23,595,525	23,231,211
TOTAL EXPENSES BY DIVISION	46,116,414	47,332,080	44,639,014

Consolidated Schedule of Tangible Capital Assets by Division

as at December 31, 2023
(unaudited)

Schedule 2

		2023								2023	2022	
		General Government Services	Policing Services	Fire & Protective Services	Operations Services	Waste Management Services	EPAL Services	Parks & Recreation Services	Water Services	Sanitary Sewer Services	Total	Total
Assets	Asset Cost											
	Opening asset costs	2,046,711	4,336,536	5,639,810	120,581,826	4,077,361	12,071,542	80,534,471	42,511,866	61,539,804	333,339,927	317,776,016
	Additions during the year	354,231		428,315	10,051,436	66,049	(6,712,674)	1,693,893	3,698,344	2,992,478	12,572,072	15,668,096
	Disposals and write-downs during the year			(229,569)	(396,529)	(21,981)	(1,636)	(535,424)			(1,185,139)	(104,185)
	Closing Asset Costs	2,400,942	4,336,536	5,838,556	130,236,733	4,121,429	5,357,232	81,692,940	46,210,210	64,532,282	344,726,860	333,339,927
Amortization	Accumulated Amortization Cost											
	Opening accumulated amortization costs	927,668	1,553,959	3,179,525	72,628,476	2,138,167	22,588	25,329,403	15,696,376	19,999,424	141,475,588	134,180,963
	Add: Amortization taken	108,820	50,031	229,560	3,182,104	181,650	3,439	1,966,138	878,061	1,219,956	7,819,760	7,398,810
	Less: Accumulated amortization on disposals			(229,569)	(396,529)	(21,981)		(535,418)			(1,183,497)	(104,185)
	Closing Accumulated Amortization Costs	1,036,488	1,603,990	3,179,516	75,414,051	2,297,836	26,027	26,760,123	16,574,437	21,219,380	148,111,851	141,475,588
	Net Book Value	1,364,454	2,732,546	2,659,040	54,822,682	1,823,593	5,331,205	54,932,817	29,635,773	43,312,902	196,615,009	191,864,339