

City of North Battleford

Annual Financial Statements

And Supporting Schedules

For the year ended December 31, 2022

Management's Report

To the ratepayers and stakeholders of City of North Battleford;

The management of the City of North Battleford (hereafter referred to as the 'City') is responsible for the integrity, objectivity and accuracy of the financial information in the accompanying consolidated financial statements.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standard (PSAS) as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is disclosed in Note 1 of the consolidated financial statements.

To meet its responsibility, management used appropriate accounting principles and methods to make reasonable decisions that were consistent in the measurement and recording of transactions in which objective judgment is required. Management is responsible to design and maintain the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements. Management is also responsible that the Annual Report which is separately prepared, is consistent in all respects to the enclosed financial statements.

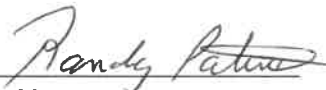
The Planning Committee (formerly in part the Finance Committee, hereinafter referred to as 'Committee') a sub-committee of the City Council (hereinafter referred to as 'Council'), is composed of the elected officials responsible for carrying out the activities related to the City's audit and overseeing management in the performance of its financial reporting responsibilities. The Committee is responsible for recommending the appointment of the City's external auditors and overseeing the work of the external auditors performing the financial statement attest audits. While it is important to recognize that the external audit is an independent process, the Committee's role is to ensure that all significant audit issues are appropriately addressed and resolved. The Council as a whole reviews and approves the consolidated financial statements and discusses relevant matters with external auditors.

The 2022 consolidated financial statements have been examined by the City's external independent audit firm, Deloitte LLP, as appointed by Council, and their report precedes the consolidated financial statements.

North Battleford, Saskatchewan, Canada
July 17, 2023



Director of Finance



City Manager

Independent Auditor's Report

To His Worship the Mayor and Members of City Council

Opinion

We have audited the consolidated financial statements of the City of North Battleford (the "City"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations and accumulated surplus, change in net financial debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2022, and the results of its operations, changes in its net financial debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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 City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 GAAS 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 GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Deloitte LLP

Chartered Professional Accountants
Saskatoon, Saskatchewan
July 17, 2023

Consolidated Statement of Financial Position

as at December 31, 2022

Statement 1

Assets	2022	2021
Financial Assets		
Cash and Cash Equivalents (Note 2)	\$ 5,665,980	\$ 2,501,325
Taxes receivable - municipal (Note 3)	3,955,223	3,348,355
Other accounts receivable (Note 4)	4,116,577	7,489,412
Investments (Note 5)	15,442,573	15,218,858
Long-term service agreements (Note 6)	-	25,000
Other	2,171	7,674
Total Financial Assets	29,182,524	28,590,624
Liabilities		
Accounts payable	6,330,909	6,659,984
Accrued liabilities payable	791,305	758,684
Utility deposits	179,496	178,395
Deferred revenue (Note 7)	5,461,624	5,439,829
Accrued landfill costs (Note 8)	1,336,711	1,323,098
Long-term debt (Note 9)	34,417,006	29,872,338
Lease and other obligations (Note 10)	137,213	210,547
Total Liabilities	48,654,264	44,442,875
Net Financial Debt	(19,471,740)	(15,852,251)
Non-Financial Assets		
Tangible capital assets (Note 21)	191,245,411	183,838,240
Land for resale (Note 11)	2,091,987	2,338,037
Prepayments and deferred charges	46,540	20,972
Stock and supplies	593,744	593,180
Total Non-Financial Assets	193,977,682	186,790,429
Accumulated Surplus (Schedule 2)	\$ 174,505,942	\$ 170,938,178

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

Consolidated Statement of Operations and Accumulated Surplus

for the year ended December 31, 2022

Statement 2

Revenues	2022 Budget	2022	2021
Taxes and other unconditional revenue (Note 22)	\$ 23,047,877	\$ 23,369,012	\$ 22,712,743
Underground pipe and asphalt levy (Note 22)	1,600,000	1,496,321	1,487,077
Fees and charges (Note 20)	12,599,034	13,866,444	13,081,638
Underground pipe replacement fees (Note 20)	1,600,000	1,947,091	1,954,440
Conditional grants (Note 20)	1,759,284	1,997,996	1,480,916
Tangible capital asset sales - gain (Note 20)	-	11,999	35,099
Land sales - gain (Note 20)	3,000	(3,889)	1,001,251
Investment income and commissions (Note 20)	328,500	563,455	540,752
Other revenues (Note 20)	1,505,071	1,593,611	1,718,756
Total Revenues	42,442,766	44,842,040	44,012,672
Expenses			
General government services (Schedule 1)	5,160,092	4,933,184	4,895,168
Policing services (Schedule 1)	6,023,157	6,290,300	6,134,248
Fire and protective services (Schedule 1)	3,471,874	3,517,035	3,480,377
Operations services (Schedule 1)	7,547,799	8,046,681	7,078,731
Waste management services (Schedule 1)	1,852,809	1,814,268	1,574,142
Planning and development services (Schedule 1)	1,774,567	1,943,040	1,737,597
Parks & Recreation services (Schedule 1)	8,821,113	8,932,134	7,953,214
Water services (Schedule 1)	4,230,966	5,036,522	4,699,580
Sanitary sewer services (Schedule 1)	4,077,780	4,015,617	3,802,311
Total Expenses	42,960,157	44,528,781	41,355,368
Surplus of Revenues over Expenses	(517,391)	313,259	2,657,304
Other Capital Contributions			
Provincial/Federal Capital Grants and Contributions	4,325,007	3,254,505	8,016,946
Community Capital Pledges/Contributions	-	-	2,400
Surplus of Revenues over Expenses	\$ 3,807,616	3,567,764	10,676,650
Accumulated Surplus, Beginning of Year		170,938,178	160,261,528
Accumulated Surplus, End of Year (Schedule 2)		\$ 174,505,942	\$ 170,938,178

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

Consolidated Statement of Change in Net Financial Debt

for the year ended December 31, 2022

Statement 3

	2022 Budget	2022	2021
Surplus	\$ 3,807,616	\$ 3,567,764	\$ 10,676,650
Acquisition of tangible capital assets		(14,785,830)	(16,468,258)
Amortization of tangible capital assets	7,004,975	7,378,659	7,307,554
Proceeds on disposal of tangible capital assets	-	11,999	60,630
Gain on disposal of tangible capital assets	-	(11,999)	(35,099)
Deficit of Capital Expenditures over Expenses	7,004,975	(7,407,171)	(9,135,173)
Acquisition use of supplies inventories	-	(564)	(146,185)
Net Change in land for resale		246,050	10,847
Use of prepaid expense	-	(25,568)	(6,173)
Deficit of Expenses of Other Non-Financial over Expenditures	-	219,918	(141,511)
(Decrease) Increase in Net Financial Assets	\$ 10,812,591	(3,619,489)	1,399,966
Net Financial Debt, Beginning of Year		(15,852,251)	(17,252,217)
Net Financial Debt - End of Year		\$ (19,471,740)	\$ (15,852,251)

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

Consolidated Statement of Cash Flows

for the year ended December 31, 2022

Statement 4

Cash Provided by (used for) the following activities:	2022	2021
Operating:		
Annual surplus	\$ 3,567,764	\$ 10,676,650
Amortization of tangible capital assets	7,378,659	7,307,554
Gain on disposal of tangible capital assets	(11,999)	(35,099)
	10,934,424	17,949,105
Change in non-cash assets and liabilities related to operations:		
Taxes receivable - municipal	(606,868)	(454,105)
Other accounts receivable	3,372,835	(5,034,952)
Land for resale	246,050	10,847
Other financial assets	5,503	7,969
Prepayments and deferred charges	(25,568)	(6,173)
Stock and supplies	(564)	(146,186)
Accounts payable	(329,075)	3,139,028
Accrued liabilities payable	32,621	(244,710)
Utility deposits	1,101	13,715
Deferred revenue	21,795	(244,298)
Accrued landfill costs	13,613	40,608
Cash provided by operating transactions	13,665,867	15,030,848
Capital:		
Acquisition of tangible capital assets (excl. UPAR)	(9,632,403)	(14,920,795)
Underground pipe and asphalt replacement assets	(5,153,427)	(1,547,463)
Proceeds from the disposal of tangible capital assets	11,999	60,630
Cash used in capital transactions	(14,773,831)	(16,407,627)
Investing:		
Long-term investments	(223,715)	3,561,011
Long-term service agreements	25,000	25,000
Cash (used in) provided by investing transactions	(198,715)	3,586,011
Financing:		
Long-term debt issued	7,500,000	-
Long-term debt repaid	(2,955,332)	(3,269,894)
Lease and other obligations repaid	(73,334)	(109,895)
Cash provided by (used in) financing transactions	4,471,334	(3,379,789)
Net increase (decrease) in cash during the year	3,164,655	(1,170,558)
Cash - Beginning of Year	2,501,325	3,671,883
Cash - End of Year	\$ 5,665,980	\$ 2,501,325

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

Notes to Consolidated Financial Statements

for the year ended December 31, 2022

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

1. Summary of Significant Accounting Policies

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

a) Basis of accounting

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

b) Principles of consolidation

The consolidated financial statements include divisions of City business, facilities and operating entities of the City. The statements reflect the assets, liabilities, revenues and expenses of the general government operating fund, water utility fund, sanitary sewer utility fund, and reserves of the City.

Consolidated entities:

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

Arenas/Facilities:

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

Community Centres/Galleries:

Allen Sapp Gallery
Chapel Gallery
Don Ross Complex

All inter-fund assets and liabilities and sources of financing and expenses have been eliminated in these consolidated financial statements.

c) Collection of funds for other authorities

The education property tax (EPT) funds under the governance of the Ministry of Education for the respective school divisions, Light of Christ Roman Catholic Separate School Division (RCSSD) No. 16 and Living Sky School Division No. 202, have been collected and remitted by the City in accordance with relevant legislation. The amounts outstanding at December 31, 2022 are disclosed in Note 3.

d) Land sales

Land sales are recognized in the financial statements as revenues in the period in which the contract is signed and the ability to collect is reasonably assured. The value of land for resale is recognized at the lower of cost and net realized value. Cost includes land acquisition and improvements to prepare the land for sale or servicing. The land is considered available for sale when all the land preparation is completed. Development costs incurred to provide infrastructure are recorded as tangible capital assets under their respective function.

Notes to Consolidated Financial Statements

for the year ended December 31, 2022

1. Summary of Significant Accounting Policies - continued

e) Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Some of the more significant estimates are allowances for uncollected taxes and receivable, salary provisions, employee benefit obligations, useful lives of tangible capital assets, liabilities for contaminated sites and landfill closure and post closure costs. Actual results could differ from those estimates.

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

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

f) Property tax revenue

Property tax revenue is based on assessments determined in accordance with Saskatchewan legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established by Administration and approved annually by Council following the guidance of the Government of Saskatchewan. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal.

g) Government transfer of funds

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

Unearned federal or provincial government transfer amounts received but not earned will be recorded as deferred revenue. Earned government transfer amounts not received will be recorded as an account receivable.

h) Deferred revenue

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

i) Local improvement charges

Local improvement projects financed by frontage levies recognize any prepayment charges as revenue in the period in which the related expenditures occurred. A long-term receivable is recorded for the principal portion of unpaid frontage which are to be financed through frontage levies.

j) Net-financial assets

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

k) Non-financial assets

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

l) Reserves

Reserves and reserve funds are comprised of funds set aside for specific purposes by Council and funds set aside for specific purposes by legislation, regulation or agreement. For financial reporting purposes, reserve funds set aside are reported as part of the accumulated surplus on the Consolidated Statement of Financial Position. See the appropriated reserves described on Schedule 2 for the funds that Council designated. The City's reserves were recorded in compliance with the operating and capital budgets approved by Council. The reserves are fully funded as of December 31, 2022 and December 31, 2021.

Notes to Consolidated Financial Statements

for the year ended December 31, 2022

1. Summary of Significant Accounting Policies - continued

m) Investments

Investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investment income is reported as revenue in the period earned. Investment income is recorded on the accrual basis.

n) Inventories

Inventories of materials and supplies expected to be used by the City are valued at the lower of cost or replacement value. Inventories of land for sale, materials and supplies held for use are valued at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business.

o) Tangible capital assets

All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost in compliance with the City's Tangible Capital Policy, 2011. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The tangible capital assets are disclosed on Note 21. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The City's tangible capital asset useful lives are estimated as follows:

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

Government contributions

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

Works of Art

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

Capitalization of Interest

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

p) Leases

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

q) Accounts receivable

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Notes to Consolidated Financial Statements

for the year ended December 31, 2022

1. Summary of Significant Accounting Policies - continued

r) Landfill liability

The municipality maintains a waste disposal site. The annual provision is reported as an expense and the accumulated provision is reported on the Consolidated Statement of Financial Position. Recommended disclosure is provided in Note 8.

s)

Basis of segmentation by division

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

The segments (divisions) are as follows:

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

Police Services: is comprised of expenses for police.

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

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

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

Planning & Development Services: provides for neighborhood development and sustainability.

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

Water Services: provides for delivery of clean potable water.

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

t) Employee benefit plans

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

u) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and short-term highly liquid investments with original maturities of 90 days or less at the date of acquisition and which are subject to an insignificant risk of change in value. Cash and cash equivalents are recorded at cost.

v) Future Accounting Standards

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

Effective for fiscal year ending December 31, 2023

PS3280 - Asset Retirement Obligations establishes standards on how to account for and report a liability for asset retirement obligations.

PS1201 - Financial Statement Presentation requires a new statement of re-measurement gains and losses separate from the statement of operations.

PS3041 - Portfolio Investments has removed the distinction between temporary and portfolio investments.

PS2601 - Foreign Currency Translation establishes standards on how to account for and report transactions that are denominated in a foreign currency in government financial statements.

PS3450 - Financial Instruments establishes standards on how to account for and report all types of financial instruments including derivatives.

Effective for fiscal year ending December 31, 2024

PS 3400 - Revenue provides guidance on the recognition of revenue that distinguishes between revenue that arises from transactions that include performance obligations and from transactions that do not have performance obligations.

2. Cash and Cash Equivalents

Cash and Cash Equivalents include:

	2022	2021
Cash	\$ 5,040,731	\$ 1,880,117
Temporary Investments	625,249	621,208
Total Cash and Temporary Investments	\$ 5,665,980	\$ 2,501,325

Notes to Consolidated Financial Statements

for the year ended December 31, 2022

3. Taxes Receivable

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

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

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

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

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

	2022	2021
Municipal Current	\$ 161,116	\$ 283,718
Arrears	4,208,147	3,373,367
	4,369,263	3,657,085
Less Allowance for Uncollectible	(414,040)	(308,730)
Total Taxes Receivable	\$ 3,955,223	\$ 3,348,355
School	2,401,319	2,141,961
Total taxes receivable	6,356,543	5,490,316
Deduct taxes receivable to be collected on behalf of other organizations	(2,401,319)	(2,141,961)
Total Taxes Receivable	\$ 3,955,223	\$ 3,348,355

4. Other Accounts Receivable

Other accounts receivable consists of the following:

	2022	2021
Federal government	\$ 433,441	\$ 469,148
Provincial government and other accruals	2,694,870	5,905,092
Utility	345,885	375,510
Trade	934,803	1,260,799
Local improvements	39,790	68,846
Consolidated entities	69,402	31,408
Total Other Accounts Receivable	\$ 4,518,191	\$ 8,110,803
Less Allowance for Uncollectible		
Utility	(4,000)	(4,000)
Other Accounts Receivable	(397,614)	(617,391)
	(401,614)	(621,391)
Net Other Accounts Receivable	\$ 4,116,577	\$ 7,489,412

Notes to Consolidated Financial Statements

for the year ended December 31, 2022

5. Investments

Investments consist of Provincial Government bonds, Canadian Government Bonds, Bank Notes and other securities. Long-term investments will mature between 2023 and 2048, with effective interest rates of 1.75% to 5.85%.

The carrying value of investments at December 31, 2022 was \$15,442,573 (2021: \$15,218,858) and market value was \$15,630,770 (2021: \$16,907,648).

Of the funds above, the City has set aside funds to finance future expenditures based upon appropriated reserves (Schedule 2) as determined by Council via the yearly budget approval process. These appropriated reserves are internally restricted and based on working capital calculation are 100% funded as of December, 31, 2022 and 2021.

6. Long-Term Service Agreements

The 2021 consolidated financial statements provide disclosure for the Innovationplex community pledged revenue recorded on the Statement of Operations. The revenue recorded for community pledges is in the line Community Services- Community Capital Pledges/Contributions.

The consolidated financial statements recorded the following as a long-term receivable:

	2022	2021
Credit Union Innovationplex - private funding agreements	\$ -	\$ 25,000
Less Allowance for Uncollectible	-	-
Total Long-Term Service Agreements	\$ -	\$ 25,000

7. Deferred Revenue

Certain user charges and fees are received pursuant to legislation, regulation or agreement and are collected for the conduct of certain programs or completion of specific work or services that have yet to be performed. These amounts were recorded as deferred revenue and recognized in the year that the related expenses are incurred or services are performed, as this is the time the eligibility criteria have been met and the revenue is earned. User charges relate to solid waste collection and utility charges for water and wastewater, licensing fees, fees for use of various programs and other fees imposed based on specific activities. Revenue is recognized in the period when the related expenses are incurred or services performed.

	December 31, 2021	Externally restricted inflows	Revenue earned	December 31, 2022
Federal and Provincial Government Transfers	\$ 3,416,007	\$ 516,020	\$ 296,337	\$ 3,635,690
Galleries Grants	52,995	71,409	52,995	71,409
Naming Rights	150,000	-	-	150,000
River Valley Trust Fund	351,129	83,000	131,756	302,373
Property Tax Prepayments	737,187	-	421,008	316,179
Other Deferred Revenue	556,285	121,234	-	677,519
Consolidated Entities	176,226	132,228	-	308,454
Total Deferred Revenue	\$ 5,439,829	\$ 923,891	\$ 902,096	\$ 5,461,624

Notes to Consolidated Financial Statements

for the year ended December 31, 2022

8. Accrued Landfill Liability

The Saskatchewan Ministry of Environment requires closure and post closure care of solid waste landfill sites. Closure care includes final covering and landscaping of the landfill and implementation of drainage management plans. Post-closure care requirement includes cap maintenance, groundwater monitoring, inspections and annual reports. At December 31, 2022, the accrued liability is \$1,336,711 (2021 - \$1,323,098) which is based on cumulative capacity as well as the landfill rate of \$4.00 per tons and represents management's best estimate of this liability. The key change was that the estimated year capacity will be reached is updated to 2038 (2021 - 2057) as a result of the current development footprint based on the Airspace Assessment and Optimization completed by Tetra Tech in 2022. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods, could be significant.

	2022	2021
Estimated closure and post-closure costs over 30 years after capacity is reached	\$ 3,582,000	\$ 3,500,000
Estimated year capacity will be reached	2038	2057
Discount rate	4.6%	4%
Used to date (m3):	747,371	658,903
Remaining	338,709	1,084,097
Total	1,086,080	1,743,000
Percent utilized	68.81%	37.80%
Landfill liability	1,336,711	1,323,098

9. Long-Term Debt

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

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

Bank indebtedness	2022	2021
Authorized debt limit	\$ 55,000,000	\$ 55,000,000
Long Term Debt at December 31	34,417,006	29,872,338
Interest rates	2.37 - 5.35%	2.7 - 5.7%
Interest costs for year	\$ 1,582,875	\$ 1,288,989

Notes to Consolidated Financial Statements

for the year ended December 31, 2022

9. Long-Term Debt - continued

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

	2022	2021
Transportation Services - Kinsmen Park Storm Sewer		
Long-term loan payable to Canada Mortgage & Housing Corporation at a rate of interest of 3.98% maturing August 1, 2024.	\$ 427,730	\$ 629,396
Recreation Cultural & Park - Credit Union Innovationplex		
Bank of Montreal's swap loan agreement at a rate of interest of 2.465% maturing June 1, 2032.	\$ 7,305,689	8,498,181
Water Services - Water Treatment Plant		
Long-term loan payable to Canada Mortgage & Housing Corporation at a rate of interest of 3.83% maturing July 1, 2025.	\$ 618,587	809,761
Sanitary Sewer Services - Sewage Treatment Plant		
Royal Bank's swap loan agreement at a rate of interest of 5.35% maturing October 1, 2030.	\$ 6,831,000	7,530,000
Land Development on 114th Street		
Royal Bank's swap loan agreement at a rate of interest of 3.24% maturing September 2, 2039.	\$ 3,646,000	3,796,000
Land development, Leisure facility betterment, Water utility and upgrades, Road transportation improvement, Waste management facility equipment land acquisition		
Royal Bank's swap loan agreement at a rate of interest of 2.7% maturing November 19, 2040.	\$ 4,373,000	4,549,000
Leisure facility betterments and road transportation improvements		
Royal Bank's swap loan agreement at a rate of interest of 2.37% maturing November 21, 2041.	\$ 1,233,000	1,280,000
Capital projects - 2017		
Royal Bank's swap loan agreement at a rate of interest of 3.01% maturing October 4, 2043.	\$ 2,685,000	2,780,000
Sewer Trunk		
Royal Bank's swap loan agreement at a rate of interest of 2.46% maturing October 11, 2046.	\$ 7,297,000	-
	<u>\$ 34,417,006</u>	<u>\$ 29,872,338</u>

Principal repayments and interest

Anticipated annual principal repayment are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	2,612,014	1,294,021	3,906,035
2024	2,692,962	1,180,476	3,873,438
2025	2,547,818	1,062,484	3,610,302
2026	2,400,825	960,584	3,361,409
2027	2,475,825	854,211	3,330,036
2028 to Maturity	21,687,562	5,746,187	27,433,749
Total Long-Term Debt	<u>\$ 34,417,006</u>	<u>\$ 11,097,963</u>	<u>\$ 45,514,969</u>

Notes to Consolidated Financial Statements

for the year ended December 31, 2022

10. Lease and Other Obligations

Future minimum lease payments under the capital leases and land purchase agreements obligations are as follows:

Summary of Leases and Other Obligations

Year	2022	2021
Total future minimum lease payments	\$ 138,280	\$ 219,532
Amounts representing Interest at a weighted average rate of 4.8%	1,067	8,985
Capital Lease Liability	<u>\$ 137,213</u>	<u>\$ 210,547</u>

11. Land for Resale

Tax title property is property acquired through the tax enforcement process and temporarily held is recorded at the lessor of the carrying amount (cost equal to the outstanding taxes including any applicable penalties up to the date of acquisition plus any costs necessary to maintain after acquisition) and the net recoverable amount. Impairment losses are not reversed in subsequent years, if net recoverable value subsequently increases.

	2022	2021
Tax Title Property	\$ 563,614	\$ 804,934
Allowance for market value adjustment	(82,268)	(82,268)
Net Tax Title Property	<u>481,346</u>	<u>722,666</u>
Other Land for resale	1,610,641	1,615,371
Allowance for market value adjustment	-	-
Net Other Land	<u>1,610,641</u>	<u>1,615,371</u>
Total Land for Resale	<u>\$ 2,091,987</u>	<u>\$ 2,338,037</u>

12. Credit Facility Agreement

The City has an operating line of credit with Innovation Credit Union in the amount of \$4,000,000. Interest on the line of credit is at 5.65% (2021 - 1.65%). The balance used at December 31, 2022 was \$ Nil (2021 - \$Nil). The line of credit is secured by a Line of Credit Agreement and a General Security Agreement with an assignment of taxes and grants.

13. Budget Information

Budget figures are reported for information purposes only and are not included in the scope of the external audit. The budget was approved by Council on December 13, 2021.

14. Operating Lease Agreements

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

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

The City signed a lease agreement with the Dekker Centre for the Performing Arts Inc. board, which is a non-profit corporation, for the management and operating of the performing arts centre whereby the City is required to provide an annual operating grant. The agreement is in effect for the period of January 1, 2019 to December 31, 2024.

The City also maintained a lease agreement for the use of the public golf course land with the North Battleford Golf and Country Club board, which is a non-profit organization. As part of the agreement, the City provided an annual grant in the amount of \$75,000 (2021 - \$75,000) until July 31, 2031.

Notes to Consolidated Financial Statements

for the year ended December 31, 2022

15. Pension Plan

The City is an employer member of Municipal Employee Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. Firefighters contributed 12.5% of their salary and all other members, excluding employees of The Battlefords Transit System, North Battleford Business Improvement District Corp, and the Dekker Centre for the Performing Arts Inc., contributed 9.0% of their salary to the plan. The City matches all the member contributions to the plan. The City pension expense in 2022 was \$977,388 (2021 - \$942,304).

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

At December 31, 2022, MEPP disclosed an actuarial surplus of \$1.021 billion (2021 - \$1.144 billion). The most recent actuarial valuation was completed December 31, 2021. The City's portion of this is not readily determinable.

16. Liability for contaminated sites

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

1001 - 103rd Street (Plan B 1929). In 2001 a qualified engineering firm carried out a Phase II Environmental Site Assessment which revealed that up to 1000 cubic meters of Petroleum Hydrocarbon (PHC) impacted soil is present on the site.

1051 - 101st Street. In 2006 a qualified engineering firm carried out a Phase II Environmental Site Assessment which revealed the PHC impacted soil is not expected to exceed 3,000 cubic meters on the site. The City will monitor the contaminated site to determine future outcome of the contamination.

The City does not recognize a liability as a reasonable estimate can not be made.

17. Capital Commitment

During 2022, the City entered into agreements with various parties for a total cost of \$16.89m for capital projects to be undertaken in the City. The anticipated completion date of these projects will be in the 2023 year end.

18. Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The City's contractual rights arise because of contracts entered into for various services and long-term leases. Contractual rights arise from the normal course of business and are not reflected in the consolidated financial statements until revenues or assets are received. The city expects to receive gas tax funding of \$1,803,690 in 2023 and 2024.

19. Contingent Liabilities

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

20. Segmented Information

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

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

Notes to Consolidated Financial Statements

for the year ended December 31, 2022

20. Segmented Information - continued

For the year ended December 31, 2022	General Government Services	Policing Services	Fire & Protective Services	Operations Services	Waste Management Services	Planning & Development	Parks & Recreation Services	Water Services	Sanitary Sewer Services	Total
Revenues (Schedule 1)										
Taxes and unconditional revenue (Note 22)	24,865,333	-	-	-	-	-	-	-	-	24,865,333
Fees and charges	354,435	121,570	352,198	302,082	1,329,462	757,127	2,454,317	4,071,936	4,123,317	13,866,444
Underground Pipe Replacement Fees	-	-	-	-	-	-	-	1,947,091	-	1,947,091
Tangible capital asset sales - gain	11,999	-	-	-	-	-	-	-	-	11,999
Land sales - gain	-	-	-	-	-	(3,889)	-	-	-	(3,889)
Investment income and commissions	450,634	-	-	-	-	635	-	112,186	-	563,455
Grants - conditional	18,995	836,245	-	616,602	185,548	141,460	199,146	-	-	1,997,996
- Capital	-	-	-	119,690	-	-	2,400	270,200	2,862,215	3,254,505
- Community capital pledges/contributions	-	-	-	-	-	-	-	-	-	-
Other revenues	-	427,320	25,129	31,591	1,109,571	-	-	-	-	1,593,611
Total Revenues	25,701,396	1,385,135	377,327	1,069,965	2,624,581	895,333	2,655,863	6,401,413	6,985,532	48,096,545
Expenses (Schedule 1)										
Wages and benefits	2,609,545	490,925	2,752,437	1,545,625	601,977	760,005	3,354,359	1,703,076	1,073,672	14,891,621
Professional/contractual services	1,113,183	5,505,676	192,575	1,355,887	817,626	343,364	1,016,546	1,189,067	225,072	11,758,996
Subscription/memberships	63,873	-	17,125	15,795	3,429	12,612	10,020	14,718	1,565	139,137
Utilities	134,693	72,881	53,378	562,527	11,094	-	1,166,522	439,106	331,583	2,771,784
Maintenance, materials and supplies	174,784	111,470	273,129	1,601,413	183,618	277,649	613,396	818,024	314,894	4,368,377
Travel	11,302	-	5,705	6,267	4,892	5,760	4,823	12,941	1,371	53,061
Amortization	84,582	101,643	222,486	2,863,671	162,568	79,780	1,855,198	790,400	1,218,331	7,378,659
Interest	-	7,705	-	76,931	15,451	241,808	322,661	69,190	849,129	1,582,875
Allowance for uncollectible	(14,029)	-	-	-	-	-	-	-	-	(14,029)
Insurance	564,430	-	-	-	-	-	-	-	-	564,430
Medical	395	-	200	-	-	-	-	-	-	595
Grants and contributions	159,000	-	-	-	-	214,462	581,884	-	-	955,346
Other	31,426	-	-	18,565	13,613	7,600	6,725	-	-	77,929
Total Expenses	4,933,184	6,290,300	3,517,035	8,046,681	1,814,268	1,943,040	8,932,134	5,036,522	4,015,617	44,528,781
Net Surplus (Deficit) by Division	20,768,212	(4,905,165)	(3,139,708)	(6,976,716)	810,313	(1,047,707)	(6,276,271)	1,364,891	2,969,915	3,567,764

Notes to Consolidated Financial Statements

for the year ended December 31, 2022

20. Segmented Information - continued

For the year ended December 31, 2021	General Government Services	Policing Services	Fire & Protective Services	Operations Services	Waste Management Services	Planning & Development Services	Parks & Recreation Services	Water Services	Sanitary Sewer Services	Total
Revenues (Schedule 1)										
Taxes and unconditional revenue (Note 22)	24,199,820	-	-	-	-	-	-	-	-	24,199,820
Fees and charges	194,702	103,405	571,238	183,819	1,622,758	773,693	1,717,833	4,025,406	3,888,784	13,081,638
Underground Pipe Replacement Fees	-	-	-	-	-	-	-	1,954,440	-	1,954,440
Tangible capital asset sales - gain	35,099	-	-	-	-	-	-	-	-	35,099
Land sales - gain	-	-	-	-	-	1,001,251	-	-	-	1,001,251
Investment income and commissions	519,060	-	-	-	-	242	-	21,450	-	540,752
Grants - conditional	436	820,094	-	60,279	145,910	116,193	338,004	-	-	1,480,916
- Capital	-	-	-	352,129	-	-	34,961	1,740,681	5,889,175	8,016,946
- Community capital pledges/contributions	-	-	-	-	-	-	2,400	-	-	2,400
Other revenues	-	610,173	37,153	7,635	1,063,795	-	-	-	-	1,718,756
Total Revenues	24,949,117	1,533,672	608,391	603,862	2,832,463	1,891,379	2,093,198	7,741,977	9,777,959	52,032,018
Expenses (Schedule 1)										
Wages and benefits	2,397,621	425,735	2,635,119	1,449,399	591,778	793,316	2,951,595	1,652,077	1,057,412	13,954,052
Professional/contractual services	1,081,923	5,416,036	206,129	1,286,999	591,665	296,225	912,698	867,269	356,642	11,015,586
Subscription/memberships	35,617	-	62,728	10,739	4,016	11,976	4,660	14,861	2,483	147,080
Utilities	118,711	70,026	46,912	502,196	11,880	-	1,119,111	380,359	321,568	2,570,763
Maintenance, materials and supplies	104,906	118,496	295,134	942,864	161,308	207,383	429,684	906,463	262,533	3,428,771
Travel	2,814	-	4,564	2,706	152	128	769	3,214	802	15,149
Amortization	77,291	101,643	229,791	2,796,032	158,911	101,465	1,824,147	818,922	1,199,353	7,307,555
Interest	-	2,312	-	68,699	13,824	196,517	349,859	56,260	601,518	1,288,989
Allowance for uncollectible	409,137	-	-	-	-	-	-	-	-	409,137
Insurance	448,528	-	-	358	-	-	-	-	-	448,886
Medical	2,475	-	-	-	-	-	-	-	-	2,475
Grants and contributions	182,000	-	-	-	-	123,887	350,964	-	-	656,851
Other	34,145	-	-	18,739	40,608	6,700	9,727	155	-	110,074
Total Expenses	4,895,168	6,134,248	3,480,377	7,078,731	1,574,142	1,737,597	7,953,214	4,699,580	3,802,311	41,355,368
Net Surplus (Deficit) by Division	20,053,949	(4,600,576)	(2,871,986)	(6,474,869)	1,258,321	153,782	(5,860,016)	3,042,397	5,975,648	10,676,650

Notes to Consolidated Financial Statements

for the year ended December 31, 2022

21. Tangible capital assets

		2022						2021		
		General Assets				Operations Assets	General/ Infrastructure			
		Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets	Assets Under Construction	Total	Total
Assets	Asset Cost									
	Opening asset costs	10,358,492	7,377,641	92,454,686	3,998,694	18,018,511	169,896,549	15,671,442	317,776,015	301,481,515
	Additions during the year	5,500	70,358	202,310	141,540	720,657	519,982	13,125,483	14,785,830	16,468,257
	Disposals and write-downs during the year	-	-	-	(42,500)	(61,685)	-	-	(104,185)	(173,757)
	Transfers (from) assets under construction	-	-	36,289	-	221,224	776,068	(1,033,581)	-	-
	Closing Asset Costs	10,363,992	7,447,999	92,693,285	4,097,734	18,898,707	171,192,599	27,763,344	332,457,660	317,776,015
Amortization	Accumulated Amortization Cost									
	Opening accumulated amortization costs	-	5,147,093	29,628,773	2,151,962	9,867,420	87,142,527	-	133,937,775	126,778,447
	Add: Amortization taken	-	174,972	2,250,329	307,698	987,519	3,658,141	-	7,378,659	7,307,554
	Less: Accumulated amortization on disposals	-	-	-	(42,500)	(61,685)	-	-	(104,185)	(148,226)
		Closing Accumulated Amortization Costs	-	5,322,065	31,879,102	2,417,160	10,793,254	90,800,668	-	141,212,249
	Net Book Value	10,363,992	2,125,934	60,814,183	1,680,574	8,105,453	80,391,931	27,763,344	191,245,411	183,838,240

Notes to Consolidated Financial Statements

for the year ended December 31, 2022

22. Taxes and Other Unconditional Revenue

	2022 Budget	2022	2021
Taxes			
General municipal tax levy	\$ 17,017,983	\$ 16,773,498	\$ 16,226,544
Abatements and adjustments	(350,000)	(277,461)	(256,727)
Discount on current year taxes	-	-	-
Net municipal taxes	16,667,983	16,496,037	15,969,817
Penalties on tax arrears	472,000	963,944	800,691
Trailer park levies	48,969	47,364	49,158
Total Taxes	17,188,952	17,507,345	16,819,666
Unconditional Grants			
Municipal operating grants	2,758,234	2,530,412	2,811,400
Total Unconditional Grants	2,758,234	2,530,412	2,811,400
Grants in lieu of Taxes			
Sask Energy grant in lieu	242,420	406,201	292,756
Sask Property Management Corp.	272,039	179,938	162,368
Sask Tel grant in lieu	65,800	114,222	69,367
Provincial other grant in lieu	62,526	66,433	60,957
North Battleford Housing Authority	507,906	745,970	665,444
Total Grants in Lieu of Taxes	1,150,691	1,512,764	1,250,892
Surcharges			
Sask Power surcharge fees	1,950,000	1,818,491	1,830,785
Sask Energy surcharge fees	-	-	-
Total Surcharges	1,950,000	1,818,491	1,830,785
Underground Pipe and Asphalt Levy	1,600,000	1,496,321	1,487,077
Total Taxes and Other Unconditional Revenue	\$ 24,647,877	\$ 24,865,333	\$ 24,199,820

Notes to Consolidated Financial Statements

for the year ended December 31, 2022

23. Budget to Accrual Based Reporting

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

	<u>2022</u>
Budgeted Revenues as approved by Council on December 13, 2021	46,027,923
Consolidation- Other Controlled Entities	1,310,155
Elimination Entries	(570,305)
Budgeted Revenues for Financial Statement Purposes	<u>46,767,773</u>
Budgeted Expenses as Approved by Council on December 13, 2021	35,367,992
Amortization	7,004,975
Consolidation- Other Controlled Entities	1,195,994
Elimination Entries	(608,804)
Budgeted Expenses for Financial Statement Purposes	<u>42,960,157</u>

FINANCIAL STATEMENTS

City of North Battleford Supporting Schedules

December 31, 2022

(UNAUDITED)

Consolidated Schedule of Operations by Division

for the year ended December 31, 2022

Schedule 1

	2022 Budget	2022	2021
General Government Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Sales of supplies	110,700	321,520	149,586
- Taxation services	27,000	20,120	18,706
- Expense recoveries	-	12,795	26,410
Total Fees and Charges	137,700	354,435	194,702
- Tangible capital asset sales - gain (loss)	-	11,999	35,099
- Investment & interest	312,500	450,634	519,062
Total Other Segmented Revenue	450,200	817,068	748,864
Conditional Grants and Donations			
- Grants	-	18,995	436
Total Operating Revenue	450,200	836,063	749,300
Operating Expenses			
Council remuneration and travel	302,693	309,815	270,528
Wages and benefits	2,372,021	2,299,730	2,127,093
Professional/contractual services	1,303,498	1,113,183	1,081,923
Subscription/memberships	86,859	63,873	35,617
Utilities	110,082	134,693	118,711
Maintenance, materials and supplies	168,425	174,784	104,906
Travel	23,626	11,302	2,814
Amortization	75,888	84,582	77,291
Interest	-	-	-
Allowance for uncollectibles	-	(14,029)	409,137
Insurance	550,000	564,430	448,528
Medical	5,000	395	2,475
Grants and contributions	159,000	159,000	182,000
Other	3,000	31,426	34,146
Total Government Services Expenses	5,160,092	4,933,184	4,895,168
Capital			
Conditional Grants			
- Capital grants	-	-	-
Total General Government Services Surplus (Deficit)	(4,709,892)	(4,097,121)	(4,145,868)

Consolidated Schedule of Operations by Division

for the year ended December 31, 2022

Schedule 1

	2022 Budget	2022	2021
Policing Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Policing fees/fines	150,000	121,570	103,405
Total Fees and Charges	150,000	121,570	103,405
- Total police services other revenue	450,000	427,320	610,173
Total Other Segmented Revenue	600,000	548,890	713,578
Conditional Grants			
- Grants	819,353	836,245	820,094
Total Operating	1,419,353	1,385,135	1,533,672
Operating Expenses			
Wages and benefits	612,014	490,925	425,735
Professional/contractual services	5,115,134	5,505,676	5,416,036
Subscription/memberships	-	-	-
Utilities	78,200	72,881	70,026
Maintenance, materials and supplies	109,000	111,470	118,496
Travel	-	-	-
Amortization	101,643	101,643	101,643
Interest	7,166	7,705	2,312
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	-	-
Total Policing Services Expense	6,023,157	6,290,300	6,134,248
Total Policing Services Surplus (Deficit)	(4,603,804)	(4,905,165)	(4,600,578)

Consolidated Schedule of Operations by Division

for the year ended December 31, 2022

Schedule 1

	2022 Budget	2022	2021
Fire and Protective Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Total fire services fees/fines	61,500	91,446	97,226
- Total Provincial Fines	150,000	186,442	192,622
- Total special constables fees/fines	213,600	74,310	281,390
Total Fees and Charges	425,100	352,198	571,238
- Total fire services other revenue	2,100	23,004	36,403
- Total special constables other revenue	-	2,125	750
Total Other Segmented Revenue	427,200	377,327	608,391
Conditional Grants			
- Grants	-	-	-
Total Operating Revenue	427,200	377,327	608,391
Operating Expenses			
Special Constables			
Wages and benefits	627,041	597,266	574,353
Professional/contractual services	10,511	1,917	-
Subscription/memberships	4,000	1,434	4,169
Utilities	4,830	4,186	4,084
Maintenance, materials and supplies	84,958	95,676	82,915
Travel	4,500	2,372	2,140
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other	-	-	-
Total Special Constables Expenses	735,840	702,851	667,661
Fire Services			
Wages and benefits	2,023,239	2,155,171	2,060,766
Professional/contractual services	134,439	31,616	43,310
Subscription/memberships	52,530	8,585	51,559
Utilities	41,269	36,763	32,678
Maintenance, materials and supplies	133,441	174,876	205,635
Travel	8,240	3,333	2,245
Amortization	156,978	222,486	229,790
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	1,030	200	-
Grants and contributions	-	-	-
Other	-	-	-
Total Fire Services Expenses	2,551,166	2,633,030	2,625,983

Consolidated Schedule of Operations by Division

for the year ended December 31, 2022

Schedule 1

	2022 Budget	2022	2021
Emergency Preparedness			
Wages and benefits	-	-	-
Professional/contractual services	12,541	8,836	12,789
Subscription/memberships	7,000	7,106	7,000
Utilities	-	-	-
Maintenance, materials and supplies	567	1,205	188
Travel	1,597	-	180
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	-	-
Total Emergency Preparedness Expenses	21,705	17,147	20,157
Animal, Humane Society Expenses			
Wages and benefits	-	-	-
Professional/contractual services	150,000	150,206	150,029
Subscription/memberships	-	-	-
Utilities	10,588	12,429	10,151
Maintenance, materials and supplies	2,575	1,372	6,396
Travel	-	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	-	-
Total Animal, Humane Society Expenses	163,163	164,007	166,576
Total Fire and Protective Services Expenses	3,471,874	3,517,035	3,480,377
Capital			
Conditional Grants			
- Capital grants	-	-	-
Total Fire & Protective Services Surplus (Deficit)	(3,044,674)	(3,139,708)	(2,871,986)

Consolidated Schedule of Operations by Division

for the year ended December 31, 2022

Schedule 1

	2022 Budget	2022	2021
Operation Services			
Operation Revenue			
Other Segmented Revenue			
Fees and Charges			
- Aviation revenue	122,650	302,082	183,819
Total Fees and Charges	122,650	302,082	183,819
- Expense recoveries	3,435	31,591	7,635
Total Other Segmented Revenue	126,085	333,673	191,454
Conditional Grants			
- Grants	350,000	616,602	60,279
Total Operating Revenue	476,085	950,275	251,733
Operating Expenses			
Public Works & Fleet			
Wages and benefits	1,640,125	1,545,625	1,449,399
Professional/contractual services	1,562,671	1,355,887	1,286,999
Subscription/memberships	22,456	15,795	10,739
Utilities	494,896	562,527	502,196
Maintenance, materials and supplies	1,030,618	1,601,413	942,864
Travel	14,266	6,267	2,706
Amortization	2,682,626	2,863,671	2,796,032
Interest	70,141	76,931	68,699
Allowance for uncollectibles	-	-	-
Insurance	-	-	358
Medical	-	-	-
Grants and contributions	-	-	-
Other	30,000	18,565	18,739
Total Public Works & Fleet Expenses	7,547,799	8,046,681	7,078,731
Total Operation Expenses	7,547,799	8,046,681	7,078,731
Capital			
Conditional Grants			
- Capital grants	884,667	119,690	352,129
Total Operations Surplus (Deficit)	(6,187,047)	(6,976,716)	(6,474,869)

Consolidated Schedule of Operations by Division

for the year ended December 31, 2022

Schedule 1

	2022 Budget	2022	2021
Waste Management Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
Waste and disposal fees	1,009,000	1,329,462	1,622,758
Total Fees and Charges	1,009,000	1,329,462	1,622,758
Other revenue, garbage and recycling	1,049,536	1,109,571	1,063,795
Total Other Segmented Revenue	2,058,536	2,439,033	2,686,553
Conditional Grants			
Grants	143,808	185,548	145,910
Total Operating Revenue	2,202,344	2,624,581	2,832,463
Operating Expenses			
Wages and benefits	610,257	601,977	591,778
Professional/contractual services	817,454	817,626	591,665
Subscription/memberships	4,662	3,429	4,016
Utilities	15,849	11,094	11,880
Maintenance, materials and supplies	157,008	183,618	161,308
Travel	4,200	4,892	152
Amortization	159,282	162,568	158,911
Interest	14,097	15,451	13,824
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	70,000	13,613	40,608
Total Waste Management Services Expenses	1,852,809	1,814,268	1,574,142
Capital			
Conditional Grants			
- Capital grants	-	-	-
Total Waste Management Services Surplus (Deficit)	349,535	810,313	1,258,321

Consolidated Schedule of Operations by Division

for the year ended December 31, 2022

Schedule 1

	2022 Budget	2022	2021
Planning and Development Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Business licenses	200,000	215,167	242,476
- Building & development permits	251,352	345,045	276,836
- Development agreements	76,000	45,847	112,499
- Land rent	50,000	61,028	63,622
- Transit & Handi Bus fares	157,409	90,040	78,261
Total Fees and Charges	734,761	757,127	773,694
- Land - gain (loss)	3,000	(3,889)	1,001,251
- Investment & interest	-	635	241
Total Other Segmented Revenue	737,761	753,873	1,775,186
Conditional Grants			
- Transit Grants	187,550	141,460	116,193
- Grants	35,223	-	-
Total Operating Revenue	960,534	895,333	1,891,379
Operating Expenses			
Business Licenses			
Wages and benefits	51,064	79,492	80,220
Professional/contractual services	75,000	143,904	87,149
Subscription/memberships	-	-	-
Utilities	-	-	-
Maintenance, materials and supplies	500	2,574	1,944
Travel	-	-	-
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	-	-
Total Business Licenses Expenses	126,564	225,970	169,313
Economic Development			
Wages and benefits	76,409	37,485	32,483
Professional/contractual services	61,952	10,378	56,917
Subscription/memberships	2,250	1,056	590
Utilities	-	-	-
Maintenance, materials and supplies	80,000	109,821	71,512
Travel	2,100	-	-
Amortization	-	3,801	2,600
Interest	-	-	-

Consolidated Schedule of Operations by Division

for the year ended December 31, 2022

Schedule 1

	2022 Budget	2022	2021
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	118,457	40,000	118,458
Other	-	-	-
Total Economic Development Expenses	341,168	202,541	282,560
Engineering			
Wages and benefits	183,811	35,237	120,700
Professional/contractual services	5,000	5,649	50,424
Subscription/memberships	-	-	-
Utilities	-	-	-
Maintenance, materials and supplies	4,100	19,288	4,602
Travel	-	-	37
Amortization	-	-	-
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	-	-
Total Engineering Expenses	192,911	60,174	175,763
Planning			
Wages and benefits	173,613	275,107	264,737
Professional/contractual services	36,000	32,475	81,737
Subscription/memberships	11,500	11,557	11,386
Utilities	-	-	-
Maintenance, materials and supplies	500	462	208
Travel	6,000	5,519	44
Amortization	-	-	-
Interest	223,141	241,808	196,517
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	92,907	174,462	5,430
Other	-	-	-
Total Planning Expenses	543,661	741,390	560,059

Consolidated Schedule of Operations by Division

for the year ended December 31, 2022

Schedule 1

	2022 Budget	2022	2021
Transit & Handi Bus			
Wages and benefits	400,840	332,684	295,175
Professional/contractual services	15,780	150,957	19,998
Subscription/memberships	-	-	-
Utilities	-	-	-
Maintenance, materials and supplies	146,018	145,503	129,117
Travel	-	241	47
Amortization	-	75,979	98,865
Interest	-	-	-
Insurance	-	-	-
Other	7,625	7,600	6,700
Total Transit & Handi Bus Expenses	570,263	712,964	549,902
Total Planning and Development Services Expenses	1,774,567	1,943,040	1,737,597
Total Planning and Development Services Surplus (Deficit)	(814,033)	(1,047,707)	153,782

Consolidated Schedule of Operations by Division

for the year ended December 31, 2022

Schedule 1

	2022 Budget	2022	2021
Parks & Recreation Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Recreation fees & services	1,005,689	1,366,746	768,691
- Galleries	34,300	47,404	42,231
- Recreation facilities rental	891,000	871,882	764,802
- Cemetery	155,000	168,285	142,109
Total Fees and Charges	2,085,989	2,454,317	1,717,833
- Park expense recovery	-	-	-
Total Other Segmented Revenue	2,085,989	2,454,317	1,717,833
Conditional Grants			
- Grants	223,350	199,146	338,004
Total Operating Revenue	2,309,339	2,653,463	2,055,837
Operating Expenses			
Recreational Facilities & Programing			
Wages and benefits	2,539,363	2,365,991	1,945,829
Professional/contractual services	635,877	737,787	417,315
Subscription/memberships	22,925	10,021	4,660
Utilities	851,361	897,167	828,432
Maintenance, materials and supplies	335,750	494,675	311,271
Travel	8,570	4,823	769
Amortization	274,534	293,626	281,517
Interest	313,438	322,661	349,859
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	515,624	517,884	514,584
Other	9,600	6,725	9,727
Total Recreational Facilities & Programing Expenses	5,507,042	5,651,360	4,663,963
Galleries			
Wages and benefits	303,843	254,968	260,914
Professional/contractual services	81,820	73,901	61,676
Subscription/memberships	-	-	-
Utilities	35,926	43,632	40,166
Maintenance, materials and supplies	24,700	35,362	40,155
Travel	800	-	-
Amortization	12,064	12,903	12,012
Interest	-	-	-
Allowance for uncollectibles	-	-	-

Consolidated Schedule of Operations by Division

for the year ended December 31, 2022

Schedule 1

	2022 Budget	2022	2021
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	-	-
Total Galleries Expenses	459,153	420,766	414,923
Cemeteries			
Wages and benefits	134,187	157,548	166,177
Professional/contractual services	12,000	21,305	19,814
Subscription/memberships	-	-	-
Utilities	23,490	21,136	21,013
Maintenance, materials and supplies	6,500	3,827	4,432
Travel	-	-	-
Amortization	-	-	371
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	-	-
Total Cemeteries Expenses	176,177	203,816	211,807
Parks & Forestry			
Wages and benefits	632,079	575,852	578,675
Professional/contractual services	177,900	183,553	186,273
Subscription/memberships	-	-	-
Utilities	163,394	204,587	229,500
Maintenance, materials and supplies	92,700	79,532	73,826
Travel	-	-	-
Amortization	1,548,668	1,548,668	1,530,247
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	64,000	64,000	64,000
Other	-	-	-
Total Parks & Forestry Expenses	2,678,741	2,656,192	2,662,521
Total Parks & Recreation Services Expenses	8,821,113	8,932,134	7,953,214
Capital			
Conditional Grants			
- Capital grants	-	2,400	34,961
- Community capital pledges/contributions	-	-	2,400
Total Capital	-	2,400	37,361

Consolidated Schedule of Operations by Division

for the year ended December 31, 2022

Schedule 1

	2022 Budget	2022	2021
Total Parks & Recreation Services	(6,511,774)	(6,276,271)	(5,860,016)

Consolidated Schedule of Operations by Division

for the year ended December 31, 2022

Schedule 1

	2022 Budget	2022	2021
Water Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Water fees	3,802,406	3,999,942	3,976,139
- Water works expense recovery	26,000	71,994	49,267
Total Fees and Charges	3,828,406	4,071,936	4,025,406
- Underground Pipe Replacement Fees	1,600,000	1,947,091	1,954,440
- Investment & interest	16,000	112,186	21,450
Total Other Segmented Revenue	5,444,406	6,131,213	6,001,296
Conditional Grants			
- Grants	-	-	-
Total Operating	5,444,406	6,131,213	6,001,296
Operating Expenses			
Wages and benefits	1,503,196	1,703,076	1,652,077
Professional/contractual services	709,351	1,189,067	867,269
Subscription/memberships	14,902	14,718	14,861
Utilities	395,080	439,106	380,359
Maintenance, materials and supplies	730,150	818,024	906,463
Travel	6,941	12,941	3,214
Amortization	812,795	790,400	818,922
Interest	57,396	69,190	56,260
Allowance for uncollectibles	1,000	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	155	-	155
Total Water Services Expenses	4,230,966	5,036,522	4,699,580
Capital			
Conditional Grants			
- Capital grants	-	270,200	1,740,681
Total Water Services	1,213,440	1,364,891	3,042,397

Consolidated Schedule of Operations by Division

for the year ended December 31, 2022

Schedule 1

	2022 Budget	2022	2021
Sanitary Sewer Services			
Operating Revenue			
Other Segmented Revenue			
Fees and Charges			
- Sanitary sewer fees	4,102,928	4,114,759	3,883,944
- Sanitary sewer expense recovery	2,500	8,558	4,839
Total Other Segmented Revenue	4,105,428	4,123,317	3,888,783
Conditional Grants			
- Grants	-	-	-
Total Operating Revenue	4,105,428	4,123,317	3,888,783
Operating Expenses			
Wages and benefits	1,258,803	1,073,672	1,057,412
Professional/contractual services	295,296	225,072	356,642
Subscription/memberships	4,355	1,565	2,483
Utilities	293,980	331,583	321,568
Maintenance, materials and supplies	352,250	314,894	262,533
Travel	7,709	1,371	802
Amortization	1,180,496	1,218,331	1,199,353
Interest	684,891	849,129	601,518
Allowance for uncollectibles	-	-	-
Insurance	-	-	-
Medical	-	-	-
Grants and contributions	-	-	-
Other	-	-	-
Total Sanitary Sewer Services Expenses	4,077,780	4,015,617	3,802,311
Capital			
Conditional Grants			
- Capital Grants	3,440,340	2,862,215	5,889,175
Total Sanitary Sewer Services	3,467,988	2,969,915	5,975,648
SUMMARY			
Total Other Segmented Revenue	14,435,605	16,031,620	16,377,498
Total Underground Pipe Replacement Fees	1,600,000	1,947,091	1,954,440
Total Conditional Grants	1,759,284	1,997,996	1,480,916
Total Capital Grants and Contributions	4,325,007	3,254,505	8,019,346
Total Operating and Capital Revenue by Division	22,119,896	23,231,211	27,832,200
TOTAL EXPENSES BY DIVISION	42,960,157	44,528,781	41,355,368

Consolidated Schedule of Accumulated Surplus

for the year ended December 31, 2022

Schedule 2

	2021	Changes	2022
Unappropriated Surplus (Deficit)			
Government activities	\$ 9,647,441	\$ 1,385,514	\$ 11,032,955
Water	166,949	1,766,897	1,933,846
Sanitary sewer	(9,922,407)	(3,047,431)	(12,969,838)
Consolidated entities	180,780	(69,085)	111,695
Transit services	(63,810)	244,262	180,452
Total Unappropriated Surplus (Deficit)	8,963	280,157	289,110
Appropriated Surplus			
General government	581,283	422,964	1,004,247
Fire and protective	1,848,718	(341,806)	1,506,912
Operations	3,738,536	637,721	4,376,257
Waste management	1,219,456	(331,561)	887,895
Planning & development	(56,196)	346,383	290,187
Policing initiatives	(491,142)	(416,820)	(907,962)
Parks & Recreation	1,698,756	(159,892)	1,538,864
Water	5,832,717	(1,917,118)	3,915,599
Sanitary sewer	2,801,732	2,111,909	4,913,641
Total Appropriated Surplus	17,173,860	351,780	17,525,640
Net Investment in Tangible Capital Assets			
Tangible capital assets (Note 21)	183,838,240	7,407,171	191,245,411
Less: Related long term debt	(29,872,338)	(4,544,668)	(34,417,006)
Less: Related Lease and other obligations	(210,547)	73,334	(137,213)
Net Investment in Tangible Capital Assets	153,755,355	2,935,837	156,691,192
Total Accumulated Surplus	\$ 170,938,178	\$ 3,567,764	\$ 174,505,942

Consolidated Schedule of Tangible Capital Assets by Division

for the year ended December 31, 2022

Schedule 3

		2022								2022	2021	
		General Government Services	Policing Services	Fire & Protective Services	Operations Services	Waste Management Services	Planning & Development Services	Parks & Recreation Services	Water Services	Sanitary Sewer Services	Total	Total
Assets	Asset Cost											
	Opening asset costs	1,900,285	4,336,536	5,286,328	119,899,984	3,278,186	6,145,726	78,980,074	40,592,449	57,356,447	317,776,015	301,481,515
	Additions during the year	145,036	-	341,806	776,614	10,860	5,925,816	1,483,416	1,918,925	4,183,357	14,785,830	16,468,258
	Disposals and write-downs during the year	-	-	-	(104,185)	-	-	-	-	-	(104,185)	(173,757)
	Closing Asset Costs	2,045,321	4,336,536	5,628,134	120,572,413	3,289,046	12,071,542	80,463,490	42,511,374	61,539,804	332,457,660	317,776,015
Amortization	Accumulated Amortization Cost											
	Opening accumulated amortization costs	842,339	1,452,316	2,948,354	69,863,435	1,773,937	18,787	23,351,819	14,905,695	18,781,093	133,937,775	126,778,447
	Add: Amortization taken	84,582	101,643	222,486	2,863,671	162,568	3,801	1,931,176	790,400	1,218,332	7,378,659	7,307,554
	Less: Accumulated amortization on disposals	-	-	-	(104,185)	-	-	-	-	-	(104,185)	(148,226)
	Closing Accumulated Amortization Costs	926,921	1,553,959	3,170,840	72,622,921	1,936,505	22,588	25,282,995	15,696,095	19,999,425	141,212,249	133,937,775
	Net Book Value	1,118,400	2,782,577	2,457,294	47,949,492	1,352,541	12,048,954	55,180,495	26,815,279	41,540,379	191,245,411	183,838,240