

CITY OF MARTENSVILLE

Auditor's Report

Financial Statements

December 31, 2022

MANAGEMENT'S RESPONSIBILITY


To the Ratepayers of
City of Martensville :

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. The preparation of the statements necessarily includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgments and estimates by management is required.

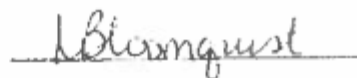
In discharging its responsibilities for the integrity and fair presentation of the financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are properly maintained to provide reliable information for the preparation of the financial statements.

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

Jensen Stromberg Chartered Professional Accountants, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and administration to discuss their audit findings.



Mayor



City Manager



Bill Jensen, CPA, CA*
Tyler Olafson, CPA, CA*
Jared Udchic, CPA*
Dylan Peace, CPA*

*denotes professional corporation

INDEPENDENT AUDITOR'S REPORT

To the **Mayor** and Council of **City of Martensville**

Report on the Financial Statements

Opinion

We have audited the financial statements of **City of Martensville**, which comprise the statement of financial position as at **December 31, 2022** and the statements of financial activities, changes in net financial assets, and changes in financial position for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the City as at **December 31, 2022** and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and the use of the going concern basis of accounting unless management either intends to liquidate the City or cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

Saskatoon, Saskatchewan
August 24, 2023



Chartered Professional Accountants

CITY OF MARTENSVILLE

Statement 1

STATEMENT OF FINANCIAL POSITION

December 31, 2022

with comparative figures for 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Financial assets:		
Cash and temporary investments (Note 2)	\$ 9,522,131	18,900,868
Taxes receivable - Municipal (Note 3)	800,811	750,550
Other accounts receivable (Note 4)	7,093,313	1,162,943
Assets held for sale (Note 5)	-	-
Long-term investments	-	-
Debt charges recoverable	-	-
Other	-	-
Loans and notes receivable (Note 6)	<u>25,000</u>	<u>-</u>
Total financial assets	17,441,255	20,814,361
<u>LIABILITIES</u>		
Bank indebtedness (Note 7)	-	-
Accounts payable	1,198,191	1,877,923
Accrued liabilities payable	-	-
Deposits	369,195	383,080
Deferred revenue	-	-
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	162,257	170,565
Long-term debt (Note 8)	13,849,878	15,443,139
Lease obligations	<u>-</u>	<u>-</u>
Total liabilities	<u>15,579,521</u>	<u>17,874,707</u>
NET FINANCIAL ASSETS (DEBT)	1,861,734	2,939,654
Non-financial assets:		
Tangible capital assets (Schedule 6, 7)	114,663,713	102,529,930
Prepaid and deferred charges	306,525	270,294
Stock and supplies	<u>-</u>	<u>-</u>
Total non-financial assets	<u>114,970,238</u>	<u>102,800,224</u>
Accumulated Surplus (Deficit) (Schedule 8)	<u>\$116,831,972</u>	<u>105,739,878</u>
Contractual Rights (Note 10)		

APPROVED ON BEHALF OF COUNCIL:

_____ Mayor

_____ Councillor

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

Statement 2

STATEMENT OF FINANCIAL ACTIVITIES

Year ended December 31, 2022
with comparative figures for 2021

		<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Revenues:				
Taxes and other unconditional revenue	(Schedule 1)	\$ 11,317,000	11,691,288	11,271,681
Fees and charges	(Schedule 4, 5)	7,878,300	8,511,530	8,104,879
Conditional grants	(Schedule 4, 5)	199,200	219,963	250,310
Tangible capital asset sales - gain (loss)	(Schedule 4, 5)	-	19,065	(10,594)
Land sales - gain	(Schedule 4, 5)	-	-	-
Investment income and commissions	(Schedule 4, 5)	184,000	184,153	192,839
Restructurings	(Schedule 4, 5)	-	-	-
Other revenues	(Schedule 4, 5)	<u>94,000</u>	<u>139,789</u>	<u>112,321</u>
Total Revenues		19,672,500	20,765,788	19,921,436
Expenditures:				
General government services	(Schedule 3)	1,943,400	2,115,980	2,061,503
Protective services	(Schedule 3)	1,924,400	2,068,338	1,722,689
Transportation services	(Schedule 3)	2,994,500	3,525,312	3,383,524
Environmental and public health services	(Schedule 3)	855,500	893,780	810,793
Planning and development services	(Schedule 3)	960,800	750,078	774,344
Recreation and cultural services	(Schedule 3)	3,400,400	4,754,830	4,479,671
Utility services	(Schedule 3)	11,682,300	5,687,958	5,692,815
Restructurings	(Schedule 3)	-	-	-
Total Expenditures		<u>23,761,300</u>	<u>19,796,276</u>	<u>18,925,339</u>
Surplus (deficit) of revenues over expenditures before other capital contributions		<u>(4,088,800)</u>	<u>969,512</u>	<u>996,097</u>
Provincial/Federal capital grants and contributions	(Schedule 4, 5)	<u>4,237,000</u>	<u>10,122,582</u>	<u>2,799,674</u>
Surplus (deficit) of revenues over expenditures		148,200	11,092,094	3,795,771
Accumulated surplus (deficit), beginning of year		<u>105,739,878</u>	<u>105,739,878</u>	<u>101,944,107</u>
Accumulated surplus (deficit), end of year		<u>\$105,888,078</u>	<u>116,831,972</u>	<u>105,739,878</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

Statement 3

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2022
with comparative figures for 2021

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Surplus (deficit)	\$ 148,200	11,092,094	3,795,771
(Acquisition) of tangible capital assets	-	(16,429,452)	(2,831,894)
Amortization of tangible capital assets	-	4,160,737	3,879,019
Proceeds on disposal of tangible capital assets	-	153,997	29,201
Loss (gain) on disposal of tangible capital assets	-	(19,064)	10,594
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (deficit) of capital expenses over expenditures	-	(12,133,782)	1,086,920
(Acquisition) of supplies inventories	-	-	-
(Acquisition) of prepaid expenses	-	(306,527)	(270,295)
Consumption of supplies inventories	-	-	-
Use of prepaid expenses	-	270,295	210,695
Surplus (deficit) of expenses of other non-financial over expenditures	-	(36,232)	(59,600)
Increase (decrease) in Net Financial Assets	148,200	(1,077,920)	4,823,091
Net Financial Assets (Debt) - Beginning of the year	2,939,654	2,939,654	(1,883,437)
Net Financial Assets (Debt)- End of year	\$ 3,087,854	1,861,734	2,939,654

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

Statement 4

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 2022
with comparative figures for 2021

Cash provided by (used in) the following activities:	<u>2022</u>	<u>2021</u>
Operating:		
Surplus (deficit)	\$ 11,092,094	3,795,771
Amortization	4,160,737	3,879,019
Developer contributed tangible capital assets	-	-
Loss (gain) on disposal of tangible capital assets	<u>(19,064)</u>	<u>10,594</u>
	15,233,767	7,685,384
Change in assets/liabilities		
Taxes receivable - Municipal	(50,262)	146,730
Other accounts receivable	(5,930,370)	76,020
Assets held for sale	-	42,670
Other financial assets	(25,000)	5,000
Accounts and accrued liabilities payable	(679,731)	594,894
Deposits	(13,885)	(25,955)
Deferred revenue	-	(52,836)
Accrued landfill costs	-	-
Liability for contaminated sites	-	-
Other liabilities	(8,308)	11,560
Stock and supplies	-	-
Prepayments and deferred charges	(36,231)	(59,600)
Other	<u>-</u>	<u>-</u>
Net cash from operations	<u>8,489,980</u>	<u>8,423,867</u>
Capital:		
Cash used to acquire tangible capital assets	(16,429,452)	(2,831,894)
Proceeds on sale of tangible capital assets	153,997	29,201
Other capital	<u>-</u>	<u>-</u>
Net cash used for capital	<u>(16,275,455)</u>	<u>(2,802,693)</u>
Investing:		
Proceeds on disposal of investments	-	-
Acquisition on investment	<u>-</u>	<u>-</u>
Net cash from investing	<u>-</u>	<u>-</u>
Financing activities:		
Debt charges recovered	-	-
Proceeds from debt issues	-	-
Debt repayment	(1,593,262)	(1,544,537)
Other financing	<u>-</u>	<u>-</u>
Net cash used for financing	<u>(1,593,262)</u>	<u>(1,544,537)</u>
Increase (decrease) in cash resources	(9,378,737)	4,076,637
Cash and temporary investments, beginning of year	<u>18,900,868</u>	<u>14,824,231</u>
Cash and temporary investments, end of year (Note 2)	<u>\$ 9,522,131</u>	<u>18,900,868</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the City are prepared by management in accordance with the local government accounting standards established by the Public Sector Accounting Board. Significant aspects of the accounting policies are as follows:

(a) Basis of Accounting

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

(b) Reporting Entity

The financial statements consolidate the assets, liabilities and flow of resources of the City. The entity is comprised of all organizations owned or controlled by the City and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

Partnerships

A partnership represents a contractual arrangement between the municipality and a party or parties outside the reporting entity. The partners have significant, clearly defined common goals, make a financial investment in the partnership, share control of decision making, and share, on an equitable basis, the significant risks and benefits associated with the operations of the partnership.

(c) Collection of funds for other authorities

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

(d) Government Transfers

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

- a) the transfer is authorized;
- b) eligibility criteria have been met by the recipient; and
- c) a reasonable estimate of the amount can be made

Unearned government transfer amounts received but not earned will be recorded as deferred revenue. Earned government transfer amounts not received will be recorded as an amount receivable.

(e) Other (Non-Government Transfer) Contributions

Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the municipality if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are deferred until the resources are used for the purpose specified, at which time the contributions are recognized as revenue. In-kind contributions are recorded at their fair value when they are received.

(f) 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.

(g) Local Improvement Charges

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

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Net-Financial Assets

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

(i) Non-Financial Assets

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

(j) Appropriated Reserves

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

(k) Property Tax Revenue

Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by Council following the guidance of the Government of Saskatchewan. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.

(l) Investments

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment.

Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment.

(m) Tangible Capital Assets

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

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land improvements	15 to 20 years
Buildings	20 to 60 years
Vehicles and equipment	
Vehicles	10 to 15 years
Machinery & Equipment	5 to 30 years
<i>Infrastructure Assets</i>	
Infrastructure assets	30 to 40 Years
Water and sewer	30 to 75 years

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Developer Contributed Assets: Developer contributed assets consist of tangible capital assets acquired/constructed and paid for by certain developers, with ownership and responsibility for ongoing maintenance transferring to the City upon completion of the respective development. These assets typically consist of road/street, and water and sewer infrastructure, and the value of these contributions are recorded by the City as a tangible capital asset and capital revenue in the year the assets are completed and transferred to the City based on the fair value of the asset contributed.

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

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

Capitalization of interest: The City does not capitalize interest incurred while a tangible capital asset is under construction.

(n) Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) the City is directly responsible, or accepts responsibility for the contamination;
- d) it is expected that future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

The City has assessed all potential contaminated sites and the criteria are not met, no provision for remediation is required.

(o) Landfill liability

The City of Martensville does not maintain a waste disposal site. No amount has been recorded as an asset or liability.

(p) Employee benefit plans

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

(q) Measurement Uncertainty

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Basis of Segmentation/Segment Report

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

These segments (functions) are as follows:

General Government: The general government segment provides for the administration of the City.

Protective Services: Protective services is comprised of expenses for Police and Fire protection.

Transportation Services: The transportation services segment is responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

Environmental and Public Health: The environmental segment provides waste disposal and other environmental services. The public health segment provides for expenses related to public health services in the City.

Planning and Development: The planning and development segment provides for neighbourhood development and sustainability.

Recreation and Culture: The recreation and culture segment provides for community services through the provision of recreation and leisure services.

Utility Services: The utility services segment provides for the delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

(t) Assets held for sale

The municipality is committed to selling the asset, the asset is in a condition to be sold, the asset is publicly seen to be for sale, there is an active market for the asset, there is a plan in place for selling the asset, and the sale is reasonable anticipated to be completed within one year of the financial statement date.

2. CASH AND TEMPORARY INVESTMENTS

	<u>2022</u>	<u>2021</u>
Cash	\$ 9,522,131	18,900,868
Temporary investments	<u>-</u>	<u>-</u>
	<u>\$ 9,522,131</u>	<u>18,900,868</u>

Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less.

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

3. TAXES AND GRANTS IN LIEU RECEIVABLE

	<u>2022</u>	<u>2021</u>
Municipal: - Current	\$ 417,029	484,790
- Arrears	<u>383,782</u>	<u>265,760</u>
	800,811	750,550
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Total municipal taxes receivable	<u>800,811</u>	<u>750,550</u>
School: - Current	315,530	406,577
- Arrears	<u>342,470</u>	<u>222,884</u>
Total school taxes receivable	<u>658,000</u>	<u>629,461</u>
Other: - Current	-	-
- Arrears	<u>-</u>	<u>-</u>
Total other collections receivable	<u>-</u>	<u>-</u>
Total taxes and grants in lieu receivable	1,458,811	1,380,011
Deduct taxes receivable to be collected on behalf of other organizations	<u>(658,000)</u>	<u>(629,461)</u>
Total taxes receivable - Municipal	<u>\$ 800,811</u>	<u>750,550</u>

4. OTHER ACCOUNTS RECEIVABLE

	<u>2022</u>	<u>2021</u>
Federal government	\$ 24,370	20,701
Provincial government	6,131,284	292,969
Local government	-	-
Utility	515,433	476,361
Trade	422,226	372,912
Other	<u>-</u>	<u>-</u>
Total other accounts receivable	7,093,313	1,162,943
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>
Net other accounts receivable	<u>\$ 7,093,313</u>	<u>1,162,943</u>

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

5. ASSETS HELD FOR SALE

	<u>2022</u>	<u>2021</u>
Tax title property	\$ -	-
Less: - allowance for market value adjustment	<u>-</u>	<u>-</u>
Net tax title Property	<u>-</u>	<u>-</u>
Other land	-	-
Less: - allowance for market value adjustment	<u>-</u>	<u>-</u>
Net other land	<u>-</u>	<u>-</u>
Total land for resale	<u>\$ -</u>	<u>-</u>

6. LOANS AND NOTES RECEIVABLE

	<u>2022</u>	<u>2021</u>
Construction agreement loan	<u>\$ 25,000</u>	<u>-</u>

Loans and notes receivable includes a 5 year non-interest bearing loan that is repayable on May 30, 2027, for the purpose of completing a shade/shelter facility in the City of Martensville. Upon and following the due date, interest shall accrue at a rate of 7% per annum.

7. BANK INDEBTEDNESS

Credit Arrangements

At December 31, 2022, the City had a line of credit totaling \$1,500,000, bearing interest at 6.45%, none of which was drawn. The following has been collateralized in connection with this line of credit:

- General Security Agreement; and
- Assignment of municipal taxes receivable

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

8. LONG-TERM DEBT

The authorized debt limit for the City is \$40,000,000. The authorized debt limit for a City is the total amount of the City's own source revenues for the preceding year (the *Municipalities Act* section 161(1)). The incremental debt above the debt limit authorized in the *Municipalities Act* is approved by the Saskatchewan Municipal Board.

Debenture debt:

	<u>2022</u>	<u>2021</u>
Debenture, repayable in annual payments of \$367,909; including interest at 4.00%; matures in 2034. Secured by Land, NBV \$5,077,600.	\$ 3,452,851	3,673,807
Debenture, repayable in annual payments of \$584,658 including interest at 2.95%; matures in 2024. Secured by Land, NBV \$6,587,989.	1,119,537	1,655,362
Debenture, repayable in annual payments of \$743,903 including interest at 3.90%; matures in 2034. Secured by Building, NBV \$10,979,495.	7,022,269	7,474,660
Debenture, repayable in annual payments of \$332,404 including interest at 2.90%; matures in 2027. Secured by Linear Asset NBV \$2,348,704.	1,526,670	1,806,680
Debenture, repayable in annual payments of \$104,079 non-interest bearing; matures in 2029. Secured by Linear Asset, NBV \$910,690.	<u>728,551</u>	<u>832,630</u>
	<u>\$ 13,849,878</u>	<u>15,443,139</u>

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Total
2023	\$ 1,643,670	\$ 489,282	\$ 2,132,952
2024	1,695,823	437,130	2,132,953
2025	1,165,122	383,173	1,548,295
2026	1,203,700	344,595	1,548,295
2027	1,243,704	304,590	1,548,294
Thereafter	<u>6,897,859</u>	<u>1,092,980</u>	<u>7,990,839</u>
Balance	<u>\$ 13,849,878</u>	<u>\$ 3,051,750</u>	<u>\$ 16,901,628</u>

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

9. PENSION PLAN

The City is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The City pension expense in 2022 was \$342,955 (2021 - \$337,520). The benefits accrued to the City's employees from MEPP are calculated using the following: pensionable years of service, highest average salary, and the plan accrual rate.

Total current service contributions by the municipality to MEPP in 2022 were \$- (2021 - \$-). Total current service contributions by the employees of the municipality to MEPP in 2022 were \$- (2021 - \$-).

Based on the latest information available (December 31, 2022 Audited Financial Statements) the Municipal Employees Pension Plan had a surplus in the net assets available for benefits of \$1,021,301,000. This is based on the most recent actuarial valuation, completed December 31, 2021. The City's portion of this is not readily determinable.

10. CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in an asset and revenue in the future. The Government of Canada and the Government of Saskatchewan have agreed to provide funding to the City of Martensville for the Wastewater Treatment and Drinking Water Distribution Upgrades project under the New Building Canada Fund (hereby referred to as: NBCF). Significant contractual rights of the City are as follows:

Federal NBCF	Funding to the City per the agreement dated October 19, 2018 of one-third (33.33%) of total eligible expenditures for the project up to a maximum funding amount of \$6,721,294, agreement ending March 31, 2024.
Provincial NBCF	Funding to the City per the agreement dated October 19, 2018 of one-third (33.33%) of total eligible expenditures for the project up to a maximum funding amount of \$6,721,294, agreement ending September 30, 2024.

11. BUDGET

The Financial Plan (Budget) adopted by Council on February 15, 2022 was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budgeted surplus expensed all tangible capital expenditures, included transfers to and from reserves, and included principal debenture payments. As a result, the budget figures presented in the statements of operations and change in net financial assets include the following adjustments:

	<u>2022</u>
Approved budget operating surplus for the year	\$ -
Add: Capital asset purchases	3,141,000
Transfer to reserves	1,622,700
Principal debenture payments	1,593,400
Less: Transfer from reserves	<u>(6,208,900)</u>
Budget surplus per statement of financial activities	<u>\$ 148,200</u>

CITY OF MARTENSVILLE
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

12. RECENT ACCOUNTING PRONOUNCEMENTS

A number of new and amended standards have been issued that may impact the City:

Standards Effective On Or After April 1, 2022

PS 1201 Financial Statement Presentation replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure in government financial statements. Requires a new statement of re-measurement gains and losses separate from the statement of operations arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. Effective in the period PS 3450 and PS 2601 are adopted.

PS 2601 Foreign Currency Translation replaces PS 2600 with revised guidance on the recognition, presentation and disclosure of transactions that are denominated in a foreign currency. Requires that monetary assets and liabilities denominated in a foreign currency and non-monetary items included in the fair value category, denominated in a foreign currency, be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses are to be presented in the statement of re-measurement gains and losses.

PS 3041 Portfolio Investments replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of portfolio investments. Removes the distinction between temporary and portfolio investments. Upon adoption of PS 3450 and PS 3041, PS 3030, Temporary Investments, will no longer apply. Effective in the period PS 3450, PS 2601 and PS 1201 are adopted.

PS 3450 Financial Instruments is a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives. The standard requires fair value measurement of derivatives and equity instrument that are quoted in an active market; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

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

Standards Effective On Or After April 1, 2023

PS 3400 Revenue is a new standard establishing guidance on how to account for and report on revenue. The standard provides a framework for recognizing, measuring and reporting revenues that arise from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payer.

The City continues to assess the impacts of the above accounting standards. The extent of impact resulting from the adoption of these standards is not known at this time.

CITY OF MARTENSVILLE

SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES

Year ended December 31, 2022
with comparative figures for 2021

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
TAXES			
General municipal tax levy	\$ 8,512,000	8,607,447	8,279,636
Abatements and adjustments	(75,000)	(57,472)	(76,827)
Discount on current year taxes	-	-	-
Net municipal taxes	<u>8,437,000</u>	<u>8,549,975</u>	<u>8,202,809</u>
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	80,000	150,087	112,939
Special tax levy	-	-	-
Other	-	-	-
Total Taxes	<u>8,517,000</u>	<u>8,700,062</u>	<u>8,315,748</u>
UNCONDITIONAL GRANTS			
Revenue sharing	1,835,300	1,909,338	1,927,922
Organized Hamlet	-	-	-
Other (Safe Restart)	-	-	-
Total Unconditional Grants	<u>1,835,300</u>	<u>1,909,338</u>	<u>1,927,922</u>
GRANTS IN LIEU OF TAXES			
Federal	-	-	-
Provincial			
Provincial - S.P.C. Electrical	-	-	-
Sask. Energy Gas	165,600	202,992	164,150
TransGas	-	-	-
Central Services	-	-	-
Sasktel	3,500	3,656	6,087
Other	-	-	-
Local/Other			
Housing Authority	3,000	3,089	4,568
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Local/Other	16,000	16,006	16,006
Other Government Transfers			
S.P.C. Surcharge	776,600	856,145	837,200
Sask Energy Surcharge	-	-	-
Other	-	-	-
Total Grants in Lieu of Taxes	<u>964,700</u>	<u>1,081,888</u>	<u>1,028,011</u>
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	<u>\$ 11,317,000</u>	<u>11,691,288</u>	<u>11,271,681</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2022
with comparative figures for 2021

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ -	-	-
Sales of supplies	5,000	5,438	4,824
Other Licences, permits and other	<u>2,600</u>	<u>3,320</u>	<u>3,440</u>
Total Fees and Charges	7,600	8,758	8,264
Tangible capital asset sales - gain (loss)	-	4,658	-
Land sales - gain	-	-	-
Investment income and commissions	184,000	184,153	192,839
Other Segmented Revenue (Insurance, rental)	<u>40,000</u>	<u>89,519</u>	<u>40,686</u>
Total other segmented revenue	<u>231,600</u>	<u>287,088</u>	<u>241,789</u>
Conditional Grants			
Federal - Student Employment	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Conditional Grants	-	-	-
Total Operating	<u>231,600</u>	<u>287,088</u>	<u>241,789</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Provincial - Disaster Assistance	-	-	-
Other	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Capital	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total General Government Services	<u>281,600</u>	<u>337,088</u>	<u>241,789</u>
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other (Policing and fire fees)	<u>94,500</u>	<u>163,473</u>	<u>110,032</u>
Total Fees and Charges	94,500	163,473	110,032
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue (Fire department environmental charges)	<u>5,800</u>	<u>4,700</u>	<u>1,450</u>
Total other segmented revenue	<u>100,300</u>	<u>168,173</u>	<u>111,482</u>
Conditional Grants			
Federal - Student Employment	-	-	-
Local government-Operating	-	-	-
Other	<u>-</u>	<u>520</u>	<u>-</u>
Total Conditional Grants	-	<u>520</u>	<u>-</u>
Total Operating	<u>100,300</u>	<u>168,693</u>	<u>111,482</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Provincial - Disaster Assistance	-	-	-
Local Government-Capital	80,000	80,000	80,000
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Protective Services	<u>180,300</u>	<u>248,693</u>	<u>191,482</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2022
with comparative figures for 2021

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ -	-	-
Sale of gravel and supplies	-	-	-
Road maintenance and restoration agreements	-	-	-
Other (SGI rebates)	-	22	4,595
Total Fees and Charges	<u>-</u>	<u>22</u>	<u>4,595</u>
Tangible capital asset sales - gain (loss)	-	(1,279)	(783)
Other Segmented Revenue	-	-	-
Total other segmented revenue	<u>-</u>	<u>(1,257)</u>	<u>3,812</u>
Conditional Grants			
Federal - Primary Weight Corridor	-	-	-
Federal - Student Employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>-</u>	<u>(1,257)</u>	<u>3,812</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	596,000	298,031	1,175,243
MREP (Heavy Haul, CTP, Municipal Bridges)	-	-	-
Provincial - Disaster Assistance	-	-	-
Other (Assets constructed by developers and SGI PSE grant)	40,000	879,000	8,368
Total Capital	<u>636,000</u>	<u>1,177,031</u>	<u>1,183,611</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Transportation Services	<u>636,000</u>	<u>1,175,774</u>	<u>1,187,423</u>
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Waste and Disposal Charges	14,000	14,173	14,954
Other (Base tax levy)	787,500	792,960	786,660
Total Fees and Charges	<u>801,500</u>	<u>807,133</u>	<u>801,614</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue	-	-	-
Total other segmented revenue	<u>801,500</u>	<u>807,133</u>	<u>801,614</u>
Conditional Grants			
Federal - Student Employment	-	-	-
TAPD	-	-	-
Local government-Operating	85,000	105,871	89,368
Other	-	-	-
Total Conditional Grants	<u>85,000</u>	<u>105,871</u>	<u>89,368</u>
Total Operating	<u>886,500</u>	<u>913,004</u>	<u>890,982</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
TAPD	-	-	-
Provincial - Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Environmental and Public Health Services Services	<u>886,500</u>	<u>913,004</u>	<u>890,982</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2022
with comparative figures for 2021

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Maintenance and development charges	\$ -	-	-
Other (Building permits and development)	89,100	128,178	194,141
Total Fees and Charges	<u>89,100</u>	<u>128,178</u>	<u>194,141</u>
Tangible capital asset sales - gain (loss)	-	-	-
Other Segmented Revenue (Licences, permits and other)	39,400	44,138	65,378
Total other segmented revenue	<u>128,500</u>	<u>172,316</u>	<u>259,519</u>
Conditional Grants			
Federal - Student Employment	-	-	-
Other	-	-	-
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>128,500</u>	<u>172,316</u>	<u>259,519</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Provincial - Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Planning and Development Services	<u>128,500</u>	<u>172,316</u>	<u>259,519</u>
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other (MAP: Registration, fees and rentals)	1,481,600	1,690,959	1,238,815
Total Fees and Charges	<u>1,481,600</u>	<u>1,690,959</u>	<u>1,238,815</u>
Tangible capital asset sales - gain (loss)	-	10,089	3,456
Other Segmented Revenue (rebates and recycling)	8,800	1,432	4,315
Total other segmented revenue	<u>1,490,400</u>	<u>1,702,480</u>	<u>1,246,586</u>
Conditional Grants			
Federal - Student Employment	6,500	2,400	-
Local government-Operating	81,700	82,354	134,238
Donations	21,000	23,818	16,204
Other	5,000	5,000	10,500
Total Conditional Grants	<u>114,200</u>	<u>113,572</u>	<u>160,942</u>
Total Operating	<u>1,604,600</u>	<u>1,816,052</u>	<u>1,407,528</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
Local Government-Capital	-	-	-
Provincial - Disaster Assistance	-	-	-
Other (ICIP grant, CCRF grant, and fundraising)	304,000	6,056,595	1,508,458
Total Capital	<u>304,000</u>	<u>6,056,595</u>	<u>1,508,458</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Recreation and Cultural Services	<u>1,908,600</u>	<u>7,872,647</u>	<u>2,915,986</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2022
with comparative figures for 2021

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Water	\$ 3,877,300	4,121,252	4,281,080
Sewer	1,445,500	1,530,424	1,466,338
Other (Infrastructure replacement fee)	<u>81,200</u>	<u>61,331</u>	<u>-</u>
Total Fees and Charges	5,404,000	5,713,007	5,747,418
Tangible capital asset sales - gain (loss)	-	5,597	(13,267)
Other Segmented Revenue	<u>-</u>	<u>-</u>	<u>492</u>
Total other segmented revenue	<u>5,404,000</u>	<u>5,718,604</u>	<u>5,734,643</u>
Conditional Grants			
Federal - Student Employment	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Conditional Grants	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>5,404,000</u>	<u>5,718,604</u>	<u>5,734,643</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
New Building Canada Fund (SCF, NRP)	3,162,000	18,013	27,605
Clean Water and Wastewater Fund	-	-	-
Provincial - Disaster Assistance	-	-	-
Other (Assets constructed by developers)	<u>5,000</u>	<u>2,740,943</u>	<u>-</u>
Total Capital	<u>3,167,000</u>	<u>2,758,956</u>	<u>27,605</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Services	<u>8,571,000</u>	<u>8,477,560</u>	<u>5,762,248</u>
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 12,592,500</u>	<u>19,197,082</u>	<u>11,449,429</u>
SUMMARY			
Total Other Segmented Revenue	\$ 8,156,300	8,854,537	8,399,445
Total Conditional Grants	199,200	219,963	250,310
Total Capital Grants and Contributions	4,237,000	10,122,582	2,799,674
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE BY FUNCTION	<u>\$ 12,592,500</u>	<u>19,197,082</u>	<u>11,449,429</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2022
with comparative figures for 2021

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 221,000	229,147	157,578
Wages and benefits	925,100	962,321	880,415
Professional/Contractual services	405,500	385,682	501,694
Utilities	30,900	34,055	29,644
Maintenance, materials, and supplies	163,800	178,281	138,012
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	141,160	143,171
Interest	197,100	185,334	210,989
Allowance for uncollectibles	-	-	-
General Government Services	<u>1,943,400</u>	<u>2,115,980</u>	<u>2,061,503</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total General Government Services	<u>1,943,400</u>	<u>2,115,980</u>	<u>2,061,503</u>
PROTECTIVE SERVICES			
Police protection			
Wages and benefits	91,200	99,340	139,947
Professional/Contractual services	1,248,600	1,257,530	926,144
Utilities	5,800	5,984	6,513
Maintenance, materials, and supplies	20,200	21,772	20,516
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	61,860	61,860
Interest	-	-	-
Other	-	-	-
Fire protection			
Wages and benefits	369,500	347,098	320,410
Professional/Contractual services	51,700	59,729	34,244
Utilities	16,900	20,508	17,470
Maintenance, materials, and supplies	120,500	109,960	115,276
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	84,557	80,309
Interest	-	-	-
Other	-	-	-
Protective Services	<u>1,924,400</u>	<u>2,068,338</u>	<u>1,722,689</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Protective Services	<u>1,924,400</u>	<u>2,068,338</u>	<u>1,722,689</u>
TRANSPORTATION SERVICES			
Wages and benefits	885,400	882,199	894,437
Professional/Contractual services	224,700	226,665	173,074
Utilities	158,800	169,441	149,762
Maintenance, materials, and supplies	1,573,200	520,007	500,593
Gravel	100,000	98,339	100,125
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	1,576,312	1,505,291
Interest	52,400	52,349	60,242
Other	-	-	-
Transportation Services	<u>2,994,500</u>	<u>3,525,312</u>	<u>3,383,524</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Transportation Services	<u>2,994,500</u>	<u>3,525,312</u>	<u>3,383,524</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2022
with comparative figures for 2021

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
ENVIRONMENTAL SERVICES			
Wages and benefits	-	-	-
Contractual services	835,500	874,691	794,187
Utilities	-	-	-
Maintenance, materials, and supplies	20,000	19,089	16,606
Grants and contributions			
-operating			
Waste disposal	-	-	-
Public health	-	-	-
-capital			
Waste disposal	-	-	-
Public health	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	-	-	-
Environmental and Public Health Services	<u>855,500</u>	<u>893,780</u>	<u>810,793</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Environmental and Public Health Services	<u>855,500</u>	<u>893,780</u>	<u>810,793</u>
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	376,200	371,734	368,013
Contractual services	562,300	376,602	404,658
Utilities	1,400	1,181	1,143
Maintenance, materials, and supplies	20,400	190	127
Grants and contributions			
-operating	-	-	-
-capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Other	500	371	403
Planning and Development Services	<u>960,800</u>	<u>750,078</u>	<u>774,344</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Planning and Development Services	<u>960,800</u>	<u>750,078</u>	<u>774,344</u>
RECREATION AND CULTURAL SERVICES			
Wages and benefits	1,823,200	1,860,387	1,724,040
Contractual services	438,200	376,444	438,410
Utilities	332,900	384,873	306,671
Maintenance, materials, and supplies	337,900	412,160	358,968
Grants and contributions			
-operating	170,700	168,859	198,136
-capital	-	-	-
Amortization	-	1,253,465	1,141,861
Interest	297,500	298,642	311,585
Allowance for uncollectibles	-	-	-
Other	-	-	-
Recreation and Cultural Services	<u>3,400,400</u>	<u>4,754,830</u>	<u>4,479,671</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Recreation and Cultural Services	<u>3,400,400</u>	<u>4,754,830</u>	<u>4,479,671</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

TOTAL EXPENSES BY FUNCTION

Year ended December 31, 2022
with comparative figures for 2021

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
UTILITY SERVICES			
Wages and benefits	696,800	711,571	693,145
Contractual services	7,072,300	96,359	112,921
Utilities	229,100	214,663	194,216
Maintenance, materials, and supplies	3,682,100	3,620,922	3,744,718
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization	-	1,043,383	946,527
Interest	-	-	-
Allowance for uncollectibles	-	-	-
Other (Plumbing rebate)	<u>2,000</u>	<u>1,060</u>	<u>1,288</u>
Utility Services	<u>11,682,300</u>	<u>5,687,958</u>	<u>5,692,815</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Services	<u>11,682,300</u>	<u>5,687,958</u>	<u>5,692,815</u>
TOTAL EXPENDITURES BY FUNCTION	<u>\$ 23,761,300</u>	<u>19,796,276</u>	<u>18,925,339</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

Schedule 4

SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2022

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and charges	\$ 8,758	163,473	22	807,133	128,178	1,690,959	5,713,007	8,511,530
Tangible capital asset sales - Gain (loss)	4,658	-	(1,279)	-	-	10,089	5,597	19,065
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	184,153	-	-	-	-	-	-	184,153
Other revenues	89,519	4,700	-	-	44,138	1,432	-	139,789
Grants - Conditional	-	520	-	105,871	-	113,572	-	219,963
Grants - Capital	50,000	80,000	1,177,031	-	-	6,056,595	2,758,956	10,122,582
Restructurings	-	-	-	-	-	-	-	-
Total revenues	<u>337,088</u>	<u>248,693</u>	<u>1,175,774</u>	<u>913,004</u>	<u>172,316</u>	<u>7,872,647</u>	<u>8,477,560</u>	<u>19,197,082</u>
Expenses (Schedule 3)								
Wages & Benefits	1,191,468	446,438	882,199	-	371,734	1,860,387	711,571	5,463,797
Professional/Contractual Services	385,682	1,317,259	226,665	874,691	376,602	376,444	96,359	3,653,702
Utilities	34,055	26,492	169,441	-	1,181	384,873	214,663	830,705
Maintenance, materials and supplies	178,281	131,732	618,346	19,089	190	412,160	3,620,922	4,980,720
Grants and contributions	-	-	-	-	-	168,859	-	168,859
Amortization	141,160	146,417	1,576,312	-	-	1,253,465	1,043,383	4,160,737
Interest	185,334	-	52,349	-	-	298,642	-	536,325
Allowance for uncollectibles	-	-	-	-	-	-	-	-
Other	-	-	-	-	371	-	1,060	1,431
Restructurings	-	-	-	-	-	-	-	-
Total expenses	<u>2,115,980</u>	<u>2,068,338</u>	<u>3,525,312</u>	<u>893,780</u>	<u>750,078</u>	<u>4,754,830</u>	<u>5,687,958</u>	<u>19,796,276</u>
Surplus (deficit) by function	(1,778,892)	(1,819,645)	(2,349,538)	19,224	(577,762)	3,117,817	2,789,602	(599,194)
Taxation and other unconditional revenue (Schedule 1)								<u>11,691,288</u>
Net Surplus (Deficit)								<u>\$ 11,092,094</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

Schedule 5

SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2021

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and charges	\$ 8,264	110,032	4,595	801,614	194,141	1,238,815	5,747,418	8,104,879
Tangible capital asset sales - Gain (loss)	-	-	(783)	-	-	3,456	(13,267)	(10,594)
Land sales - Gain (loss)	-	-	-	-	-	-	-	-
Investment income and commissions	192,839	-	-	-	-	-	-	192,839
Other revenues	40,686	1,450	-	-	65,378	4,315	492	112,321
Grants - Conditional	-	-	-	89,368	-	160,942	-	250,310
Grants - Capital	-	80,000	1,183,611	-	-	1,508,458	27,605	2,799,674
Restructurings	-	-	-	-	-	-	-	-
Total revenues	<u>241,789</u>	<u>191,482</u>	<u>1,187,423</u>	<u>890,982</u>	<u>259,519</u>	<u>2,915,986</u>	<u>5,762,248</u>	<u>11,449,429</u>
Expenses (Schedule 3)								
Wages & Benefits	1,037,993	460,357	894,437	-	368,013	1,724,040	693,145	5,177,985
Professional/Contractual Services	501,694	960,388	173,074	794,187	404,658	438,410	112,921	3,385,332
Utilities	29,644	23,983	149,762	-	1,143	306,671	194,216	705,419
Maintenance, materials and supplies	138,012	135,792	600,718	16,606	127	358,968	3,744,718	4,994,941
Grants and contributions	-	-	-	-	-	198,136	-	198,136
Amortization	143,171	142,169	1,505,291	-	-	1,141,861	946,527	3,879,019
Interest	210,989	-	60,242	-	-	311,585	-	582,816
Allowance for uncollectibles	-	-	-	-	-	-	-	-
Other	-	-	-	-	403	-	1,288	1,691
Restructurings	-	-	-	-	-	-	-	-
Total expenses	<u>2,061,503</u>	<u>1,722,689</u>	<u>3,383,524</u>	<u>810,793</u>	<u>774,344</u>	<u>4,479,671</u>	<u>5,692,815</u>	<u>18,925,339</u>
Surplus (deficit) by function	(1,819,714)	(1,531,207)	(2,196,101)	80,189	(514,825)	(1,563,685)	69,433	(7,475,910)
Taxation and other unconditional revenue (Schedule 1)								<u>11,271,681</u>
Net Surplus (Deficit)								<u>\$ 3,795,771</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE

SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

Year ended December 31, 2022
with comparative figures for 2021

	2022							2021	
	General Assets					Infrastructure Assets	General / Infrastructure Assets Under Construction	Total	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
Asset cost									
Opening asset costs	\$ 12,667,687	16,923,436	33,720,920	2,151,189	7,133,619	78,544,122	-	151,140,973	149,025,764
Additions during the year	-	1,212,431	7,915,338	366,184	745,647	6,189,852	-	16,429,452	2,831,894
Disposals and write-downs during the year	-	(5,800)	-	-	(183,515)	(91,200)	-	(280,515)	(716,685)
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing asset costs	<u>12,667,687</u>	<u>18,130,067</u>	<u>41,636,258</u>	<u>2,517,373</u>	<u>7,695,751</u>	<u>84,642,774</u>	<u>-</u>	<u>167,289,910</u>	<u>151,140,973</u>
Accumulated amortization cost									
Opening accumulated amortization costs	-	6,957,559	9,985,420	1,189,985	3,479,005	26,999,074	-	48,611,043	45,408,915
Add: Amortization taken	-	851,386	763,931	139,153	370,573	2,035,694	-	4,160,737	3,879,019
Less: Accumulated amortization on disposals	-	(5,800)	-	-	(48,993)	(90,790)	-	(145,583)	(676,891)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	<u>-</u>	<u>7,803,145</u>	<u>10,749,351</u>	<u>1,329,138</u>	<u>3,800,585</u>	<u>28,943,978</u>	<u>-</u>	<u>52,626,197</u>	<u>48,611,043</u>
Net book value	<u>\$ 12,667,687</u>	<u>10,326,922</u>	<u>30,886,907</u>	<u>1,188,235</u>	<u>3,895,166</u>	<u>55,698,796</u>	<u>-</u>	<u>114,663,713</u>	<u>102,529,930</u>

1. Total contributed/donated assets received in 2022: \$ -

2. List of assets recognized at nominal value in 2022 are:

-Infrastructure Assets \$ -
-Vehicles \$ -
-Machinery and Equipment \$ -

3. Amount of interest capitalized in 2022: \$ -

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE
SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION
Year ended December 31, 2022
with comparative figures for 2021

	2022							2021	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
Asset cost									
Opening asset costs	\$ 16,723,750	3,317,637	46,883,830	-	-	37,509,182	46,706,575	151,140,974	149,025,764
Additions during the year	-	96,320	2,480,203	-	-	8,990,525	4,862,403	16,429,451	2,831,894
Disposals and write-downs during the year	(51,799)	-	(177,152)	-	-	(51,564)	-	(280,515)	(716,685)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing asset costs	<u>16,671,951</u>	<u>3,413,957</u>	<u>49,186,881</u>	<u>-</u>	<u>-</u>	<u>46,448,143</u>	<u>51,568,978</u>	<u>167,289,910</u>	<u>151,140,973</u>
Accumulated amortization cost									
Opening accumulated amortization costs	1,334,465	1,521,673	19,215,719	-	-	13,562,681	12,976,505	48,611,043	45,408,915
Add: Amortization taken	141,160	146,416	1,576,312	-	-	1,253,466	1,043,383	4,160,737	3,879,019
Less: Accumulated amortization on disposals	(9,756)	-	(120,873)	-	-	(14,954)	-	(145,583)	(676,891)
Transfer of assets related to restructuring (Schedule 11)	-	-	-	-	-	-	-	-	-
Closing accumulated amortization costs	<u>1,465,869</u>	<u>1,668,089</u>	<u>20,671,158</u>	<u>-</u>	<u>-</u>	<u>14,801,193</u>	<u>14,019,888</u>	<u>52,626,197</u>	<u>48,611,043</u>
Net book value	<u>\$ 15,206,082</u>	<u>1,745,868</u>	<u>28,515,723</u>	<u>-</u>	<u>-</u>	<u>31,646,950</u>	<u>37,549,090</u>	<u>114,663,713</u>	<u>102,529,930</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE
SCHEDULE OF ACCUMULATED SURPLUS
Year ended December 31, 2022

	<u>2021</u>	<u>Changes</u>	<u>2022</u>
UNAPPROPRIATED SURPLUS	\$ <u>2,306,936</u>	<u>21,738</u>	<u>2,328,674</u>
APPROPRIATED RESERVES			
Reserve for machinery and equipment	-	-	-
Public reserve	16,346,152	(2,656,689)	13,689,463
Capital trust fund	-	-	-
Utility reserve	-	-	-
Total Appropriated	<u>16,346,152</u>	<u>(2,656,689)</u>	<u>13,689,463</u>
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	102,529,930	12,133,783	114,663,713
Less: Related debt	<u>(15,443,140)</u>	<u>1,593,262</u>	<u>(13,849,878)</u>
Net Investment in Tangible Capital Assets	<u>87,086,790</u>	<u>13,727,045</u>	<u>100,813,835</u>
Total Accumulated Surplus	<u>\$105,739,878</u>	<u>11,092,094</u>	<u>116,831,972</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE
SCHEDULE OF MILL RATES AND ASSESSMENTS
 Year ended December 31, 2022

	PROPERTY CLASS						Total
	<u>Agriculture</u>	<u>Residential</u>	<u>Residential Condominium</u>	<u>Seasonal Residential</u>	<u>Commercial & Industrial</u>	<u>Potash Mine(s)</u>	
Taxable Assessment	\$ 512,985	829,041,965	132,571,520	-	127,069,182	-	\$1,089,195,652
Regional Park Assessment							-
Total Assessment							<u>\$1,089,195,652</u>
Mill Rate Factor(s)	1.0000	1.0000	1.0000	1.0000	1.1625		
Total Base/Minimum Tax (generated for each property class)	<u>1,538</u>	<u>1,867,448</u>	<u>404,670</u>	<u>-</u>	<u>132,675</u>		<u>2,406,331</u>
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ <u>1,963</u>	<u>6,548,373</u>	<u>1,153,879</u>	<u>-</u>	<u>903,232</u>		<u>8,607,447</u>

<u>MILL RATES:</u>	<u>MILLS</u>
Average Municipal*	7.903
Average School*	4.807
Potash Mill Rate	-
Uniform Municipal Mill Rate	5.430

* Average Mill Rates (multiply the total tax levy for each taxing authority by 1000 and divide by the total assessment for the taxing authority)

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE
SCHEDULE OF COUNCIL REMUNERATION
Year ended December 31, 2022

Position	Name	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Mayor	Kent Muench	\$ 56,933	2,185	59,118
Councillor	Tyson Chillog	25,361	782	26,143
Councillor	Michael Cox	21,891	492	22,383
Councillor	Darren MacDonald	21,646	454	22,100
Councillor	Jamie Martens	28,989	3,374	32,363
Councillor	Deborah McGuire	20,526	200	20,726
Councillor	Spencer Nikkel	23,291	454	23,745
Total		<u>\$ 198,637</u>	<u>7,941</u>	<u>206,578</u>

See accompanying notes to the financial statements.

CITY OF MARTENSVILLE
SCHEDULE OF RESTRUCTURING
Year ended December 31, 2022

Carrying Amount of Assets and Liabilities Transferred/Received at Restructuring Date

Cash and temporary investments	\$ -
Taxes Receivable - Municipal	-
Other accounts receivable	-
Assets held for sale	-
Long-term investments	-
Debt charges recoverable	-
Bank indebtedness	-
Accounts payable	-
Accrued liabilities payable	-
Deposits	-
Deferred revenue	-
Accrued landfill costs	-
Liability for contaminated sites	-
Other liabilities	-
Long-term debt	-
Lease obligations	-
Tangible capital assets	-
Prepayments and deferred charges	-
Stock and supplies	-
Other	-
Total Net Carrying Amount Received (Transferred)	\$ <u>-</u>

See accompanying notes to the financial statements.