

**TOWN OF SHELLBROOK**

**FINANCIAL STATEMENTS**

**For the year ended December 31, 2023**

**TOWN OF SHELLBROOK**  
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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 Shellbrook:

The Town's management is responsible for the preparation and presentation of the accompanying financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the 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 financial statements, management designs and maintains the necessary accounting, budget, and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are properly maintained to provide reliable information for the preparation of the financial statements.

The Council is composed of elected officials who are not employees of the Town. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities. The Council 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 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.

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Mayor

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Administrator

## INDEPENDENT AUDITOR'S REPORT

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

### Qualified Opinion

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

In our opinion, except for the effects of the matters described in the Basis of Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Town of Shellbrook 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 Shellbrook. The Town of Shellbrook 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.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Town of Shellbrook in accordance with the ethical requirements that are relevant to our audit of the 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 Financial Statements

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

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

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

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

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

As part of an audit in accordance with Canadian 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 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 Shellbrook'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 Shellbrook's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town of Shellbrook to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Yorkton, Saskatchewan  
June 13, 2024



Chartered Professional Accountants Ltd.

**TOWN OF SHELLBROOK**  
**STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2023**

	2023	2022
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 2)	\$ 2,221,646	\$ 2,214,576
Taxes receivable - municipal (Note 3)	175,337	198,774
Other accounts receivable (Note 4)	350,172	381,517
<b>TOTAL FINANCIAL ASSETS</b>	<b>2,747,155</b>	<b>2,794,867</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	148,624	200,880
Deposits	5,215	3,622
Long-term debt (Note 9)	2,098,318	1,593,820
<b>TOTAL LIABILITIES</b>	<b>2,252,157</b>	<b>1,798,322</b>
<b>NET FINANCIAL ASSETS</b>	<b>494,998</b>	<b>996,545</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedules 6 and 7)	16,200,809	15,506,863
Assets held for sale (Note 5)	1,266,685	1,252,485
Inventories	59,539	61,218
Prepaid expenses	23,869	39,314
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>17,550,902</b>	<b>16,859,880</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 18,045,900</b>	<b>\$17,856,425</b>
Accumulated surplus is comprised of:		
Accumulated surplus excluding remeasurement gains (losses) (Schedule 8)	\$ 18,045,900	\$17,856,425
Accumulated remeasurement gains (losses)		
	<b>\$ 18,045,900</b>	<b>\$17,856,425</b>

**TOWN OF SHELLBROOK**  
**STATEMENT OF OPERATIONS**  
For the year ended December 31, 2023

	<b>2023 Budget Unaudited (Note 1)</b>	<b>2023 Actual</b>	<b>2022 Actual</b>
<b>REVENUE</b>			
Taxes revenue (Schedule 1)	\$ 1,584,470	\$ 1,602,436	\$ 1,526,713
Other unconditional revenue (Schedule 1)	497,190	517,364	453,732
Fees and charges (Schedules 4 and 5)	1,501,460	1,577,041	1,432,795
Conditional grants (Schedules 4 and 5)	71,850	92,510	52,638
Land sales - gain (loss) (Schedules 4 and 5)			202,598
Investment income (Schedules 4 and 5)	34,500	88,876	34,473
Other revenues (Schedules 4 and 5)	40,000	98,815	83,321
Provincial/Federal capital grants and contributions (Schedules 4 and 5)	92,700	97,326	44,620
	<b>3,822,170</b>	<b>4,074,368</b>	<b>3,830,890</b>
<b>EXPENSES</b>			
General government services (Schedule 3)	552,942	535,768	472,889
Protective services (Schedule 3)	374,215	336,959	219,930
Transportation services (Schedule 3)	1,143,613	895,688	788,697
Environmental and public health services (Schedule 3)	177,019	255,289	184,073
Planning and development services (Schedule 3)	49,780	40,678	94,393
Recreation and cultural services (Schedule 3)	853,601	916,104	824,377
Utility services (Schedule 3)	1,027,466	904,407	867,003
	<b>4,178,636</b>	<b>3,884,893</b>	<b>3,451,362</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>(356,466)</b>	<b>189,475</b>	<b>379,528</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>17,856,425</b>	<b>17,856,425</b>	<b>17,476,897</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 17,499,959</b>	<b>\$ 18,045,900</b>	<b>\$17,856,425</b>

**TOWN OF SHELLBROOK**  
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
For the year ended December 31, 2023

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ (356,466)	\$ 189,475	\$ 379,528
Acquisition of tangible capital assets	(548,200)	(1,227,672)	(1,307,946)
Amortization of tangible capital assets	533,726	533,726	473,703
Acquisition of assets held for sale		(14,200)	(97,382)
Gain on sale of assets held for sale			(202,598)
Proceeds on sale of assets held for sale			224,540
Decrease (increase) in inventories		1,679	(40,568)
Decrease in prepaid expenses		15,445	2,671
	(14,474)	(691,022)	(947,580)
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>\$ (370,940)</b>	<b>(501,547)</b>	<b>(568,052)</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<b>996,545</b>	<b>1,564,597</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<b>\$ 494,998</b>	<b>\$ 996,545</b>



**TOWN OF SHELLBROOK**  
**STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2023

	2023	2022
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 189,475	\$ 379,528
Changes in non-cash items:		
Taxes receivable - municipal	23,437	(80,474)
Other accounts receivable	31,345	(150,202)
Inventories	1,679	(40,568)
Prepaid expenses	15,445	2,671
Accounts payable and accrued liabilities	(52,256)	105,336
Deferred revenue		(11,563)
Deposits	1,593	(2,245)
Gain on sale of assets held for sale		(202,598)
Amortization	533,726	473,703
Cash provided by operating transactions	<u>744,444</u>	<u>473,588</u>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets	(1,227,672)	(1,307,946)
Cash applied to capital transactions	<u>(1,227,672)</u>	<u>(1,307,946)</u>
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of assets held for sale		224,540
Acquisition of real estate properties	(14,200)	(97,382)
Cash provided by (applied to) investing transactions	<u>(14,200)</u>	<u>127,158</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds from debt issues	808,044	650,907
Debt repayment	(303,546)	(269,567)
Cash provided by financing transactions	<u>504,498</u>	<u>381,340</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>7,070</u>	<u>(325,860)</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>2,214,576</u>	<u>2,540,436</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 2,221,646</u>	<u>\$ 2,214,576</u>

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

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	<b>2023</b>	<b>2022</b>
	<b>Actual</b>	<b>Actual</b>
<b>ACCUMULATED REMEASUREMENT GAINS (LOSSES), BEGINNING OF YEAR</b>	<b>\$</b>	<b>\$</b>
<hr/>		
Unrealized gains (losses) attributable to:		
Derivatives		
Equity instruments measured at fair value		
Foreign exchange		
<hr/>		
Amounts reclassified to the statement of operations:		
Derivatives		
Equity instruments measured at fair value		
Foreign exchange		
<hr/>		
<hr/>		
<b>NET REMEASUREMENT GAINS (LOSSES) FOR THE YEAR</b>		
<hr/>		
<b>ACCUMULATED REMEASUREMENT GAINS (LOSSES), END OF YEAR</b>	<b>\$</b>	<b>\$</b>
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**TOWN OF SHELLBROOK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The 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 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 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. These financial statements do not contain any entities.

**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 financial statements do not contain any partnerships.

**Collection of Funds for Other Authorities**

Collection of funds by the Town for the school board, municipal hail, 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.

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.

**TOWN OF SHELLBROOK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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.

**TOWN OF SHELLBROOK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial Instruments**

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

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

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

**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.

**TOWN OF SHELLBROOK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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>
<b>General Assets</b>	
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
<b>Infrastructure Assets</b>	
Infrastructure assets	30 to 75 years
Water & sewer	25 to 75 years
Road network assets	20 to 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.

**Capitalization of Interest**

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

**TOWN OF SHELLBROOK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases**

All leases are recorded on the financial statements as either a capital or operating lease. Any lease that transfers the majority of benefits and risk associated with the leased asset is classified as a capital lease 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 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 SHELLBROOK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Uncertainty**

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

Measurement uncertainty impacts the following financial statement areas:

- Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.
- The measurement of materials and supplies 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 SHELLBROOK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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**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 April 3, 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 SHELLBROOK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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**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 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 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 SHELLBROOK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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**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 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 financial statements. At this time the Town is not in compliance with the policy and has no asset retirement obligations recorded in the financial statements.

**TOWN OF SHELLBROOK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended December 31, 2023

**2. CASH AND CASH EQUIVALENTS**

	2023	2022
Cash	\$ 1,021,646	\$ 2,214,576
Cash equivalents	1,200,000	
	<u>\$ 2,221,646</u>	<u>\$ 2,214,576</u>

Cash and cash equivalents include balances with banks and term deposits. Cash equivalents represents an investment in a redeemable term deposit held at Affinity Credit Union Ltd. and earns interest at 5.30% and is to mature September 2024.

The Town of Shellbrook banks with both Affinity Credit Union Ltd. and Scotiabank.

**3. TAXES RECEIVABLE - MUNICIPAL**

	2023	2022
Municipal		
- Current	\$ 101,477	\$ 104,900
- Arrears	73,860	93,874
Total municipal taxes receivable	<u>175,337</u>	<u>198,774</u>
School		
- Current	35,483	37,901
- Arrears	6,026	8,887
Total taxes to be collected on behalf of School Divisions	<u>41,509</u>	<u>46,788</u>
Total taxes and grants-in-lieu receivable	<u>216,846</u>	<u>245,562</u>
Deduct taxes to be collected on behalf of other organizations	<u>(41,509)</u>	<u>(46,788)</u>
Total taxes receivable - municipal	<u>\$ 175,337</u>	<u>\$ 198,774</u>

**4. OTHER ACCOUNTS RECEIVABLE**

	2023	2022
Federal government	\$ 97,752	\$ 114,997
Organizations and individuals	94,391	164,850
Utility	61,791	60,463
Provincial government	58,850	21,279
Local government	19,789	19,928
Accrued interest	17,599	
Total other accounts receivable	<u>\$ 350,172</u>	<u>\$ 381,517</u>

**TOWN OF SHELLBROOK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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**5. ASSETS HELD FOR SALE**

	2023	2022
Tax title property	\$ 204,269	\$ 204,269
Other land	1,062,416	1,048,216
	<hr/>	<hr/>
Total assets held for sale	\$ 1,266,685	\$ 1,252,485

**6. 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 \$92,952 (2022 - \$72,181). 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 \$92,952 (2022 - \$72,181). Total current service contributions by the employees of the Town to the MEPP in 2023 were \$92,952 (2022 - \$72,181).

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>.

**7. ASSETS PLEDGED AS SECURITY**

Included in the tangible capital assets is the skating arena which has been pledged as collateral on a line of credit held by Shellbrook Skating Rink Operations Incorporated for the purpose of skating rink renovations. The net book value of the arena as of December 31, 2023 is \$200,040 (2022 - \$208,375).

**8. GUARANTEES**

The Town guarantees operating expense deficits of 5% (2022 - 5%) for the Housing Authorities in Shellbrook, operated by Saskatchewan Housing Corporation, which totaled \$2,083 (2022 - \$3,332). No amounts have been accrued in the financial statements on account of the guarantee.

**TOWN OF SHELLBROOK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended December 31, 2023

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**9. LONG-TERM DEBT**

The debt limit of the Town is \$10,000,000. The debt limit for the Town has been established by the Saskatchewan Municipal Board (the *Municipalities Act* section 161(2)).

	2023	2022
Affinity Credit Union Ltd. payable in monthly installments of \$16,505 including interest at a rate of 4.40%, matures for renewal in April 2026. Secured by infrastructure.	\$ 1,344,967	\$ 607,270
Canada Mortgage and Housing Corporation mortgage. Payable in blended annual installments of \$263,262 including interest at a rate of 3.65%, matures March 2027. Secured by building.	753,351	986,550
	<u>\$ 2,098,318</u>	<u>\$ 1,593,820</u>

Future principal and interest payments are as follows:

	Principal	Interest	Total
2024	\$ 377,482	\$ 83,840	\$ 461,322
2025	392,449	68,873	461,322
2026	408,017	53,305	461,322
2027	181,603	11,134	192,737
2028	168,934	29,126	198,060
Thereafter	569,833	56,436	626,269
Balance	<u>\$ 2,098,318</u>	<u>\$ 302,714</u>	<u>\$ 2,401,032</u>

**10. 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.

**TOWN OF SHELLBROOK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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**10. RISK MANAGEMENT (CONTINUED)**

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: cash equivalents and long-term debt. The risk associated with cash equivalents is reduced as current interest rates approximate market rates. The risk associated with long-term debt is reduced as it is locked in at a fixed interest rate.

**TOWN OF SHELLBROOK**  
**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
<b>TAXES</b>			
General municipal tax levy	\$ 1,667,070	\$ 1,666,650	\$ 1,606,849
Abatements and adjustments	(20,000)	(10,160)	(16,951)
Discount on current year taxes	(80,100)	(77,336)	(80,079)
<b>Net Municipal Taxes</b>	<b>1,566,970</b>	<b>1,579,154</b>	<b>1,509,819</b>
Trailer license fees	500		
Penalties on tax arrears	17,000	23,282	16,894
<b>Total Taxes</b>	<b>1,584,470</b>	<b>1,602,436</b>	<b>1,526,713</b>
<b>UNCONDITIONAL GRANTS</b>			
Revenue Sharing	366,690	366,845	323,200
<b>Total Unconditional Grants</b>	<b>366,690</b>	<b>366,845</b>	<b>323,200</b>
<b>GRANTS-IN-LIEU OF TAXES</b>			
Other Government Transfers			
S.P.C. Surcharge	95,500	101,645	95,451
SaskEnergy Surcharge	35,000	48,874	35,081
<b>Total Grants-in-Lieu of Taxes</b>	<b>130,500</b>	<b>150,519</b>	<b>130,532</b>
<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<b>\$ 2,081,660</b>	<b>\$ 2,119,800</b>	<b>\$ 1,980,445</b>



**TOWN OF SHELLBROOK**  
**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
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Tax certificates, lot lease fees, administration fees	\$ 12,510	\$ 13,449	\$ 9,494
Total Fees and Charges	<u>12,510</u>	<u>13,449</u>	9,494
- Land sales - gain (loss)			202,598
- Investment income	34,500	88,876	34,473
Total Other Segmented Revenue	<u>47,010</u>	<u>102,325</u>	246,565
<b>Total Operating</b>	<u>47,010</u>	<u>102,325</u>	246,565
<b>Total General Government Services</b>	<u>47,010</u>	<u>102,325</u>	246,565
<b>PROTECTIVE SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Fire fees	43,170	38,197	34,053
- Police and bylaw fines	65,000	13,196	14,666
Total Fees and Charges	<u>108,170</u>	<u>51,393</u>	48,719
- Fire department donations		48,804	
Total Other Segmented Revenue	<u>108,170</u>	<u>100,197</u>	48,719
<b>Total Operating</b>	<u>108,170</u>	<u>100,197</u>	48,719
<b>Total Protective Services</b>	<u>108,170</u>	<u>100,197</u>	48,719

# TOWN OF SHELLBROOK

## 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
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 9,920	\$ 19,371	\$ 10,485
- Sales of supplies	150	3,572	910
- Airport lease	3,130	3,500	3,500
Total Fees and Charges	<u>13,200</u>	<u>26,443</u>	14,895
Total Other Segmented Revenue	<u>13,200</u>	<u>26,443</u>	14,895
Conditional Grants			
- Provincial Traffic Safety Fund	1,600	1,750	1,400
Total Conditional Grants	<u>1,600</u>	<u>1,750</u>	1,400
<b>Total Operating</b>	<u>14,800</u>	<u>28,193</u>	16,295
<b>Total Transportation Services</b>	<u>14,800</u>	<u>28,193</u>	16,295
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Waste and disposal fees	126,800	113,474	112,616
- Cemetery fees	8,170	73,995	54,027
Total Fees and Charges	<u>134,970</u>	<u>187,469</u>	166,643
Total Other Segmented Revenue	<u>134,970</u>	<u>187,469</u>	166,643
Conditional Grants			
- Transit Assistance for People with Disabilities (TAPD)	1,760	867	3,992
- Multi-Material Stewardship Western and Ministry of Environment Rebate	9,680	30,479	18,511
Total Conditional Grants	<u>11,440</u>	<u>31,346</u>	22,503
<b>Total Operating</b>	<u>146,410</u>	<u>218,815</u>	189,146
<b>Total Environmental and Public Health Services</b>	<u>146,410</u>	<u>218,815</u>	189,146

# TOWN OF SHELLBROOK

## 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
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Permits and business licenses	\$ 25,640	\$ 27,260	\$ 29,777
Total Fees and Charges	<u>25,640</u>	<u>27,260</u>	<u>29,777</u>
Total Other Segmented Revenue	<u>25,640</u>	<u>27,260</u>	<u>29,777</u>
<b>Total Operating</b>	<u>25,640</u>	<u>27,260</u>	<u>29,777</u>
<b>Total Planning and Development Services</b>	<u>25,640</u>	<u>27,260</u>	<u>29,777</u>
<b>RECREATION AND CULTURAL SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- User fees and rentals	<u>387,290</u>	<u>435,960</u>	<u>362,078</u>
Total Fees and Charges	<u>387,290</u>	<u>435,960</u>	<u>362,078</u>
- Donations and fundraising	<u>40,000</u>	<u>50,011</u>	<u>83,321</u>
Total Other Segmented Revenue	<u>427,290</u>	<u>485,971</u>	<u>445,399</u>
Conditional Grants			
- Local government	<u>14,760</u>	<u>21,434</u>	<u>27,535</u>
- Federation of Canadian Municipalities, Sask Lotteries and Saskatchewan Parks and Recreation	<u>44,050</u>	<u>37,980</u>	<u>1,200</u>
Total Conditional Grants	<u>58,810</u>	<u>59,414</u>	<u>28,735</u>
<b>Total Operating</b>	<u>486,100</u>	<u>545,385</u>	<u>474,134</u>
<b>Total Recreation and Cultural Services</b>	<u>486,100</u>	<u>545,385</u>	<u>474,134</u>

# TOWN OF SHELLBROOK

## 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
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Water	\$ 448,650	\$ 455,338	\$ 437,753
- Sewer	362,400	372,301	356,304
- Interest	8,630	7,428	7,132
Total Fees and Charges	<u>819,680</u>	<u>835,067</u>	<u>801,189</u>
Total Other Segmented Revenue	<u>819,680</u>	<u>835,067</u>	<u>801,189</u>
<b>Total Operating</b>	<u>819,680</u>	<u>835,067</u>	<u>801,189</u>
<b>Capital</b>			
Conditional Grants			
- Canada Community - Building Fund (CCBF)	92,700	97,326	44,620
<b>Total Capital</b>	<u>92,700</u>	<u>97,326</u>	<u>44,620</u>
<b>Total Utility Services</b>	<u>912,380</u>	<u>932,393</u>	<u>845,809</u>
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<u>\$ 1,740,510</u>	<u>\$ 1,954,568</u>	<u>\$ 1,850,445</u>
<b>SUMMARY</b>			
Total Other Segmented Revenue	\$ 1,575,960	\$ 1,764,732	\$ 1,753,187
Total Conditional Grants	71,850	92,510	52,638
Total Capital Grants and Contributions	<u>92,700</u>	<u>97,326</u>	<u>44,620</u>
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<u>\$ 1,740,510</u>	<u>\$ 1,954,568</u>	<u>\$ 1,850,445</u>

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

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	\$ 51,800	\$ 37,366	\$ 44,460
Wages and benefits	285,520	309,526	256,906
Professional/Contractual services	116,150	99,175	93,928
Utilities	18,400	19,978	19,169
Maintenance, materials, and supplies	51,460	37,555	32,860
Amortization	28,112	28,112	24,089
Interest	1,500	4,056	1,477
<b>Total General Government Services</b>	<b>552,942</b>	<b>535,768</b>	<b>472,889</b>
<b>PROTECTIVE SERVICES</b>			
<b>Police protection</b>			
Wages and benefits	92,600	83,251	20,180
Professional/Contractual services	177,780	169,495	139,642
Utilities	500	1,262	409
Maintenance, materials, and supplies	30,500	16,374	2,425
Amortization	7,188	7,188	
<b>Fire protection</b>			
Wages and benefits	9,530	18,943	10,179
Professional/Contractual services	16,660	13,482	24,048
Utilities	3,250	784	2,808
Maintenance, materials, and supplies	17,180	7,153	8,484
Amortization	19,027	19,027	11,755
<b>Total Protective Services</b>	<b>374,215</b>	<b>336,959</b>	<b>219,930</b>
<b>TRANSPORTATION SERVICES</b>			
Wages and benefits	437,750	478,273	377,369
Professional/Contractual services	26,140	29,848	32,877
Utilities	63,890	67,414	67,201
Maintenance, materials, and supplies	454,150	213,450	205,286
Gravel	65,000	10,020	23,206
Amortization	96,683	96,683	82,758
<b>Total Transportation Services</b>	<b>1,143,613</b>	<b>895,688</b>	<b>788,697</b>

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

	2023 Budget Unaudited (Note 1)	2023 Actual	2022 Actual
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Wages and benefits	\$ 30,020	\$ 49,905	\$ 27,569
Professional/Contractual services	111,000	115,215	91,686
Maintenance, materials, and supplies	14,000	4,460	877
Amortization	139	139	139
Other (transit assistance, doctor recruitment and housing authority deficit)	21,860	85,570	63,802
<b>Total Environmental and Public Health Services</b>	<b>177,019</b>	<b>255,289</b>	<b>184,073</b>
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
Professional/Contractual services	49,430	40,399	94,133
Utilities	350	279	260
<b>Total Planning and Development Services</b>	<b>49,780</b>	<b>40,678</b>	<b>94,393</b>
<b>RECREATION AND CULTURAL SERVICES</b>			
Wages and benefits	331,920	368,536	321,112
Professional/Contractual services	97,320	78,371	89,614
Utilities	92,800	127,214	120,971
Maintenance, materials, and supplies	198,150	222,011	174,313
Grants and contributions			
- Operating	95,720	82,430	85,205
Amortization	36,281	36,281	31,867
Interest	1,410	1,261	1,295
<b>Total Recreation and Cultural Services</b>	<b>853,601</b>	<b>916,104</b>	<b>824,377</b>
<b>UTILITY SERVICES</b>			
Wages and benefits	162,320	178,116	151,705
Professional/Contractual services	12,990	14,771	18,098
Utilities	91,430	103,819	98,326
Maintenance, materials, and supplies	341,930	204,408	233,238
Amortization	346,296	346,296	323,095
Interest on long-term debt	72,500	56,997	42,541
<b>Total Utility Services</b>	<b>1,027,466</b>	<b>904,407</b>	<b>867,003</b>
<b>TOTAL EXPENSES BY FUNCTION</b>	<b>\$ 4,178,636</b>	<b>\$ 3,884,893</b>	<b>\$ 3,451,362</b>

**TOWN OF SHELLBROOK**  
**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
<b>Revenues (Schedule 2)</b>								
Fees and Charges	\$ 13,449	\$ 51,393	\$ 26,443	\$ 187,469	\$ 27,260	\$ 435,960	\$ 835,067	\$ 1,577,041
Tangible Capital Asset Sale - Gain (Loss)								
Land Sales - Gain (Loss)								
Investment Income	88,876							88,876
Commissions								
Other Revenues		48,804				50,011		98,815
Grants - Conditional			1,750	31,346		59,414		92,510
- Capital							97,326	97,326
<b>Total revenues</b>	<b>102,325</b>	<b>100,197</b>	<b>28,193</b>	<b>218,815</b>	<b>27,260</b>	<b>545,385</b>	<b>932,393</b>	<b>1,954,568</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	346,892	102,194	478,273	49,905		368,536	178,116	1,523,916
Professional/Contractual Services	99,175	182,977	29,848	115,215	40,399	78,371	14,771	560,756
Utilities	19,978	2,046	67,414		279	127,214	103,819	320,750
Maintenance, Materials, Supplies	37,555	23,527	223,470	4,460		222,011	204,408	715,431
Grants and Contributions						82,430		82,430
Amortization	28,112	26,215	96,683	139		36,281	346,296	533,726
Interest	4,056					1,261	56,997	62,314
Accretion of asset retirement obligation								
Allowance for Uncollectibles								
Other								
<b>Total expenses</b>	<b>535,768</b>	<b>336,959</b>	<b>895,688</b>	<b>255,289</b>	<b>40,678</b>	<b>916,104</b>	<b>904,407</b>	<b>3,884,893</b>
<b>Surplus (Deficit) by Function</b>	<b>(433,443)</b>	<b>(236,762)</b>	<b>(867,495)</b>	<b>(36,474)</b>	<b>(13,418)</b>	<b>(370,719)</b>	<b>27,986</b>	<b>(1,930,325)</b>
Taxation and other unconditional revenue (Schedule 1)								2,119,800
<b>Net Surplus (Deficit)</b>								<b>\$ 189,475</b>

**TOWN OF SHELLBROOK**  
**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
<b>Revenues (Schedule 2)</b>								
Fees and Charges	\$ 9,494	\$ 48,719	\$ 14,895	\$ 166,643	\$ 29,777	\$ 362,078	\$ 801,189	\$ 1,432,795
Tangible Capital Asset Sale - Gain (Loss)								
Land Sales - Gain (Loss)	202,598							202,598
Investment Income	34,473							34,473
Commissions						83,321		83,321
Other Revenues			1,400	22,503		28,735		52,638
Grants - Conditional - Capital						44,620		44,620
<b>Total revenues</b>	<b>246,565</b>	<b>48,719</b>	<b>16,295</b>	<b>189,146</b>	<b>29,777</b>	<b>474,134</b>	<b>845,809</b>	<b>1,850,445</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	301,366	30,359	377,369	27,569		321,112	151,705	1,209,480
Professional/Contractual Services	93,928	163,690	32,877	91,686	94,133	89,614	18,098	584,026
Utilities	19,169	3,217	67,201		260	120,971	98,326	309,144
Maintenance, Materials, Supplies	32,860	10,909	228,492	877		174,313	233,238	680,689
Grants and Contributions						85,205		85,205
Amortization	24,089		82,758	139		31,867	323,095	473,703
Interest	1,477					1,295	42,541	45,313
Accretion of asset retirement obligation								
Allowance for Uncollectibles								
Other				63,802				63,802
<b>Total expenses</b>	<b>472,889</b>	<b>219,930</b>	<b>788,697</b>	<b>184,073</b>	<b>94,393</b>	<b>824,377</b>	<b>867,003</b>	<b>3,451,362</b>
<b>Surplus (Deficit) by Function</b>	<b>(226,324)</b>	<b>(171,211)</b>	<b>(772,402)</b>	<b>5,073</b>	<b>(64,616)</b>	<b>(350,243)</b>	<b>(21,194)</b>	<b>(1,600,917)</b>
Taxation and other unconditional revenue (Schedule 1)								1,980,445
<b>Net Surplus (Deficit)</b>								<b>\$ 379,528</b>



**TOWN OF SHELLBROOK**  
**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
Opening costs	\$ 444,520	\$ 7,945,485	\$ 1,333,398	\$ 281,819	\$ 2,271,239	\$ 7,841,587	\$ 59,075	\$ 20,177,123	\$ 18,869,177
Additions during the year					172,048	940,452	115,172	1,227,672	1,307,946
Transfers from assets under construction			70,759				(70,759)		
Closing costs	444,520	7,945,485	1,404,157	281,819	2,443,287	8,782,039	103,488	21,404,795	20,177,123
<b>Accumulated Amortization</b>									
Opening accumulated amortization		1,968,454	443,943	113,114	708,113	1,436,636		4,670,260	4,196,557
Amortization		198,637	37,924	17,979	123,842	155,344		533,726	473,703
Closing accumulated amortization		2,167,091	481,867	131,093	831,955	1,591,980		5,203,986	4,670,260
Net Book Value	\$ 444,520	\$ 5,778,394	\$ 922,290	\$ 150,726	\$ 1,611,332	\$ 7,190,059	\$ 103,488	\$ 16,200,809	\$ 15,506,863

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

Cost	Totals								
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	2023	2022
Opening costs	\$ 874,683	\$ 291,991	\$ 2,697,932	\$ 5,579	\$	\$ 914,894	\$ 15,392,044	\$ 20,177,123	\$ 18,869,177
Additions during the year	75,187	56,964	15,979			118,814	960,728	1,227,672	1,307,946
Closing costs	949,870	348,955	2,713,911	5,579		1,033,708	16,352,772	21,404,795	20,177,123
<b>Accumulated Amortization</b>									
Opening accumulated amortization	170,167	73,804	797,694	313		248,631	3,379,651	4,670,260	4,196,557
Amortization	28,112	26,215	96,683	139		36,281	346,296	533,726	473,703
Closing accumulated amortization	198,279	100,019	894,377	452		284,912	3,725,947	5,203,986	4,670,260
Net Book Value	\$ 751,591	\$ 248,936	\$ 1,819,534	\$ 5,127	\$	\$ 748,796	\$ 12,626,825	\$ 16,200,809	\$ 15,506,863

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

	2022	Changes	2023
<b>UNAPPROPRIATED SURPLUS</b>	\$ 1,381,781	\$ (121,658)	\$ 1,260,123
<b>APPROPRIATED RESERVES</b>			
General Administrative Reserve	16,705	(14,077)	2,628
Asset Management Reserve	12,070	(7,000)	5,070
Legal Fees Reserve	10,200	12,529	22,729
Fire Services Reserve	83,788		83,788
Recreation Program Reserve	4,163	532	4,695
Recreation Centre Reserve	219,041	(39,378)	179,663
Swimming Pool Reserve	54,030	42,765	96,795
Museum Reserve	4,109		4,109
Cemetery Reserve	11,233	3,350	14,583
Landfill Site Reserve	10,811		10,811
Recycling Reserve	10,946		10,946
Public Works Reserve	65,338	7,528	72,866
Streets Reserve	20,119	126,000	146,119
Transportation Reserve	106,380	40,000	146,380
Water Reserve	489,950	50,000	539,950
Waste Water Reserve	1,111,692	(224,062)	887,630
Dedicated Lands Reserve	15,387		15,387
CSO Program Reserve		5,000	5,000
Land Development Reserve	222,458		222,458
Dog Park Reserve	16,181		16,181
Local Improvement Reserve	65,000		65,000
Rhythym Works Dance Club Reserve		89,874	89,874
Public Works Building Maintenance Reserve	12,000	28,624	40,624
<b>Total appropriated</b>	<b>2,561,601</b>	<b>121,685</b>	<b>2,683,286</b>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>			
Tangible capital assets (Schedule 6)	15,506,863	693,946	16,200,809
Less: Related debt	(1,593,820)	(504,498)	(2,098,318)
<b>Net investment in tangible capital assets</b>	<b>13,913,043</b>	<b>189,448</b>	<b>14,102,491</b>
<b>ACCUMULATED SURPLUS (excluding remeasurement gains (losses))</b>	<b>\$ 17,856,425</b>	<b>\$ 189,475</b>	<b>\$ 18,045,900</b>

**TOWN OF SHELLBROOK**  
**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	119,295	109,438,160			14,698,115		124,255,570
Regional Park Assessment							
Total Assessment							124,255,570
Mill Rate Factor(s)	1.00	1.00			2.75		
Total Base/Minimum Tax	5,000	881,250			117,500		1,003,750
Total Municipal Tax Levy	5,527	1,364,967			296,156		1,666,650

	MILLS
Average Municipal	13.4131
Average School	4.8114
Potash Mill Rate	
Uniform Municipal Mill Rate	4.4200

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

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<u>Position - Name</u>	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Mayor - Amund Otterson	\$ 7,230	\$ 4,673	\$ 11,903
Councilor - Bruce Anderson	3,750		3,750
Councilor - Larry Batten	3,739		3,739
Councilor - Brent Miller	3,540	120	3,660
Councilor - Kathleen Nording	3,510		3,510
Councilor - Peter Halayka	3,330		3,330
Councilor - Cheryl Ledding	3,030		3,030
	<u>\$ 28,129</u>	<u>\$ 4,793</u>	<u>\$ 32,922</u>