

TOWN OF KERROBERT

Auditor's Report

Financial Statements

December 31, 2023

MANAGEMENT'S RESPONSIBILITY


To the Ratepayers of
Town of Kerrobert:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. The preparation of the statements necessarily includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgments and estimates by management is required.

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

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

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


Mayor
Administrator

INDEPENDENT AUDITOR'S REPORT

To the **Mayor** and Council of the **Town of Kerrobert**

Report on the Financial Statements

Qualified Opinion

We have audited the financial statements of the **Town of Kerrobert**, which comprise the statement of financial position as at **December 31, 2023** and the statements of financial activities, changes in net financial assets, changes in financial position, and remeasurement gains and losses for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Qualified Opinion

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

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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



Saskatoon, Saskatchewan
May 22, 2024

Chartered Professional Accountants

TOWN OF KERROBERT
STATEMENT OF FINANCIAL POSITION

Statement 1

December 31, 2023
with comparative figures for 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Financial assets:		
Cash and temporary investments (Note 2)	\$ 3,529,108	130,235
Short-term investments	-	-
Taxes receivable - Municipal (Note 3)	350,876	324,132
Other accounts receivable (Note 4)	1,586,775	504,719
Assets held for sale (Note 5)	204,136	174,135
Long-term investments	-	-
Debt charges recoverable	-	-
Other	-	-
	<hr/>	<hr/>
Total financial assets	5,670,895	1,133,221
<u>LIABILITIES</u>		
Bank indebtedness (Note 6)	-	-
Accounts payable	178,334	1,021,802
Accrued liabilities payable	-	-
Deposits	1,100	700
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Long-term debt (Note 7)	5,157,415	3,507,368
Lease obligations (Note 8)	92,587	113,162
	<hr/>	<hr/>
Total liabilities	5,429,436	4,643,032
NET FINANCIAL ASSETS (DEBT)	241,459	(3,509,811)
Non-financial assets:		
Tangible capital assets (Schedule 6, 7)	20,868,971	21,221,181
Prepaid and deferred charges	5,687	4,970
Stock and supplies	92,627	96,599
	<hr/>	<hr/>
Total non-financial assets	20,967,285	21,322,750
Accumulated surplus (deficit)	\$ 21,208,744	17,812,939
Accumulated surplus (deficit) is comprised of:		
Accumulated surplus (deficit) excluding remeasurement gains (losses) (Schedule 8)	21,208,744	17,812,939
Accumulated remeasurement gains (losses) (Statement 5)	-	-

APPROVED ON BEHALF OF COUNCIL:

_____ Mayor

_____ Councillor

See accompanying notes to the financial statements.

TOWN OF KERROBERT

Statement 2

STATEMENT OF FINANCIAL ACTIVITIES

Year ended December 31, 2023
with comparative figures for 2022

		<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
Revenues:				
Taxes revenue	(Schedule 1)	\$ 1,560,960	4,077,018	1,547,826
Other unconditional revenue	(Schedule 1)	369,780	373,221	332,884
Fees and charges	(Schedule 4, 5)	1,373,160	1,431,643	1,351,127
Conditional grants	(Schedule 4, 5)	208,540	309,664	211,550
Tangible capital asset sales - gain (loss)	(Schedule 4, 5)	-	(19,471)	52,672
Land sales - gain (loss)	(Schedule 4, 5)	-	-	5,549
Investment income	(Schedule 4, 5)	65,540	281,724	63,944
Commissions	(Schedule 4, 5)	-	-	-
Restructurings	(Schedule 4, 5)	-	-	-
Other revenues	(Schedule 4, 5)	1,100	1,391	6,276
Provincial/Federal capital grants and contributions	(Schedule 4, 5)	<u>79,920</u>	<u>386,780</u>	<u>926,023</u>
Total Revenues		3,659,000	6,841,970	4,497,851
Expenditures:				
General government services	(Schedule 3)	464,490	507,823	607,394
Protective services	(Schedule 3)	194,570	191,806	220,939
Transportation services	(Schedule 3)	504,330	760,589	622,099
Environmental and public health services	(Schedule 3)	443,610	435,204	399,456
Planning and development services	(Schedule 3)	200,320	140,990	57,340
Recreation and cultural services	(Schedule 3)	649,780	706,262	728,973
Utility services	(Schedule 3)	521,490	703,491	681,328
Restructurings	(Schedule 3)	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures		<u>2,978,590</u>	<u>3,446,165</u>	<u>3,317,529</u>
Surplus (deficit) of revenues over expenditures		680,410	3,395,805	1,180,322
Accumulated surplus (deficit) excluding remeasurement gains (losses), beginning of year		<u>17,812,939</u>	<u>17,812,939</u>	<u>16,632,617</u>
Accumulated surplus (deficit) excluding remeasurement gains (losses), end of year		<u>\$ 18,493,349</u>	<u>21,208,744</u>	<u>17,812,939</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT

Statement 3

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2023
with comparative figures for 2022

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
Surplus (deficit)	\$ 680,410	3,395,805	1,180,322
(Acquisition) of tangible capital assets	(78,000)	(255,486)	(2,497,873)
Amortization of tangible capital assets	-	515,881	319,993
Proceeds on disposal of tangible capital assets	-	72,345	128,500
Loss (gain) on disposal of tangible capital assets	-	19,471	(52,672)
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (deficit) of capital expenses over expenditures	<u>(78,000)</u>	<u>352,211</u>	<u>(2,102,052)</u>
(Acquisition) of supplies inventories	-	-	-
(Acquisition) of prepaid expenses	-	(5,688)	(4,970)
Consumption of supplies inventories	-	3,972	36,172
Use of prepaid expenses	-	<u>4,970</u>	<u>3,832</u>
Surplus (deficit) of expenses of other non-financial over expenditures	<u>-</u>	<u>3,254</u>	<u>35,034</u>
Unrealized remeasurement gains (losses)	-	-	-
Increase (decrease) in Net Financial Assets	602,410	3,751,270	(886,696)
Net Financial Assets (Debt) - Beginning of the year	<u>(3,509,811)</u>	<u>(3,509,811)</u>	<u>(2,623,115)</u>
Net Financial Assets (Debt) - End of year	\$ <u>(2,907,401)</u>	<u>241,459</u>	<u>(3,509,811)</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT

Statement 4

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 2023
with comparative figures for 2022

Cash provided by (used in) the following activities:	<u>2023</u>	<u>2022</u>
Operating:		
Surplus (deficit)	\$ 3,395,805	1,180,322
Amortization	515,881	319,993
Loss (gain) on disposal of tangible capital assets	<u>19,471</u>	<u>(52,672)</u>
	3,931,157	1,447,643
Change in assets/liabilities		
Taxes receivable - Municipal	(26,743)	(62,207)
Other accounts receivable	(1,082,055)	(264,153)
Assets held for sale	(30,000)	10,000
Other financial assets	-	-
Accounts and accrued liabilities payable	(843,471)	(1,152,193)
Deposits	400	(5,400)
Deferred revenue	-	-
Asset retirement obligations	-	-
Liability for contaminated sites	-	-
Other liabilities	-	-
Stock and supplies	3,972	36,172
Prepayments and deferred charges	(718)	(1,138)
Other	<u>-</u>	<u>-</u>
Net cash from operations	<u>1,952,542</u>	<u>8,724</u>
Capital:		
Cash used to acquire tangible capital assets	(255,487)	(2,497,873)
Proceeds on disposal of tangible capital assets	72,345	128,500
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(183,142)</u>	<u>(2,369,373)</u>
Investing:		
Acquisition of capital assets	-	-
Proceeds on disposal of investments	-	-
Decrease (increase) in investments	<u>-</u>	<u>-</u>
Net cash from investing	<u>-</u>	<u>-</u>
Financing activities:		
Debt charges recovered	-	-
Long-term debt issued	2,955,126	-
Long-term debt repaid	(1,305,078)	(496,395)
Capital leases	<u>(20,575)</u>	<u>113,162</u>
Net cash from (used for) financing	<u>1,629,473</u>	<u>(383,233)</u>
Change in cash and cash equivalents during the year	3,398,873	(2,743,882)
Cash and cash equivalents, beginning of year	<u>130,235</u>	<u>2,874,117</u>
Cash and cash equivalents, end of year (Note 2)	<u>\$ 3,529,108</u>	<u>130,235</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT

Statement 5

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

Year ended December 31, 2023
with comparative figures for 2022

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

See accompanying notes to the financial statements.

TOWN OF KERROBERT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) Reporting Entity

The financial statements consolidate the assets, liabilities and flow of resources of the Town. The entity is comprised of all organizations owned or controlled by the Town and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

Partnerships

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

(c) Collection of Funds for Other Authorities

Collection of funds by the Town for the school board and conservation and development authorities are collected and remitted in accordance with the relevant legislation. The amounts collected are disclosed in Note 3.

(d) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as either expenditures or revenues in the period that the events giving rise to the transfer occurred, as long as:

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

Unearned government transfer amounts received but not earned will be recorded as deferred revenue. Earned government transfer amounts not received will be recorded as an amount receivable.

(e) Other (Non-Government Transfer) Contributions

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

(f) Deferred Revenue - Fees and Charges

Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.

(g) Local Improvement Charges

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

TOWN OF KERROBERT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Net Financial Assets

Net financial assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.

(i) Non-Financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

(j) Appropriated Reserves

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

(k) Property Tax Revenue

Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by Council following the guidance of the Government of Saskatchewan. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.

(l) Financial Instruments

Derivative and equity instruments that are quoted in an active market are carried at fair value. All other financial instruments are measured at cost or amortized cost. Financial assets measured at amortized cost are recognized initially net of transaction costs with interest income recognized using the effective interest rate method. Impairment losses are recognized in the statement of financial activities when there is an other than temporary decline in value.

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

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

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

Measurement of Financial Instruments:

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

Cash and cash equivalents	Cost and amortized cost
Investments	Fair value and cost/amortized cost
Other accounts receivable	Cost and amortized cost
Long-term receivables	Amortized cost
Debt charges recoverable	Amortized cost
Bank indebtedness	Amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Long-term debt	Amortized cost

TOWN OF KERROBERT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Inventories

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

(n) Tangible Capital Assets

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

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land improvements	5 to 20 years
Buildings	10 to 50 years
Vehicles and equipment	
Vehicles	5 to 10 years
Machinery & Equipment	5 to 10 years
<i>Infrastructure Assets</i>	
Water and sewer	30 to 75 years
Road network assets	10 to 40 years

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

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

Capitalization of interest: The Town does not capitalize interest incurred while a tangible capital asset is under construction.

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

TOWN OF KERROBERT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Asset Retirement Obligations

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

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

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

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

(p) Liability for Contaminated Sites

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

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

The Town does not have any contaminated sites.

(q) Employee Benefit Plans

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

TOWN OF KERROBERT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Measurement Uncertainty

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

Measurement uncertainty impacts the following financial statement areas:

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

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

(s) Basis of Segmentation/Segment Report

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

These segments (functions) are as follows:

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

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

Transportation Services: The transportation services segment is responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

Environmental and Public Health: The environmental segment provides waste disposal and other environmental services. The public health segment provides for expenses related to public health services in the Town.

Planning and Development: The planning and development segment provides for neighbourhood development and sustainability.

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

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

TOWN OF KERROBERT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Assets Held for Sale

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

(u) Loan Guarantees

Loan guarantees provided by the Town for various organizations are not consolidated as part of the Town's financial statements. As the guarantees represent potential financial commitments for the Town, these amounts are considered contingent liabilities and are not formally recognized as liabilities until the Town considers it likely for the borrower to default on its obligation and the amount of the liability can be estimated. The Town monitors the status of the organizations annually and in the event that payment by the Town is likely to occur, a provision will be recognized in the financial statements.

(v) New Standards and Amendments to Standards: effective for fiscal years beginning on or after April 1, 2023

PS 3160, Public Private Partnerships, a new standard establishing guidance on how to account for and report on partnerships between public and private sector entities. Specifically those in which the entity in the public sector procures infrastructure in conjunction with a private sector entity. In these scenarios the private sector entity must have obligations to design, build, acquire or improve existing infrastructure. Furthermore they must also finance the transaction past the point in which the asset is initially ready for use along with operating and/or maintaining such on an ongoing basis. The standard applies to fiscal years beginning on or after April 1, 2023.

PS 3400, Revenue, a new standard establishing guidance on how to account for and report on revenue. The standard provides a framework for recognizing, measuring and reporting revenues that arise from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payer. The standard is mandatory for fiscal years beginning on or after April 1, 2023. Earlier adoption is permitted. The standard may be adopted retroactively or prospectively.

PSG-8, Purchased Intangibles, provides guidance on accounting for and reporting on purchased intangibles. It provides clarity on the recognition criteria, along with instances of assets that would not meet the definition of such. The standard may be adopted retroactively or prospectively.

TOWN OF KERROBERT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 instruments that are quoted in an active market; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of remeasurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

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

2. CASH AND CASH EQUIVALENTS

	<u>2023</u>	<u>2022</u>
Cash	\$ 3,529,108	130,235
Short-term investments	-	-
Restricted cash	<u>-</u>	<u>-</u>
	<u>\$ 3,529,108</u>	<u>130,235</u>

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

TOWN OF KERROBERT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

3. TAXES AND GRANTS IN LIEU RECEIVABLE

	<u>2023</u>	<u>2022</u>
Municipal: - Current	\$ 189,833	164,076
- Arrears	<u>208,697</u>	<u>178,438</u>
	398,530	342,514
Less: allowance for uncollectibles	<u>(47,654)</u>	<u>(18,382)</u>
Total municipal taxes receivable	<u>350,876</u>	<u>324,132</u>
School: - Current	41,104	39,312
- Arrears	<u>46,500</u>	<u>33,238</u>
Total taxes to be collected on behalf of School Divisions	<u>87,604</u>	<u>72,550</u>
Other: - Current	-	-
- Arrears	<u>-</u>	<u>-</u>
Total other collections receivable	<u>-</u>	<u>-</u>
Total taxes and grants in lieu receivable or to be collected on behalf of other organizations	438,480	396,682
Deduct taxes receivable to be collected on behalf of other organizations	<u>(87,604)</u>	<u>(72,550)</u>
Total taxes receivable - Municipal	<u><u>\$ 350,876</u></u>	<u><u>324,132</u></u>

4. OTHER ACCOUNTS RECEIVABLE

	<u>2023</u>	<u>2022</u>
Federal government	\$ 8,244	70,457
Provincial government	-	227,088
Local government	24,271	-
Utility	111,768	117,644
Trade	79,014	91,661
Other (Local improvement levy)	<u>1,365,609</u>	<u>-</u>
Total other accounts receivable	1,588,906	506,850
Less: allowance for uncollectibles	<u>(2,131)</u>	<u>(2,131)</u>
Net other accounts receivable	<u><u>\$ 1,586,775</u></u>	<u><u>504,719</u></u>

TOWN OF KERROBERT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

5. ASSETS HELD FOR SALE

	<u>2023</u>	<u>2022</u>
Tax title property	\$ 565,779	518,290
Less: - allowance for market value adjustment	(316,940)	(304,580)
- due to other taxing authorities	<u>(44,703)</u>	<u>(39,575)</u>
Net tax title property	<u>204,136</u>	<u>174,135</u>
Other land	-	-
Less: - allowance for market value adjustment	<u>-</u>	<u>-</u>
Net other land	<u>-</u>	<u>-</u>
Total land for resale	<u>\$ 204,136</u>	<u>174,135</u>

6. BANK INDEBTEDNESS

Credit Arrangements

At December 31, 2023, the Town had a line of credit provided by the Royal Bank of Canada, totaling \$500,000, of which \$NIL was drawn (2022 - \$NIL). The line of credit bears interest at prime rate (7.20% at December 31, 2023; 6.45% - 2022). The line of credit is secured by taxes and grants.

In the prior year, the Town had a line of credit provided by Kerrobert Credit Union totaling \$2,700,000, of which \$2,281,409 was drawn at December 31, 2022. The line of credit is available to facilitate cash flow for capital projects in progress. During the 2023 year, this was converted into a term loan as described in Note 7.

TOWN OF KERROBERT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

7. LONG-TERM DEBT

The authorized debt limit for the Town is \$2,613,592. The authorized debt limit for a Town is the total amount of the Town's own source revenues for the preceding year (the *Municipalities Act* section 161(1)). The incremental debt above the debt limit authorized in the Municipalities Act is approved by the Saskatchewan Municipal Board.

a) Bank loans:

	<u>2023</u>	<u>2022</u>
Kerrobert Credit Union term loan, repayable in semi-annual payments of \$160,183 including interest at 6.95% (prime less 0.25%), maturing in 2028 with a final payment of \$1,428,153. The funds were used to finance a local improvement renewal of streets, water mains, and sewers. The loan is open for prepayment without additional charge or penalty.		
The loan is secured by taxes, grants, and fees receivable.	\$ 2,151,589	-
Royal Bank of Canada loan, repayable in annual payments, interest payable quarterly at 2.57%, maturing in 2031.	1,534,000	1,704,000
Royal Bank of Canada loan, repayable in annual payments, interest payable quarterly at 2.61%, maturing in 2031.	623,000	694,000
Canada Mortgage and Housing Corporation loan, repayable in annual payments of \$202,263 including interest at 3.68%, maturing June 2025.	370,580	555,400
Kerrobert Credit Union loan, repayable in annual payments of \$38,891 including interest at 6.70% (prime less 0.5%), maturing in 2032 with a final payment of \$138,727.	312,246	333,013
Canada Mortgage and Housing Corporation loan, repayable in annual payments of \$61,732 including interest at 3.72%, maturing February 2026.	<u>166,000</u>	<u>220,955</u>
	<u>\$ 5,157,415</u>	<u>3,507,368</u>

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Total
2024	\$ 674,887	91,906	766,793
2025	699,646	74,975	774,621
2026	533,229	58,087	591,316
2027	502,746	47,948	550,694
2028	1,676,255	39,824	1,716,079
Thereafter	<u>1,070,652</u>	<u>73,935</u>	<u>1,144,587</u>
Balance	<u>\$ 5,157,415</u>	<u>386,675</u>	<u>5,544,090</u>

TOWN OF KERROBERT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

8. LEASE OBLIGATIONS

Capital lease obligation for:

- Kubota Canada Ltd. lease, repayable in semi-annual payments of \$10,287 (interest free). Secured by 2021 Kubota 4WD Cab Tractor and loader attachment with a net book value of \$124,696 (2022 - \$131,259).

Future minimum lease payments under the capital leases together with the balance of the obligation due under capital leases are as follows:

2024	\$	20,575
2025		20,575
2026		20,575
2027		20,575
2028		20,575
Thereafter		<u>10,287</u>
Total future minimum lease payments		113,162
Amounts representing interest at a weighted average rate of -%		<u>(20,575)</u>
Capital lease liability	\$	<u><u>92,587</u></u>

9. SUBSEQUENT EVENTS

The Town is in the process of constructing a Waste Water Treatment Plant. During the 2018 year, there was an equipment failure as the project neared completion. The Town filed a claim with their insurance provider to repair or replace the equipment. During the 2020 year, insurance proceeds in the amount of \$1,879,482 were received and shown in these statements as a disposal of asset under construction in that amount, with no gain or loss recorded.

This asset remains in assets under construction and nothing has been recorded in the financial statements to reflect any further possible payout from insurance or disposal of equipment.

10. PENSION PLAN

The Town is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The Town's pension expense in 2023 was \$57,808 (2022 - \$50,979). The benefits accrued to the Town's employees from MEPP are calculated using the following: pensionable years of service, highest average salary, and the plan accrual rate.

Total current service contributions by the Town to MEPP in 2023 were \$57,808 (2022 - \$50,979). Total current service contributions by the employees of the Town to MEPP in 2023 were \$57,808 (2022 - \$50,979).

Based on the latest information available (December 31, 2023 Audited Financial Statements) the Municipal Employees Pension Plan had a surplus in the net assets available for benefits of \$1,161,337,000. This is based on the most recent actuarial valuation, completed December 31, 2022. The Town's portion of this is not readily determinable.

TOWN OF KERROBERT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

11. COMPARATIVE FIGURES

The prior year's comparative figures have been reclassified to conform to the current year's method of presentation.

12. BUDGET

The Financial Plan (Budget) adopted by Council on April 26, 2023 was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budgeted surplus does not include amounts budgeted for amortization, and instead expenses capital purchases. The budget also includes transfers from reserves, or principle repayments of debt as expenses, and transfers from reserves as revenue. As a result, the budget figures presented in the statements of operations and change in net financial assets include the following adjustments:

	<u>2023</u>
Budget net surplus	\$ 1,140
Add: Investment in tangible capital assets	78,000
Long-term debt repaid	526,310
Transfer to reserves	230,810
Less: Transfer from reserves	<u>(155,850)</u>
Budget surplus per statement of financial activities	\$ <u>680,410</u>

TOWN OF KERROBERT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

13. RISK MANAGEMENT

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

Credit Risk

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

Liquidity Risk

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

Market Risk

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

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

TOWN OF KERROBERT

SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES

Year ended December 31, 2023

with comparative figures for 2022

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
TAXES			
General municipal tax levy	\$ 1,498,090	1,497,554	1,510,316
Abatements and adjustments	(3,530)	(8,449)	(29,274)
Discount on current year taxes	<u>(42,980)</u>	<u>(40,366)</u>	<u>(41,936)</u>
Net municipal taxes	1,451,580	1,448,739	1,439,106
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	61,860	74,160	60,348
Special tax levy	37,850	37,850	38,100
Other	<u>9,670</u>	<u>2,516,269</u>	<u>10,272</u>
Total Taxes	<u>1,560,960</u>	<u>4,077,018</u>	<u>1,547,826</u>
UNCONDITIONAL GRANTS			
Revenue sharing	236,280	236,380	208,343
Organized Hamlet	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Unconditional Grants	<u>236,280</u>	<u>236,380</u>	<u>208,343</u>
GRANTS IN LIEU OF TAXES			
Federal	6,460	5,247	5,247
Provincial			
S.P.C. Electrical	-	-	-
Sask. Energy Gas	-	-	-
TransGas	-	-	-
Central Services	-	-	-
Sasktel	7,830	7,867	7,867
Other	4,890	4,887	4,761
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other	5,800	5,800	796
Other Government Transfers			
S.P.C. Surcharge	74,350	79,438	72,538
Sask Energy Surcharge	34,170	33,602	33,332
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Grants in Lieu of Taxes	<u>133,500</u>	<u>136,841</u>	<u>124,541</u>
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	<u>\$ 1,930,740</u>	<u>4,450,239</u>	<u>1,880,710</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2023

with comparative figures for 2022

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ -	675	-
Sales of supplies	150	170	147
Other (rentals, permits)	34,950	61,627	52,362
Total Fees and Charges	35,100	62,472	52,509
Tangible capital asset sales - gain (loss)	-	-	(2,588)
Land sales - gain (loss)	-	-	5,549
Investment income	65,540	161,346	63,944
Commissions	-	-	-
Other	-	-	-
Total other segmented revenue	100,640	223,818	119,414
Conditional Grants			
Student employment	-	-	-
Other (donations)	10,700	43,308	35,160
Total Conditional Grants	10,700	43,308	35,160
Total Operating	111,340	267,126	154,574
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total General Government Services	111,340	267,126	154,574
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other (policing and fire fees)	53,570	60,547	54,869
Total Fees and Charges	53,570	60,547	54,869
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	53,570	60,547	54,869
Conditional Grants			
Student employment	-	-	-
Local government	29,000	29,882	29,000
Other (donations)	-	335	100
Total Conditional Grants	29,000	30,217	29,100
Total Operating	82,570	90,764	83,969
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Provincial Disaster Assistance	-	-	-
Local government	-	75,000	3,800
Other (donations)	-	155,570	1,200
Total Capital	-	230,570	5,000
Restructuring Revenue	-	-	-
Total Protective Services	82,570	321,334	88,969

See accompanying notes to the financial statements.

TOWN OF KERROBERT

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2023

with comparative figures for 2022

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 9,300	14,068	3,820
Sale of gravel and supplies	-	25,890	3,600
Road Maintenance and Restoration Agreements	1,000	914	5,522
Other	-	-	-
Total Fees and Charges	10,300	40,872	12,942
Tangible capital asset sales - gain (loss)	-	(19,471)	37,761
Investment income and commissions	-	120,378	-
Other	-	-	-
Total other segmented revenue	10,300	141,779	50,703
Conditional Grants			
Primary Weight Corridor	-	-	-
Student employment	-	-	-
Other (highway grants)	12,960	13,882	19,513
Total Conditional Grants	12,960	13,882	19,513
Total Operating	23,260	155,661	70,216
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
MREP (Heavy Haul, CTP, Municipal Bridges)	-	-	834,517
New Building Canada Fund	-	-	12,650
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	847,167
Restructuring Revenue	-	-	-
Total Transportation Services	23,260	155,661	917,383
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Waste and Disposal Fees	337,720	321,339	313,436
Other	1,880	10,113	1,398
Total Fees and Charges	339,600	331,452	314,834
Tangible capital asset sales - gain (loss)	-	-	-
Other	1,100	1,391	6,276
Total other segmented revenue	340,700	332,843	321,110
Conditional Grants			
Student employment	-	-	-
TAPD	4,200	1,117	4,284
Local government	7,790	8,057	6,365
Other (MMSW, transit)	18,990	24,246	18,636
Total Conditional Grants	30,980	33,420	29,285
Total Operating	371,680	366,263	350,395
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
TAPD	-	-	-
Other (donations)	-	1,058	18,146
Total Capital	-	1,058	18,146
Restructuring Revenue	-	-	-
Total Environmental and Public Health Services Services	371,680	367,321	368,541

See accompanying notes to the financial statements.

TOWN OF KERROBERT

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2023

with comparative figures for 2022

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Maintenance and Development Charges	\$ -	-	-
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	-	-	-
Conditional Grants			
Student employment	-	-	-
Other (FCM grant - asset management)	-	-	15,880
Total Conditional Grants	-	-	15,880
Total Operating	-	-	15,880
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Planning and Development Services	-	-	15,880
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other (rentals and recreation fees)	160,410	181,834	164,285
Total Fees and Charges	160,410	181,834	164,285
Tangible capital asset sales - gain (loss)	-	-	17,499
Other	-	-	-
Total other segmented revenue	160,410	181,834	181,784
Conditional Grants			
Student Employment	-	-	1,655
Local government	49,000	66,127	49,000
Donations	-	9,268	455
Other (Sask Lotteries and other grants)	75,900	113,442	31,502
Total Conditional Grants	124,900	188,837	82,612
Total Operating	285,310	370,671	264,396
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Local government	-	-	17,127
Provincial Disaster Assistance	-	-	-
Other (donations)	12,000	86,000	6,880
Total Capital	12,000	86,000	24,007
Restructuring Revenue	-	-	-
Total Recreation and Cultural Services	297,310	456,671	288,403

See accompanying notes to the financial statements.

TOWN OF KERROBERT

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2023

with comparative figures for 2022

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Water	\$ 579,040	560,194	562,187
Sewer	186,790	185,217	181,352
Other (penalty, re-connection, admin)	8,350	9,055	8,149
Total Fees and Charges	774,180	754,466	751,688
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total other segmented revenue	774,180	754,466	751,688
Conditional Grants			
Student employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	<u>774,180</u>	<u>754,466</u>	<u>751,688</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	67,920	69,152	31,703
New Building Canada Fund (SCF, NRP)	-	-	-
Clean Water and Wastewater Fund	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>67,920</u>	<u>69,152</u>	<u>31,703</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Services	<u>842,100</u>	<u>823,618</u>	<u>783,391</u>
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 1,728,260</u>	<u>2,391,731</u>	<u>2,617,141</u>
SUMMARY			
Total Other Segmented Revenue	\$ 1,439,800	1,695,287	1,479,568
Total Conditional Grants	208,540	309,664	211,550
Total Capital Grants and Contributions	79,920	386,780	926,023
Restructuring Revenue	-	-	-
TOTAL REVENUE BY FUNCTION	<u>\$ 1,728,260</u>	<u>2,391,731</u>	<u>2,617,141</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2023

with comparative figures for 2022

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 27,340	28,721	24,219
Wages and benefits	178,710	160,334	167,319
Professional/Contractual services	162,170	169,232	228,034
Utilities	21,300	19,742	20,381
Maintenance, materials, and supplies	37,970	35,367	26,974
Grants and contributions	19,060	20,575	19,180
-operating	-	-	-
-capital	-	-	-
Amortization	-	4,280	3,473
Accretion of asset retirement obligations	-	-	-
Interest	17,940	17,941	29,154
Allowance for uncollectibles	-	51,631	88,660
General Government Services	<u>464,490</u>	<u>507,823</u>	<u>607,394</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total General Government Services	<u>464,490</u>	<u>507,823</u>	<u>607,394</u>
PROTECTIVE SERVICES			
Police protection			
Wages and benefits	-	-	-
Professional/Contractual services	104,900	99,526	94,844
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Accretion of asset retirement obligations	-	-	-
Interest	-	-	-
Other	300	162	295
Fire protection			
Wages and benefits	16,030	16,180	15,637
Professional/Contractual services	33,450	17,123	16,527
Utilities	16,940	17,472	16,285
Maintenance, materials, and supplies	22,130	9,950	40,573
Grants and contributions	820	1,046	799
-operating	-	-	-
-capital	-	-	-
Amortization	-	30,347	29,317
Accretion of asset retirement obligations	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	6,662
Other	-	-	-
Protective Services	<u>194,570</u>	<u>191,806</u>	<u>220,939</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Protective Services	<u>194,570</u>	<u>191,806</u>	<u>220,939</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2023
with comparative figures for 2022

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
TRANSPORTATION SERVICES			
Wages and benefits	\$ 203,000	204,978	160,524
Professional/Contractual services	82,310	45,639	231,865
Utilities	43,900	43,833	41,933
Maintenance, materials, and supplies	175,120	195,983	128,111
Gravel	-	-	-
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	194,756	57,866
Accretion of asset retirement obligations	-	-	-
Interest	-	75,400	-
Allowance for uncollectibles	-	-	1,800
Other	-	-	-
Transportation Services	<u>504,330</u>	<u>760,589</u>	<u>622,099</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Transportation Services	<u>504,330</u>	<u>760,589</u>	<u>622,099</u>
 ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	32,410	27,906	28,206
Professional/Contractual services	349,300	330,857	289,362
Utilities	-	-	-
Maintenance, materials, and supplies	41,600	46,719	42,853
Grants and contributions	-	-	-
-operating	-	-	-
Waste disposal	-	-	-
Public health	18,000	18,000	18,000
-capital	-	-	-
Waste disposal	-	-	-
Public health	-	-	-
Amortization	-	10,353	9,814
Accretion of asset retirement obligations	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	360
Other (New Horizons for Seniors Program/share of housing deficit)	2,300	1,369	10,861
Environmental and Public Health Services	<u>443,610</u>	<u>435,204</u>	<u>399,456</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Environmental and Public Health Services	<u>443,610</u>	<u>435,204</u>	<u>399,456</u>
 PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	52,190	42,355	-
Professional/Contractual services	146,800	93,607	49,294
Utilities	860	1,655	6,656
Maintenance, materials, and supplies	-	2,936	-
Grants and contributions	470	437	462
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	928
Accretion of asset retirement obligations	-	-	-
Interest	-	-	-
Other	-	-	-
Planning and Development Services	<u>200,320</u>	<u>140,990</u>	<u>57,340</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Planning and Development Services	<u>200,320</u>	<u>140,990</u>	<u>57,340</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2023
with comparative figures for 2022

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
RECREATION AND CULTURAL SERVICES			
Wages and benefits	\$ 320,840	303,055	362,021
Professional/Contractual services	128,100	130,731	120,415
Utilities	130,430	112,269	114,791
Maintenance, materials, and supplies	70,100	108,961	76,210
Grants and contributions	310	310	748
-operating			
-capital	-	-	-
Amortization	-	50,936	54,788
Accretion of asset retirement obligations	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other	-	-	-
Recreation and Cultural Services	<u>649,780</u>	<u>706,262</u>	<u>728,973</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Recreation and Cultural Services	<u>649,780</u>	<u>706,262</u>	<u>728,973</u>
UTILITY SERVICES			
Wages and benefits	169,980	170,731	127,132
Professional/Contractual services	71,750	59,948	83,238
Utilities	79,710	76,416	76,014
Maintenance, materials, and supplies	102,560	70,773	100,645
Grants and contributions	-	-	-
-operating			
-capital	-	-	-
Amortization	-	225,209	163,807
Accretion of asset retirement obligations	-	-	-
Interest	97,490	100,414	127,559
Allowance for uncollectibles	-	-	2,933
Other	-	-	-
Utility Services	<u>521,490</u>	<u>703,491</u>	<u>681,328</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Services	<u>521,490</u>	<u>703,491</u>	<u>681,328</u>
TOTAL EXPENDITURES BY FUNCTION	<u>\$ 2,978,590</u>	<u>3,446,165</u>	<u>3,317,529</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT

Schedule 4

SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2023

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and charges	\$ 62,472	60,547	40,872	331,452	-	181,834	754,466	1,431,643
Tangible capital asset sales - Gain (loss)	-	-	(19,471)	-	-	-	-	(19,471)
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income	161,346	-	120,378	-	-	-	-	281,724
Commissions	-	-	-	-	-	-	-	-
Other revenues	-	-	-	1,391	-	-	-	1,391
Grants - Conditional	43,308	30,217	13,882	33,420	-	188,837	-	309,664
Grants - Capital	-	230,570	-	1,058	-	86,000	69,152	386,780
Restructurings	-	-	-	-	-	-	-	-
Total revenues	<u>267,126</u>	<u>321,334</u>	<u>155,661</u>	<u>367,321</u>	<u>-</u>	<u>456,671</u>	<u>823,618</u>	<u>2,391,731</u>
Expenses (Schedule 3)								
Wages and benefits	189,055	16,180	204,978	27,906	42,355	303,055	170,731	954,260
Professional/Contractual Services	169,232	116,649	45,639	330,857	93,607	130,731	59,948	946,663
Utilities	19,742	17,472	43,833	-	1,655	112,269	76,416	271,387
Maintenance, materials and supplies	35,367	9,950	195,983	46,719	2,936	108,961	70,773	470,689
Grants and contributions	20,575	1,046	-	18,000	437	310	-	40,368
Amortization	4,280	30,347	194,756	10,353	-	50,936	225,209	515,881
Accretion of asset retirement obligations	-	-	-	-	-	-	-	-
Interest	17,941	-	75,400	-	-	-	100,414	193,755
Allowance for uncollectibles	51,631	-	-	-	-	-	-	51,631
Other	-	162	-	1,369	-	-	-	1,531
Restructurings	-	-	-	-	-	-	-	-
Total expenses	<u>507,823</u>	<u>191,806</u>	<u>760,589</u>	<u>435,204</u>	<u>140,990</u>	<u>706,262</u>	<u>703,491</u>	<u>3,446,165</u>
Surplus (deficit) by function	(240,697)	129,528	(604,928)	(67,883)	(140,990)	(249,591)	120,127	(1,054,434)
Taxation and other unconditional revenue (Schedule 1)								<u>4,450,239</u>
Net surplus (deficit)								<u>\$ 3,395,805</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT

Schedule 5

SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2022

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and charges	\$ 52,509	54,869	12,942	314,834	-	164,285	751,688	1,351,127
Tangible capital asset sales - Gain (loss)	(2,588)	-	37,761	-	-	17,499	-	52,672
Land sales - Gain (loss)	5,549	-	-	-	-	-	-	5,549
Investment income	63,944	-	-	-	-	-	-	63,944
Commissions	-	-	-	-	-	-	-	-
Other revenues	-	-	-	6,276	-	-	-	6,276
Grants - Conditional	35,160	29,100	19,513	29,285	15,880	82,612	-	211,550
Grants - Capital	-	5,000	847,167	18,146	-	24,007	31,703	926,023
Restructurings	-	-	-	-	-	-	-	-
Total revenues	<u>154,574</u>	<u>88,969</u>	<u>917,383</u>	<u>368,541</u>	<u>15,880</u>	<u>288,403</u>	<u>783,391</u>	<u>2,617,141</u>
Expenses (Schedule 3)								
Wages and benefits	191,538	15,637	160,524	28,206	-	362,021	127,132	885,058
Professional/Contractual Services	228,034	111,371	231,865	289,362	49,294	120,415	83,238	1,113,579
Utilities	20,381	16,285	41,933	-	6,656	114,791	76,014	276,060
Maintenance, materials and supplies	26,974	40,573	128,111	42,853	-	76,210	100,645	415,366
Grants and contributions	19,180	799	-	18,000	462	748	-	39,189
Amortization	3,473	29,317	57,866	9,814	928	54,788	163,807	319,993
Accretion of asset retirement obligations	-	-	-	-	-	-	-	-
Interest	29,154	-	-	-	-	-	127,559	156,713
Allowance for uncollectibles	88,660	6,662	1,800	360	-	-	2,933	100,415
Other	-	295	-	10,861	-	-	-	11,156
Restructurings	-	-	-	-	-	-	-	-
Total expenses	<u>607,394</u>	<u>220,939</u>	<u>622,099</u>	<u>399,456</u>	<u>57,340</u>	<u>728,973</u>	<u>681,328</u>	<u>3,317,529</u>
Surplus (deficit) by function	(452,820)	(131,970)	295,284	(30,915)	(41,460)	(440,570)	102,063	(700,388)
Taxation and other unconditional revenue (Schedule 1)								<u>1,880,710</u>
Net surplus (deficit)								<u>\$ 1,180,322</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT

SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

Year ended December 31, 2023

with comparative figures for 2022

	2023							2022	
	General Assets					Infrastructure Assets	General / Infrastructure Assets Under Construction	Total	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
Asset cost									
Opening asset costs	\$ 9,862	313,513	5,039,581	946,637	960,024	21,395,301	2,448,361	31,113,279	28,809,060
Additions during the year	-	-	-	-	149,354	75,609	30,524	255,487	2,497,873
Disposals and write-downs during the year	-	-	-	-	(102,018)	-	-	(102,018)	(193,654)
Transfers (from) assets under construction	-	-	-	-	-	239,602	(239,602)	-	-
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing asset costs	<u>9,862</u>	<u>313,513</u>	<u>5,039,581</u>	<u>946,637</u>	<u>1,007,360</u>	<u>21,710,512</u>	<u>2,239,283</u>	<u>31,266,748</u>	<u>31,113,279</u>
Accumulated amortization cost									
Opening accumulated amortization costs	-	174,192	2,764,890	624,144	425,652	5,903,220	-	9,892,098	9,689,931
Add: Amortization taken	-	11,643	95,940	37,247	32,200	338,851	-	515,881	319,993
Less: Accumulated amortization on disposals	-	-	-	-	(10,202)	-	-	(10,202)	(117,826)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	<u>-</u>	<u>185,835</u>	<u>2,860,830</u>	<u>661,391</u>	<u>447,650</u>	<u>6,242,071</u>	<u>-</u>	<u>10,397,777</u>	<u>9,892,098</u>
Net book value	<u>\$ 9,862</u>	<u>127,678</u>	<u>2,178,751</u>	<u>285,246</u>	<u>559,710</u>	<u>15,468,441</u>	<u>2,239,283</u>	<u>20,868,971</u>	<u>21,221,181</u>
1. Total contributed/donated assets received in 2023:	\$ -								
2. List of assets recognized at nominal value in 2023 are:									
-Infrastructure Assets	\$ -								
-Vehicles	\$ -								
-Machinery and Equipment	\$ -								
3. Amount of interest capitalized in 2023:	\$ -								

See accompanying notes to the financial statements.

TOWN OF KERROBERT

SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION

Year ended December 31, 2023
with comparative figures for 2022

	2023								2022
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
Asset cost									
Opening asset costs	\$ 167,148	1,015,990	9,705,677	237,588	4,640	1,721,864	18,260,372	31,113,279	28,809,060
Additions during the year	-	30,524	371,314	-	-	-	(146,351)	255,487	2,497,873
Disposals and write-downs during the year	-	-	(102,018)	-	-	-	-	(102,018)	(193,654)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing asset costs	167,148	1,046,514	9,974,973	237,588	4,640	1,721,864	18,114,021	31,266,748	31,113,279
Accumulated amortization cost									
Opening accumulated amortization costs	50,827	696,571	3,154,677	150,536	4,640	1,111,755	4,723,092	9,892,098	9,689,931
Add: Amortization taken	4,280	30,347	194,756	10,353	-	50,936	225,209	515,881	319,993
Less: Accumulated amortization on disposals	-	-	(10,202)	-	-	-	-	(10,202)	(117,826)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	55,107	726,918	3,339,231	160,889	4,640	1,162,691	4,948,301	10,397,777	9,892,098
Net book value	\$ 112,041	319,596	6,635,742	76,699	-	559,173	13,165,720	20,868,971	21,221,181

See accompanying notes to the financial statements.

TOWN OF KERROBERT
SCHEDULE OF ACCUMULATED SURPLUS
Year ended December 31, 2023

	<u>2022</u>	<u>Changes</u>	<u>2023</u>
UNAPPROPRIATED SURPLUS	\$ <u>(1,364,298)</u>	<u>2,739,919</u>	<u>1,375,621</u>
APPROPRIATED RESERVES			
Machinery and equipment	109,905	115,500	225,405
Public reserve	-	-	-
Capital trust	188,456	15,226	203,682
Utility	25,000	10,000	35,000
Other	<u>1,140,063</u>	<u>515,159</u>	<u>1,655,222</u>
Total Appropriated	<u>1,463,424</u>	<u>655,885</u>	<u>2,119,309</u>
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	21,221,181	(352,210)	20,868,971
Less: Related debt	<u>(3,507,368)</u>	<u>352,211</u>	<u>(3,155,157)</u>
Net Investment in Tangible Capital Assets	<u>17,713,813</u>	<u>1</u>	<u>17,713,814</u>
Accumulated Surplus excluding remeasurement gains (losses)	\$ <u>17,812,939</u>	<u>3,395,805</u>	<u>21,208,744</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT
SCHEDULE OF MILL RATES AND ASSESSMENTS

Year ended December 31, 2023
with comparative figures for 2022

	PROPERTY CLASS						Total
	<u>Agriculture</u>	<u>Residential</u>	<u>Residential Condominium</u>	<u>Seasonal Residential</u>	<u>Commercial & Industrial</u>	<u>Potash Mine(s)</u>	
Taxable Assessment	\$ 538,345	54,659,360	1,300,560	-	17,666,740	-	74,165,005
Regional Park Assessment							-
Total Assessment							74,165,005
Mill Rate Factor(s)	0.5349	0.5660	0.5660	-	1.2604		
Total Base/Minimum Tax (generated for each property class)	<u>-</u>	<u>561,792</u>	<u>-</u>	<u>-</u>	<u>129,084</u>		<u>690,876</u>
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ <u>4,276</u>	<u>1,021,210</u>	<u>10,931</u>	<u>-</u>	<u>461,137</u>		<u>1,497,554</u>

MILL RATES:

Average Municipal*	<u>MILLS</u> 20.192
Average School*	5.227
Potash Mill Rate	-
Uniform Municipal Mill Rate	14.850

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

See accompanying notes to the financial statements.

TOWN OF KERROBERT**SCHEDULE OF COUNCIL REMUNERATION**

Year ended December 31, 2023
with comparative figures for 2022

Position	Name	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Mayor	Wayne Mock	\$ 7,675	1,380	9,055
Councillor	Terry Dunn	2,210	-	2,210
Councillor	Del-Marie Kissick	2,225	-	2,225
Councillor	Brad Murphy	2,480	-	2,480
Councillor	Chad Tetzloff	2,430	-	2,430
Councillor	Heather Wack	2,705	-	2,705
Councillor	Michael Mitchell	<u>3,065</u>	<u>-</u>	<u>3,065</u>
Total		<u>\$ 22,790</u>	<u>1,380</u>	<u>24,170</u>

See accompanying notes to the financial statements.

TOWN OF KERROBERT
SCHEDULE OF RESTRUCTURING
Year ended December 31, 2023

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

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

See accompanying notes to the financial statements.