

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

TOWN OF SOUTHEY
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for the year ended December 31, 2023

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STATEMENT OF RESPONSIBILITY

To the Ratepayers of the Town of Southey:

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 Southey
Southey, Saskatchewan

Qualified Opinion

We have audited the consolidated financial statements of the Town of Southey, which comprise the consolidated statement of financial position as at December 31, 2023, the consolidated statement of operations, consolidated statement of changes in net financial assets, consolidated statement of cash flows, 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 Southey 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 Southey. The Town of Southey has not provided a reasonable estimate for the asset retirement costs associated with their lagoon, water well or buildings containing asbestos and lead paint or piping, 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 consolidated financial statements for the year ended December 31, 2023 have not been determined, as there is insufficient information available to do so.

The Touchwood Hills Regional Landfill Inc., a consolidated entity of the Town of Southey has not provided a reasonable estimate for the asset retirement costs associated with the closure and post-closure of their landfill, 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.

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 Southey 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 Southey'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 Southey or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town of Southey'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 Southey'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 Southey'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 Southey 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
July 24, 2024



 Chartered Professional Accountants Ltd.

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

	2023	2022
FINANCIAL ASSETS		
Cash	\$ 2,399,482	\$ 2,220,016
Taxes receivable - municipal (Note 2)	69,978	40,900
Other accounts receivable (Note 3)	94,233	87,102
Patronage equity	703	694
TOTAL FINANCIAL ASSETS	2,564,396	2,348,712
LIABILITIES		
Accounts payable and accrued liabilities	40,291	72,369
Deposits	21,568	20,756
Deferred revenue (Note 5)	66,201	66,201
Long-term debt (Note 6)	493,480	643,933
TOTAL LIABILITIES	621,540	803,259
NET FINANCIAL ASSETS	1,942,856	1,545,453
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedules 6 and 7)	9,355,242	9,699,971
Assets held for sale (Note 4)	118,794	118,794
Prepaid expenses	1,018	1,243
TOTAL NON-FINANCIAL ASSETS	9,475,054	9,820,008
ACCUMULATED SURPLUS	\$ 11,417,910	\$11,365,461
Accumulated surplus is comprised of:		
Accumulated surplus excluding remeasurement gains (losses) (Schedule 8)	\$ 11,417,910	\$11,365,461
Accumulated remeasurement gains (losses)		
	\$ 11,417,910	\$11,365,461

TOWN OF SOUTHEY
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)	\$ 705,150	\$ 707,923	\$ 697,799
Other unconditional revenue (Schedule 1)	268,600	295,388	271,627
Fees and charges (Schedules 4 and 5)	487,520	452,947	429,847
Conditional grants (Schedules 4 and 5)	10,000	42,575	40,920
Tangible capital asset sales - gain (loss) (Schedules 4 and 5)	34,000	(6,312)	719
Land sales - gain (loss) (Schedules 4 and 5)			148,481
Investment income (Schedules 4 and 5)	50,010	56,813	13,440
Other revenues (Schedules 4 and 5)	13,460	63,201	43,697
Provincial/Federal capital grants and contributions (Schedules 4 and 5)	53,000	54,190	24,844
	1,621,740	1,666,725	1,671,374
EXPENSES			
General government services (Schedule 3)	300,801	281,067	279,904
Protective services (Schedule 3)	194,563	205,249	146,167
Transportation services (Schedule 3)	524,974	389,794	350,983
Environmental and public health services (Schedule 3)	138,065	211,933	204,856
Planning and development services (Schedule 3)	30,000	23,029	25,993
Recreation and cultural services (Schedule 3)	115,349	159,605	126,187
Utility services (Schedule 3)	335,571	343,599	341,713
	1,639,323	1,614,276	1,475,803
ANNUAL SURPLUS (DEFICIT)	(17,583)	52,449	195,571
ACCUMULATED SURPLUS, BEGINNING OF YEAR	11,365,461	11,365,461	11,169,890
ACCUMULATED SURPLUS, END OF YEAR	\$ 11,347,878	\$ 11,417,910	\$11,365,461

TOWN OF SOUTHEY
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
for the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
ANNUAL SURPLUS (DEFICIT)	\$ (17,583)\$	52,449	\$ 195,571
Acquisition of tangible capital assets	(94,000)	(61,321)	(101,731)
Amortization of tangible capital assets	375,953	375,953	374,716
Loss (gain) on disposal of tangible capital assets		6,312	(719)
Proceeds on disposal of tangible capital assets		23,785	91,782
Acquisition of assets held for sale			(89,882)
Gain on sale of assets held for sale			(148,481)
Proceeds on sale of assets held for sale			180,000
Decrease (increase) in prepaid expenses		225	(529)
	281,953	344,954	305,156
CHANGE IN NET FINANCIAL ASSETS	\$ 264,370	397,403	500,727
NET FINANCIAL ASSETS, BEGINNING OF YEAR		1,545,453	1,044,726
NET FINANCIAL ASSETS, END OF YEAR		\$ 1,942,856	\$ 1,545,453

TOWN OF SOUTHEY
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended December 31, 2023

	2023	2022
OPERATING TRANSACTIONS		
Annual surplus	\$ 52,449	\$ 195,571
Changes in non-cash items:		
Taxes receivable - municipal	(29,078)	(7,424)
Other accounts receivable	(7,131)	77,891
Patronage equity	(9)	(6)
Prepaid expenses	225	(529)
Accounts payable and accrued liabilities	(32,078)	(19,264)
Deferred revenue		63,201
Deposits	812	2,345
Loss (gain) on disposal of tangible capital assets	6,312	(719)
Gain on sale of assets held for sale		(148,481)
Amortization	375,953	374,716
	367,455	537,301
Cash provided by (applied to) operating transactions		
CAPITAL TRANSACTIONS		
Proceeds from the disposal of tangible capital assets	23,785	91,782
Acquisition of tangible capital assets	(61,321)	(101,731)
	(37,536)	(9,949)
Cash applied to capital transactions		
INVESTING TRANSACTIONS		
Proceeds on disposal of investments		120,000
Proceeds on sale of assets held for sale		180,000
Acquisition of real estate properties		(89,882)
		210,118
Cash applied to investing transactions		
FINANCING TRANSACTIONS		
Debt repayment	(150,453)	(259,249)
	(150,453)	(259,249)
Cash provided by financing transactions		
CHANGE IN CASH	179,466	478,221
CASH, BEGINNING OF YEAR	2,220,016	1,741,795
CASH, END OF YEAR	\$ 2,399,482	\$ 2,220,016

TOWN OF SOUTHEY
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 SOUTHEY

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:

Southey and District Recreation Board

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 contain the following partnerships:

Touchwood Hills Regional Landfill Inc. - 16% (2022 - 16%)

All inter-organizational transactions and balances have been eliminated.

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 2.

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 SOUTHEY
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 SOUTHEY

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 SOUTHEY
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	50 years
Road network assets	50 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 SOUTHEY
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 SOUTHEY
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 SOUTHEY
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 August 8, 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 SOUTHEY
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 SOUTHEY
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.

TOWN OF SOUTHEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2023

2. TAXES RECEIVABLE - MUNICIPAL

		2023	2022
Municipal	- Current	\$ 46,639	\$ 26,583
	- Arrears	23,339	14,317
Total municipal taxes receivable		69,978	40,900
School	- Current	20,715	10,563
	- Arrears	7,447	3,263
Total taxes to be collected on behalf of School Divisions		28,162	13,826
Total taxes and grants-in-lieu receivable		98,140	54,726
Deduct taxes to be collected on behalf of other organizations		(28,162)	(13,826)
Total taxes receivable - municipal		\$ 69,978	\$ 40,900

3. OTHER ACCOUNTS RECEIVABLE

		2023	2022
Utility		\$ 67,022	\$ 61,288
Federal government		17,694	18,739
Organizations and individuals		9,517	7,075
Total other accounts receivable		\$ 94,233	\$ 87,102

4. ASSETS HELD FOR SALE

		2023	2022
Other land		\$ 118,794	\$ 118,794

TOWN OF SOUTHEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2023

5. DEFERRED REVENUE

Deferred revenue represents insurance proceeds and a land sale deposit. These amounts will be recognized when the land sale terms are met, and when the repairs are completed for the insurance claim.

	2022	Externally restricted inflows	Revenue earned	2023
Insurance proceeds	\$ 53,201	\$	\$	\$ 53,201
Land sale deposits	13,000			13,000
Total deferred revenue	<u>\$ 66,201</u>			<u>\$ 66,201</u>

6. LONG-TERM DEBT

The debt limit of the Town is \$1,148,555. 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
Loan payable to Royal Bank of Canada, interest at 3.74%, payable at \$121,700 annually including interest, maturing 2027.	\$ 444,480	\$ 545,769
Loan payable to 101172130 Saskatchewan Ltd., interest-free, payable at \$49,000 annually, maturing 2024.	49,000	98,000
Loan payable to Royal Bank of Canada, interest at 4.26%, payable at \$117,417 annually including interest, and matured in 2023.		164
	<u>\$ 493,480</u>	<u>\$ 643,933</u>

Future principal and interest payments are as follows:

	Principal	Interest	Total
2024	\$ 154,076	\$ 16,624	\$ 170,700
2025	109,007	12,693	121,700
2026	113,083	8,617	121,700
2027	117,314	4,386	121,700
Balance	<u>\$ 493,480</u>	<u>\$ 42,320</u>	<u>\$ 535,800</u>

TOWN OF SOUTHEY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended December 31, 2023

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 \$22,320 (2022 - \$23,302). 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 \$22,320 (2022 - \$23,302). Total current service contributions by the employees of the Town to the MEPP in 2023 were \$22,320 (2022 - \$23,302).

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://mepp.peba.ca/fund-information/plan-reporting>.

8. 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

The Town is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed-rate instruments subject the Town to a fair value risk. The Town is exposed to a fair value risk through long-term debt. The risk associated with long-term debt is reduced as it is locked in at a fixed interest rate.

TOWN OF SOUTHEY**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	\$ 740,000	\$ 737,674	\$ 733,272
Abatements and adjustments	(11,500)	(6,441)	(11,474)
Discount on current year taxes	(29,000)	(28,455)	(28,381)
Net Municipal Taxes	699,500	702,778	693,417
Penalties on tax arrears	5,650	5,145	4,382
Total Taxes	705,150	707,923	697,799
UNCONDITIONAL GRANTS			
Revenue Sharing	180,000	203,039	178,990
Total Unconditional Grants	180,000	203,039	178,990
GRANTS-IN-LIEU OF TAXES			
Federal	2,300	2,295	2,295
Provincial			
SaskTel	1,870	1,866	1,866
Department of Highways	8,380	7,303	13,200
Local/Other			
Housing Authority	8,000	6,502	7,386
Other Government Transfers			
S.P.C. Surcharge	45,500	49,283	45,337
SaskEnergy Surcharge	22,550	25,100	22,553
Total Grants-in-Lieu of Taxes	88,600	92,349	92,637
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 973,750	\$ 1,003,311	\$ 969,426

TOWN OF SOUTHEY

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			
- Tax enforcement	\$ 3,070	\$ 870	\$ 3,254
- Sales of supplies	13,400	2,292	13,060
- Other (pet licenses, tax certificates, general office services)		14,450	
Total Fees and Charges	16,470	17,612	16,314
- Tangible capital asset sales - gain (loss)		(6,312)	
- Land sales - gain (loss)			148,481
- Investment income and commissions	50,010	56,813	13,440
Total Other Segmented Revenue	66,480	68,113	178,235
Total Operating	66,480	68,113	178,235
Total General Government Services	66,480	68,113	178,235
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Fire fees	25,000	51,803	20,796
- Police fines	41,250	48,953	38,854
Total Fees and Charges	66,250	100,756	59,650
- Other (fundraising, donations)		9,201	
Total Other Segmented Revenue	66,250	109,957	59,650
Total Operating	66,250	109,957	59,650
Total Protective Services	66,250	109,957	59,650

TOWN OF SOUTHEY

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	\$ 55,000	\$ 39,138	\$ 52,203
- Sales of supplies	85,000	30	4,903
Total Fees and Charges	140,000	39,168	57,106
- Tangible capital asset sales - gain (loss)	34,000		719
Total Other Segmented Revenue	174,000	39,168	57,825
Conditional Grants			
- Student Employment			1,655
- Provincial Traffic Safety Fund	10,000		
Total Conditional Grants	10,000		1,655
Total Operating	184,000	39,168	59,480
Total Transportation Services	184,000	39,168	59,480
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and disposal fees	42,000	73,043	72,628
- Cemetery fees and building rentals	11,300	10,800	11,200
Total Fees and Charges	53,300	83,843	83,828
- Donations			5,000
- Touchwood Hills Regional Landfill Inc.	370	2,131	911
Total Other Segmented Revenue	53,670	85,974	89,739
Conditional Grants			
- Touchwood Hills Regional Landfill Inc.		25,237	25,752
- Multi-Material Stewardship Western		17,338	13,513
Total Conditional Grants		42,575	39,265
Total Operating	53,670	128,549	129,004
Total Environmental and Public Health Services	53,670	128,549	129,004

TOWN OF SOUTHEY

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			
- Permits and licenses	\$	\$	\$ 5,709
Total Fees and Charges			5,709
Total Other Segmented Revenue			5,709
Total Operating			5,709
Total Planning and Development Services			5,709
 RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Community hall fees	5,500	4,870	5,665
Total Fees and Charges	5,500	4,870	5,665
- Southey and District Recreation Board	13,090	51,869	21,148
Total Other Segmented Revenue	18,590	56,739	26,813
Total Operating	18,590	56,739	26,813
Total Recreation and Cultural Services	18,590	56,739	26,813

TOWN OF SOUTHEY

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	\$ 111,000	\$ 111,866	\$ 106,549
- Sewer	51,000	51,028	51,143
- Infrastructure	44,000	43,804	43,883
Total Fees and Charges	206,000	206,698	201,575
- Insurance Proceeds			16,638
Total Other Segmented Revenue	206,000	206,698	218,213
Total Operating	206,000	206,698	218,213
Capital			
Conditional Grants			
- Canada Community - Building Fund (CCBF)	53,000	54,190	24,844
Total Capital	53,000	54,190	24,844
Total Utility Services	259,000	260,888	243,057
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 647,990	\$ 663,414	\$ 701,948
SUMMARY			
Total Other Segmented Revenue	\$ 584,990	\$ 566,649	\$ 636,184
Total Conditional Grants	10,000	42,575	40,920
Total Capital Grants and Contributions	53,000	54,190	24,844
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 647,990	\$ 663,414	\$ 701,948

TOWN OF SOUTHEY
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	\$ 37,200	\$ 21,898	\$ 20,245
Wages and benefits	130,000	135,983	144,416
Professional/Contractual services	65,570	64,577	59,783
Utilities	13,700	13,501	12,894
Maintenance, materials, and supplies	51,360	42,137	39,912
Amortization	2,971	2,971	2,654
Total General Government Services	300,801	281,067	279,904
PROTECTIVE SERVICES			
Police protection			
Professional/Contractual services	83,100	93,060	91,968
Maintenance, materials, and supplies	16,070	11,830	1,569
Fire protection			
Wages and benefits	1,000	1,000	1,000
Professional/Contractual services	16,900	11,034	15,466
Utilities	3,500	3,526	3,418
Maintenance, materials, and supplies	52,540	55,422	11,981
Grants and contributions			
- Operating		9,201	
Amortization	19,953	19,953	20,765
Other	1,500	223	
Total Protective Services	194,563	205,249	146,167
TRANSPORTATION SERVICES			
Wages and benefits	189,000	90,640	85,320
Professional/Contractual services	44,650	30,153	27,970
Utilities	20,100	20,132	19,988
Maintenance, materials, and supplies	122,500	98,134	66,293
Gravel	5,000	7,011	8,682
Amortization	143,724	143,724	142,730
Total Transportation Services	524,974	389,794	350,983

TOWN OF SOUTHEY
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	\$	\$ 46,052	\$ 41,753
Professional/Contractual services	13,360	31,338	33,649
Utilities	10,000	10,875	11,162
Maintenance, materials, and supplies	24,600	32,393	23,721
Grants and contributions			
- Operating			
• Waste disposal	25,000	26,864	29,988
• Public Health	1,000	199	
Amortization	64,105	64,105	64,342
Interest on long-term debt		9	7
Touchwood Hills Regional Landfill Inc.		98	234
Total Environmental and Public Health Services	138,065	211,933	204,856
PLANNING AND DEVELOPMENT SERVICES			
Professional/Contractual services	2,000	3,873	3,140
Interest on long-term debt	28,000	19,156	22,853
Total Planning and Development Services	30,000	23,029	25,993
RECREATION AND CULTURAL SERVICES			
Wages and benefits		45	
Professional/Contractual services	2,320	5,552	3,729
Utilities	11,800	11,854	11,468
Maintenance, materials, and supplies	23,500	16,516	27,342
Grants and contributions			
- Operating	25,220	63,735	18,137
Amortization	52,509	52,509	52,509
Southey and District Recreation Board		9,394	13,002
Total Recreation and Cultural Services	115,349	159,605	126,187
UTILITY SERVICES			
Wages and benefits		85,821	81,045
Professional/Contractual services	7,700	7,762	12,250
Utilities	30,650	34,059	31,564
Maintenance, materials, and supplies	204,530	123,266	121,569
Amortization	92,691	92,691	91,716
Interest on long-term debt			3,569
Total Utility Services	335,571	343,599	341,713
TOTAL EXPENSES BY FUNCTION	\$ 1,639,323	\$ 1,614,276	\$ 1,475,803

TOWN OF SOUTHEY
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	\$	17,612	\$	83,843	\$	\$	\$	452,947
Tangible Capital Asset Sale - Gain (Loss)	(6,312)	100,756	39,168			4,870	206,698	(6,312)
Land Sales - Gain (Loss)								
Investment Income	56,813							56,813
Commissions								
Other Revenues		9,201		2,131		51,869		63,201
Grants - Conditional				42,575				42,575
- Capital							54,190	54,190
Total revenues	68,113	109,957	39,168	128,549		56,739	260,888	663,414
Expenses (Schedule 3)								
Wages & Benefits	157,881	1,000	90,640	46,052		45	85,821	381,439
Professional/Contractual Services	64,577	104,094	30,153	31,338	3,873	5,552	7,762	247,349
Utilities	13,501	3,526	20,132	10,875		11,854	34,059	93,947
Maintenance, Materials, Supplies	42,137	67,252	105,145	32,393		16,516	123,266	386,709
Grants and Contributions		9,201		27,063		63,735		99,999
Amortization	2,971	19,953	143,724	64,105		52,509	92,691	375,953
Interest				9	19,156			19,165
Accretion of asset retirement obligation								
Allowance for Uncollectibles								
Other		223		98		9,394		9,715
Total expenses	281,067	205,249	389,794	211,933	23,029	159,605	343,599	1,614,276
Surplus (Deficit) by Function	(212,954)	(95,292)	(350,626)	(83,384)	(23,029)	(102,866)	(82,711)	(950,862)
Taxation and other unconditional revenue (Schedule 1)								1,003,311
Net Surplus (Deficit)								\$ 52,449

TOWN OF SOUTHEY
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	\$ 16,314	\$ 59,650	\$ 57,106	\$ 83,828	\$ 5,709	\$ 5,665	\$ 201,575	\$ 429,847
Tangible Capital Asset Sale - Gain (Loss)			719					719
Land Sales - Gain (Loss)	148,481							148,481
Investment Income	13,440							13,440
Commissions								
Other Revenues			1,655	5,911		21,148	16,638	43,697
Grants - Conditional				39,265			24,844	40,920
- Capital								24,844
Total revenues	178,235	59,650	59,480	129,004	5,709	26,813	243,057	701,948
Expenses (Schedule 3)								
Wages & Benefits	164,661	1,000	85,320	41,753			81,045	373,779
Professional/Contractual Services	59,783	107,434	27,970	33,649	3,140	3,729	12,250	247,955
Utilities	12,894	3,418	19,988	11,162		11,468	31,564	90,494
Maintenance, Materials, Supplies	39,912	13,550	74,975	23,721		27,342	121,569	301,069
Grants and Contributions				29,988		18,137		48,125
Amortization			142,730	64,342		52,509	91,716	374,716
Interest	2,654	20,765		7	22,853		3,569	26,429
Accretion of asset retirement obligation								
Allowance for Uncollectibles								
Other				234		13,002		13,236
Total expenses	279,904	146,167	350,983	204,856	25,993	126,187	341,713	1,475,803
Surplus (Deficit) by Function	(101,669)	(86,517)	(291,503)	(75,852)	(20,284)	(99,374)	(98,656)	(773,855)
Taxation and other unconditional revenue (Schedule 1)								
								969,426
Net Surplus (Deficit)								\$ 195,571

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

Cost	General Assets					Infrastructure Assets		General/ Infrastructure		Totals	
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets		Assets Under Construction		2023	2022
Opening costs	\$ 558,430	\$ 473,681	\$ 4,775,535	\$ 112,782	\$ 1,354,314	\$ 11,153,664		\$ 263,764	\$ 18,692,170	\$ 18,682,684	
Additions during the year					53,511	7,810			61,321	101,731	
Disposals and write downs	(29,000)				(10,972)				(39,972)	(92,245)	
Closing costs	529,430	473,681	4,775,535	112,782	1,396,853	11,161,474		263,764	18,713,519	18,692,170	
Accumulated Amortization											
Opening accumulated amortization		223,285	2,920,450	66,346	798,827	4,983,291			8,992,199	8,618,665	
Amortization		14,089	99,709	7,617	87,966	166,572			375,953	374,716	
Disposals and write downs					(9,875)				(9,875)	(1,182)	
Closing accumulated amortization		237,374	3,020,159	73,963	876,918	5,149,863			9,358,277	8,992,199	
Net Book Value	\$ 529,430	\$ 236,307	\$ 1,755,376	\$ 38,819	\$ 519,935	\$ 6,011,611		\$ 263,764	\$ 9,355,242	\$ 9,699,971	

TOWN OF SOUTHEY
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	\$ 1,543,488	\$ 997,141	\$ 5,728,238	\$ 1,524,568	\$	\$ 2,167,706	\$ 6,731,029	\$18,692,170	\$ 18,682,684
Additions during the year			42,754	18,567				61,321	101,731
Disposals and write downs	(29,000)		(10,972)					(39,972)	(92,245)
Closing costs	1,514,488	997,141	5,760,020	1,543,135		2,167,706	6,731,029	18,713,519	18,692,170
Accumulated Amortization									
Opening accumulated amortization	969,544	614,273	2,783,691	261,108		1,518,340	2,845,243	8,992,199	8,618,665
Amortization	2,971	19,953	143,724	64,105		52,509	92,691	375,953	374,716
Disposals and write downs			(9,875)					(9,875)	(1,182)
Closing accumulated amortization	972,515	634,226	2,917,540	325,213		1,570,849	2,937,934	9,358,277	8,992,199
Net Book Value	\$ 541,973	\$ 362,915	\$ 2,842,480	\$ 1,217,922	\$	\$ 596,857	\$ 3,793,095	\$ 9,355,242	\$ 9,699,971

TOWN OF SOUTHEY
SCHEDULE 8 - SCHEDULE OF ACCUMULATED SURPLUS
for the year ended December 31, 2023

	2022	Changes	2023
UNAPPROPRIATED SURPLUS	\$ 1,076,473	\$ 103,067	\$ 1,179,540
APPROPRIATED RESERVES			
Fire Equipment Replacement Reserve	10,818	10,365	21,183
Health Centre Reserve	82,795	2,797	85,592
Splash Park Reserve	2,000	2,068	4,068
Dedicated Lands Reserve		10,000	10,000
Equipment Reserve	63,180	57,135	120,315
Subdivision Reserve	250,253	18,455	268,708
Infrastructure Reserve	812,504	37,453	849,957
Museum and Cemetery Reserve	11,400	5,385	16,785
Total appropriated	1,232,950	143,658	1,376,608
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	9,699,971	(344,729)	9,355,242
Less: Related debt	(643,933)	150,453	(493,480)
Net investment in tangible capital assets	9,056,038	(194,276)	8,861,762
ACCUMULATED SURPLUS (excluding remeasurement gains (losses))	\$ 11,365,461	\$ 52,449	\$ 11,417,910

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

	PROPERTY CLASS					
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)
Taxable assessment	93,610	58,413,760			10,127,795	68,635,165
Regional Park Assessment						
Total Assessment						68,635,165
Mill Rate Factor(s)	1.00	1.00			3.75	
Total Base/Minimum Tax	1,080	291,090			40,260	332,430
Total Municipal Tax Levy	1,473	536,428			199,773	737,674

MILL RATES:

	MILLS
Average Municipal	10.7478
Average School	4.8780
Potash Mill Rate	
Uniform Municipal Mill Rate	4.2000

TOWN OF SOUTHEY

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 - Leigh Bishop	\$ 4,090	\$	4,090
Councilor - Ralph Boehmer	3,810	24	3,834
Councilor - Gordon Baragar	3,230	24	3,254
Councilor - Rob Dukes	2,700		2,700
Councilor - Susan Hillier	2,050		2,050
Councilor - Devon Orb	1,400		1,400
Councilor - Jordan Hegglin	900		900
Councilor - Harvey McEwen	300		300
	<u>\$ 18,480</u>	<u>\$ 48</u>	<u>18,528</u>