

TOWN OF SPIRITWOOD
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

TOWN OF SPIRITWOOD
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STATEMENT OF RESPONSIBILITY

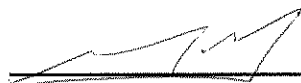
To the Ratepayers of the Town of Spiritwood:

The Town'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 consolidated financial 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 are required.

In discharging its responsibilities for the integrity and fairness 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.

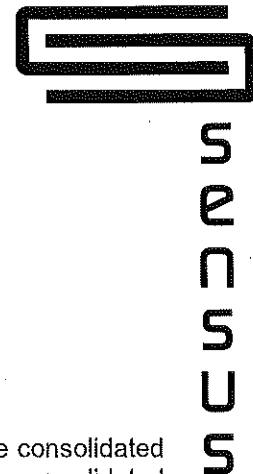
The Council is composed of elected officials who are not employees of the Town. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities. The Council fulfills these responsibilities by reviewing the financial information prepared by administration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

Sensus Chartered Professional Accountants Ltd., 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 administration to discuss their audit findings.



Mayor

Administrator



INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of:
Town of Spiritwood
Spiritwood, Saskatchewan

Qualified Opinion

We have audited the consolidated financial statements of the Town of Spiritwood, which comprise the consolidated statement of financial position as at December 31, 2023 and the consolidated statement of operations, consolidated statement of changes in net financial assets, consolidated statement of cash flows, and consolidated statement of remeasurement gains (losses) for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies.

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

Basis for Qualified Opinion

The Public Sector Accounting Board has introduced section PS 3280 which is a new standard establishing guidance on the accounting and reporting on the retirement of tangible capital assets controlled by the Town of Spiritwood. The Town has not provided a reasonable estimate for the asset retirement costs associated with their lagoon, water wells or buildings containing asbestos, to determine the asset retirement obligation. As such, we have qualified our audit opinion due to the departure from Canadian public sector accounting standards. The effects of this departure on the financial statements for the year ended December 31, 2023 have not been determined, as there is insufficient information available to do so.

The Spiritwood Area Recreation Culture and Sport Inc., a consolidated entity of the Town of Spiritwood, derives revenues from fundraising activities, donations, user fees and kitchen and bar sales, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Spiritwood Area Recreation Culture and Sport Inc. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, annual surplus or assets and accumulated surplus.

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 Town of Spiritwood in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we 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 qualified opinion.

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

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

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

Those charged with governance are responsible for overseeing the Town of Spiritwood'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 auditing standards, we exercise our 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 Town of Spiritwood'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 of Spiritwood'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 Town of Spiritwood 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 group to express an opinion on the consolidated financial statements. We are responsible for the directions, 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.



Yorkton, Saskatchewan
April 24, 2024

Chartered Professional Accountants Ltd.

TOWN OF SPIRITWOOD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash (Note 2)	\$ 1,841,115	\$ 1,479,250
Taxes receivable - municipal (Note 3)	39,562	42,306
Other accounts receivable (Note 4)	238,534	247,351
Patronage equity	100	19,008
TOTAL FINANCIAL ASSETS	2,119,311	1,787,915
LIABILITIES		
Accounts payable and accrued liabilities	98,685	160,337
Deposits	44,330	39,627
Deferred revenue (Note 6)	14,053	
Long-term debt (Note 9)	2,869,639	3,026,980
TOTAL LIABILITIES	3,026,707	3,226,944
NET DEBT	(907,396)	(1,439,029)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedules 6 and 7)	8,969,455	9,021,210
Assets held for sale (Note 5)	455,261	455,261
Inventories	16,231	14,677
Prepaid expenses		117,033
TOTAL NON-FINANCIAL ASSETS	9,440,947	9,608,181
ACCUMULATED SURPLUS	\$ 8,533,551	\$ 8,169,152
Accumulated surplus is comprised of:		
Accumulated surplus excluding remeasurement gains (losses) (Schedule 8)	\$ 8,533,551	\$ 8,169,152
Accumulated remeasurement gains (losses)		
	\$ 8,533,551	\$ 8,169,152

TOWN OF SPIRITWOOD
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
REVENUE			
Taxes revenue (Schedule 1)	\$ 953,933	\$ 953,023	\$ 949,421
Other unconditional revenue (Schedule 1)	353,752	359,172	325,061
Fees and charges (Schedules 4 and 5)	686,433	1,251,495	975,174
Conditional grants (Schedules 4 and 5)	23,893	177,265	162,048
Tangible capital asset sales - gain (loss) (Schedules 4 and 5)	1,000	13,601	21,501
Land sales - gain (loss) (Schedules 4 and 5)	108,000		2,250
Investment income (Schedules 4 and 5)	40,000	43,768	25,165
Other revenues (Schedules 4 and 5)	16,000	28,289	81,636
Provincial/Federal capital grants and contributions (Schedules 4 and 5)	183,376	259,272	439,235
	2,366,387	3,085,885	2,981,491
EXPENSES			
General government services (Schedule 3)	533,816	532,795	424,479
Protective services (Schedule 3)	134,157	155,476	114,623
Transportation services (Schedule 3)	512,950	408,478	500,781
Environmental and public health services (Schedule 3)	151,626	172,755	144,544
Planning and development services (Schedule 3)	99,000	96,201	87,375
Recreation and cultural services (Schedule 3)	597,384	945,673	769,238
Utility services (Schedule 3)	440,770	410,108	462,133
	2,469,703	2,721,486	2,503,173
ANNUAL SURPLUS (DEFICIT)	(103,316)	364,399	478,318
ACCUMULATED SURPLUS, BEGINNING OF YEAR	8,169,152	8,169,152	7,690,834
ACCUMULATED SURPLUS, END OF YEAR	\$ 8,065,836	\$ 8,533,551	\$ 8,169,152

TOWN OF SPIRITWOOD
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
ANNUAL SURPLUS (DEFICIT)	\$ (103,316)	\$ 364,399	\$ 478,318
Acquisition of tangible capital assets		(228,644)	(1,588,928)
Amortization of tangible capital assets	261,100	280,399	266,414
Gain on disposal of tangible capital assets		(13,601)	(21,501)
Proceeds on disposal of tangible capital assets		13,601	24,501
Acquisition of assets held for sale			(7,720)
Gain on sale of assets held for sale			(2,250)
Proceeds on sale of assets held for sale			15,000
Increase in inventories		(1,554)	(3,907)
Decrease (increase) in prepaid expenses		117,033	(115,487)
	<u>261,100</u>	<u>167,234</u>	<u>(1,433,878)</u>
CHANGE IN NET DEBT	<u>\$ 157,784</u>	<u>531,633</u>	<u>(955,560)</u>
NET DEBT, BEGINNING OF YEAR		<u>(1,439,029)</u>	<u>(483,469)</u>
NET DEBT, END OF YEAR		<u>\$ (907,396)</u>	<u>\$ (1,439,029)</u>

TOWN OF SPIRITWOOD
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2023

	2023	2022
OPERATING TRANSACTIONS		
Annual surplus	\$ 364,399	\$ 478,318
Changes in non-cash items:		
Taxes receivable - municipal	2,744	16,742
Other accounts receivable	8,817	845,433
Patronage equity	18,908	(1,025)
Inventories	(1,554)	(3,907)
Prepaid expenses	117,033	(115,487)
Accounts payable and accrued liabilities	(61,652)	(326,836)
Deferred revenue	14,053	(14,028)
Deposits	4,703	2,085
Gain on disposal of tangible capital assets	(13,601)	(21,501)
Gain on sale of assets held for sale		(2,250)
Amortization	280,399	266,414
	<u>734,249</u>	<u>1,123,958</u>
CAPITAL TRANSACTIONS		
Proceeds from the disposal of tangible capital assets	13,601	24,501
Acquisition of tangible capital assets	(228,644)	(1,588,928)
	<u>(215,043)</u>	<u>(1,564,427)</u>
Cash applied to capital transactions		
INVESTING TRANSACTIONS		
Proceeds on sale of assets held for sale		15,000
Acquisition of real estate properties		(7,720)
		<u>7,280</u>
Cash provided by investing transactions		
FINANCING TRANSACTIONS		
Proceeds from debt issues		160,560
Debt repayment	(157,341)	(149,944)
	<u>(157,341)</u>	<u>10,616</u>
Cash provided by (applied to) financing transactions		
CHANGE IN CASH	<u>361,865</u>	<u>(422,573)</u>
CASH, BEGINNING OF YEAR	<u>1,479,250</u>	<u>1,901,823</u>
CASH, END OF YEAR	<u>\$ 1,841,115</u>	<u>\$ 1,479,250</u>

TOWN OF SPIRITWOOD
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS (LOSSES)
For the year ended December 31, 2023

	2023 Actual	2022 Actual
ACCUMULATED REMEASUREMENT GAINS (LOSSES), BEGINNING OF YEAR	\$	\$
Unrealized gains (losses) attributable to:		
Derivatives		
Equity instruments measured at fair value		
Foreign exchange		
Amounts reclassified to the statement of operations:		
Derivatives		
Equity instruments measured at fair value		
Foreign exchange		
NET REMEASUREMENT GAINS (LOSSES) FOR THE YEAR		
ACCUMULATED REMEASUREMENT GAINS (LOSSES), END OF YEAR	\$	\$

TOWN OF SPIRITWOOD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town are prepared by management in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies are as follows:

Basis of Accounting

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

Reporting Entity

The consolidated financial statements consolidates the assets, liabilities, and flow of resources of the Town. The entity is comprised of all of the organizations that are owned or controlled by the Town and are, therefore, accountable to Council for the administration of their financial affairs and resources. Entities included in these consolidated financial statements are as follows:

Spiritwood Area Recreation, Culture & Sport Inc. (SARCS)

All inter-organizational transactions and balances have been eliminated.

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. These consolidated financial statements do not contain any partnerships.

Collection of Funds for Other Authorities

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

Government Transfers

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

- a) the transfers are authorized,
- b) any eligibility criteria have been met; and
- c) reasonable estimates of the amounts can be made.

TOWN OF SPIRITWOOD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Transfers (Continued)

Unearned government transfer amounts received but not earned will be recorded as deferred revenue until eligibility criteria or stipulations are met. Earned government transfer amounts not received will be recorded as an amount receivable. Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligible criteria have been met.

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 contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions are deferred until the resources are used for the purpose specified, at which time the contributions are recognized as revenue. In-kind contributions are recorded at their fair value when they are received.

Deferred Revenue and Deposits

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.

Local Improvement Charges

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

Net Financial Assets

Net financial assets at the end of the 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.

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.

Appropriated Reserves

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

TOWN OF SPIRITWOOD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Financial Instruments

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

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

When investment income and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as liabilities until the external restrictions are satisfied.

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.

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:

<u>Financial statement line item</u>	<u>Measurement</u>
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
Derivative assets and liabilities	Fair value

TOWN OF SPIRITWOOD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 in the ordinary course of business.

Tangible Capital Assets

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

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

TOWN OF SPIRITWOOD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 consolidated 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 and recorded as a tangible capital asset. 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.

Trust Funds

Funds held in trust for others, under a trust agreement or statute, are not included in the consolidated financial statements as they are not controlled by the Town.

Employee Benefit Plans

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

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.

TOWN OF SPIRITWOOD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Uncertainty

The preparation of the consolidated 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 consolidated financial statements, and the reported amounts of revenue and expenditures during the period.

Measurement uncertainty impacts the following financial statement areas:

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

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

Basis of Segmentation/Segment Report

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

The segments (functions) are as follows:

General government: Provides administration of the Town.

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

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

TOWN OF SPIRITWOOD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Segmentation/Segment Report (Continued)

Planning and development: Provides for neighbourhood development and sustainability.

Recreation and culture: Provides for community services through provision of recreation and leisure services.

Utility: Provides for delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

Budget Information

Budget information is presented on a basis consistent with that used for the actual results. The budget was approved by Council on July 17, 2023.

Assets Held for Sale

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 reasonably anticipated to be completed within one year of the financial statement date.

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 Town to incur costs in relation to a specific TCA, when the past transaction or event causing the liability has already occurred, when economic benefits will need to be given up in order to remediate the liability and when a reasonable estimate of such amount can be made. The best estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date. Where cash flows are expected over future periods, the liability is recognized using a present value technique.

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

TOWN OF SPIRITWOOD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Asset Retirement Obligation (Continued)

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 consolidated statement of operations.

Loan Guarantees

The Town has not provided loan guarantees for any organizations.

Guarantees represent potential financial commitments for the Town. These amounts are considered as contingent liabilities and 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 organization(s), loans, and lines of credit annually and in the event that payment by the Town is likely to occur, a provision will be recognized in the consolidated financial statements.

New Standards and Amendments to Standards

Effective for Fiscal Years Beginning On or After April 1, 2023:

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

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

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

The extent of the impact on adoption of these future standards is not known at this time.

TOWN OF SPIRITWOOD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 consolidated statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

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

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

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

Prospective application:

During the year, the Town adopted a new accounting policy with respect to PS 3280, Asset Retirement Obligations. The Town now accounts for such transactions in line with that standard. Prior to this, the Town accounted for these transactions under PS 3270, Solid Waste Landfill Closure and Post-Closure Liability. The adoption of the accounting policy has impacted the Town's consolidated financial statements. At this time the Town is not in compliance with the policy and has no asset retirement obligations recorded in the consolidated financial statements.

2. CASH

The Town of Spiritwood banks with Prairie Centre Credit Union Ltd. where they have an authorized overdraft limit of \$225,000 at an interest rate of 7.20% (2022 - 6.00%) (unauthorized overdraft interest rate of 17.20% (2022 - 16.50%)).

TOWN OF SPIRITWOOD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

3. TAXES RECEIVABLE - MUNICIPAL

	2023	2022
Municipal		
- Current	\$ 38,198	\$ 47,960
- Arrears	36,182	16,688
	<u>74,380</u>	<u>64,648</u>
- Less allowance for uncollectibles	(34,818)	(22,342)
Total municipal taxes receivable	<u>39,562</u>	42,306
School		
- Current	7,495	11,685
- Arrears	4,914	2,426
Total taxes to be collected on behalf of School Divisions	<u>12,409</u>	14,111
Total taxes and grants-in-lieu receivable	<u>51,971</u>	56,417
Deduct taxes to be collected on behalf of other organizations	<u>(12,409)</u>	(14,111)
Total taxes receivable - municipal	<u>\$ 39,562</u>	<u>\$ 42,306</u>

4. OTHER ACCOUNTS RECEIVABLE

	2023	2022
Utility	\$ 103,771	\$ 93,699
Organizations and individuals	78,775	143,248
Provincial government	55,988	10,404
Total other accounts receivable	<u>\$ 238,534</u>	<u>\$ 247,351</u>

5. ASSETS HELD FOR SALE

	2023	2022
Tax title property	\$ 56,646	\$ 56,646
Other land	398,615	398,615
Total assets held for sale	<u>\$ 455,261</u>	<u>\$ 455,261</u>

TOWN OF SPIRITWOOD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

6. DEFERRED REVENUE

	2022	Externally restricted inflows	Revenue earned	2023
Spiritwood Area Recreation, Culture and Sport Inc.	\$	\$ 14,053	\$	\$ 14,053
Total deferred revenue	<u>\$</u>			<u>\$ 14,053</u>

7. 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 benefits. The Town's pension expense in 2023 was \$41,010 (2022 - \$31,700). 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. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook Section PS 3250.

Total current service contributions by the Town to the MEPP in 2023 were \$41,010 (2022 - \$31,700). Total current service contributions by the employees of the Town to the MEPP in 2023 were \$41,010 (2022 - \$31,700).

As of the audit report date, the December 31, 2023 MEPP actuarial deficiency/surplus has not yet been released. As of December 31, 2022, the actuarial valuation of the financial position of the plan shows MEPP is 126.4 percent funded, with an actuarial surplus of \$704,877,000.

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

8. RESTRUCTURING TRANSACTIONS

On December 20, 2023, the Town of Spiritwood transferred the 1971 Pierre Thibault fire truck and the responsibility for the ongoing operation of the vehicle to the Rural Municipality of Spiritwood #496. The transfer was due to the Rural Municipality taking over full operations of the Spiritwood fire department. In lieu of the Town paying the annual fire levy of \$13,600, it was agreed upon by both parties to transfer title of the fire truck and fire equipment held by the Town.

TOWN OF SPIRITWOOD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

9. LONG-TERM DEBT

The debt limit of the Town is \$1,581,032. The 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)).

	2023	2022
SARCS - Prairie Centre Credit Union Ltd., payable in semi-annual installments of \$89,756 including interest at 4.35%. Leasehold mortgage and general security agreement is being used as security.	\$ 1,831,792	\$ 1,928,441
Municipal Financing Corporation of Saskatchewan, payable in annual installments of \$78,146 including interest at 2.75%, maturing in 2036. The lift stations are being used as collateral on the loan.	844,527	897,979
Prairie Centre Credit Union Ltd., mortgage payable in monthly installments of \$1,308 including interest at 5.458% maturing in 2037. The physician house is being used as security.	153,320	160,560
SARCS - Canada Emergency Benefit Account loan payable to Prairie Centre Credit Union Ltd., interest-free during the initial term which ends January 18, 2024. Starting January 19, 2024, the loan bears interest at 5.00% per annum. If at least 75% of the first \$40,000 and 50% of the additional \$20,000 of the loan is repaid on or before January 18, 2024, the remaining \$20,000 of the \$60,000 loan amount will be forgiven. The \$20,000 forgivable portion has been credited to income in 2021.	40,000	40,000
	<u>\$ 2,869,639</u>	<u>\$ 3,026,980</u>

Future principal and interest payments are as follows:

	Principal	Interest	Total
2024	\$ 203,355	\$ 109,999	\$ 313,354
2025	169,723	103,631	273,354
2026	176,352	97,002	273,354
2027	183,252	90,102	273,354
2028	190,435	82,919	273,354
Thereafter	1,946,522	352,279	2,298,801
Balance	<u>\$ 2,869,639</u>	<u>\$ 835,932</u>	<u>\$ 3,705,571</u>

TOWN OF SPIRITWOOD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

10. PRIOR YEAR'S FIGURES

The prior year's figures have been restated due to correcting the payments collected from Northern Lakes Health Committee for the physician home that was purchased in 2022 under the Town of Spiritwood. Originally, all proceeds were deferred until an agreement was settled between both parties. Upon revisions, it has been determined annual payments from the committee will be recognized as revenue in the year collected. The effect of this correction is an increase to opening accumulated surplus and a decrease to opening deferred revenue by \$55,000.

11. GUARANTEES

The Town guarantees operating expense deficits of 5% (2022 - 5%) for the Housing Authorities in Spiritwood, operated by Saskatchewan Housing Corporation, which totaled \$5,103 (2022 - \$373). No amounts have been accrued in the consolidated financial statements on account of the guarantee.

12. RISK MANAGEMENT

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

Price risk

Price risk associated with investments in shares is the risk that their fair value will fluctuate because of changes in market prices. It is management's opinion the Town is not exposed to price risks arising from these financial instruments due to the Town not holding any investments in shares.

Credit risk

The Town provides credit to its ratepayers for taxes as taxes are not due until December 31 in the year they are levied. The Town does not perform credit checks and occasionally has bad debt on taxes. For all other accounts receivable, the Town does not provide credit to its ratepayers and customers.

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.

Trade accounts payable and accrued liabilities are generally paid within 30 days.

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 Town to interest rate risk consists of long-term debt (Note 9). However, the risk associated is reduced as long-term debt is locked in at fixed interest rates.

TOWN OF SPIRITWOOD

SCHEDULE 1 - SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES

For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
TAXES			
General municipal tax levy	\$ 1,058,006	\$ 1,058,006	\$ 1,057,509
Abatements and adjustments	(6,260)	(8,087)	(8,520)
Discount on current year taxes	(110,500)	(109,583)	(110,261)
Net Municipal Taxes	941,246	940,336	938,728
Penalties on tax arrears	12,687	12,687	10,693
Total Taxes	953,933	953,023	949,421
UNCONDITIONAL GRANTS			
Revenue Sharing	235,312	235,413	207,492
Total Unconditional Grants	235,312	235,413	207,492
GRANTS-IN-LIEU OF TAXES			
Federal	5,170	5,214	5,168
Provincial SaskTel	11,510	10,658	11,510
Local/Other Pelican Lake	3,760	4,191	3,752
Other Government Transfers			
S.P.C. Surcharge	63,000	71,791	65,932
SaskEnergy Surcharge	35,000	31,905	31,207
Total Grants-in-Lieu of Taxes	118,440	123,759	117,569
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 1,307,685	\$ 1,312,195	\$ 1,274,482

TOWN OF SPIRITWOOD

SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (rentals, licenses, tax certificates)	\$ 40,373	\$ 37,640	\$ 37,024
Total Fees and Charges	<u>40,373</u>	<u>37,640</u>	<u>37,024</u>
- Tangible capital asset sales - gain (loss)			17,000
- Land sales - gain (loss)	108,000		2,250
- Investment income	40,000	43,768	25,165
Total Other Segmented Revenue	<u>188,373</u>	<u>81,408</u>	<u>81,439</u>
Total Operating	<u>188,373</u>	<u>81,408</u>	<u>81,439</u>
Total General Government Services	<u>188,373</u>	<u>81,408</u>	<u>81,439</u>
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Fire fees	4,900	8,981	15,805
- Police fines	2,310	4,344	2,307
Total Fees and Charges	<u>7,210</u>	<u>13,325</u>	<u>18,112</u>
- Tangible capital asset sales - gain (loss)		13,601	
Total Other Segmented Revenue	<u>7,210</u>	<u>26,926</u>	<u>18,112</u>
Total Operating	<u>7,210</u>	<u>26,926</u>	<u>18,112</u>
Total Protective Services	<u>7,210</u>	<u>26,926</u>	<u>18,112</u>

TOWN OF SPIRITWOOD

SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 2,215	\$ 3,498	\$ 1,148
- CN lease	3,525	3,500	3,675
Total Fees and Charges	<u>5,740</u>	<u>6,998</u>	<u>4,823</u>
Total Other Segmented Revenue	<u>5,740</u>	<u>6,998</u>	<u>4,823</u>
Conditional Grants			
- Student Employment			3,310
- Provincial Traffic Safety Fund	3,893	4,326	
Total Conditional Grants	<u>3,893</u>	<u>4,326</u>	<u>3,310</u>
Total Operating	<u>9,633</u>	<u>11,324</u>	<u>8,133</u>
Total Transportation Services	<u>9,633</u>	<u>11,324</u>	<u>8,133</u>
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and disposal fees	79,910	87,998	76,554
- Cemetery fees	18,000	16,960	17,653
Total Fees and Charges	<u>97,910</u>	<u>104,958</u>	<u>94,207</u>
- Northern Lakes Health Committee	16,000	15,700	55,000
Total Other Segmented Revenue	<u>113,910</u>	<u>120,658</u>	<u>149,207</u>
Conditional Grants			
- Multi-Material Stewardship Western	20,000	21,422	16,653
Total Conditional Grants	<u>20,000</u>	<u>21,422</u>	<u>16,653</u>
Total Operating	<u>133,910</u>	<u>142,080</u>	<u>165,860</u>
Total Environmental and Public Health Services	<u>133,910</u>	<u>142,080</u>	<u>165,860</u>

TOWN OF SPIRITWOOD

SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (building permits, licenses and recoverable fees)	\$ 18,100	\$ 20,699	\$ 22,517
Total Fees and Charges	18,100	20,699	22,517
Total Other Segmented Revenue	18,100	20,699	22,517
Total Operating	18,100	20,699	22,517
Total Planning and Development Services	18,100	20,699	22,517
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- SARCS and Civic Center	92,000	637,952	396,061
Total Fees and Charges	92,000	637,952	396,061
- Tangible capital asset sales - gain (loss)	1,000		4,501
- SARCS and insurance proceeds		12,589	26,636
Total Other Segmented Revenue	93,000	650,541	427,198
Conditional Grants			
- SARCS		151,517	142,085
Total Conditional Grants		151,517	142,085
Total Operating	93,000	802,058	569,283
Capital			
Conditional Grants			
- Investing in Canada Infrastructure Program (ICIP)		46,589	46,216
Total Capital		46,589	46,216
Total Recreation and Cultural Services	93,000	848,647	615,499

TOWN OF SPIRITWOOD

SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	\$ 278,000	\$ 281,640	\$ 269,919
- Sewer	82,000	82,566	69,369
- Infrastructure	65,100	65,717	63,142
Total Fees and Charges	<u>425,100</u>	<u>429,923</u>	402,430
Total Other Segmented Revenue	<u>425,100</u>	<u>429,923</u>	402,430
Total Operating	<u>425,100</u>	<u>429,923</u>	402,430
Capital			
Conditional Grants			
- Canada Community - Building Fund (CCBF)	32,229	61,536	28,212
- Investing in Canada Infrastructure Program (ICIP)	151,147	151,147	364,807
Total Capital	<u>183,376</u>	<u>212,683</u>	393,019
Total Utility Services	<u>608,476</u>	<u>642,606</u>	795,449
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 1,058,702</u>	<u>\$ 1,773,690</u>	\$ 1,707,009
SUMMARY			
Total Other Segmented Revenue	\$ 851,433	\$ 1,337,153	\$ 1,105,726
Total Conditional Grants	23,893	177,265	162,048
Total Capital Grants and Contributions	183,376	259,272	439,235
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 1,058,702</u>	<u>\$ 1,773,690</u>	\$ 1,707,009

TOWN OF SPIRITWOOD
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 20,050	\$ 19,602	\$ 15,140
Wages and benefits	252,591	249,320	174,833
Professional/Contractual services	177,055	187,326	151,317
Utilities	25,400	22,751	21,101
Maintenance, materials, and supplies	45,320	41,321	39,672
Amortization	7,400		74
Allowance for uncollectibles	6,000	12,475	22,342
Total General Government Services	533,816	532,795	424,479
PROTECTIVE SERVICES			
Police protection			
Professional/Contractual services	88,000	89,783	82,818
Fire protection			
Wages and benefits		6,420	6,170
Professional/Contractual services	20,363	19,879	4,722
Utilities			3,971
Maintenance, materials, and supplies	25,794	25,794	16,942
Grants and contributions			
- Operating		13,600	
Total Protective Services	134,157	155,476	114,623
TRANSPORTATION SERVICES			
Wages and benefits	189,000	177,724	207,124
Professional/Contractual services	41,000	7,390	28,290
Utilities	48,550	40,020	46,948
Maintenance, materials, and supplies	156,400	110,874	146,586
Gravel	18,000	17,058	16,813
Amortization	60,000	55,412	54,966
Interest			54
Total Transportation Services	512,950	408,478	500,781

TOWN OF SPIRITWOOD
SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION
For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	\$ 4,951	\$ 4,921	\$ 4,757
Professional/Contractual services	138,850	141,418	131,406
Maintenance, materials, and supplies	50	213	6
Grants and contributions			
- Operating			
• Public Health	300	5,103	373
Amortization	7,200	12,551	7,725
Interest on long-term debt	275	8,549	277
Total Environmental and Public Health Services	151,626	172,755	144,544
PLANNING AND DEVELOPMENT SERVICES			
Professional/Contractual services	99,000	96,201	87,375
Total Planning and Development Services	99,000	96,201	87,375
RECREATION AND CULTURAL SERVICES			
Wages and benefits	168,000	201,451	155,923
Professional/Contractual services	24,380	33,433	32,950
Utilities	18,650	127,190	111,859
Maintenance, materials, and supplies	161,120	196,733	118,810
Grants and contributions			
- Operating	80,734	145,949	108,151
Amortization	144,500	155,925	152,670
Interest on long-term debt		84,992	88,875
Total Recreation and Cultural Services	597,384	945,673	769,238
UTILITY SERVICES			
Wages and benefits	59,950	58,451	59,161
Professional/Contractual services	48,500	59,506	56,709
Utilities	57,420	46,442	58,772
Maintenance, materials, and supplies	207,900	165,389	211,187
Amortization	42,000	56,511	50,979
Interest on long-term debt	25,000	23,809	25,325
Total Utility Services	440,770	410,108	462,133
TOTAL EXPENSES BY FUNCTION	\$ 2,469,703	\$ 2,721,486	\$ 2,503,173

TOWN OF SPIRITWOOD
SCHEDULE 4 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
For the 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	\$ 37,640	\$ 13,325	\$ 6,998	\$ 104,958	\$ 20,699	\$ 637,952	\$ 429,923	\$ 1,251,495
Tangible Capital Asset Sale - Gain (Loss)	13,601							13,601
Land Sales - Gain (Loss)								
Investment Income	43,768							43,768
Commissions						12,589		28,289
Other Revenues		15,700				151,517		177,265
Grants - Conditional		21,422	4,326			46,589	212,683	259,272
- Capital								
Total revenues	81,408	26,926	11,324	142,080	20,699	848,647	642,606	1,773,690
Expenses (Schedule 3)								
Wages & Benefits	268,922	6,420	177,724	4,921		201,451	58,451	717,889
Professional/Contractual Services	187,326	109,662	7,390	141,418	96,201	33,433	59,506	634,936
Utilities	22,751		40,020			127,190	46,442	236,403
Maintenance, Materials, Supplies	41,321	25,794	127,932	213		196,733	165,389	557,382
Grants and Contributions		13,600		5,103		145,949		164,652
Amortization				12,551		155,925		280,399
Interest			55,412	8,549		84,992		117,350
Accretion of asset retirement obligation	12,475							12,475
Allowance for Uncollectibles								
Other								
Total expenses	532,795	155,476	408,478	172,755	96,201	945,673	410,108	2,721,486
Surplus (Deficit) by Function	(451,387)	(128,550)	(397,154)	(30,675)	(75,502)	(97,026)	232,498	(947,796)
Taxation and other unconditional revenue (Schedule 1)								1,312,195
Net Surplus (Deficit)								\$ 364,399

TOWN OF SPIRITWOOD
SCHEDULE 5 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION
For the 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	\$ 37,024	\$ 18,112	\$ 4,823	\$ 94,207	\$ 22,517	\$ 396,061	\$ 402,430	\$ 975,174
Tangible Capital Asset Sale - Gain (Loss)	17,000					4,501		21,501
Land Sales - Gain (Loss)	2,250							2,250
Investment Income	25,165							25,165
Commissions								
Other Revenues				55,000		26,636		81,636
Grants - Conditional			3,310	16,653		142,085		162,048
- Capital						46,216	393,019	439,235
Total revenues	81,439	18,112	8,133	165,860	22,517	615,499	795,449	1,707,009
Expenses (Schedule 3)								
Wages & Benefits	189,973	6,170	207,124	4,757		155,923	59,161	623,108
Professional/Contractual Services	151,317	87,540	28,290	131,406	87,375	32,950	56,709	575,587
Utilities	21,101	3,971	46,948			111,859	58,772	242,651
Maintenance, Materials, Supplies	39,672	16,942	163,399	6		118,810	211,187	550,016
Grants and Contributions				373		108,151		108,524
Amortization	74		54,966	7,725		152,670		266,414
Interest			54	277		88,875		114,531
Accretion of asset retirement obligation								22,342
Allowance for Uncollectibles	22,342							
Other								
Total expenses	424,479	114,623	500,781	144,544	87,375	769,238	462,133	2,503,173
Surplus (Deficit) by Function	(343,040)	(96,511)	(492,648)	21,316	(64,858)	(153,739)	333,316	(796,164)
Taxation and other unconditional revenue (Schedule 1)								1,274,482
Net Surplus (Deficit)								\$ 478,318

TOWN OF SPIRITWOOD
SCHEDULE 6 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT
For the year ended December 31, 2023

	General Assets					Infrastructure Assets	General/ Infrastructure	Totals	
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment			Linear Assets	Assets Under Construction
Cost									
Opening costs	\$ 154,042	\$	\$ 6,904,533	\$ 251,681	\$ 600,861	\$ 3,937,757	\$ 2,868,387	\$ 14,717,261	\$ 13,131,333
Additions during the year		127,157			37,679	63,808		228,644	1,588,928
Disposals and write downs				(43,000)				(43,000)	(3,000)
Transfers from assets under construction			275,836			2,592,551	(2,868,387)		
Closing costs	154,042		7,307,526	208,681	638,540	6,594,116		14,902,905	14,717,261
Accumulated Amortization									
Opening accumulated amortization			2,436,884	188,881	238,678	2,831,608		5,696,051	5,429,637
Amortization			179,038	8,697	25,928	66,736		280,399	266,414
Disposals and write downs				(43,000)				(43,000)	
Closing accumulated amortization			2,615,922	154,578	264,606	2,898,344		5,933,450	5,696,051
Net Book Value	\$ 154,042	\$	\$ 4,691,604	\$ 54,103	\$ 373,934	\$ 3,695,772	\$	\$ 8,969,455	\$ 9,021,210

TOWN OF SPIRITWOOD
SCHEDULE 7 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION
For the year ended December 31, 2023

Cost	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Totals	
								2023	2022
Opening costs	\$ 209,837	\$ 69,000	\$ 2,324,272	\$ 365,447	\$	\$ 5,761,033	\$ 5,987,672	\$ 14,717,261	\$ 13,131,333
Additions during the year			29,150			135,685	63,809	228,644	1,588,928
Disposals and write downs		(43,000)						(43,000)	(3,000)
Closing costs	209,837	26,000	2,353,422	365,447		5,896,718	6,051,481	14,902,905	14,717,261
Accumulated Amortization									
Opening accumulated amortization	111,074	67,000	1,670,499	120,231		1,832,868	1,894,379	5,696,051	5,429,637
Amortization			55,412	12,551		155,925	56,511	280,399	266,414
Disposals and write downs		(43,000)						(43,000)	
Closing accumulated amortization	111,074	24,000	1,725,911	132,782		1,988,793	1,950,890	5,933,450	5,696,051
Net Book Value	\$ 98,763	\$ 2,000	\$ 627,511	\$ 232,665	\$	\$ 3,907,925	\$ 4,100,591	\$ 8,969,455	\$ 9,021,210

TOWN OF SPIRITWOOD
SCHEDULE 8 - SCHEDULE OF ACCUMULATED SURPLUS
For the year ended December 31, 2023

	2022	Changes	2023
UNAPPROPRIATED SURPLUS	\$ 1,144,586	\$ 190,420	\$ 1,335,006
APPROPRIATED RESERVES			
General Reserve	263,685	2,485	266,170
Cemetery Reserve	26,456	3,750	30,206
Water/Sewer Reserve	515,185	62,158	577,343
Capital Trust Reserve	185,010		185,010
Total appropriated	990,336	68,393	1,058,729
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	9,021,210	(51,755)	8,969,455
Less: Related debt	(2,986,980)	157,341	(2,829,639)
Net investment in tangible capital assets	6,034,230	105,586	6,139,816
ACCUMULATED SURPLUS (excluding remeasurement gains (losses))	\$ 8,169,152	\$ 364,399	\$ 8,533,551

TOWN OF SPIRITWOOD
SCHEDULE 9 - SCHEDULE OF MILL RATES AND ASSESSMENTS
 For the year ended December 31, 2023

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable assessment	1,010,405	49,975,920			12,907,307		63,893,632
Regional Park Assessment							
Total Assessment							63,893,632
Mill Rate Factor(s)	0.61	0.89			1.15		
Total Base/Minimum Tax	7,600	489,220			100,860		597,680
Total Municipal Tax Levy	12,333	830,816			214,857		1,058,006

MILL RATES:

	MILLS
Average Municipal	16.5589
Average School	4.9593
Potash Mill Rate	
Uniform Municipal Mill Rate	7.6800

TOWN OF SPIRITWOOD
SCHEDULE 10 - SCHEDULE OF COUNCIL REMUNERATION
For the year ended December 31, 2023

<u>Position - Name</u>	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Mayor - Gary von Holwede	\$ 5,470	\$ 55	5,525
Councilor - Shane Colley	4,350		4,350
Councilor - Bryan Wingerter	2,320	265	2,585
Councilor - Ragnar Latus	2,330	226	2,556
Councilor - George Pretli	2,010		2,010
Councilor - James Bedi	1,710	175	1,885
Councilor - Bradley Nemish	630		630
Councilor - Mark Corfield	540		540
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	\$ 19,360	\$ 721	20,081
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