

Municipal Accounting Manual

October 2023

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Introduction

This manual is a reference designed to help Chief Administrative Officers (CAO) better understand the purpose, presentation and disclosure requirements for financial statements as prescribed by the Public Sector Accounting Board (PSAB). This includes the notes and schedules which form an integral part of the completed financial statements. This manual is not meant to be the final authoritative source on financial statement presentation and disclosure. The Chartered Professional Accountants of Canada (CPA Canada) is the final authoritative source. This manual is for advisory purposes only, and does not provide a legal opinion, attestation, or other forms of assurance. Application of accounting standards should be consulted with the independent auditors of each municipality. For more information about the CPA Canada Public Sector Accounting Handbook please refer to the [CPA Canada's online store](#).

The most recent major developments in Public Accounting Standards that took effect for fiscal years beginning on or after April 1, 2022 (adopted by municipalities of Saskatchewan beginning on January 1, 2023) are:

- PS 3280 Asset Retirement Obligations
 - PS 3270 Landfill liabilities are no longer required.
- PS 3450 Financial Instruments
 - Allows some fair value measurement for derivatives and portfolio investments.
- PS 2601 Foreign Currency Translation
 - Gains or losses on long-term monetary items.
- PS 3041 Portfolio Investments
 - Allows for fair value measurement of some financial assets.

Standards that came into effect for fiscal years beginning on or after April 1, 2023 (adopted for municipalities in Saskatchewan beginning January 1, 2024) are:

- PS 3160 Public Private Partnership.
- PS 3400 Revenue.
- PSG-8 Purchased Intangibles.

Municipal Financial Statements

Overview

PSAB and CPA Canada are the governing bodies in Canada and are responsible for issuing standards with respect to accounting policies and financial reporting requirements for all public and private sectors.

PSAB serves the public interest by:

- Setting financial reporting standards for all levels of government, and
- Enhancing public confidence by providing guidelines that ensure the reporting is both neutral and objective.

Section 185(1) of *The Municipalities Act* (MA), Section 207(1) of *The Northern Municipalities Act* (NMA), and Section 155(1) *The Cities Act* (CA) states that municipal governments must prepare financial statements as recommended by CPA Canada. Per Section 185(2) MA, 207(2) NMA, and 155(2) CA, this includes disclosing:

- Debt limit of the municipality, and
- Amount of debt outstanding.

Saskatchewan municipalities have been reporting in accordance with PSAB standards since 2002. PSAB standards are continuously evolving with new standards and amendments. Before 2009, the financial model used by municipalities was based on a cash model of accounting, which showed revenue minus expenditures as the excess of revenues or change in net financial assets.

Revisions introduced in 2009 introduced municipalities to a model which shows revenue less expenses equals a surplus or a deficit. This is commonly referred to as the accrual method of accounting and more closely follows the accounting standards followed by businesses across Canada.

The PSAB reporting model places equal emphasis on the annual surplus/deficit and the overall financial health of the municipality.

Municipal Financial Statement Purpose

All municipalities in Canada are required to prepare and provide financial statements that provide the financial position and changes in the financial position over a given fiscal period which is one calendar year.

The financial statements must be prepared in accordance with the generally accepted accounting principles and guidelines set out by PSAB.

General purposes of financial statements are:

- Required by legislation,
- Audited, and
- Are publicly available to all interested parties.

The financial statements are to be audited by a professional auditor. This is a person who is a member in good standing of CPA Saskatchewan and licensed to practice in the province of Saskatchewan, in accordance with *The Accounting Profession Act, 2014*.

Section 186 MA and Section 208 NMA require that audited financial statements for the fiscal year-ending December 31 be submitted to Government Relations no later than July 1 of the year immediately following the financial year for which the financial statements and report have been prepared.

For example, a municipality's statements for the fiscal year ending December 31, 2022, must be submitted to the Ministry of Government Relations no later than July 1, 2023. Failure to do so may impact subsequent funding to the municipality.

Section 157 CA requires that audited financial statements for the fiscal year-ending December 31 be submitted to the Ministry of Government Relations no later than September 1 of the year immediately following the financial year for which the financial statements and report have been prepared.

For example, a city's statements for the fiscal year ending December 31, 2022, must be submitted to the Ministry of Government Relations no later than September 1, 2023. Failure to do so may impact subsequent funding to the municipality.

Financial statements provide the following information:

Section of the Financial Statements	Information Provided
Consolidated Statement of Financial Position – Statement 1	The resources available to the municipality at the financial statement date.
Consolidated Statement of Operations – Statement 2	A summary of transactions that took place in the financial period summarizing the activities of the municipality.
Consolidated Statement of Change in Net Financial Assets – Statement 3	A summary of changes to the financial assets retained by the municipality.
Consolidated Statement of Cash Flow – Statement 4	An overview of changes to the cash position of the municipality.
Statement of Remeasurement Gains and Losses – Statement 5	A summary of remeasurement gains (losses) in the financial period for financial instruments.
Notes to the Financial Statements	Supporting information.
Schedules 1 – 13	Supporting information.

A suggested form of a financial statement has been developed in consultation with auditors, administrators, and the Ministry of Government Relations in order to prepare a document that is flexible to meet the needs of the various parties. The financial information in these reports detail municipal assets, liabilities, revenues, and expenditures and is to be made available to the public. Updated forms are available on the Government of Saskatchewan [website](#).

Municipal Financial Statement Reporting Requirements

Municipal governments are required to report on a consolidated basis. This means that all organizations owned and controlled by the reporting municipality must be included in the summary statements.

Generally, this is comprised of boards, commissions, and corporations of the government.

These organizations may prepare separate financial statements which provide important information for their management. However, only summary financial statements that report on the government through aggregated information can provide an understandable overview of the full nature and extent of the financial affairs and resources for which the municipality is responsible.

Detailed information relative to the concept of control is provided in appendix A-1.

Financial Statements

Note: The following section contains illustrative examples of the financial statement. **Blue font** is recent changes to be implemented in 2023 Financial Statement template. **Orange font** is recent changes to be implemented in 2024 Financial Statement template.

Consolidated Statement of Financial Position – Statement 1 (Figure 1)

Statement Purpose and Scope

The Consolidated Statement of Financial Position is a summary of the financial balances of a municipality at a certain point in time; typically, at year end. It provides a picture of the municipality's financial position (financial assets, liabilities, non-financial assets, accumulated surplus (deficit)) on a specific date (i.e., fiscal year-end) and the nature of the resources it has available.

The Statement provides the reader with a fair indication of the municipality's financial position as compared to a prior period.

The Consolidated Statement of Financial Position is also referred to as a Balance Sheet.

Sample Consolidated Statement of Financial Position

Municipality of	Please Fill in Municipality Name								
Consolidated Statement of Financial Position									
As at December 31, 2024									
								Statement 1	
							2024	2023	
FINANCIAL ASSETS									
	Cash and Cash Equivalents (Note 2)						-	-	
	Investments (Note 3)						-	-	
	Taxes Receivable - Municipal (Note 4)						-	-	
	Other Accounts Receivable (Note 5)						-	-	
	Assets Held for Sale (Note 6)						-	-	
	Long-Term Receivable (Note 7)						-	-	
	Debt Charges Recoverable (Note 8)						-	-	
	Derivative Assets [if applicable] (Note 25)						-	-	
	Other (Specify)								
Total Financial Assets							-	-	
LIABILITIES									
	Bank Indebtedness (Note 9)								
	Accounts Payable								
	Accrued Liabilities Payable								
	Derivative Liabilities [if applicable] (Note 25)						-	-	
	Deposits								
	Deferred Revenue (Note 10)						-	-	
	Asset Retirement Obligation (Note 11)						-	-	
	Liability for Contaminated Sites (Note 12)								
	Infrastructure Liability [if applicable] (Note 27)								
	Other Liabilities								
	Long-Term Debt (Note 13)						-	-	
	Lease Obligations (Note 14)								
Total Liabilities							-	-	
NET FINANCIAL ASSETS (DEBT)							-	-	

NON-FINANCIAL ASSETS					
	Tangible Capital Assets (Schedule 6, 7)			-	-
	Intangible Capital Assets [if applicable] (Schedule 8, 9)			-	-
	Prepayments and Deferred Charges				
	Stock and Supplies				
	Other (Note 15)				
	Total Non-Financial Assets			-	-
	ACCUMULATED SURPLUS (DEFICIT)			-	-
	Accumulated surplus is comprised of:				
	Accumulated Surplus (Deficit) excluding remeasurement gains (losses) (Schedule 10)			-	-
	Accumulated remeasurement gains (losses) (Statement 5)			-	-
	Unrecognized Assets (Note 1 m)				
	Contingent Assets (Note 21)				
	Contractual Rights (Note 22)				
	Contingent Liabilities (Note 16)				
	Contractual Obligations and Commitments (Note 23)				
	<i>The accompanying notes and schedules are an integral part of these statements.</i>				

Figure 1 – Consolidated Statement of Financial Position

Sections of the Consolidated Statement of Financial Position

The Statement consists of three main sections:

Net Financial Assets

Net financial assets are the difference between the value of the assets and liabilities (obligations) of the municipality when net financial assets exceed liabilities. When a government's liabilities exceed its financial assets, the term Net Debt is used.

Assets

- Assets are best described as the economic resources held by the municipality.
- Assets are listed in the order of liquidity. Liquidity is the level at which an asset can be converted to cash. For example, the quicker an asset is able to be converted to cash, the more liquid the asset is considered. Investments are typically more liquid than assets held for sale; and therefore, are listed before an asset for sale.

Liabilities

- A liability is a financial obligation of the municipality arising from past transactions or events.
- Liabilities are listed in the order that they come due. For example, regular trade accounts payable are listed before demand loans or lease obligations.

Non-Financial Assets

Non-Financial assets are the assets of the municipality which are intended to be used (consumed) by the municipality. Some examples include tangible capital assets and prepaid expenses.

Accumulated Surplus (Deficit)

Accumulated surplus (deficit) = Net Financial Assets (Debt) + Non-Financial Assets.

Accumulated surplus (deficit) is comprised of accumulated remeasurement gains (losses) and accumulated surplus (deficit) excluding remeasurement gains (losses).

This is a measure of the municipality's ability to re-invest in current and future projects.

- Accumulated surplus is further defined between appropriated reserves and unappropriated surpluses.

Financial ratios are used in accounting to evaluate the overall financial condition of an organization. See key measures in A-6 for a list of financial ratios that may be used to evaluate the organization's financial health and financial trends.

Consolidated Statement of Operations – Statement 2 (Figure 2)

Statement Purpose and Scope

The Statement of Operations provides information about the performance of the municipality for a given period of time; usually one calendar year.

For comparative purposes, the actual results for the prior fiscal period and the current year budget are included with the current year's operating results. This enables a reader to easily see what changes have occurred over the past year and identify variances to the current year's budget.

This statement can help the reader determine the past financial performance, predict future performance, and assess the ability of the municipality to generate future cash flows. The statement is prepared using summarized information. Each line item is detailed with supporting schedules that are discussed in a subsequent section of this manual.

The Statement of Operations is also commonly referred to as the Income Statement.

Sample Consolidated Statement of Operations

Municipality of	Please Fill in Municipality Name				
Consolidated Statement of Operations					
As at December 31, 2024					Statement 2
			2024 Budget	2024	2023
REVENUES					
Tax Revenue (Schedule 1)			-	-	-
Other Unconditional Revenue (Schedule 1)			-	-	-
Fees and Charges (Note 28 (if applicable), Schedule 4, 5)			-	-	-
Conditional Grants (Note 28 (if applicable), Schedule 4, 5)			-	-	-
Tangible Capital Asset Sales - Gain (Schedule 4, 5)			-	-	-
Intangible Capital Asset Sales - Gain (Schedule 4, 5)			-	-	-
Land Sales - Gain (Schedule 4, 5)			-	-	-
Investment Income (Note 3) (Schedule 4, 5)			-	-	-
Commissions (Schedule 4, 5)			-	-	-
Restructurings (Schedule 4, 5)			-	-	-
Other Revenues (Schedule 4, 5)			-	-	-
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)			-	-	-
Total Revenues			-	-	-
EXPENSES					
General Government Services (Schedule 3)			-	-	-
Protective Services (Schedule 3)			-	-	-
Transportation Services (Schedule 3)			-	-	-
Environmental and Public Health Services (Schedule 3)			-	-	-
Planning and Development Services (Schedule 3)			-	-	-
Recreation and Cultural Services (Schedule 3)			-	-	-
Utility Services (Schedule 3)			-	-	-
Restructurings (Schedule 3)			-	-	-
Total Expenses			-	-	-
Annual Surplus (Deficit) of Revenues over Expenses			-	-	-
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), Beginning of Year			-	-	-
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), End of Year			-	-	-

Figure 2 – Consolidated Statement of Operations

Sections of the Consolidated Statement of Operations

The Statement consists of two main sections:

Revenues

Revenues are income streams that a municipality receives. They can be received from a number of sources including taxes, fees, grants and sale of assets including land and tangible capital assets. Additional revenues may also be received in the form of interest or dividends on funds held in bank accounts or investments. Revenue is recognized when performance obligations are met. Performance obligations are enforceable promises to provide specific goods or services to a specific payor. See A-2 Revenue Recognition for further discussion on performance obligations.

Capital revenues are grant funds that are specific to a functional area and are stipulated for the use of capital purchases. These totals are detailed on Schedule 4 for the current year and Schedule 5 for the prior year.

- Capital revenues vs. Operating revenues – Operating revenues are those funds generated or received to be used in the day-to-day operations of the municipality. Capital revenues are grants, taxes, levies, or transfers that have been identified for expenditures relating to the purchase or improvement of tangible capital assets.
- Own-source revenues – This term refers to revenues that are generated by the municipality by collecting taxes and resource revenues or by generating business and other income. These typically include property taxes, fees and/or charges.

A section on Revenue Recognition is presented in Appendix A-2. Note, however, as accounting pronouncements are constantly evolving the Public Sector Accounting Handbook should be referred to or the local auditor should be consulted when dealing with specific situations.

Expenses

Expenses represent money spent or costs incurred to generate revenue and provide goods and services to the municipality. Expenses can be in the form of cash payments, the promise to pay (accounts payable) or an expired portion of an asset (amortization of capital assets, use/expiration of prepaids or changes in supply inventories).

The accrual method of accounting recognizes the expense in the period it is incurred vs. the period in which payment is made. For example, if shop supplies are received in December but not paid for until January the expense would be recorded in December.

Expenses on the Statement of Operations are separated into functional areas. The supporting schedule provides additional detail of the expenses incurred for each functional area including wages, utilities, repair, and maintenance, interest, and amortization.

See key measures in A-6 for a list of financial ratios that may be used to evaluate the organization's financial health and financial trends.

Consolidated Statement of Change in Net Financial Assets – Statement 3 (Figure 3)

Statement Purpose and Scope

The Statement of Changes in Net Financial Assets provides information regarding the extent to which expenditures were covered by revenues recognized in the year.

The Change in Net Financial Assets is a very important indicator due to its exclusion of non-financial asset transactions which include amortization, transfer of assets/liabilities in restructuring transactions, change in supplies, and Tangible Capital Assets (TCA) acquisitions and disposals. It enables financial statement users to work from the annual surplus/(deficit) presented under accrual accounting to a cash basis. The only items that Statement 3 does not consider are the issuance/payment of long-term debt or the transfers to/from reserves.

Sample Consolidated Statement of Change in Net Financial Assets

Municipality of	Please Fill in Municipality Name			
Consolidated Statement of Change in Net Financial Assets				
As at December 31, 2024				Statement 3
		2024 Budget	2024	2023
Annual Surplus (Deficit) of Revenues over Expenses		-	-	-
(Acquisition) of tangible capital assets			-	-
Amortization of tangible capital assets			-	-
Amortization of intangible capital assets				
Proceeds on disposal of tangible capital assets			-	-
Loss (gain) on the disposal of tangible capital assets			-	-
Proceeds on disposal of intangible capital assets			-	-
Loss (gain) on the disposal of intangible capital assets			-	-
Transfer of assets/liabilities in restructuring transactions			-	-
Surplus (Deficit) of capital expenses over expenditures		-	-	-
(Acquisition) of supplies inventories				
(Acquisition) of prepaid expense				
Consumption of supplies inventory				
Use of prepaid expense				
Surplus (Deficit) of expenses of other non-financial over expenditures		-	-	-
Unrealized remeasurement gains (losses)		-	-	-
Increase/Decrease in Net Financial Assets		-	-	-
Net Financial Assets (Debt) - Beginning of Year		-	-	-
Net Financial Assets (Debt) - End of Year		-	-	-

Figure 3 – Statement of Changes in Net Financial Assets

Sections of the Statement of Consolidated Change in Net Financial Assets

The Statement consists of five main sections:

Surplus (Deficit)

The surplus or deficit is taken directly from Statement 2, Statement of Operations and is the starting point for this statement.

Changes in Capital Expenses over Expenditures

This section details adjustments for the changes relating to capital items such as amortization and gains or losses on disposal as well as TCA acquisitions and proceeds from disposals.

Changes in other Non-Financial Expenses over Expenditures

Other items not directly tied to the operations such as changes to inventories and prepaid expenses are shown in this section. The expired or used up portion charged in the operating statement is added back and the cost of purchases made during the year are deducted.

Unrealized Remeasurement Gains (Losses)

The total unrealized remeasurement gains (losses) is calculated as the difference between changes in capital expenses over expenditures and changes in other non-financial expenses over expenditures.

Increase/Decrease in Net Financial Assets

This section identifies the net revenues over expenditures for the current year, the beginning balance from the prior year and the ending result. The final line, Net Financial Assets – End of Year ties directly to the corresponding line on Statement 1, Statement of Financial Position which is the difference between the financial assets and liabilities of the municipality.

Consolidated Statement of Cash Flow – Statement 4 (Figure 4)

Statement Purpose and Scope

The Consolidated Statement of Cash Flow identifies the change in cash for the year and how the municipality has generated or used cash for the year. This is a good indicator of the municipality's capacity to generate cash or the need of the municipality for cash resources.

Two cash flow methods are acceptable under PSAB for reporting purposes, the direct method and the indirect method. The direct method is not widely used; and therefore, the indirect method will be illustrated throughout this manual. See the details in the "Sections of the Consolidated Statement of Cash Flow" Section, which outlines the components of the Statement of Cash Flows and their purpose.

Sample Consolidated Statement of Cash Flow

Municipality of	Please Fill in Municipality Name						
Consolidated Statement of Cash Flow							
As at December 31, 2024							Statement 4
						2024	2023
Cash provided by (used for) the following activities							
Operating:							
Annual Surplus (Deficit) of Revenues over Expenses						-	-
	Amortization of tangible capital assets					-	-
	Amortization of intangible capital assets					-	-
	Loss (gain) on disposal of tangible capital assets					-	-
	Loss (gain) on disposal of intangible capital assets					-	-
Change in assets/liabilities						-	-
	Taxes Receivable - Municipal					-	
	Other Receivables					-	
	Assets Held for Sale					-	
	Other Financial Assets					-	
	Accounts and Accrued Liabilities Payable					-	
	Derivative Liabilities [if applicable]					-	
	Deposits					-	
	Deferred Revenue					-	
	Asset Retirement Obligation					-	
	Liability for Contaminated Sites					-	
	Infrastructure Liability [if applicable]					-	
	Other Liabilities					-	
	Stock and Supplies					-	
	Prepayments and Deferred Charges					-	
	Other (Specify)					-	
Cash provided by operating transactions						-	-

Capital:									
	Acquisition of capital assets						-	-	
	Proceeds from the disposal of capital assets						-	-	
	Cash applied to capital transactions						-	-	
Investing:									
	Decrease (increase) in restricted cash or cash equivalents						-		
	Proceeds on disposal of investments						-	-	
	Decrease (increase) in investments						-		
	Cash provided by (applied to) investing transactions						-	-	
Financing:									
	Debt charges recovered								
	Long-term debt issued								
	Long-term debt repaid								
	Other financing								
	Cash provided by (applied to) financing transactions						-	-	
	Change in Cash and Cash Equivalents						-	-	
	Cash and Cash Equivalents						-		
	Cash and Cash Equivalents - End of Year						-	-	

Figure 4 – Consolidated Statement of Cash Flow

Sections of the Consolidated Statement of Cash Flow

The Statement consists of four main sections:

Operating

The section begins with the operating surplus (deficit) as provided on statement 2 - Statement of Operations. An operating surplus indicates that revenue exceeds the expenses required for day-to-day operations. An operating deficit indicates there are insufficient funds to pay operating expenses when due. Any non-cash items relating to tangible / intangible capital assets are adjusted reflecting amortization and gains or losses on disposal. These items affect the operating results but do not affect the cash position of the municipality.

The balance of the section identifies changes from prior year that are sources of cash or uses of cash such as changes to accounts receivable, prepaid accounts or inventories relative to operations. For example, an increase in accounts receivable from prior year means that less cash was collected than prior year and therefore the change would be presented as a negative change on the Statement of Cash Flow; an increase in accounts payable from prior year means that less cash was utilized to pay for expenditures and therefore this would result in a positive change in the Statement of Cash Flow.

Capital

The Capital section tells the financial statement users how much cash was spent on tangible capital assets and what cash flow was generated from the sale of capital assets (proceeds). For example, an acquisition of tangible capital assets would decrease cash flows and in contrast, dispositions of tangible capital assets with proceeds would increase cash flows.

Investing

This section provides information about cash that was used or generated by the municipality's investing policies. An example of an investing activity could be changes in term investments such as purchases or redemptions. Acquisition of investments would decrease cash flows and in contrast, dispositions of investments would increase cash flows.

Financing (Borrowing)

The section identifies the level of debt acquired by the municipality and the amount of debt paid back over the course of the year. Financing activities include the issuance and repayment of debt. Proceeds from issuing long-term debt will increase cash flows, while repayment of debt will decrease cash flows.

Consolidated Statement of Remeasurement Gains and Losses – Statement 5 (Figure 5)

Statement Purpose and Scope

The purpose of this statement is to track unrealized gains of derivative and equity investments measured at fair value as well as foreign exchange. When investments that are measured at fair value are disposed of, the realized gain (losses) are reclassified to the Statement of Operations.

Sample Statement of Remeasurement Gains and Losses

Municipality of	Please Fill in Municipality Name								
Consolidated Statement of Remeasurement Gains and Losses									
As at December 31, 2024								Statement 5	
								2024	2023
Accumulated remeasurement gains (losses) at the beginning of the year:									
Unrealized gains (losses) attributable to (Note 3):									
Derivatives									
Equity Investments measured at fair value									
Foreign exchange (if applicable)									
								-	-
Amounts reclassified to the Statement of Operations (Note 3):									
Derivatives									
Equity Investments measured at fair value									
Foreign exchange (if applicable)									
								-	-
Net remeasurement gains (losses) for the year									
								-	-
Accumulated remeasurement gains(losses) at end of year									
								-	-

Figure 5 – Consolidated Statement of Remeasurement Gains and Losses

Sections of the Statement of Remeasurement Gains and Losses

The Statement consists of two main sections:

Unrealized Gains (Losses)

This section shows the unrealized change in the value of financial instruments, such as investments, being measured at fair market value at the Statement of Financial Position date as well as the year end conversion of balances held in foreign currency, such as payables.

Amounts Reclassified to the Statement of Operations

The unrealized (fair value) amounts are only recorded in the Statement of Operations when the financial instrument is sold, settled or there is a decline in investment value. This section shows the reclassification of gains and losses to the Statement of Operations.

Notes to the Consolidated Financial Statements

Notes are used to provide additional details or information pertaining to certain financial and non-financial transactions that are not included in any of the statements or schedules.

The notes to the consolidated financial statement include three groups:

1. Significant accounting policies
2. Detail of items on the Consolidated Statement of Financial Position
3. Other required disclosures

Additional notes may be added if the auditor identifies additional areas requiring note disclosures.

Significant Account Policies (Note 1) Include, but are not Limited to the Following Categories

The summary of significant accounting policies is a section of the notes that accompany an entity's financial statements, describing key policies being followed by the entity. This is usually placed at the beginning of the notes. Examples of policies this note includes basis of accounting; information on the overall reporting entity; and key policies impacting material financial statement line items, transactions and estimates for a municipality such as government transfers, tangible capital assets, and financial instruments. See below within 'Financial Statement Preparation' for a list of notes that may be included within the Financial Statements.

Detail of items on the Consolidated Statement of Financial Position

The notes to the consolidated financial statements disclose the detailed assumptions, disaggregation of balances, and required disclosures for the assets, liabilities, revenues, expenses, and accumulated surpluses (deficits) included in the consolidated financial statements. These notes are referenced in the applicable financial statement. Examples of notes to the Statement of Financial Position include Note 6 Assets Held for Sale, Note 8 Debt Charges Recoverable, Note 12 Asset Retirement Obligations, Note 14 Long-Term Debt, Note 15 Lease Obligations. See below within 'Financial Statement Preparation' for a list of notes that may be included within the Financial Statements.

Other required disclosures

This section of the notes outlines several other disclosures that are required to be in compliance with public sector accounting standards (PSAS) and to provide the users with additional information. Examples of these notes include Note 19 Comparative Figures, Note 21 Related Parties, Note 25 Restructuring Transactions, Note 28 Revenue, Note 30 Subsequent Events. See below within 'Financial Statement Preparation' for a list of notes that may be included within the Financial Statements.

Supporting Schedules

Supporting schedules provide the user of the financial statements with additional detailed information relative to the information found in the financial statements. Schedules are similar to notes, but due to the nature of the information it is clear when presented in a detailed schedule.

The supporting schedules make up part of the audited financial statements. The key figures contained in the audited financial statements are further detailed within the underlying schedules.

Note: The following section contains illustrative examples of the supporting schedules. **Blue font** is recent changes to be implemented in 2023 Financial Statement template. **Orange font** is recent changes to be implemented in 2024 Financial Statement template.

Schedule 1 – Schedule of Taxes and Other Unconditional Revenue (Figure 6)

The intent of this schedule is to provide users with a detailed breakdown of the makeup of the Taxes and Unconditional revenues received by the municipality. Due to the difficulty in allocating this revenue by functional area, the schedule does not attempt to allocate these funds into the various functional categories.

The Total Taxes and Other Unconditional Revenue total carries forward to the corresponding lines on Statement 2 – Statement of Operations.

Sample Schedule

Municipality of	Please Fill in Municipality Name					
Schedule of Taxes and Other Unconditional Revenue						
As at December 31, 2024						Schedule 1
				2024 Budget	2024	2023
TAXES						
	General municipal tax levy					
	Abatements and adjustments					
	Discount on current year taxes					
	Net Municipal Taxes			-	-	-
	Potash tax share					
	Trailer license fees					
	Penalties on tax arrears					
	Special tax levy					
	Other (Specify)					
Total Taxes				-	-	-
UNCONDITIONAL GRANTS						
	Revenue Sharing					
	(Organized Hamlet)					
	Safe Restart					
	Other (Specify)					
Total Unconditional Grants				-	-	-

GRANTS IN LIEU OF TAXES						
Federal						
Provincial						
	S.P.C. Electrical					
	SaskEnergy Gas					
	TransGas					
	Central Services					
	SaskTel					
	Other (Specify)					
Local/Other						
	Housing Authority					
	C.P.R. Mainline					
	Treaty Land Entitlement					
	Other (Specify)					
Other Government Transfers						
	S.P.C. Surcharge					
	Sask Energy Surcharge					
	Other (Specify)					
Total Grants in Lieu of Taxes				-	-	-
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE				-	-	-

Figure 6 – Schedule of Taxes and Other Unconditional Revenue

Schedule 2 – Revenues by Function (Figure 7)

The purpose of Schedule 2 is to detail revenue other than taxes and unconditional grants and report them by functional area. The schedule usually consists of multiple pages and is numbered sequentially, Schedule 2-1, Schedule 2-2, etc. This enables each page to contain information on two functional areas.

A municipality can report on a variety of functional areas but the most common are:

- General government services
- Protective services
- Transportation services
- Environmental and public health services
- Planning and development services
- Recreation and cultural services
- Utility services

Within each functional area revenues are broken down into two categories, Operating and Capital. Restructuring Revenue, if any, is also specified.

Operating revenues consist of fees and charges such as custom work, sale of supplies and charges for water and sewer. Certain conditional grants that are specific to the operations of the functional area are also classified as operating revenues. These include grants for student employment, local government, and donations to a specific area.

Capital revenues are grant funds that are specific to a functional area and are stipulated to be used for capital purchases.

Revenue is recognized when performance obligations have been met. Performance obligations are enforceable promises to provide specific goods or services to a specific payor.

Appendix A-2 provides specific details pertaining to revenue recognition as it pertains to:

- Own source revenue
- Government transfers
- Restricted funds (deferral method)
- Performance obligations and performance obligations as liabilities

Sample Schedule

Municipality of	Please Fill in Municipality Name					
Schedule of Operating and Capital Revenue by Function						
As at December 31, 2024						Schedule 2 - 1
				2024 Budget	2024	2023
GENERAL GOVERNMENT SERVICES						
Operating						
	Other Segmented Revenue					
	Fees and Charges					
	- Custom work					
	- Sales of supplies					
	- Other (Specify)					
	Total Fees and Charges			-	-	-
	- Tangible capital asset sales - gain (loss)					
	- Intangible capital asset sales - gain (loss)					
	- Land sales - gain					
	- Investment income					
	- Commissions					
	- Other (Specify)					
	Total Other Segmented Revenue			-	-	-
	Conditional Grants					
	- Student Employment					
	- MEEP					
	- Other (Specify)					
	Total Conditional Grants			-	-	-
Total Operating				-	-	-
Capital						
	Conditional Grants					
	- Canada Community-Building Fund (CCBF)					
	- ICIP					
	- Provincial Disaster Assistance					
	- MEEP					
	- Other (Specify)					
Total Capital				-	-	-
Restructuring Revenue (Specify, if any)						
Total General Government Services				-	-	-

PROTECTIVE SERVICES						
Operating						
	Other Segmented Revenue					
	Fees and Charges					
		- Other (Specify)				
	Total Fees and Charges			-	-	-
	- Tangible capital asset sales - gain (loss)					
	- Intangible capital asset sales - gain (loss)					
	- Other (Specify)					
	Total Other Segmented Revenue			-	-	-
	Conditional Grants					
	- Student Employment					
	- Local government					
	- MEEP					
	- Other (Specify)					
	Total Conditional Grants			-	-	-
Total Operating				-	-	-
Capital						
	Conditional Grants					
	- Canada Community-Building Fund (CCBF)					
	- ICIP					
	- Provincial Disaster Assistance					
	- Local government					
	- MEEP					
	- Other (Specify)					
Total Capital				-	-	-
Restructuring Revenue (Specify, if any)						
Total Protective Services				-	-	-

Municipality of	Please Fill in Municipality Name				
Schedule of Operating and Capital Revenue by Function					
As at December 31, 2024					Schedule 2 - 2
				2024 Budget	2024
					2023
TRANSPORTATION SERVICES					
Operating					
	Other Segmented Revenue				
	Fees and Charges				
	- Custom work				
	- Sales of supplies				
	- Road Maintenance and Restoration Agreements				
	- Frontage				
	- Other (Specify)				
	Total Fees and Charges			-	-
	- Tangible capital asset sales - gain (loss)				
	- Intangible capital asset sales - gain (loss)				
	- Other (Specify)				
	Total Other Segmented Revenue			-	-
	Conditional Grants				
	- RIRG (CTP)				
	- Student Employment				
	- MEEP				
	- Other (Specify)				
	Total Conditional Grants			-	-
Total Operating				-	-
Capital					
	Conditional Grants				
	- Canada Community-Building Fund (CCBF)				
	- ICIP				
	- RIRG (CTP, Bridge and Large Culvert, Road Const.)				
	- Provincial Disaster Assistance				
	- MEEP				
	- Other (Specify)				
Total Capital				-	-
Restructuring Revenue (Specify, if any)					
Total Transportation Services				-	-

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES						
Operating						
	Other Segmented Revenue					
	Fees and Charges					
	- Waste and Disposal Fees					
	- <i>Other (Specify)</i>					
	Total Fees and Charges			-	-	-
	- Tangible capital asset sales - gain (loss)					
	- <i>Intangible capital asset sales - gain (loss)</i>					
	- <i>Other (Specify)</i>					
	Total Other Segmented Revenue			-	-	-
	Conditional Grants					
	- Student Employment					
	- TAPD					
	- Local government					
	- MEEP					
	- <i>Other (Specify)</i>					
	Total Conditional Grants			-	-	-
Total Operating				-	-	-
Capital						
	Conditional Grants					
	- Canada Community-Building Fund (CCBF)					
	- ICIP					
	- TAPD					
	- Provincial Disaster Assistance					
	- MEEP					
	- <i>Other (Specify)</i>					
Total Capital				-	-	-
Restructuring Revenue (Specify, if any)						
Total Environmental and Public Health Services				-	-	-

Municipality of	Please Fill in Municipality Name					
Schedule of Operating and Capital Revenue by Function						
As at December 31, 2024						Schedule 2 - 3
				2024 Budget	2024	2023
PLANNING AND DEVELOPMENT SERVICES						
Operating						
	Other Segmented Revenue					
	Fees and Charges					
		- Maintenance and Development Charges				
		- Other (Specify)				
	Total Fees and Charges			-	-	-
		- Tangible capital asset sales - gain (loss)				
		- Intangible capital asset sales - gain (loss)				
		- Other (Specify)				
	Total Other Segmented Revenue			-	-	-
	Conditional Grants					
		- Student Employment				
		- MEEP				
		- Other (Specify)				
	Total Conditional Grants			-	-	-
Total Operating				-	-	-
Capital						
	Conditional Grants					
		- Canada Community-Building Fund (CCBF)				
		- ICIP				
		- Provincial Disaster Assistance				
		- MEEP				
		- Other (Specify)				
Total Capital				-	-	-
Restructuring Revenue (Specify, if any)						
Total Planning and Development Services				-	-	-

RECREATION AND CULTURAL SERVICES						
Operating						
Other Segmented Revenue						
Fees and Charges						
- Other (Specify)						
Total Fees and Charges				-	-	-
- Tangible capital asset sales - gain (loss)						
- Intangible capital asset sales - gain (loss)						
- Other (Specify)						
Total Other Segmented Revenue				-	-	-
Conditional Grants						
- Student Employment						
- Local government						
- MEEP						
- Other (Specify)						
Total Conditional Grants				-	-	-
Total Operating				-	-	-
Capital						
Conditional Grants						
- Canada Community-Building Fund (CCBF)						
- ICIP						
- Local government						
- Provincial Disaster Assistance						
- MEEP						
- Other (Specify)						
Total Capital				-	-	-
Restructuring Revenue (Specify, if any)						
Total Recreation and Cultural Services				-	-	-

Municipality of	Please Fill in Municipality Name			
Schedule of Operating and Capital Revenue by Function				
As at December 31, 2024				Schedule 2 - 4
		2023 Budget	2023	2020
UTILITY SERVICES				
Operating				
	Other Segmented Revenue			
	Fees and Charges			
	- Water			
	- Sewer			
	- Other (Specify)			
	Total Fees and Charges	-	-	-
	- Tangible capital asset sales - gain (loss)			
	- Intangible capital asset sales - gain (loss)			
	- Other (Specify)			
	Total Other Segmented Revenue	-	-	-
	Conditional Grants			
	- Student Employment			
	- MEEP			
	- Other (Specify)			
	Total Conditional Grants	-	-	-
Total Operating		-	-	-
Capital				
	Conditional Grants			
	- Canada Community-Building Fund (CCBF)			
	- ICIP			
	- New Building Canada Fund (SCF, NRP)			
	- Clean Water and Wastewater Fund			
	- Provincial Disaster Assistance			
	- MEEP			
	- Other (Specify)			
Total Capital		-	-	-
Restructuring Revenue (Specify, if any)				
Total Utility Services		-	-	-
SUMMARY				
Total Other Segmented Revenue		-	-	-
Total Conditional Grants		-	-	-
Total Capital Grants and Contributions		-	-	-
Restructuring Revenue		-	-	-
TOTAL REVENUE BY FUNCTION		-	-	-

Figure 7 – Schedule of Operating and Capital Revenue by Function

Schedule 3 – Expenses by Function (Figure 8)

The purpose of Schedule 3 is to detail expenses and report them by functional area. The schedule usually consists of multiple pages and is numbered sequentially, Schedule 3-1, Schedule 3-2, etc. Each page contains information about two or three functional areas.

Expenses are recognized as the goods and/or services are provided to or received by the municipality. Throughout the year expenses are recorded when the invoice is received and/or paid. At year end certain estimates and accruals may be required to record expenses incurred but not yet invoiced by the vendor. This is consistent with accrual basis accounting.

Non-cash expenses such as amortization, accretion of asset retirement, restructuring costs, and change in inventories are also recorded in Schedule 3 and are recorded once a year.

- Amortization figures are taken from the TCA spreadsheet or other software packages used for tangible capital asset recording. The change in inventories, gravel and supplies is calculated by taking the difference between the opening inventory and the closing inventory. Note that the figure could also be a negative if the ending inventory value has increased over the prior year. Accretion expense is taken from Note 12 Asset Retirement Obligation. Restructuring costs would be recognized as an expense when incurred in accordance with individual sections of the PSA handbook.

Sample Schedule

Municipality of	Please Fill in Municipality Name					
Total Expenses by Function						
As at December 31, 2024						Schedule 3 - 1
					2024 Budget	2024
						2023
GENERAL GOVERNMENT SERVICES						
	Council remuneration and travel					
	Wages and benefits					
	Professional/Contractual services					
	Utilities					
	Maintenance, materials and supplies					
	Grants and contributions - operating					
	- capital					
	Amortization of Tangible Capital Assets					
	Amortization of Intangible capital assets					
	Accretion of asset retirement obligation					
	Interest					
	Allowance for uncollectible					
	Other (Specify)					
General Government Services				-	-	-
Restructuring (Specify, if any)						
Total General Government Services				-	-	-

PROTECTIVE SERVICES						
Police protection						
Wages and benefits						
Professional/Contractual services						
Utilities						
Maintenance, material and supplies						
Amortization of Tangible Capital Assets						
Amortization of Intangible capital assets						
Accretion of asset retirement obligation						
Grants and contributions - operating						
- capital						
Other (Specify)						
Fire protection						
Wages and benefits						
Professional/Contractual services						
Utilities						
Maintenance, material and supplies						
Grants and contributions - operating						
- capital						
Amortization of Tangible Capital Assets						
Amortization of Intangible capital assets						
Interest						
Accretion of asset retirement obligation						
Other (Specify)						
Protective Services				-	-	-
Restructuring (Specify, if any)						
Total Protective Services				-	-	-
TRANSPORTATION SERVICES						
Wages and benefits						
Professional/Contractual Services						
Utilities						
Maintenance, materials, and supplies						
Gravel						
Grants and contributions - operating						
- capital						
Amortization of Tangible Capital Assets						
Amortization of Intangible capital assets						
Interest						
Accretion of asset retirement obligation						
Other (Specify)						
Transportation Services				-	-	-
Restructuring (Specify, if any)						
Total Transportation Services				-	-	-

Municipality of	Please Fill in Municipality Name						
Total Expenses by Function							
As at December 31, 2024							Schedule 3 - 2
					2024 Budget	2024	2023
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES							
	Wages and benefits						
	Professional/Contractual services						
	Utilities						
	Maintenance, materials and supplies						
	Grants and contributions - operating						
			o Waste disposal				
			o Public Health				
			- capital				
			o Waste disposal				
			o Public Health				
	Amortization of Tangible Capital Assets						
	Amortization of Intangible capital assets						
	Interest						
	Accretion of asset retirement obligation						
	Other (Specify)						
Environmental and Public Health Services					-	-	-
Restructuring (Specify, if any)							
Total Environmental and Public Health Services					-	-	-

PLANNING AND DEVELOPMENT SERVICES						
	Wages and benefits					
	Professional/Contractual Services					
	Grants and contributions - operating					
	- capital					
	Amortization of Tangible Capital Assets					
	Amortization of Intangible capital assets					
	Interest					
	Accretion of asset retirement obligation					
	Other (Specify)					
Planning and Development Services				-	-	-
Restructuring (Specify, if any)						
Total Planning and Development Services				-	-	-
RECREATION AND CULTURAL SERVICES						
	Wages and benefits					
	Professional/Contractual services					
	Utilities					
	Maintenance, materials and supplies					
	Grants and contributions - operating					
	- capital					
	Amortization of Tangible Capital Assets					
	Amortization of Intangible capital assets					
	Interest					
	Accretion of asset retirement obligation					
	Allowance for uncollectible					
	Other (Specify)					
Recreation and Cultural Services				-	-	-
Restructuring (Specify, if any)						
Total Recreation and Cultural Services				-	-	-

Municipality of	Please Fill in Municipality Name						
Total Expenses by Function							
As at December 31, 2024							Schedule 3 - 3
					2024 Budget	2024	2023
UTILITY SERVICES							
	Wages and benefits						
	Professional/Contractual services						
	Utilities						
	Maintenance, materials and supplies						
	Grants and contributions - operating						
				- capital			
	Amortization of Tangible Capital Assets						
	Amortization of Intangible capital assets						
	Interest						
	Accretion of asset retirement obligation						
	Allowance for Uncollectible						
	Other (Specify)						
Utility Services					-	-	-
Restructuring (Specify, if any)							
Total Utility Services					-	-	-
TOTAL EXPENSES BY FUNCTION					-	-	-

Figure 8 – Expenses by Function

Schedule 4/5 – Consolidated Segment Disclosure by Function (Figure 9)

Schedule 4 provides a summarized side-by-side view of each expense category by function for the current fiscal year while Schedule 5 provides the same detail for the prior year.

The total for the municipality is provided in the final column. These figures can be directly tied to figures presented in Statement 2 – Statement of Operations.

The summarized breakdown of each expense category by function can be useful for comparative purposes between functional areas.

Sample Schedule

Municipality of	Please Fill in Municipality Name								
Consolidated Schedule of Segment Disclosure by Function									
As at December 31, 2024									Schedule 4
		General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)									
Fees and Charges		-	-	-	-	-	-	-	-
Tangible Capital Asset Sales - Gain		-	-	-	-	-	-	-	-
Intangible Capital Asset Sales - Gain		-	-	-	-	-	-	-	-
Land Sales - Gain		-							-
Investment Income		-							-
Commissions		-							-
Other Revenues		-	-	-	-	-	-	-	-
Grants - Conditional		-	-	-	-	-	-	-	-
- Capital		-	-	-	-	-	-	-	-
Restructurings		-	-	-	-	-	-	-	-
Total Revenues		-	-	-	-	-	-	-	-
Expenses (Schedule 3)									
Wages & Benefits		-	-	-	-	-	-	-	-
Professional/ Contractual Services		-	-	-	-	-	-	-	-
Utilities		-	-	-	-	-	-	-	-
Maintenance Materials and Supplies		-	-	-	-	-	-	-	-
Grants and Contributions		-	-	-	-	-	-	-	-
Amortization of Tangible Capital Assets		-	-	-	-	-	-	-	-
Amortization of Intangible capital assets		-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-
Accretion of asset retirement obligation		-	-	-	-	-	-	-	-
Allowance for Uncollectible		-							-
Restructurings		-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-
Total Expenses		-	-	-	-	-	-	-	-
Surplus (Deficit) by Function		-	-	-	-	-	-	-	-
Taxes and other unconditional revenue (Schedule 1)									-
Net Surplus (Deficit)									-

Municipality of	Please Fill in Municipality Name								
Consolidated Schedule of	Segment Disclosure by Function								Schedule 5
As at December 31, 2023									
		General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)									
Fees and Charges		-	-	-	-	-	-	-	-
Tangible Capital Asset Sales - Gain		-	-	-	-	-	-	-	-
Intangible Capital Asset Sales - Gain		-	-	-	-	-	-	-	-
Land Sales - Gain		-							-
Investment Income		-							-
Commissions		-							-
Other Revenues		-	-	-	-	-	-	-	-
Grants - Conditional		-	-	-	-	-	-	-	-
- Capital		-	-	-	-	-	-	-	-
Restructurings		-	-	-	-	-	-	-	-
Total Revenues		-	-	-	-	-	-	-	-
Expenses (Schedule 3)									
Wages & Benefits		-	-	-	-	-	-	-	-
Professional/ Contractual Services		-	-	-	-	-	-	-	-
Utilities		-	-	-	-	-	-	-	-
Maintenance Materials and Supplies		-	-	-	-	-	-	-	-
Grants and Contributions		-	-	-	-	-	-	-	-
Amortization of Tangible Capital Assets		-	-	-	-	-	-	-	-
Amortization of Intangible capital assets		-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-
Accretion of asset retirement obligation		-	-	-	-	-	-	-	-
Allowance for Uncollectible		-					-	-	-
Restructurings		-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-
Total Expenses		-	-	-	-	-	-	-	-
Surplus (Deficit) by Function		-	-	-	-	-	-	-	-
Taxes and other unconditional revenue (Schedule 1)									-
Net Surplus (Deficit)									-

Figure 9 – Consolidated Segment Disclosure by Function

Schedule 6/7 – Consolidated Tangible Capital Assets by Object/Function (Figure 10)

Schedule 6 details the Tangible Capital Asset transactions that occurred in the current year and are grouped by asset category. Schedule 7 itemizes the same information but groups it by functional area instead of asset category. The prior year comparative provides only the totals for each line.

The figures used in these schedules are taken directly from the supporting TCA register. The net book value (NBV) should match throughout schedule 6, 7, the supporting TCA register, and the Consolidated Statement of Financial Position.

Sample Schedule

Municipality of <u>Please Fill in Municipality Name</u>		Consolidated Schedule of Tangible Capital Assets by Object								Schedule 6	
As at December 31, 2024											
		2024								2023	
		General Assets					Infrastructure Assets		General/ Infrastructure	Total	Total
		Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets	Public Private Partnerships	Assets Under Construction		
Assets	Asset cost										
	Opening Asset costs									-	
	Additions during the year									-	
	Disposals and write-downs during the year									-	
	Transfers (from) assets under construction									-	
	Transfer of Capital Assets related to restructuring (Schedule 13)									-	
	Closing Asset Costs	-	-	-	-	-	-	-	-	-	-

Amortization	Accumulated Amortization Cost										
	Opening Accumulated Amortization Costs									-	
	Add Amortization taken									-	
	Less: Accumulated amortization on disposals									-	
	Transfer of Capital Assets related to restructuring (Schedule 13)									-	
	Closing Accumulated	-	-	-	-	-	-	-	-	-	-
	Net Book Value	-	-	-	-	-	-	-	-	-	-
	1. Total contributed/donated assets received in 2024	\$	-								
	2. List of assets recognized at nominal value in 2024 are:										
	- Infrastructure Assets	\$	-								
	- Vehicles	\$	-								
	- Machinery and Equipment	\$	-								
	3. Amount of interest capitalized in Schedule 6	\$	-								

Municipality of <u>Please Fill in Municipality Name</u>		Consolidated Schedule of Tangible Capital Assets by Function							Schedule 7	
As at December 31, 2024										
		2024							2023	
		General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
Assets	Asset cost									
	Opening Asset costs								-	
	Additions during the year								-	
	Disposals and write-downs during the year								-	
	Transfer of Capital Assets related to restructuring (Schedule 13)								-	
	Closing Asset Costs	-	-	-	-	-	-	-	-	-

Amortization	Accumulated									
	Opening Accumulated Amortization Costs								-	
	Add: Amortization taken								-	
	Less: Accumulated amortization on disposals								-	
	Transfer of Capital Assets related to restructuring (Schedule 13)								-	
	Closing Accumulated Amortization Costs	-	-	-	-	-	-	-	-	-
	Net Book Value	-	-	-	-	-	-	-	-	-

Figure 10 – Consolidated Schedule of Tangible Capital Assets by Object

Schedule 8/9 – Consolidated Schedule of Intangible Assets by Object/ Function (Figure 11) (Note: Applicable starting January 1, 2024)

Schedule 8 details the Intangible Asset transactions that occurred in the current year and are grouped by asset category. Schedule 9 itemizes the same information but groups it by functional area instead of asset category. The prior year comparative provides only the totals for each line.

The net book value (NBV) should match throughout schedule 8, 9, and the Consolidated Statement of Financial position.

Sample Schedule

Municipality of		Please Fill in Municipality Name																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
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Amortization	Accumulated Amortization Cost											
	Opening Accumulated Amortization Costs										-	
	Add: Amortization taken										-	
	Less: Accumulated amortization on disposals										-	
	Transfer of Intangible Capital Assets related to restructuring (Schedule										-	
	Closing Accumulated	-	-	-	-	-	-	-	-	-	-	-
	Net Book Value	-	-	-	-	-	-	-	-	-	-	-
	1. Total contributed/ donated assets received in 2024	\$	-									
	2. List of assets recognized at nominal value in 2024 are:											
	- Infrastructure Assets	\$	-									
- Vehicles	\$	-										
- Machinery and Equipment	\$	-										
3. Amount of interest capitalized in Schedule 8	\$	-										

Figure 11 – Consolidated Schedule of Intangible Assets by Object/ Function

Sample Schedule

Municipality of	Please Fill in Municipality Name					
Consolidated Schedule of Accumulated Surplus						
As at December 31, 2024						Schedule 10
				2023	Changes	2024
UNAPPROPRIATED SURPLUS						
APPROPRIATED RESERVES						
	Machinery and Equipment					-
	Public Reserve					-
	Capital Trust					-
	Utility					-
	Other (Specify)					-
Total Appropriated				-	-	-
ORGANIZED HAMLETS (add lines if required)						
	Organized Hamlet of (Name)					-
	Organized Hamlet of (Name)					-
	Organized Hamlet of (Name)					-
	Organized Hamlet of (Name)					-
	Organized Hamlet of (Name)					-
	Organized Hamlet of (Name)					-
Total Organized Hamlets				-	-	-
NET INVESTMENT IN CAPITAL ASSETS						
	Tangible capital assets (Schedule 6, 7)			-	-	-
	Intangible capital assets (Schedule 8, 9)			-	-	-
	Less: Related debt					-
Net Investment in Capital Assets				-	-	-
Accumulated Surplus (Deficit) excluding remeasurement gains (losses)				-	-	-

Figure 12 – Consolidated Schedule of Accumulated Surplus

Schedule 11 – Schedule of Mill Rates and Assessments (Figure 13)

Schedule 11 provides details about the mill rates, as well as the taxable assessments and levies under each of the property classes. Total Municipal Tax Levy on Schedule 11 should equal the General Municipal Tax Levy on Schedule 1.

Sample Schedule

Municipality of	Please Fill in Municipality Name						
Schedule of Mill Rates and Assessments							
As at December 31, 2024							Schedule 11
	PROPERTY CLASS						
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	Total
Taxable Assessment							-
Regional Park Assessment							
Total Assessment							-
Mill Rate Factor(s)							
Total Base/Minimum Tax (generated for each property class)							-
Total Municipal Tax Levy (include base and/or minimum tax and special levies)							-
MILL RATES:	MILLS						
Average Municipal*							
Average School*							
Potash Mill Rate							
Uniform Municipal Mill Rate							
* Average Mill Rates (multiply the total tax levy for each taxing authority by 1000 and divide by the total assessment for the taxing authority).							

Figure 13 – Schedule of Mill Rates and Assessments

Schedule 12 – Schedule of Council Remuneration (Figure 14)

Schedule 12 provides details about the remuneration and reimbursed costs paid to each elected official.

Sample Schedule

<u>Municipality of</u>	<u>Please Fill in Municipality Name</u>				
Schedule of Council Remuneration					
As at December 31, 2024					
					Schedule 12
	Position	Name	Remuneration	Reimbursed Costs	Total
	Reeve/Mayor				-
	Councillor				-
	Councillor				-
	Councillor				-
	Councillor				-
	Councillor				-
	Councillor				-
	Councillor				-
	Councillor				-
	Councillor				-
	Councillor				-
					-
					-
					-
	Total		-	-	-

Figure 14 – Schedule of Council Remuneration

Schedule 13 – Schedule of Restructuring (Figure 15)

At the restructuring date individual assets and liabilities received in a restructuring transaction are recognized by the recipient and derecognized by the transferor. Schedule 13 provides details about the carrying value of assets and liabilities that were transferred/received at Restructuring Date.

Sample Schedule

Municipality of	Please Fill in Municipality Name	
Schedule of Restructuring		
As at December 31, 2024		Schedule 13
		2024
Carrying Amount of Assets and Liabilities Transferred/Received at Restructuring Date:		
	Cash and Cash Equivalents	-
	Investments	-
	Taxes Receivable - Municipal	-
	Other Accounts Receivable	-
	Assets Held for Sale	-
	Long-Term Receivable	-
	Debt Charges Recoverable	-
	Derivative Assets	-
	Bank Indebtedness	-
	Accounts Payable	-
	Accrued Liabilities Payable	-
	Derivative Liabilities	-
	Deposits	-
	Deferred Revenue	-
	Asset Retirement Obligation	-
	Liability for Contaminated Sites	-
	Infrastructure Liability	-
	Other Liabilities	-
	Long-Term Debt	-
	Lease Obligations	-
	Tangible Capital Assets	-
	Intangible capital assets	-
	Prepayments and Deferred Charges	-
	Stock and Supplies	-
	Other	-
	Total Net Carrying Amount Received (Transferred)	-

Figure 15 – Schedule of Restructuring

Municipal Financial Statement Preparation

Trial Balance

A useful tool to assist in the preparation of the financial statements is a Trial Balance.

Many account numbers and account descriptions will be common to municipalities, but each municipality is likely to have unique additional accounts.

An Excel spreadsheet is commonly used as a template and should be set up to show the following information:

- Each account number is shown on a separate line with the year-end account balance taken directly from the Trial Balance report produced from the municipal accounting software (Figure 16). The purpose of a trial balance is to ensure that the debits and credits entered into the financial system are equal. The total of the account balances must equal zero.

	A	B	C	D
1	Trial Balance Example			
2	Year End Close Working Paper			
3	Financial Statement Preparation			
4				
5	Account Number	Account Description	Account Class	Balance
6	100-100-000	Bank	Financial Asset	50,000
7	200-100-000	Accounts Receivable	Financial Asset	100,000
8	200-200-000	Government Grants Receivable	Financial Asset	75,000
9	200-300-000	GST Receivable	Financial Asset	5,000
10	250-100-000	Prepaid General	Non-Financial Asset	2,000
11	300-100-000	Land	Non-Financial Asset	200,000
12	300-200-000	Building	Non-Financial Asset	400,000
13	300-300-000	Equipment	Non-Financial Asset	225,000
14	300-250-000	Accumulated Depreciation	Non-Financial Asset	(100,000)
15	400-100-000	Accounts Payable	Liability	(20,000)
16	400-150-000	Accrued Payables	Liability	(7,000)
17	400-250-000	Asset Retirement Obligation	Liability	(100,000)
18	450-100-000	Long-Term Debt	Liability	(50,000)
19	500-100-000	Deferred Revenue	Liability	(50,000)
20	600-100-000	Accumulated Surplus	Accumulated Surplus	(752,000)
21	710-100-000	GIL - Provincial	Revenue	(105,000)
22	720-200-000	GIL- Sask Energy	Revenue	(75,000)
23	730-150-000	Interest Revenue	Revenue	(5,000)
24	730-250-000	Dividends Revenue	Revenue	(8,000)
25	800-100-000	GC - Salaries	Expense	100,000
26	800-150-000	GC - Benefits	Expense	10,000
27	805-100-000	Interest Expense	Expense	5,000
28	810-100-000	Depreciation	Expense	20,000
29	850-100-000	CG - Audit/ Accounting	Expense	4,000
30	850-200-000	CG- Admin	Expense	50,000
31	850-300-000	CG - Advertising	Expense	6,000
32	865-000-000	Accretion Expense	Expense	20,000
33	Net amount			0

Figure 16 – Sample Excel Trial Balance

- Columns are used to represent each line in Statements 1 – Consolidated Statement of Financial Position and 2 - Statement of Operations.

F	G	H	I	J	K	L	M	N	O	P	Q	R	S
Statement of Financial Position (Balance Sheet)													
Financial Assets					Financial Liabilities					Non - Financial Assets			
Cash & Temporary Investments	Taxes Receivable	Other Receivable	Land for Resale	Long Term Investment	Accounts Payable	Accrued Liabilities	Deposits	Deferred Revenue	Long Term Debt	Tangible Capital Assets	Prepayments		

Figure 17 – Consolidated Statement of Financial Position

Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK
Statement of Operations (Income Statement)												
Revenues					Functional Expenses							
Taxes	Fees & Charges	Conditional Grants	Investment Income	Capital Grants	General Government	Protective Services	Transportation Services	Enviro/Public Health Services	Plan & Development	Recreation	Utility	

Figure 18 – Statement of Operations

The totals provide cross-reference figures for the final statements and schedules. For example, the Revenues column totals should match the corresponding line figures in Statement 2 and revenue line totals in Schedules 4 and 5 – Segment Disclosure by Function. The trial balance should be reconciled to the financial statements.

Financial Statement Preparation

The financial statement spreadsheet is prepared each year and is designed to minimize data entry which helps the user carry the information from the schedules to the statements. This saves time and helps avoid data entry errors.

As much of the information is brought forward from the supporting notes and schedules the following accounting manual will identify which schedules should be completed initially to provide the most information into the actual Financial Statements. A summation of notes and schedules used to prepare each Financial Statement will be provided as a cross-reference as well as to help identify any additional information that should be entered directly into one of the four Financial Statements.

The following accounting manual describes and uses the Financial Statement template format and is available on the Government of Saskatchewan [website](#).

Important notes containing cross-reference balancing information are provided for each statement to ensure all statement balances cross total with other statements and schedules.

Supporting Schedules

Schedule	Purpose/ Notes	Procedure
Schedule 1 – Schedule of Taxes and Other Unconditional Revenue	Note that these revenues are not attributed to any specific functional area.	Enter the required information for the current year actual, prior year actual and current year budget.
Schedule 2 – Schedule of Operating and Capital Revenue by Function	<p>This schedule identifies revenues by functional area and include:</p> <ul style="list-style-type: none"> - Fees and charges - Intangible and tangible capital asset sales gain (loss) - Operating conditional grants - Capital conditional grants - Investment income - Other <p>Note that the actual revenue categories may vary by functional area.</p>	Enter the required information for the current year actual, prior year actual and the current year budget.
Schedule 3 – Expenses by Function	The schedule identifies expenses by functional area and although many lines are similar there may be some variations in expense categories between functions.	Enter the required information for the current year actual, prior year actual and the current year budget.
Schedule 4 (current year) and Schedule 5 (prior year comparatives) – Schedule of Segment Disclosure by Function	<p>Schedule 4 identifies revenue and expenses by function for the current year. Schedule 5 identifies revenue and expenses by function for the prior year.</p> <p>Important Note: The Total Revenues must equal the Total Operating and Capital Revenue by Function on the final page of Schedule 2. The Total Expenses must equal the Total Expenses by Function on the final page of Schedule 3.</p>	The information is obtained from Schedules 1, 2 and 3.
Schedule 6 – Schedule of Tangible Capital Assets by Object	<p>This schedule identified Tangible Capital Assets by Object and although many lines are similar there may be some variations in assets between functions.</p> <p>Important Note:</p>	<p>The information required for this schedule can be taken from the TCA Register.</p> <p>Note that it may be easier to complete this schedule using a printed copy then transfer the information into the electronic copy.</p>

Schedule	Purpose/ Notes	Procedure
	<p>The current year Opening Asset Cost Total must equal the prior year Closing Asset Cost. The same applies to the Accumulated Amortization section.</p> <p>The total of the asset class must equal the summation of the General Ledger accounts for that asset class. For example, total vehicles must equal the summation of all the vehicle asset accounts.</p>	<p>Enter the cost and amortization information taken from the TCA Register.</p> <p>Enter the prior year totals only. This can be taken directly from the prior year Financial Statements.</p>
Schedule 7 – Schedule of Tangible Capital Assets by Function	<p>This schedule identifies Tangible Capital Assets by Functional Areas and although many lines are similar there may be some variations in assets between functions.</p>	<p>The same process used for Schedule 6 can be applied to this schedule.</p> <p>Print Schedule 7.</p> <p>Use the TCA Register to manually fill in the current year totals.</p> <p>Transfer the information to the electronic version.</p> <p>Enter the prior year totals.</p> <p>Verify the totals.</p>
Schedule 8 – Schedule of Intangible Assets by Object (applicable for financial years beginning on January 1, 2024)	<p>Important note: the current year Opening Asset Cost Total must equal the prior year Closing Asset Cost. The same applies to the Accumulated Amortization section.</p> <p>The total of the asset class must equal the summation of the General Ledger accounts for that asset class.</p>	<p>Use the Intangibles Schedule to manually fill in the current year totals.</p> <p>Transfer the information to the electronic version.</p> <p>Enter the prior year totals.</p> <p>Verify the totals.</p>
Schedule 9 – Schedule of Intangible Assets by Function (applicable for financial years beginning on January 1, 2024)	<p>This schedule identifies Intangible Assets by Functional Areas and although many lines are similar there may be some variations in assets between functions.</p>	
Schedule 10 – Schedule of Accumulated Surplus	<p>This schedule identifies the details of accumulated surplus, which comprises of unappropriated surplus, appropriated reserves, organized hamlets, and net investment in tangible / intangible capital assets.</p>	<p>Enter the prior year information from the prior year Audited Financial Statements.</p> <p>Accumulated surplus will be calculated automatically based on the information entered.</p>

Schedule	Purpose/ Notes	Procedure
	<p>This schedule excludes remeasurement gains and losses.</p> <p>Important Note: The current and prior year Total Accumulated Surplus must equal the Accumulated Surplus (Deficit) as shown at the end of Statements 1 and 2.</p>	The investment in TCA will pull from the information entered in Schedule 6.
Schedule 11 – Schedule of Mill Rates and Assessments	This schedule summarizes properties taxable assessments, tax tools used, and the resulting levies by property class.	Enter the required information for the current year.
Schedule 12 – Schedule of Council Remuneration	This schedule identifies remuneration and reimbursed costs of elected officials.	
Schedule 13 – Schedule of Restructuring	<p>This schedule identifies the carrying amount of assets and liabilities transferred/received at restructuring date.</p> <p>Important note: This schedule is only applicable when a restructuring transaction has occurred.</p>	Obtain carrying values as at the restructuring date and enter the totals.

Notes to the Consolidated Financial Statements

Important note: Not every municipality will utilize each note. Only enter information in the notes that pertain to your municipality. You are also permitted to add additional note disclosures as required.

See Note 1 Significant Accounting Policies for detailed descriptions of key policies followed in the presentation of the financial statements.

Note Number	Financial Statement Line	Procedure
Note 1	Significant Accounting Policies	<p>This note discloses key accounting policies that impact the consolidated financial statements. The information in this note should be reviewed annually for material changes.</p> <p>Where a change has been made to an accounting policy in a given year, the impacts should be disclosed in accordance with the relevant PSAS</p>

Note Number	Financial Statement Line	Procedure
		section. For example, the updated PSAS 3400 Revenue standards that are adopted for the year-end beginning January 1, 2024. See note 1e for revenue policy disclosure.
Note 2	Statement 1 - Cash and Cash Equivalents	Enter the required information and replace the [\$] with the actual figures.
Note 3	Statement 1 - Investments	Enter the required information and replace the [\$] with the actual figures. Important note: This note includes the required disclosures for adoption of PS3450 Financial Instruments for 2023.
Note 4	Statement 1 - Taxes Receivable – Municipal	Enter the required information and replace the [\$] with the actual figures.
Note 5	Statement 1 - Other Accounts Receivable	Enter the required information and replace the [\$] with the actual figures.
Note 6	Statement 1 - Assets Held for Sale	Enter the required information and replace the [\$] with the actual figures.
Note 7	Statement 1 - Long-Term Receivable	Enter the required information and replace the [\$] with the actual figures.
Note 8	Statement 1 - Debt Charges Recoverable	Enter the required information and replace the [\$] with the actual figures.
Note 9	Statement 1 - Financial Instruments – Fair Value Disclosures	Enter the required information and replace the [\$] with the actual figures. Important note: This note includes the required disclosures for adoption of PS3450 for 2023.
Note 10	Statement 1 - Bank Indebtedness	Enter the required information and replace the [\$] with the actual figures.
Note 11	Statement 1 - Deferred Revenue	Enter the required information and replace the [\$] with the actual figures.
Note 12	Statement 1 - Asset Retirement Obligation	Enter the required information and replace the [\$] with the actual figures. Important note: This note replaces Accrued Landfill Costs (PSAS 3270) with Accrued Asset Retirement Obligations (PSAS 3280) and is effective for 2023.
Note 13	Statement 1 - Liability for Contaminated Sites	Enter the required information and replace the [\$] with the actual figures.
Note 14	Statement 1 - Long-Term Debt	Enter the required information and replace the [\$] with the actual figures.

Note Number	Financial Statement Line	Procedure
Note 15	Statement 1 - Lease Obligations	Enter the required information and replace the [\$] with the actual figures.
Note 16	Statement 1 - Other Non-Financial Assets	Enter the required information and replace the [\$] with the actual figures.
Note 17	Statement 1 - Contingent Liabilities	Enter the required information and replace the [\$] with the actual figures.
Note 18	Pension Plan	Enter the required information and replace the [\$] with the actual figures.
Note 19	Comparative Figures	This note will change year to year and note every municipality will use this note.
Note 20	Trusts Administered by the Municipality	Enter the required information and replace the [\$] with the actual figures.
Note 21	Related Parties	Enter the required information and replace the [\$] with the actual figures. This note outlines transactions and balances outstanding with related parties.
Note 22	Statement 1 - Contingent Assets	Enter the required information and replace the [\$] with the actual figures.
Note 23	Statement 1 - Contractual Rights	Enter the required information and replace the [\$] with the actual figures.
Note 24	Statement 1 - Contractual Obligation and Commitments	Enter the required information and replace the [\$] with the actual figures.
Note 25	Restructuring Transactions	Enter the required information and replace the [\$] with the actual figures.
Note 26	Risk Management	Enter the required information and replace the [\$] with the actual figures. Important note: This note includes the required disclosures for adoption of PS3450 for 2023.
Note 27	Public Private Partnerships	Enter the required information and replace the [\$] with the actual figures. Important note: This note is applicable for 2024.
Note 28	Statement 2 – Revenue	Enter the required information and replace the [\$] with the actual figures. This note is applicable when there are collection uncertainties to disclose, or significant concessionary terms associated with revenue. This is applicable for 2024.

Note Number	Financial Statement Line	Procedure
Note 29	Correction of Prior Period Error	<p>Enter the required information and replace the [\$] with the actual figures.</p> <p>Important note: Not every municipality will utilize each Note. Only enter information in the notes that pertain to your municipality.</p>
Note 30	Subsequent Events	Enter the required information, if applicable.
Note 31	Loan Guarantee	Enter the required information and replace the [\$] with the actual figures.

Summary of Input Required for each Main Financial Statement

Statement	Notes	Procedure
Statement 1 – Statement of Financial Position	Important note: The Accumulated Surplus on Statement 1 must equal Accumulated Surplus excluding remeasurement gains (losses) on Schedule 10 and Accumulated remeasurement gains (losses) on Statement 5.	Information is pulled directly from: <ul style="list-style-type: none"> Standard Notes 2 thru 16 and 21 thru 25 and 27, and Schedules 6, 7, 8, 9 and 10. Additional (directly entered) information includes: <ul style="list-style-type: none"> Items in the Liabilities section- accounts payable, accrued liabilities, deposits, and other liabilities. Non-financial assets including prepayments and deferred charges, stock, and supply values.
Statement 2 – Statement of Operations	Important notes: The Annual Surplus (Deficit) of Revenues over Expenses must equal the Net Surplus (Deficit) on Schedule 4. The Accumulated Surplus (Deficit) excluding remeasurement gains (losses), End of Year must equal the Accumulated Surplus (Deficit) excluding remeasurement gains (losses) on Statement 1 and Schedule 10.	Information is pulled directly from Schedules 1 and 3 to 5. Additional information is the Accumulated Surplus at the beginning of the prior, comparative year. For example, for the 2022 reporting year the 2021 opening (or 2020 closing) accumulated surplus would need to be manually entered.
Statement 3 – Statement of Changes in Net Financial Assets	Important note: The Net Financial Assets - End of Year must equal the Net Financial Assets shown on Statement 1. The statement should be adjusted by unrealized remeasurement gains (losses).	Only the starting surplus or deficit is carried forward from Statement 2. Capital expenses/expenditures must be manually entered from various sources including the TCA Register, Schedule 6 and 7. Changes in other non-financial expenses/expenditures must also be entered manually. These values can be found by looking at detailed GL account information for the increase and decreases in the prepaid and supplies inventory accounts. Acquisitions would be represented by purchases made - these may be recorded

Statement	Notes	Procedure
		<p>in the asset accounts or in the expense accounts.</p> <p>Consumption or use would be identified by any year-end adjusting entries to account for any decreases or increases to the asset accounts.</p> <p>Similar to Statement 2 the Net Financial Assets at the beginning of the prior, comparative year would need to be entered.</p>
Statement 4 – Statement of Cash Flows	<p>Important notes:</p> <p>The total of amortization and the net cash from (used for) capital will equal the change in Net Book Value (NBV) of the capital assets from one year to the next in the capital section.</p> <p>The total of the financing section will equal the combination of the Long-Term Debt and Lease Obligations on Statement 1.</p> <p>The ending Cash and Cash Equivalents – End of Year must equal the Cash and Cash Equivalents on Statement 1.</p>	<p><u>Changes in Assets/Liabilities:</u></p> <p>The Change in Assets/Liabilities section needs to be manually calculated. These are the changes between the current year and prior year which can be calculated using the figures on Statement 1. Remember this is the change in the account balance year-over-year. For an asset, an increase over the prior year would indicate a use of cash and would be recorded as a negative number on Statement 4. Conversely an increase in a liability would indicate a savings of cash or positive number.</p> <p><u>Capital section:</u></p> <p>The Capital section is straight forward in listing the total expenditure on capital assets and the total receipts (proceeds) on the sale of capital assets.</p> <p><u>Investing section:</u></p> <p>Investing is calculated the same as the Change in Assets/Liabilities section. It is the change in the account balance year-over-year and can be an increase (credit, use of cash) or a decrease (debit, source of cash).</p> <p><u>Financing section:</u></p> <p>The Financing section shows the debt issued and repaid separately.</p>

Statement	Notes	Procedure
Statement 5 – Statement of Remeasurement Gains and Losses	Important note: If any amounts have been reclassified to the Statement of Operations, ensure to include them in the appropriate line	Obtain the beginning balances of accumulated remeasurement gains and losses. Obtain the information for the unrealized change in the fair value of derivatives, equity investments measured at fair value and foreign exchange (if applicable). See Note 3 for unrealized gains (losses) and amounts reclassified to statement of operations.

Budget Preparation

Sections 155-159 MA, Sections 175-181 NMA, and Sections 128-131 CA require municipalities to prepare and adopt a budget on an annual basis and no council may authorize a tax levy without having adopted the annual operating and capital budget for that year.

Setting the municipal budget should be done as soon as possible in order to provide staff with the guidance needed to achieve the municipality's goals for the year. Ideally this process should be completed prior to the beginning of the new fiscal year.

The budget process has two components: The routine maintenance and operations of the municipality (the operating budget) and capital planning (the capital budget).

Developing a budget is beneficial because a budget:

- Identifies priorities as determined by Council,
- Is a tool to communicate those priorities to the public and to staff, and
- Assists with determining whether existing financial resources are sufficient to meet municipal spending needs.

It is important to note that municipalities may choose to develop their own format and that this is not a prescribed form. Locally developed budget forms should parallel the financial statement format used by the municipality. This will ensure line-by-line comparison of actual versus budgeted figures.

The budget format used in this manual is a modified Cash Budget. This means that the previous method of a balanced budget (prior to 2009) is used to start the process and an additional section is added to transition the budget to an Accrual Budget.

The purpose of the combination of the cash basis budget and the accrual basis budget is to help the municipality identify the cash needed for the coming year. The differentiating factor that needs to be considered is the accrual method accounts for the amortization of TCAs whereas the cash basis accounts for the purchase of the TCA. This means the municipality would need to provide 100 per cent of the funds required to purchase assets in that year.

Using only an accrual basis budget as described below would enable the municipality to build reserves for asset replacements as amortization is essentially funded each year. Although an accrual-based budget is not required to be balanced it would not be prudent to budget a loss year after year without considering the long-term impact this could have on the municipality.

A generic budget spreadsheet can be downloaded from the Government of Saskatchewan [website](#).

Completing the Budget

Used to help complete the next fiscal budget, the form enables the user to input the current year's budget and the current year actual to date. Unless it is using Zero Based Budgeting the municipality is likely to compile the next budget based largely on the current budget and current year actual results. It may also be useful to have the prior year's actual results available for additional historical comparatives.

Zero-based budgeting is an approach to planning and decision-making which reverses the working process of traditional budgeting. In traditional incremental budgeting, departmental managers justify only variances versus past years which is based on the assumption that the "baseline" is automatically approved. In zero-based budgeting every line item of the budget must be approved rather than only changes. During the review process no reference is made to the previous level of expenditure. Zero-based budgeting requires the budget request be re-evaluated thoroughly starting from the zero-base.

This process depends on whether the total budget or specific line items are increasing or decreasing.

To complete the budget:

- All known or anticipated revenues and expenditures are entered into the appropriate section of the budget spreadsheet. Fees and charges have an additional column to identify the functional area. This filtered column will be useful when transferring the budget figures to Schedule 2 in preparation of the annual financial statements. See Figure 16.

42	FEES AND CHARGES (Schedule 02)						
43				Functional Area			
44	Sales of:	Gravel					
45		Supplies					
46							
47	Rentals						
48							
49	Policing and Fire Fees						
50							
51	Recreation Fees:						
52		Recreation Centre Fees: Skating Rink					
53		Curling Rink					
54		Swimming Pool					
55		Golf Fees					
56		Baseball diamonds					
57		Sports fields					

Figure 19 – Fees and Charges Schedule

- Each functional area expenditure section has a line for tangible/intangible capital asset expenditures. This would be the total cost of any anticipated tangible/intangible capital asset purchases.
- The final portion of the Cash Budget section of the budget spreadsheet is for any debt repaid or issued and for any transfers to or from Reserves. This would include any appropriated reserves or transfers from the operating fund to cover an anticipated cash deficit.

The final section of the spreadsheet is used to calculate the anticipated **Accrual Based** surplus or deficit as shown in Figure 17.

- Any amounts entered for TCA expenditures, debt or transfers from reserves will be carried to the accrual section and be reversed. As these are considered Investing or financing activities, they are not relevant to the current year's anticipated budgeted surplus or deficit.
- Additional information that must be entered is:
 - o the annual amortization by functional area. These figures are available from the TCA Register,
 - o expected gains or losses incurred on the disposal of TCAs,
 - o expected changes to supplies/inventories, and
 - o expected changes to prepaid expenses.

632	Accrual Budget							
633								
634	TOTAL CASH SURPLUS/(DEFICIT) (Must be greater than zero)				-	-	-	
635								
636	Long Term Debt							
637	Less:	Long Term Debt Issue			-	-	-	
638	Add:	Long Term Debt repayment			-	-	-	
639								
640								
641	Municipal Reserves							
642	Less:	Operating Fund Usage			-	-	-	
643		Appropriated Fund Usage			-	-	-	
644								

Figure 17 – Accrual Budget

Accrual Based Budget

Municipalities using an accrual-based budget may still choose to try to present a balanced budget. This option enables a municipality to fund tangible / intangible capital asset amortization. Some municipalities currently set aside money in a reserve fund for eventual capital replacement; however, funding amortization is essentially accomplishing the same thing.

Municipalities wishing to prepare only an accrual-based budget will need to make the following modifications to the budget spreadsheet:

- Remove the capital proceeds lines from the revenues,
- Insert a gain/loss on disposal in each functional area,
- Change the capital expenditure line to amortization,
- Add change in supplies/inventories,
- Remove debt issued and repaid, and
- Remove transfers from/to.

Appendices

A-1 Reporting Entity Control

Governments carry out their policies and deliver services through various forms of organizations. Some organizations, such as departments or ministries are integral to the operations of government in performing its executive function. They are subject to direct Cabinet, Ministerial, Council and budgetary objectives.

Other organizations, such as boards, commissions and corporations of the government have broad financial powers and operational authority delegated to their management. They typically have more discretion in establishing their systems and practices and are not bound by all the directives and guidelines that apply to ministries, departments, or funds.

These organizations may prepare separate financial statements which constitute important accountability documents by their management. However, only summary financial statements that report on the government as a whole and present aggregated information for all such government organizations can provide an understandable overview of the full nature and extent of the financial affairs and resources for which the government is responsible.

According to Section PS 1300.07 of the PSAB Handbook the government reporting entity should comprise the organizations that are controlled by the government.

The question then is how one decides when to include or exclude an organization from a government's financial statements.

Section PS 1300.14 of the PSAB Handbook provides:

PS 1300.14 There are a variety of ways to govern the financial and operating policies of an organization. For example:

- (a) a government may establish an organization's fundamental purpose and eliminate or significantly limit the ability of the organization to make future decisions by predetermining the financial and operating policies of the organization,
- (b) a government may direct the financial and operating policies of an organization on an ongoing basis, or
- (c) a government may veto, overrule, or modify the financial and operating policies established by an organization.

Indicators of control are outlined in PS 1300.18 and 19:

PS 1300.18 There are certain indicators that provide more persuasive evidence of control:

- (d) government has the power to unilaterally appoint or remove a majority of the members of the governing body of the organization,
- (e) government has ongoing access to the assets of the organization, has the ability to direct the ongoing use of those assets, or has ongoing responsibility for losses,

- (f) government holds the majority of the voting shares or a "golden share" that confers the power to govern the financial and operating policies of the organization, and
- (g) government has the unilateral power to dissolve the organization and thereby access its assets and become responsible for its obligations.

PS 1300.19 Other indicators that may provide evidence of control exist when the government has the power to:

- (a) provide significant input into the appointment of members of the governing body of the organization by appointing a majority of those members from a list of nominees provided by others or being otherwise involved in the appointment or removal of a significant number of members,
- (b) appoint or remove the CEO or other key personnel,
- (c) establish or amend the mission or mandate of the organization,
- (d) approve the business plans or budgets for the organization and require amendments, either on a net or line-by-line basis,
- (e) establish borrowing or investment limits or restrict the organization's investments,
- (f) restrict the revenue-generating capacity of the organization, notably the sources of revenue, and
- (g) establish or amend the policies that the organization uses to manage, such as those relating to accounting, personnel, compensation, collective bargaining, or deployment of resources.

"Golden share" refers to a class of share that entitles the holder to specified powers or rights generally exceeding those normally associated with the holder's ownership interest or representation on the governing body.

When applying Section PS 1300.14, the more indicators that are responded to with a positive statement, the greater the likelihood that the board, commission, or corporation should be consolidated with the financial statements of the municipality.

A-2 Revenue Recognition

Own Source Revenues

These revenues are considered operational and are recognized as revenue when performance obligations are met. When performance obligations are met, but cash is not received at year end, revenue would need to be accrued and/or set up as an Accounts Receivable. The following sections referenced from the PSAB handbook provide specific detail to assist in the understanding of revenue recognition as it relates to taxes, fees, and charges.

PS 1201.081 - Revenues, including gains, should be recognized in the period in which the transactions or events occurred that gave rise to the revenues. Gains are generally recognized when realized in the statement of operations. Items not practicably measurable until cash is received would be accounted for at that time.

PS 3510.08 - Taxes should be recognized as assets and revenue when:

- (a) they meet the definition of an asset set out in Financial Statement Concepts, Section PS 1000,
- (b) they are authorized as described in paragraph PS 3510.17, and
- (c) the taxable event occurs.

PS 3510.17 - A tax is considered authorized by a legislature or council for revenue recognition purposes when the effective date of the tax has passed and the earlier of the following has occurred:

- (a) the related legislation, regulations or by-laws have been approved by the legislature or council, or
- (b) the ability to assess and collect tax has been provided through legislative convention. PS 3400.19-25 Performance obligations (applicable for 2024):
 - A payor exchanges consideration for specific benefits in the form of enforceable promises made by a public sector entity. These enforceable promises constitute performance obligations.
 - Enforceable promises create a valid expectation of the payor that the public sector entity will transfer a good or service. Enforceable promises may arise from a contract negotiated with the payor or from terms set by the public sector entity. Many goods and services are subject to a payor's acceptance of standard terms. If a promise is enforceable by a payor, it is a performance obligation, whether written or not.
 - In some cases, transactions with performance obligations arise from the public sector entity's authority to provide rights to a good or service. For example, a public sector entity is the only entity that can provide a payor the right to drive by issuing a driver's license.
 - A public sector entity's mandate or mission does not create performance obligations on its own because it does not establish an enforceable promise to a specific payor. Obligations associated with fulfilling a public sector entity's mandate generally benefit the community as a whole rather than a specific payor.

- Social policies or programs established by a public sector entity, such as health care, do not create performance obligations. The public sector entity has not entered into a specific transaction with a particular payor.
- Performance obligations do not include activities that a public sector entity undertakes unless those activities provide a distinct good or service to the payor. For example, a public sector entity may need to perform various administrative tasks to set up the terms of the arrangement with a payor, such as enrollment activities to register a student for a course. A performance obligation does not arise when those tasks do not provide a distinct good or service to the payor.
- Many activities of public sector entities, including activities that may involve receipt of consideration, do not create performance obligations for public sector entities. Unless one or more enforceable promises to the payor can be identified that meet the definition of a liability for the public sector entity (see Liabilities, Section PS 3200), no performance obligation is present.

PS 3400.26.-28 Performance obligations as liabilities (applicable for 2024)

- Public sector entities have many types of obligations. Only those obligations that meet the definition of a liability in Liabilities, Section [PS 3200](#), are present obligations. Unfulfilled performance obligations are one type of present obligations that a public sector entity may have.
- An unfulfilled performance obligation for a public sector entity has all three of the essential characteristics of a liability. It is a present obligation of a public sector entity to others arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits. There is:
 - (a) a duty or responsibility to others, leaving a public sector entity little or no discretion to avoid settlement of the obligation,
 - (b) a duty or responsibility to others that entails settlement by a future transfer or use of assets, provision of goods or services, or other forms of economic settlement at a specified or predetermined date, on occurrence of a specified event, or on demand, and
 - (c) a transaction or event obligating the public sector entity that has already occurred.
- When a public sector entity receives consideration prior to the provision of goods or services, unearned revenues would be recorded provided the definition of a liability is met. The public sector entity still must satisfy the performance obligations identified in the exchange transaction. Although the public sector entity is in possession of the economic resources associated with those performance obligations, it has not fulfilled its obligations and, therefore, the revenue has not yet been earned.

Government Transfers

Government transfers are detailed in the PSAB handbook in section 3410. As indicated in PS 3410.16 a transfer without eligibility criteria or stipulations should be recognized as revenue by a recipient government when the transfer is authorized. Per PS 3410.17 a transfer with eligibility criteria but

without stipulations should be recognized as revenue by a recipient government when the transfer is authorized and all eligibility criteria have been met. Further conditions apply for transfers with stipulations (PS 3410.19). For specific circumstances the CPA handbook should be referenced.

The decision tree shown in Figure 16 has been prepared to illustrate the transferring and recipient government accounting set out in Section PS 3410. The decision tree is illustrative only and matters of principle relating to particular situations should be decided in the context of the Section.

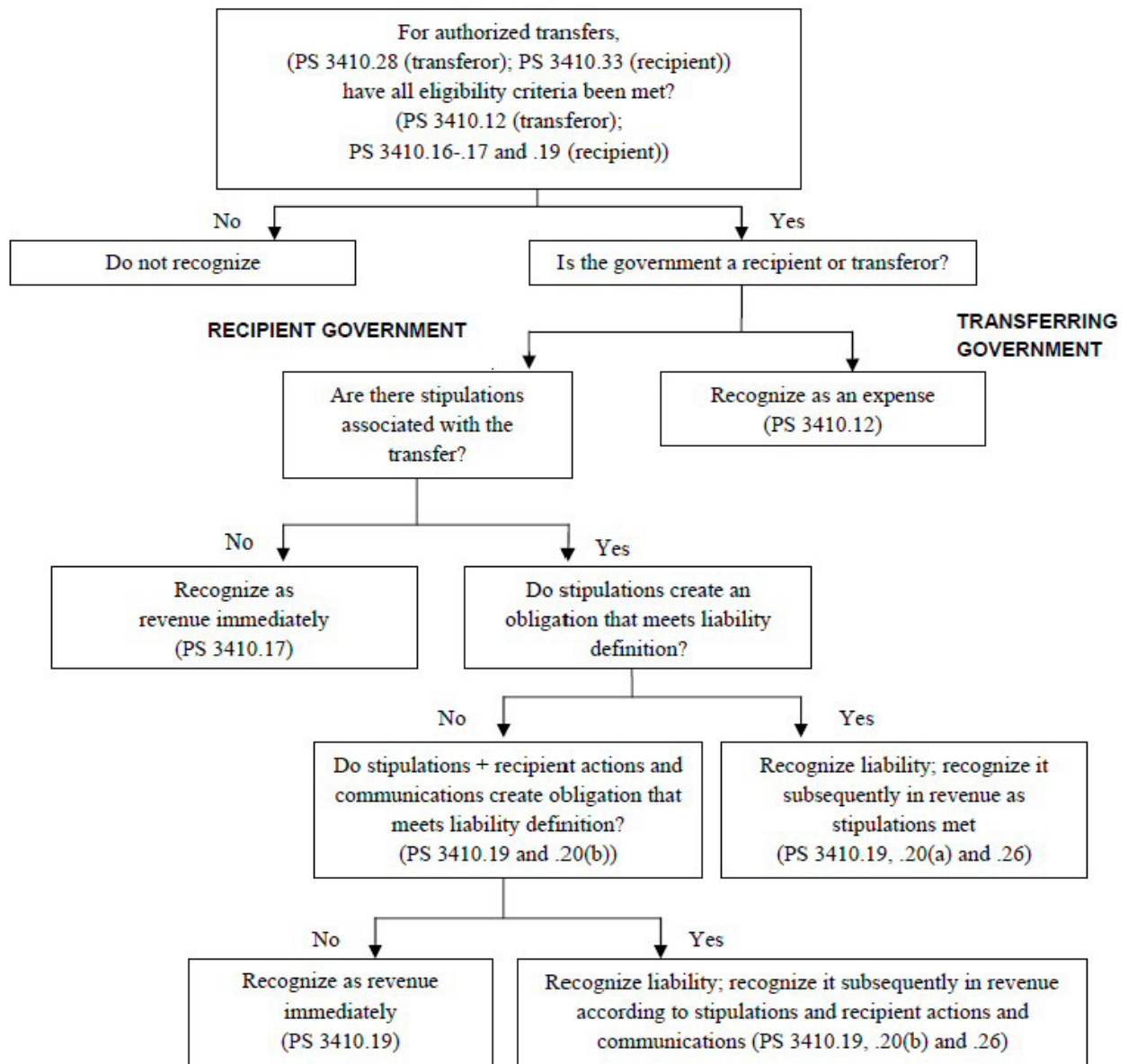


Figure 16

Deferral Method

Certain funds received in a fiscal year should not be recognized as revenue. These are usually identified as restricted funds and are only recognized as revenue as the funds are spent. The following sections from the PSAB handbook provide guidance as to when funds should be deferred.

PS 4210.28 Under the deferral method, restricted contributions for which the related restrictions remain unfulfilled are accumulated as deferred contributions. As a result, the organization's excess of revenue over expenses for the period represents an increase in resources that are not restricted to cover specific expenses of a future period. Organizations that choose to follow the restricted fund method would refer to paragraphs PS 4210.57-.77.

Recognition of restricted contributions for the purchase of capital assets

PS 4210.33 Restricted contributions for the purchase of capital assets that will be amortized should be deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. [JAN. 2012].

- .34 Restricted contributions for the purchase of capital assets that will not be amortized should be recognized as direct increases in net assets. [JAN. 2012]
- .35 The deferral of contributions restricted for the purchase of capital assets that will be amortized provides a means to match such contributions with the benefits provided by the capital assets acquired. Such contributions will be recognized as revenue over the useful life of the acquired capital asset to reflect the fact that the contribution provides benefits in all the periods in which the organization has the use of the capital asset.

When the acquired capital asset will not be subject to amortization because it has an unlimited useful life, it is not possible to match the contribution with the benefits provided since these benefits are unlimited. Therefore, contributions restricted for the purchase of capital assets that will not be amortized are recognized as direct increases in net assets.

A-3 Municipal Debt Limit Calculation

Who establishes the debt limit for a municipality?

The debt limit for a rural municipality, town, village, or resort village can be determined in one of two ways. MA, NMA, and CA provide the municipality with the option to calculate their debt limit by using prior year own source revenues as the basis, or a municipality can now apply to the Saskatchewan Municipal Board (SMB) to have their debt limit established.

What is included in a municipality's "own source revenues"?

For purposes of reviewing borrowing applications, the SMB considers own source revenue to include those revenues which can be considered both controllable by the municipality and sustainable for long periods of time. "Own source revenues" refers to the revenues that a municipality (a local government unit, such as a city or town) generates from its own operations and activities. Own source revenues are typically considered controllable by the municipality and sustainable over a long period of time. For example, own source revenues may include property taxes, user fees for services provided by the municipality (such as water and sewer fees), and other re-occurring revenues. Own source revenues are often used by municipalities as a measure of their financial stability and as

Examples include:

- Municipal property taxes (excludes any amounts associated with trailer license fees, penalties on tax arrears, special levies, and local improvement frontage levies).
- Fees and charges (excludes any development charges, donations, land sale revenue, capital asset proceeds, road maintenance agreements, custom work, etc.).

Sample Calculation:

Total Revenues	Statement 2
Less: Trailer License Fees	Schedule 1
Less: Penalties on Tax Arrears	Schedule 1
Less: Special Tax Levy	Schedule 1
Less: Total Unconditional Grants	Schedule 1
Less: Total Grants in Lieu of Taxes	Schedule 1
Less: TCA sales - gain (add losses)	Statement 2
Less: Land sales - gain (add losses)	Statement 2
Less: Total Conditional Grants	Statement 2
Less: Investment Income & Commissions	Statement 2

Less: Extraordinary and/or one-time revenues (road maintenance agreements, custom work, donations, etc.)	Schedule 2
= Municipal Debt Limit	

Please be reminded that MA, NMA, and CA require a municipality to include the debt limit with the audited financial statements, regardless of whether there is any long-term debt.

If you have any further questions regarding borrowing or municipal debt limits, please contact the Saskatchewan Municipal Board at (306) 787-6221 or by email info@smb.gov.sk.ca.

A-4 Glossary of Terms

Term	Definition
Accrual basis of accounting or accrual accounting	The accrual basis of accounting recognizes the effect of transactions and events in the period in which the transactions and events occur, regardless of whether there has been a receipt or payment of cash or its equivalent. The accrual basis of accounting is compliant with accounting standards such as PSAS. See also cash basis of accounting.
Accretion expense	Refers to an expense incurred in order to increase the carrying value of an asset retirement obligation to recognize the passage of time.
Appropriated reserves	Reserves established at the discretion of Council to designate surplus for future operating and capital transactions. Another term for appropriated reserves is internally restricted reserves. See also unappropriated reserves.
Assets held for sale	Assets held by the municipalities that are no longer in use, and that the municipality plans to sell and are actively looking for a buyer.
Asset retirement obligation	An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset.
Bank indebtedness	All obligations and indebtedness owed to banking for financial institutions, such as an operating loan or credit arrangements.
Cash basis of accounting, cash model of accounting]	The cash basis of accounting recognizes the effect of transactions and events in the period in which there has been a receipt or payment of cash or its equivalent. The cash basis of accounting is not compliant with accounting standards such as PSAS. See also accrual basis of accounting.
Contractual obligations	Refers to current obligations of a public sector entity that will become liabilities in the future once certain terms of an underlying agreement are fulfilled.
Debt charges recoverable	The principal and interest recoverable from a project undertaken with another partner (such as another municipality) whereby the municipality has assumed the long-term financing. Amounts are recoverable in annual principal instalments plus interest.
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.
Derivatives	Financial instruments or other contracts within PS 3450 with all three of the following characteristics: <ul style="list-style-type: none"> • Their value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a

Term	Definition
	<p>non-financial variable that the variable is not specific to a party to the contract (sometimes called the "underlying"),</p> <ul style="list-style-type: none"> • They require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors, and • They are settled at a future date(s).
Expenditure	An Expenditure is a one-time purchase of an asset that adds long-term value to the entity over years. An expenditure is recorded on the Consolidated Statement of Financial Position and is recognized into the Statement of Operations over time.
Expense	An expense is an amount spent by an entity in the process of earning revenue. Expenses are recorded on the Consolidated Statement of Operations.
Fair value	Refers to the amount of consideration that two parties at arm's length would agree to assuming that they are not only both willing and knowledgeable, but also under no compulsion to act.
Financial assets	Assets that can be used to either settle current liabilities or finance future operations. They must not be intended for use within the normal operations of the entity.
Financial liabilities	Liabilities that are contractual obligations: <ul style="list-style-type: none"> a) to deliver cash or another financial asset to another entity, or b) to exchange financial instruments with another entity under conditions that are potentially unfavourable to a government.
Financial instruments	Any contract that gives rise to a financial asset for one entity, and a financial liability and/or equity instrument for another.
Foreign currency	Any currency that differs from the reporting currency of the public sector entity.
Intangible assets	Intangible assets are non-monetary assets without physical substance and identifiable (either being separable or arising from contractual or arising from contractual or legal rights). Examples include trademarks, patents.
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.
Performance obligations	Refers to separable and enforceable promises to provide specific goods and/or services to a particular payor.

Term	Definition
Portfolio investments	Investments held by the public sector entity that are not part of the overall reporting entity. Generally, these are composed of equity and/or debt instruments. Note that these don't include investments in other governmental entities or loans receivable.
Public private partnerships (P3)	Public-private partnerships (PPPs) are collaborations between the public and private sectors to deliver infrastructure projects, such as roads, bridges, airports, or hospitals. The purpose of these partnerships is to share the risks and benefits of a project between the public and private sectors, with the private sector typically providing the financing, construction, and maintenance of the infrastructure. The public sector is typically responsible for overseeing the project and maintaining control of the asset, such as the road or bridge. PPPs can be used to deliver infrastructure projects more efficiently and effectively, by leveraging the expertise and resources of both the public and private sectors. They can also be used to transfer certain risks associated with a project to the private sector, such as construction or maintenance risks.
Purchased intangibles	Refer to identifiable, non-monetary resources that lack physical substance acquired via an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.
Remeasurement gains and losses	Refers to revenues and expenses that are recognized in the statement of remeasurement gains and losses. These generally result from fluctuations in foreign exchange rates and/or fair market value.
Taxes receivable	Taxes owed to the municipality, plus any taxes in arrears, less the allowance for uncollectible amounts.
Unappropriated reserve	An unappropriated reserve is a reserve fund that has not been specifically designated or set aside by a governing body, such as a city council, or by a contributor (such as a donor) for a specific purpose. As a result, the funds in an unappropriated reserve are considered unrestricted, meaning that they can be used for any purpose deemed necessary or appropriate by the governing body or the contributor. In contrast, an appropriated reserve is a reserve fund that has been designated or set aside by a governing body or contributor for a specific purpose, such as funding future operating expenses or capital transactions. Appropriated reserves are generally more restricted in their use, as they have been specifically designated for a particular purpose.

A-6 Key Measures

Financial ratios are used to evaluate an organization's financial health and are useful in determining financial trends.

Key Measures – Statement of Financial Position

Ratio	Purpose/ Note	Calculation
Change in Net Financial Assets	Identifies how revenues matched against expenditures for the defined period.	Previous years' net financial asset balance less current year's balance.
Cash and Liquid Investment Change	Shows how the cash position has changed year over year.	Previous year's cash and cash equivalent asset balance less current year's balance.
Asset to Liability Ratio	Shows the extent to which a municipality is financed by debt.	Total assets owned by a municipality divided by total liabilities.
Municipal Debt Ratio	Indicated utilization of a municipality's borrowing limits.	Total debt outstanding divided by the municipal debt limit.
Long-Term Debt per Capita	Develop a trend showing how much debt the municipality is carrying.	Total debt outstanding divided by population of a municipality.

Key measures – Statement of Operations

Ratio	Purpose/ Note	Calculation
Long-Term Debt Flexibility	Shows how much flexibility a municipality has to respond to operational changes.	Long-Term debt repayments divided by total municipal operating revenues.
Municipal Reserve Size	Shows the percentage of annual operating revenues that are in municipal reserves.	Appropriated reserved divided by total annual operating revenues.
Municipal Administration	Shows the percentage the municipality spends on administration related expenses.	General government expenses divided by total operating expenses.
Third Party Transfers	Shows how much the municipality receives in third party revenue. Could be done with other third-party transfers such as inter-municipal agreements, capital transfers and other outside revenue sources.	Third party transfers received divided by total operating revenues.

Key Measures – Sustainability

The purpose of these ratios is to determine whether a local government is living within its means. Sustainability is the ability to provide and maintain service and infrastructure levels without resorting to unplanned increases in rates or cuts to services. It is the degree to which a local government can maintain its existing programs and meet existing creditor requirements without increasing the relative debt or tax burden on the economy.

		Thresholds		
Ratio	Calculation	Unfavourable	Moderate	Favourable
Financial Assets to Liabilities	Financial Assets divided by Liabilities	>0.5	0.5 to 1	<1
Total Assets to Liabilities**	Total assets divided by Liabilities	>0.75	0.75 to 1.5	<1.5
Net Book Value (NBV) of TCA to Total Cost of TCA	NBV of TCA divided by Total Cost of TCA	>25%	25% to 50%	<50%
Total Long-Term Debt Outstanding to Debt Limit (Municipal Debt Ratio) **	Term Debt divided by Debt Limit	<100%	75% to 100%	>75%
**Also included within the key measures for the Statement of Financial Position.				

Key Measures – Flexibility

The purpose of these ratios is to determine whether a local government can meet rising commitments (increases in expenses or capital replacement funds) by expanding its revenues or by increasing its debt responsibly without impacting the credit rating. Additionally, the ability to offset unexpected revenue losses.

		Thresholds		
Ratio	Calculation	Unfavourable	Moderate	Favourable
Government Services Expense to Total Expense (Municipal Administration) **	Government Services Expense divided by Total Expense	<Sector Average 3 year	=Sector Average 3 year	>Sector Average 3 year
Total Utilities Services Revenue to Utilities Services Expense	Total Utilities Services Revenue divided by Utilities Services Expense	>Sector Average	=Sector Average	<Sector Average
Total Expense to Total Tax Levy	Total Expense divided by Total Tax Levy	<Sector Average	=Sector Average	>Sector Average

		Thresholds		
Ratio	Calculation	Unfavourable	Moderate	Favourable
**Also included within the key measures for the Statement of Operations.				

Key Measures – Vulnerability

The purpose of these ratios is to determine the extent to which a municipality is vulnerable to external sources of funding that it cannot control and its exposure to risks. This is the risk of relying on external funding sources that the government does not directly control or influence either the amount or timing of such revenue. This indicator measures the extent to which a local government can manage its financial affairs without having to rely on others.

		Thresholds		
Ratio	Calculation	Unfavourable	Moderate	Favourable
Total Government Transfers to Total Revenue	Total Government Transfers divided by Total Revenue	Increasing	Non-trend	Down Trend
Revenue Sharing to Total Operating Revenue	Revenue Sharing divided by Total Operating Revenue	Increasing	Non-trend	Down Trend

Key Measures – Sustainability / Flexibility

These ratios address the sustainability and flexibility measures described above.

		Thresholds		
Ratio	Calculation	Unfavourable	Moderate	Favourable
Total Uncollected Taxes to Current Year Tax Year Levy	Total Uncollected Taxes divided by Current Year Tax Year Levy	<8%	5-8%	>8%
(Total Tax Levied-Total Tax Levied 2 yrs. prior) to Total Tax Levied	(Total Tax Levied-Total Tax Levied 2 yrs. prior) divided by Total Tax Levied	< CPI Growth + 15% or <CPI Growth – 15%	+/- 5% to 15% CPI Growth	+/- 5% of CPI Growth
(Total Budgeted Expenses-Total Actual Expenses) to Total Budgeted Expenses	(Total Budgeted Expenses-Total Actual Expenses) to Total Budgeted Expenses	2/3 years > -15%	2/3 years -15% to +5%	2/3 years <5%

Key Measures – Vulnerability / Flexibility

These ratios address the vulnerability and flexibility measures described above.

		Thresholds		
Ratio	Calculation	Unfavourable	Moderate	Favourable
Accumulated Surplus to Total Tax Levy	Accumulated Surplus divided by Total Tax Levy	>Sector Average	=Sector Average	<Sector Average
Tax Base – Taxes from Commercial Property to Total Taxes	Taxes from Commercial Property divided by Total Taxes	>5%	5% to 20%	<20%

Key Measures – Other

These ratios are other key measures for monitoring performance of a local government.

		Thresholds		
Ratio	Calculation	Unfavourable	Moderate	Favourable
Public Debt to Operating Revenue	Long-Term Debt Repaid divided by Operating Revenue	<20%	10% - 20%	>10%
Total Expense to Taxable Assessment	Total Expense divided by Taxable Assessment	<Sector Average	=Sector Average	>Sector Average