JANKE LLP
PROFESSIONAL ACCOUNTANTS

June 5, 2024

Town of Carrot River
PO Box 147
5 Main Street
Carrot River SK S0E 0L0

Attention: Ms. Taryn Bryson, Administrator and Mr. Roman Charko, Mayor

Re: Town of Carrot River

We would like to thank you for allowing us to serve your municipality as your Auditor for the 2023 fiscal year. We have completed our audit of the consolidated financial statements and our auditors' report will provide an unqualified opinion to the ratepayers of the Town.

During the course of our audit of the Town of Carrot River for the year ended December 31, 2023, we identified matters that may be of interest to management. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement and it is not designed to identify matters that may be of interest to management. Accordingly, an audit would not usually identify all such matters.

The matters identified were as follows:

Subdivision Reported Value

The costs incurred ($117,691) on the subdivision owned by the Town have been included in Land for Resale on the financial statements. Public Sector Accounting Standards require that this land be valued at the lower of costs and net realizable value. Please be sure to review this annually and determine if any impairment in the value of the land should be recorded in order to present the land at its appropriate market value.

Debt Limit

Please be advised that the long-term debt of the Municipality exceeds the debt limit prescribed by the Municipalities Act. As such, any additional borrowing of the Town must be approved by the Government of Saskatchewan.

Account 4137-5

This payable account includes PST paid on purchases which were posted here by a previous adminstrator. As PST paid is not refundable, this balance should be recorded as an expense. We would recommend adjusting this balance to $nil in the 2024 year and recording the balance as an expense.

School Tax Liability

The balance in account 4114-3 of $6,061.23 represents amounts which have been collected for education property taxes but not yet remitted. If you need some assistance in clarifying how the remittance and annual EPT return should be prepared to accomodate this, please contact Travis for assistance.

Synopsis

When your synopsis is prepared please foward a copy to us and we will review and confirm, in writing, the synposis is an accurate reproduction to the financial statement. Canadian Auditing Standards require that we read any other information containing information from the audited financial statements in order to ensure there are no material inconsistencies.

JANKE LLP
PROFESSIONAL ACCOUNTANTS

Signatures

The following documents require your signature. Please sign where indicated and return to our office:

1. Financial statements
2. Representation letter
3. Adjusting journal entries
4. Summary of Identified Misstatements - none in the current year
5. Uncorrected Misstatements - none in the current year

If you have any questions, please do not hesitate to call our office.

Sincerely,

JANKE LLP

Shane Janke CPA, CA
Partner

The municipality's management is responsible for the preparation and presentation of the accompanying financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the 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 municipality. 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 management and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the municipality's external auditors.

Janke LLP, 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 management to discuss their audit findings.

Mayor

Administrator

June 18, 2024

JANKE LLP
PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the
Town of Carrot River

Opinion

We have audited the financial statements of Town of Carrot River, (the Municipality) which comprise of the Statement of Financial Position as at December 31, 2023, and the Statements of Operations, Change in Net Financial Assets, and Cash Flow 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 Municipality as at December 31, 2023, and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 Municipality 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian 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 Municipality'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 Municipality'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 Municipality 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.

Janke LLP

Tisdale, Saskatchewan
June 18, 2024

Chartered Professional Accountants

Municipality of **Town of Carrot River**

Statement of Financial Position

As at December 31, 2023

Statement 1

	2023	2022
FINANCIAL ASSETS		
Cash and Cash Equivalents (Note 2)	93,908	-
Investments (Note 3)	2,998,396	2,737,101
Taxes Receivable - Municipal (Note 4)	49,162	48,001
Other Accounts Receivable (Note 5)	156,161	243,547
Assets Held for Sale (Note 6)	129,101	129,101
Long-Term Receivable (Note 7)	-	-
Debt Charges Recoverable (Note 8)	-	-
Derivative Assets *[if applicable]* (Note 9)	-	-
Other (Specify)	-	-
Total Financial Assets	3,426,728	3,157,750
LIABILITIES		
Bank Indebtedness (Note 10)	-	477,101
Accounts Payable	92,475	50,443
Accrued Liabilities Payable	-	-
Derivative Liabilities *[if applicable]* (Note 9)	-	-
Deposits	35,250	33,720
Deferred Revenue (Note 11)	277,332	209,716
Asset Retirement Obligation (Note 12)	-	-
Liability for Contaminated Sites (Note 13)	-	-
Other Liabilities	-	-
Long-Term Debt (Note 14)	2,729,864	3,006,966
Lease Obligations (Note 15)	-	-
Total Liabilities	3,134,921	3,777,946
NET FINANCIAL ASSETS (DEBT)	291,807	(620,196)
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	12,368,373	12,836,413
Prepayments and Deferred Charges	-	-
Stock and Supplies	-	-
Other (Note 16)	-	-
Total Non-Financial Assets	12,368,373	12,836,413
ACCUMULATED SURPLUS (DEFICIT)	**12,660,180**	**12,216,217**

Unrecognized Assets (Note 1 m))

Contingent Assets (Note 22)

Contractual Rights (Note 23)

Contingent Liabilities (Note 17)

Contractual Obligations and Commitments (Note 24)

The accompanying notes and schedules are an integral part of these statements.

Municipality of **Town of Carrot River**

Statement of Operations

As at December 31, 2023

Statement 2

	2023 Budget	2023	2022
REVENUES			
Tax Revenue (Schedule 1)	1,175,080	1,170,051	1,128,209
Other Unconditional Revenue (Schedule 1)	203,000	230,581	203,238
Fees and Charges (Schedule 4, 5)	767,330	879,412	885,112
Conditional Grants (Schedule 4, 5)	187,560	207,074	188,020
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	-	-	-
Land Sales - Gain (Schedule 4, 5)	-	1,831	(17,302)
Investment Income (Note 3) (Schedule 4, 5)	134,620	311,279	230,214
Commissions (Schedule 4, 5)	-	-	-
Restructurings (Schedule 4,5)	-	-	-
Other Revenues (Schedule 4, 5)	-	-	-
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	225,210	152,966	-
Total Revenues	**2,692,800**	**2,953,194**	**2,617,491**
EXPENSES			
General Government Services (Schedule 3)	480,210	405,441	412,964
Protective Services (Schedule 3)	335,220	340,562	293,229
Transportation Services (Schedule 3)	748,000	583,400	674,823
Environmental and Public Health Services (Schedule 3)	154,700	188,405	168,598
Planning and Development Services (Schedule 3)	15,500	9,413	746
Recreation and Cultural Services (Schedule 3)	398,770	488,582	415,807
Utility Services (Schedule 3)	396,550	493,428	493,965
Restructurings (Schedule 3)	-	-	-
Total Expenses	**2,528,950**	**2,509,231**	**2,460,132**
Annual Surplus (Deficit) of Revenues over Expenses	**163,850**	**443,963**	**157,359**
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), Beginning of Year	12,216,217	12,216,217	12,058,858
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), End of Year	**12,380,067**	**12,660,180**	**12,216,217**

The accompanying notes and schedules are an integral part of these statements.

Municipality of **Town of Carrot River**

Statement of Change in Net Financial Assets

As at December 31, 2023 Statement 3

	2023 Budget	**2023**	2022
Annual Surplus (Deficit) of Revenues over Expenses	163,850	443,963	157,359
(Acquisition) of tangible capital assets	-	(4,240)	(131,244)
Amortization of tangible capital assets	-	472,280	380,299
Proceeds on disposal of tangible capital assets	-	(1,831)	-
Loss (gain) on the disposal of tangible capital assets	-	1,831	-
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (Deficit) of capital expenses over expenditures	**-**	**468,040**	**249,055**
(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	**163,850**	**912,003**	**406,414**
Net Financial Assets (Debt) - Beginning of Year	(620,196)	(620,196)	(1,026,610)
Net Financial Assets (Debt) - End of Year	**(456,346)**	**291,807**	**(620,196)**

The accompanying notes and schedules are an integral part of these statements.

Municipality of **Town of Carrot River**
Statement of Cash Flow
As at December 31, 2023

Statement 4

	2023	2022
Cash provided by (used for) the following activities		
Operating:		
Annual Surplus (Deficit) of Revenues over Expenses	443,963	157,359
Amortization	472,280	380,300
Loss (gain) on disposal of tangible capital assets	1,831	-
	918,074	537,659
Change in assets/liabilities		
Taxes Receivable - Municipal	(1,161)	17,167
Other Receivables	87,386	130,144
Assets Held for Sale	-	22,426
Other Financial Assets	-	-
Accounts and Accrued Liabilities Payable	42,032	(255,283)
Derivative Liabilities *[if applicable]*	-	-
Deposits	1,530	3,420
Deferred Revenue	67,616	31,111
Asset Retirement Obligation	-	-
Liability for Contaminated Sites	-	-
Other Liabilities	-	-
Stock and Supplies	-	-
Prepayments and Deferred Charges	-	-
Other (Specify)	-	-
Cash provided by operating transactions	**1,115,476**	**486,644**
Capital:		
Acquisition of capital assets	(4,240)	(131,244)
Proceeds from the disposal of capital assets	(1,831)	-
Cash applied to capital transactions	**(6,071)**	**(131,244)**
Investing:		
Decrease (increase) in restricted cash or cash equivalents	-	-
Proceeds from disposal of investments	-	-
Decrease (increase) in investments	(261,295)	(232,043)
Cash provided by (applied to) investing transactions	**(261,295)**	**(232,043)**
Financing:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	(277,102)	(270,185)
Other financing	-	-
Cash provided by (applied to) financing transactions	**(277,102)**	**(270,185)**
Change in Cash and Cash Equivalents during the year	**571,008**	**(146,828)**
Cash and Cash Equivalents - Beginning of Year	(477,100)	(330,272)
Cash and Cash Equivalents - End of Year	**93,908**	**(477,100)**

The accompanying notes and schedules are an integral part of these statements.

1. Significant Accounting Policies

The financial statements of the municipality have been prepared by management in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the municipality are as follows:

Basis of Accounting: The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting requires revenues to be recognized as they become available and measurable and 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.

a) **Reporting Entity:** The financial statements consolidate the assets, liabilities, and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources. No other entities have been consolidated in these financial statements.

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. These financial statements contain no partnerships:

b) **Collection of funds for other authorities:** Collection of funds by the municipality for school boards, municipal hail, and conservation and development authorities are collected and remitted in accordance with relevant legislation.

c) **Government Transfers:** Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occur, providing:

a) the transfers are authorized
b) any eligibility criteria and stipulations have been met; and
c) reasonable estimates of the amounts can be made.

Unearned government transfer amounts received will be recorded as deferred revenue until eligibility criteria or stipulations are met.
Earned government transfer amounts not received will be recorded as an amount receivable.
Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

d) **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 contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions are deferred until the resources are used for the purpose specified, at which time the contributions are recognized as revenue. In-kind contributions are recorded at their fair value when they are received.

e) **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.

f) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.

g) **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.

h) **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.

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

j) **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. 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.

1. Significant Accounting Policies - continued

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

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

[*If externally restricted financial instruments exist:* When investment income and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as liabilities until the external restrictions are satisfied.]

Long-term debt: Long-term debt is initially recognized net of premiums, discounts, and transaction costs and is measured at amortized cost with interest expense recognized using the effective interest rate method.

Long-term receivables: Receivables with terms longer than one year have been classified as other long-term receivables.

Measurement of Financial Instruments:
The municipalities financial assets and liabilities are measured as follows:

Financial Statement line item	Measurement
Cash & Cash Equivalents	Cost and amortized cost
Investments	Fair value and cost/amortized cost
Other Accounts Receivable	Cost and amortized cost
Bank Indebtedness	Amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Long-Term Debt	Amortized cost

l) **Inventories:** Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials, and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.

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 deflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. Tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

Asset	***Useful Life***
General Assets	
Land	Indefinite
Land Improvements	40 to 75 Yrs.
Buildings	40 Yrs.
Vehicles & Equipment	
Vehicles	10 Yrs.
Machinery and Equipment	10 to 45 Yrs.
Leased capital assets	Lease term
Infrastructure Assets	
Infrastructure Assets	30 to 75 Yrs.
Water & Sewer	75 Yrs.
Road Network Assets	30 to 40 Yrs.

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 municipality does *[not]* capitalize interest incurred while a tangible capital asset is under construction.

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

1. Significant Accounting Policies - continued

n) **Trust Funds:** Funds held in trust for others, under a trust agreement or statute, are not included in the financial statements as they are not controlled by the municipality. Trust fund activities administered by the municipality are disclosed in Note 18.

o) **Employee Benefit Plans:** Contributions to the municipality's multiemployer defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.

p) **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 municipality:
  i. is directly responsible; or
  ii. accepts responsibility;
d) it is expected that future economic benefits will be given up; and
e) a reasonable estimate of the amount can be made.

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

Measurement uncertainty impacts the following financial statement areas:
Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.
The measurement of materials and supplies are based on estimates of volume and quality.
The 'Opening Asset costs' of tangible capital assets have been estimated where actual costs were not available.
Amortization is based on the estimated useful lives of tangible capital assets.
The liability associated with asset retirement obligations are measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date, the discount rate, and inflation.
Measurement financial instruments at fair value and recognition and measurement of impairment of financial instruments requires the use of significant management estimates.

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

r) **Basis of Segmentation/Segment Report:** The municipality follows the Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the purpose of specific borrowings.

The segments (functions) are as follows:

General Government: Provides for the administration of the municipality.

Protective Services: Comprised of expenses for Police and Fire protection.

Transportation Services: 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 municipality.

Planning and Development: Provides for neighbourhood development and sustainability.

Recreation and Culture: Provides for community services through the provision of recreation and leisure services.

Utility Services: Provides for delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

s) **Budget Information**: Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on March 21, 2023.

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 reasonably anticipated to be completed within one year of the financial statement date.

1. Significant Accounting Policies - continued

u) **Asset Retirement Obligation:** Asset Retirement Obligations represent the legal obligations associated with the retirement of a tangible capital asset that result from its acquisition, construction, development, or normal use. The tangible assets include but are not limited to assets in productive use, assets no longer in productive use, leased tangible capital assets.

The liability associated with an asset retirement obligation is measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date to the extent that all recognition criteria are met. Asset retirement obligations are only recognized when there is a legal obligation for the municipality to incur costs in relation to a specific TCA, when the past transaction or event causing the liability has already occurred, when economic benefits will need to be given up in order to remediate the liability and when a reasonable estimate of such amount can be made. The best estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date. Where cash flows are expected over future periods, the liability is recognized using a present value technique.

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates.

At remediation, the municipality derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the statement of operations.

v) **Loan Guarantees:** The municipality has not provided loan guarantees for any other organizations.

w) **New Standards and Amendments to Standards:**
Effective for Fiscal Years Beginning On or After April 1, 2023:

PS 3160, Public private partnerships, a new standard establishing guidance on how to account for and report on partnerships between public and private sector entities. Specifically those in which the entity in the public sector procures infrastructure in conjunction with a private sector entity. In these scenarios the private sector entity must have obligations to design, build, acquire or improve existing infrastructure. Furthermore they must also finance the transaction past the point in which the asset is initially ready for use along with operating and/or maintaining such on an ongoing basis. The standard applies to fiscal years beginning on or after April 1, 2023.

PS 3400, Revenue, a new standard establishing guidance on how to account for and report on revenue. The standard provides a framework for recognizing, measuring and reporting revenues that arise from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payer. The standard is mandatory for fiscal years beginning on or after April 1, 2023. Earlier adoption is permitted. The standard may be adopted retroactively or prospectively.

PSG-8, Purchased intangibles, provides guidance on accounting for and reporting on purchased intangibles. It provides clarity on the recognition criteria, along with instances of assets that would not meet the definition of such. The standard may be adopted retroactively or prospectively.

The extent of the impact on adoption of these future standards is not known at this time.

x) **New Accounting Policies Adopted During the Year:**

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

These measurements are to be applied prospectively with any difference between the fair value and the prior carrying value being recognized as an adjustment to accumulated remeasurement gains and losses at the beginning of the fiscal year. This standard was adopted in conjunction with PS 1201 - Financial Statement Presentation, PS 2601 - Foreign Currency Translation and PS 3041 - Portfolio Investments.

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

Municipality of **Town of Carrot River**

Notes to the Financial Statements

As at December 31, 2023

2. Cash and Cash Equivalents

	2023	2022
Cash	93,908	-
Short-term investments - amortized cost	-	-
Restricted Cash	-	-
Total Cash and Cash Equivalents	**93,908**	-

Cash and cash equivalents includes balances with banks and short-term deposits with maturities of three months or less. [Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.]

3. Investments

	2023	2022
Investments carried at fair value:		
[List if any; e.g.:]	-	-
Equity instruments quoted in an active market	2,026,896	1,723,601
Portfolio investments	-	-
Derivatives	-	-
Investments carried at amortized cost:		
[List if any; e.g.:]	-	-
Short-term notes and deposits	-	42,000
Land held as rental property	971,500	971,500
Total investments	2,998,396	2,737,101

	2023	2022
Investment Income		
Interest	-	-
Dividends	-	-
Realized gains (losses) on disposal	-	-
Impairment charges	-	-
Net increase in endowment fund investments	303,295	232,252
Total investment income	303,295	232,252

4. Taxes Receivable - Municipal

		2023	2022
Municipal	- Current	**18,577**	22,619
	- Arrears	**30,585**	25,382
		49,162	**48,001**
	- Less Allowance for Uncollectible	**-**	-
Total municipal taxes receivable		**49,162**	48,001
School	- Current	**2,592**	3,594
	- Arrears	**4,555**	3,411
Total taxes to be collected on behalf of School Divisions		**7,147**	**7,005**
Other		**-**	-
Total taxes and grants in lieu receivable or to be collected on behalf of other organizations		**56,309**	55,006
Deduct taxes to be collected on behalf of other organizations		**(7,147)**	(7,005)
Total Taxes Receivable - Municipal		**49,162**	48,001

Municipality of **Town of Carrot River**

Notes to the Financial Statements

As at December 31, 2023

5. Other Accounts Receivable

	2023	2022
Federal Government	**6,308**	7,283
Provincial Government	**-**	-
Local Government	**-**	-
Utility	**72,554**	58,618
Trade	**79,799**	180,146
Other (Specify)	**-**	-
Total Other Accounts Receivable	**158,661**	246,047
Less: Allowance for Uncollectible	**(2,500)**	(2,500)
Net Other Accounts Receivable	**156,161**	243,547

6. Assets Held for Sale

	2023	2022
Tax Title Property	**21,410**	21,410
Allowance for market value adjustment	**(10,000)**	(10,000)
Net Tax Title Property	**11,410**	11,410
Other Land	**117,691**	117,691
Allowance for market value adjustment	**-**	-
Net Other Land	**117,691**	117,691
Other (Describe)	**-**	-
Total Assets Held for Sale	**129,101**	**129,101**

7. Long-Term Receivable

	2023	2022
Notes receivabe	-	-
Other	-	-
Total Long-Term Receivables	**-**	**-**

8. Debt Charges Recoverable

	2023	2022
Current debt charges recoverable	-	-
Non-current debt charges recoverable	-	-
Total Debt Charges Recoverable	**-**	**-**

The municipality has no debt charges recoverable.

9. Financial Instruments - Fair Value Disclosures

	Fair value hierarchy level	2023 Carrying Value	2023 Fair Value	2022 Carrying Value	2022 Fair Value
Financial assets carried at fair value	Level 1 / 2 / 3				
Equity instruments quoted in an active market	Level 1	2,026,896	2,026,896	1,723,601	1,723,601
Total financial assets carried at fair value		2,026,896	2,026,896	1,723,601	1,723,601

	Fair value hierarchy level	2023 Carrying Value	2023 Fair Value	2022 Carrying Value	2022 Fair Value
Financial liabilities carried at fair value	Level 1 / 2 / 3				
None		-	-	-	-
Total financial liabilities carried at fair value		-	-	-	-

For those instruments measured at cost / amortized cost the carrying value approximates the fair value.

Financial instruments are classified as level 1, 2 or 3 for the purposes of describing the basis of the inputs used to measure the fair values of financial instruments in the fair value measurement category, as described below:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets / liabilities;
Level 2 - Inputs other than those in Level 1, that are either directly or indirectly observable for the assets or liabilities; and
Level 3 - Inputs that are not based on observable market data (unobservable inputs).

10. Bank Indebtedness

Credit Arrangements

At December 31, 2023, the Municipality had and authorized overdraft limit of $800,000 *(2022 - $800,000)* bearing interest at 7.20% (*2022 - 6.45%*), none of which was drawn (*2022 - $424,707*).

11. Deferred Revenue

	2022	Externally Restricted Inflows	Revenue Earned	2023
New Deal Gas Tax & MEEP Revenue	**206,033**	**65,580**		271,613
Prepaid Municipal Tax	**560**			560
Stage Roof Project	**3,123**	**2,036**		5,159
Total Deferred Revenue	**209,716**	**67,616**	-	**277,332**

12. Asset Retirement Obligation

	2023	2022
Balance, beginning of the year	-	-
Liabilities incurred	-	-
Liabilities settled	-	-
Accretion expense	-	-
Changes in estimated cash flows	-	-
Estimated total liability	-	-

Landfill

The municipality does not maintain a waste disposal site.

Asbestos

The municipality is not aware of any assets it owns containing asbestos. If an asset owned by the Municipality doescontain asbestos, the municipality is legally required to perform abatement activities upon renovation or demolition of this asset. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed.

Municipality of **Town of Carrot River**

Notes to the Financial Statements

As at December 31, 2023

13. Liability for Contaminated Sites

The municipality has not identified any contaminated sites which are exoected to require future remediation.

14. Long-Term Debt

The debt limit of the municipality is $1,960,626. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the *Municipalities Act* section 161(1)).

Three separate debenture debts are repayable to the Government of Saskatchewan in annual payments of $102,832.89, $88,959.85 and $74,068.12, including interest at 2.50%, 2.40% and 2.30% respectively. The debentures are due in 2029, 2031 and 2040 respectively.

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Year Total	Prior Year Principal
2024	209,862	56,000	265,862	204,919
2025	214,927	50,935	265,862	209,862
2026	220,114	45,748	265,862	214,927
2027	225,425	40,437	265,862	220,114
2028	230,864	34,998	265,862	225,425
Thereafter	1,241,707	150,848	1,392,555	1,476,499
Balance	**2,342,899**	**378,966**	**2,721,865**	**2,551,746**

Bank loan payable to Diamond North Credit Union is repayable at $86,292.33 annually, including interest at 4.39%. The loan is secured by a general security agreement and is due in 2028.

Future principal repayments are estimated as follows:

Year	Principal	Interest	Current Year Total	Prior Year Principal
2024	85,622	670	86,292	67,047
2025	73,063	13,229	86,292	67,047
2026	76,271	10,021	86,292	73,063
2027	79,619	6,673	86,292	76,271
2028	72,390	3,178	86,292	79,619
Thereafter	-	-	-	92,173
Balance	**386,965**	**33,771**	**431,460**	**455,220**

15. Lease Obligations

The municipality has no capital lease obligations.

16. Other Non-financial Assets

	2023	2022
None		

17. Contingent Liabilities

The municipality has not identified any contingent liabilities.

18. Pension Plan

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer 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 municipality's pension expense in 2023 was *$45,004* . The benefits accrued to the municipality'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 the MEPP in 2023 were *$45,004* (2022 - *$ 37,753*). Total current service contributions by the employees of the municipality to the MEPP in 2023 were *$45,004* (2022 - *$37,753*).

At the time of the municipality's audit the December 31, 2023 MEPP Actuarial Valuation was unavailable. At December 31, 2022, MEPP disclosed an actuarial surplus of $704,877,000.

For further information of the amount of MEPP deficiency/surplus information see: https://mepp.peba.ca/fund-information/plan-reporting

19. Comparative Figures

Prior year comparative figures have been restated to conform to the current year's presentation.

20. Trusts Administered by the Municipality

A summary of trust fund activity by the municipality during the year is as follows:

	Current Year Total	Prior Year Total
Balance - Beginning of Year	-	-
Revenue (*Specify*)	-	-
Interest revenue	-	-
Expenditure (*Specify*)	-	-
Balance - End of Year	-	-

Municipality of **Town of Carrot River**
Notes to the Financial Statements
As at December 31, 2023

21. Related Parties

The financial statements include transactions with related parties.

Transactions with these related parties are in the normal course of operations and are settled on normal trade terms.

22. Contingent Assets

Contingent assets are not recorded in the financial statements.

23. 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. Significant contractual rights of the municipality are as follows:

Contractual Rights Type	Describe Nature Time and Extent	2023	2024	2025	2026	2027	Thereafter	No Fixed Maturity Date	Current Year Total	Prior Year Total
[i.e. future lease revenue]		*[$]*	*[$]*	*[$]*	*[$]*	*[$]*	*[$]*	*[$]*	*[$]*	*[$]*
Contractual Rights 1		-	-	-	-	-	-	-	-	-
Contractual Rights 2		-	-	-	-	-	-	-	-	-
Contractual Rights 3		-	-	-	-	-	-	-	-	-
[Other Specify]		-	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-	-

24. Contractual Obligations and Commitments

The municipality has entered into multiple-year contracts for the delivery of services and the construction of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Significant contractual obligations and commitments of the municipality include:

Contractual Obligations and Commitments Type[1]	Describe Nature Time and Extent	2023	2024	2025	2026	2027	Thereafter	No Fixed Maturity Date	Current Year Total	Prior Year Total
[*i.e. future lease payments]*		*[$]*	*[$]*	*[$]*	*[$]*	*[$]*	*[$]*	*[$]*	*[$]*	*[$]*
Contractual Obligations 1		-	-	-	-	-	-	-	-	-
Contractual Obligations 2		-	-	-	-	-	-	-	-	-
Contractual Obligations 3		-	-	-	-	-	-	-	-	-
[Other Specify]		-	-	-	-	-	-	-	-	-
Total		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

[1] See Note 14 for Capital Lease obligations.

25. Risk Management

Through its financial assets and liabilities, the municipality is exposed to various risks.
It is managements opinion that the municipality is not exposed to significant interest rate, exchange rate, market rate or liquidity risks arising from these financial instruments.

Credit Risk
Credit risk is the risk that one party to a financial instrument will fail to discharge their responsibilities with respect to the financial instrument, and in so doing, cause a loss for the other party.
The financial instruments that potentially subject the municipality to credit risk consist of taxes and other receivables.

The municipalities maximum exposure to credit risk as at December 31 is as follows:	**2023**
Taxes receivable	49,162
Other receivables	156,661
Maximum credit risk exposure	**205,823**

Municipality of **Town of Carrot River**

Schedule of Taxes and Other Unconditional Revenue

As at December 31, 2023

Schedule 1

	2023 Budget	2023	2022
TAXES			
General municipal tax levy	1,104,290	1,089,190	1,079,378
Abatements and adjustments	(11,910)	(19,118)	(21,666)
Discount on current year taxes	(38,000)	(39,743)	(55,354)
Net Municipal Taxes	**1,054,380**	**1,030,329**	**1,002,358**
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	9,800	15,478	14,603
Special tax levy	-	-	-
Other (*Specify*)	-	-	-
Total Taxes	**1,064,180**	**1,045,807**	**1,016,961**
UNCONDITIONAL GRANTS			
Revenue Sharing	203,000	230,581	203,238
(Organized Hamlet)	-	-	-
Safe Restart	-	-	-
Other (*Specify*)	-	-	-
Total Unconditional Grants	**203,000**	**230,581**	**203,238**
GRANTS IN LIEU OF TAXES			
Federal	19,100	22,935	19,098
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	64,000	70,097	64,404
Sask Energy Surcharge	27,800	31,212	27,746
Other (*Specify*)		-	-
Total Grants in Lieu of Taxes	**110,900**	**124,244**	**111,248**
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	**1,378,080**	**1,400,632**	**1,331,447**

Municipality of **Town of Carrot River**
Schedule of Operating and Capital Revenue by Function
As at December 31, 2023 Schedule 2 - 1

	2023 Budget	2023	2022
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	1,000	5,557	7,350
- Sales of supplies	4,990	7,308	8,737
- Other (*Specify*)	-	-	-
Total Fees and Charges	5,990	12,865	16,087
- Tangible capital asset sales - gain (loss)	-	-	-
- Land sales - gain	-	1,831	(17,302)
- Investment income	134,620	311,279	230,214
-Commissions	-	-	-
- Other (*Specify*)	-	-	-
Total Other Segmented Revenue	140,610	325,975	228,999
Conditional Grants			
- Student Employment	-	-	-
- MEEP	-	-	-
- Other (*Specify*)	-	-	-
Total Conditional Grants	-	-	-
Total Operating	140,610	325,975	228,999
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	**140,610**	**325,975**	**228,999**
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Policing and fire/Licenses & Fees	15,300	33,833	112,793
Total Fees and Charges	15,300	33,833	112,793
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (*Specify*)	-	-	-
Total Other Segmented Revenue	15,300	33,833	112,793
Conditional Grants			
- Student Employment	-	-	-
- Local government	112,960	102,120	99,717
- MEEP	-	-	-
- Other (*Specify*)	-	-	-
Total Conditional Grants	112,960	102,120	99,717
Total Operating	128,260	135,953	212,510
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	**128,260**	**135,953**	**212,510**

Municipality of **<u>Town of Carrot River</u>**
Schedule of Operating and Capital Revenue by Function
As at December 31, 2023

Schedule 2 - 2

	2023 Budget	2023	2022
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	7,630	9,555	965
- Sales of supplies	-	30	23
- Road Maintenance and Restoration Agreements	-	-	-
- Frontage	-	-	-
- Other (*Specify*)	-	-	-
Total Fees and Charges	7,630	9,585	988
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (*Specify*)	-	-	-
Total Other Segmented Revenue	7,630	9,585	988
Conditional Grants			
- RIRG (CTP)	600	700	-
- Student Employment	-	-	-
- MEEP	-	-	-
- Other (*Specify*)	-	-	-
Total Conditional Grants	600	700	-
Total Operating	8,230	10,285	988
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	**8,230**	**10,285**	**988**
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	4,000	13,373	8,410
- Other (*Specify*)	-	-	-
Total Fees and Charges	4,000	13,373	8,410
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (*Specify*)	-	-	-
Total Other Segmented Revenue	4,000	13,373	8,410
Conditional Grants			
- Student Employment	-	-	-
- TAPD	-	-	-
- Local government	-	-	-
- MEEP	-	-	-
- Other (Recycling Grant)	10,000	40,665	20,072
Total Conditional Grants	10,000	40,665	20,072
Total Operating	14,000	54,038	28,482
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- ICIP	-	-	-
- TAPD	-	-	-
- Provincial Disaster Assistance	-	-	-
- MEEP	-	-	-
- Other (*Specify*)	-	-	-
Total Capital	-	-	-
Restructuring Revenue (*Specify, if any*)	-	-	-
Total Environmental and Public Health Services	**14,000**	**54,038**	**28,482**

Municipality of **Town of Carrot River**
Schedule of Operating and Capital Revenue by Function
As at December 31, 2023

Schedule 2 - 3

	2023 Budget	2023	2022
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges	18,200	36,698	35,006
- Other (*Specify*)	-	-	-
Total Fees and Charges	18,200	36,698	35,006
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (*Specify*)	-	-	-
Total Other Segmented Revenue	18,200	36,698	35,006
Conditional Grants			
- Student Employment	-	-	-
- MEEP	-	-	-
- Other (*Specify*)	-	-	-
Total Conditional Grants	-	-	-
Total Operating	18,200	36,698	35,006
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	**18,200**	**36,698**	**35,006**

	2023 Budget	2023	2022
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (Rentals)	121,410	156,393	133,467
Total Fees and Charges	121,410	156,393	133,467
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (*Specify*)	-	-	-
Total Other Segmented Revenue	121,410	156,393	133,467
Conditional Grants			
- Student Employment	-	-	-
- Local government	64,000	59,589	68,231
- MEEP	-	-	-
- Other (*Specify*)	-	-	-
Total Conditional Grants	64,000	59,589	68,231
Total Operating	185,410	215,982	201,698
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	**185,410**	**215,982**	**201,698**

Municipality of **Town of Carrot River**
Schedule of Operating and Capital Revenue by Function
As at December 31, 2023

Schedule 2 - 4

	2023 Budget	2023	2022
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	594,800	616,665	578,361
- Sewer	-	-	-
- Other (*Specify*)	-	-	-
Total Fees and Charges	594,800	616,665	578,361
- Tangible capital asset sales - gain (loss)	-	-	-
- Other (*Specify*)	-	-	-
Total Other Segmented Revenue	594,800	616,665	578,361
Conditional Grants			
- Student Employment	-	-	-
- MEEP	-	-	-
- Other (*Specify*)	-	4,000	-
Total Conditional Grants	-	4,000	-
Total Operating	594,800	620,665	578,361
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- ICIP	-	-	-
- New Building Canada Fund (SCF, NRP)	225,210	152,966	-
- Clean Water and Wastewater Fund	-	-	-
- Provincial Disaster Assistance	-	-	-
- MEEP	-	-	-
- Other (*Specify*)	-	-	-
Total Capital	225,210	152,966	-
Restructuring Revenue (*Specify, if any*)	-	-	-
Total Utility Services	**820,010**	**773,631**	**578,361**
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	**1,314,720**	**1,552,562**	**1,286,044**

SUMMARY

Total Other Segmented Revenue	901,950	1,192,522	1,098,024
Total Conditional Grants	187,560	207,074	188,020
Total Capital Grants and Contributions	225,210	152,966	-
Restructuring Revenue	-	-	-
TOTAL REVENUE BY FUNCTION	**1,314,720**	**1,552,562**	**1,286,044**

Municipality of **Town of Carrot River**

Total Expenses by Function

As at December 31, 2023

Schedule 3 - 1

	2023 Budget	2023	2022
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	37,300	35,570	36,101
Wages and benefits	245,510	140,793	100,377
Professional/Contractual services	131,600	157,184	175,154
Utilities	13,000	12,319	12,757
Maintenance, materials and supplies	13,000	23,969	28,226
Grants and contributions - operating	26,660	19,087	12,705
- capital	-	-	-
Amortization	-	14,189	13,533
Accretion of asset retirement obligation	-	-	-
Interest	12,000	12,160	29,895
Allowance for uncollectible	-	-	-
Other (Housing Authority)	1,140	(9,830)	4,216
General Government Services	**480,210**	**405,441**	**412,964**
Restructuring *(Specify, if any)*	-	-	-
Total General Government Services	**480,210**	**405,441**	**412,964**
PROTECTIVE SERVICES			
Police protection			
Wages and benefits	-	-	-
Professional/Contractual services	85,000	87,924	82,723
Utilities	-	-	-
Maintenance, material and supplies	-	-	-
Accretion of asset retirement obligation	-	-	-
Grants and contributions - operating	-	-	-
- capital	-	-	-
Other (*Specify*)	-	-	-
Fire protection			
Wages and benefits	121,220	101,557	106,209
Professional/Contractual services	7,200	6,957	3,536
Utilities	23,500	24,502	22,279
Maintenance, material and supplies	98,300	67,366	32,382
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	52,256	46,100
Interest	-	-	-
Accretion of asset retirement obligation	-	-	-
Other (*Specify*)	-	-	-
Protective Services	**335,220**	**340,562**	**293,229**
Restructuring *(Specify, if any)*	-	-	-
Total Protective Services	**335,220**	**340,562**	**293,229**
TRANSPORTATION SERVICES			
Wages and benefits	128,800	166,817	116,370
Professional/Contractual Services	3,500	6,256	5,887
Utilities	40,000	38,436	38,531
Maintenance, materials, and supplies	183,500	107,550	241,222
Gravel	40,000	42,133	34,276
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	147,156	155,331
Interest	352,200	75,052	83,206
Accretion of asset retirement obligation	-	-	-
Other (*Specify*)	-	-	-
Transportation Services	**748,000**	**583,400**	**674,823**
Restructuring *(Specify, if any)*	-	-	-
Total Transportation Services	**748,000**	**583,400**	**674,823**

Municipality of **<u>Town of Carrot River</u>**

Total Expenses by Function

As at December 31, 2023

Schedule 3 - 2

	2023 Budget	**2023**	2022
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	154,700	181,894	162,087
Utilities	-	-	-
Maintenance, materials and supplies	-	-	-
Grants and contributions - operating	-	-	-
○ Waste disposal	-	-	-
○ Public Health	-	-	-
- capital	-	-	-
○ Waste disposal	-	-	-
○ Public Health	-	-	-
Amortization	-	6,511	6,511
Interest	-	-	-
Accretion of asset retirement obligation	-	-	-
Other (*Specify*)	-	-	-
Environmental and Public Health Services	**154,700**	**188,405**	**168,598**
Restructuring (Specify, if any)	-	-	-
Total Environmental and Public Health Services	**154,700**	**188,405**	**168,598**
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	-	-	-
Professional/Contractual Services	5,000	-	-
Grants and contributions - operating	10,500	9,413	746
- capital	-	-	-
Amortization	-	-	-
Interest	-	-	-
Accretion of Asset Retirement Obligation	-	-	-
Other (*Specify*)	-	-	-
Planning and Development Services	**15,500**	**9,413**	**746**
Restructuring (Specify, if any)	-	-	-
Total Planning and Development Services	**15,500**	**9,413**	**746**
RECREATION AND CULTURAL SERVICES			
Wages and benefits	178,930	209,517	176,585
Professional/Contractual services	33,500	40,298	20,702
Utilities	84,500	86,405	83,759
Maintenance, materials and supplies	69,850	71,861	57,043
Grants and contributions - operating	31,990	31,767	29,404
- capital	-	-	-
Amortization	-	48,734	48,314
Interest	-	-	-
Accretion of asset retirement obligation	-	-	-
Allowance for uncollectible	-	-	-
Other (*Specify*)	-	-	-
Recreation and Cultural Services	**398,770**	**488,582**	**415,807**
Restructuring (Specify, if any)	-	-	-
Total Recreation and Cultural Services	**398,770**	**488,582**	**415,807**

Municipality of **<u>Town of Carrot River</u>**

Total Expenses by Function

As at December 31, 2023

Schedule 3 - 3

	2023 Budget	2023	2022
UTILITY SERVICES			
Wages and benefits	84,550	100,836	111,156
Professional/Contractual services	1,000	3,006	705
Utilities	63,000	65,340	61,351
Maintenance, materials and supplies	248,000	120,812	210,242
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	-	203,434	110,511
Interest	-	-	-
Accretion of asset retirement obligation	-	-	-
Allowance for Uncollectible	-	-	-
Other (*Specify*)	-	-	-
Utility Services	**396,550**	**493,428**	**493,965**
Restructuring (Specify, if any)	-	-	-
Total Utility Services	**396,550**	**493,428**	**493,965**

TOTAL EXPENSES BY FUNCTION	**2,528,950**	**2,509,231**	**2,460,132**

Municipality of **Town of Carrot River**
Schedule of Segment Disclosure by Function
As at December 31, 2023

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	12,865	33,833	9,585	13,373	36,698	156,393	616,665	879,412
Tangible Capital Asset Sales - Gain	-	-	-	-	-	-	-	-
Land Sales - Gain	1,831							1,831
Investment Income	311,279							311,279
Commissions	-							-
Other Revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	102,120	700	40,665	-	59,589	4,000	207,074
- Capital	-	-	-	-	-	-	152,966	152,966
Restructurings	-	-	-	-	-	-	-	-
Total Revenues	**325,975**	**135,953**	**10,285**	**54,038**	**36,698**	**215,982**	**773,631**	**1,552,562**
Expenses (Schedule 3)								
Wages & Benefits	176,363	101,557	166,817	-	-	209,517	100,836	755,090
Professional/ Contractual Services	157,184	94,881	6,256	181,894	-	40,298	3,006	483,519
Utilities	12,319	24,502	38,436	-		86,405	65,340	227,002
Maintenance Materials and Supplies	23,969	67,366	149,683	-		71,861	120,812	433,691
Grants and Contributions	19,087	-	-	-	9,413	31,767	-	60,267
Amortization	14,189	52,256	147,156	6,511	-	48,734	203,434	472,280
Interest	12,160	-	75,052	-	-	-	-	87,212
Accretion of asset retirement obligation	-	-	-	-	-	-	-	-
Allowance for Uncollectible	-					-	-	-
Restructurings	-	-	-	-	-	-	-	-
Other	(9,830)	-	-	-	-	-	-	(9,830)
Total Expenses	**405,441**	**340,562**	**583,400**	**188,405**	**9,413**	**488,582**	**493,428**	**2,509,231**
Surplus (Deficit) by Function	**(79,466)**	**(204,609)**	**(573,115)**	**(134,367)**	**27,285**	**(272,600)**	**280,203**	**(956,669)**

Taxes and other unconditional revenue (Schedule 1)	1,400,632
Net Surplus (Deficit)	**443,963**

Municipality of **Town of Carrot River**
Schedule of Segment Disclosure by Function
As at December 31, 2022

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	16,087	112,793	988	8,410	35,006	133,467	578,361	885,112
Tangible Capital Asset Sales - Gain	-	-	-	-	-	-	-	-
Land Sales - Gain	(17,302)							(17,302)
Investment Income	230,214							230,214
Commissions	-							-
Other Revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	99,717	-	20,072	-	68,231	-	188,020
- Capital	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
Total Revenues	**228,999**	**212,510**	**988**	**28,482**	**35,006**	**201,698**	**578,361**	**1,286,044**
Expenses (Schedule 3)								
Wages & Benefits	136,478	106,209	116,370	-	-	176,585	111,156	646,798
Professional/ Contractual Services	175,154	86,259	5,887	162,087	-	20,702	705	450,794
Utilities	12,757	22,279	38,531	-		83,759	61,351	218,677
Maintenance Materials and Supplies	28,226	32,382	275,498	-		57,043	210,242	603,391
Grants and Contributions	12,705	-	-	-	746	29,404	-	42,855
Amortization	13,533	46,100	155,331	6,511	-	48,314	110,511	380,300
Interest	29,895	-	83,206	-	-	-	-	113,101
Accretion of asset retirement obligation	-	-	-	-	-	-	-	-
Allowance for Uncollectible	-					-	-	-
Restructurings	-	-	-	-	-	-	-	-
Other	4,216	-	-	-	-	-	-	4,216
Total Expenses	**412,964**	**293,229**	**674,823**	**168,598**	**746**	**415,807**	**493,965**	**2,460,132**
Surplus (Deficit) by Function	**(183,965)**	**(80,719)**	**(673,835)**	**(140,116)**	**34,260**	**(214,109)**	**84,396**	**(1,174,088)**

Taxes and other unconditional revenue (Schedule 1)	1,331,447
Net Surplus (Deficit)	**157,359**

Municipality of **Town of Carrot River**
Schedule of Tangible Capital Assets by Object
As at December 31, 2023

Schedule 6

		2023								2022
		General Assets					Infrastructure Assets	General/ Infrastructure		
		Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets	Assets Under Construction	Total	Total
Assets	**Asset cost**									
	Opening Asset costs	440,135	-	7,672,589	171,741	2,106,674	10,012,835	-	20,403,974	20,272,730
	Additions during the year	-	-	4,240	-	-	-	-	4,240	131,244
	Disposals and write-downs during the year	-	-	-	-	-	-	-	-	-
	Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-
	Transfer of Capital Assets related to restructuring **(Schedule 11)**	-	-	-	-	-	-	-	-	-
	Closing Asset Costs	**440,135**	**-**	**7,676,829**	**171,741**	**2,106,674**	**10,012,835**	**-**	**20,408,214**	**20,403,974**
Amortization	**Accumulated Amortization Cost**									
	Opening Accumulated Amortization Costs	-	-	1,740,763	133,429	880,220	4,813,149	-	7,567,561	7,187,262
	Add: Amortization taken	-	-	173,870	9,248	86,767	202,395	-	472,280	380,299
	Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	-	-
	Transfer of Capital Assets related to restructuring **(Schedule 11)**	-	-	-	-	-	-	-	-	-
	Closing Accumulated Amortization	**-**	**-**	**1,914,633**	**142,677**	**966,987**	**5,015,544**	**-**	**8,039,841**	**7,567,561**
	Net Book Value	**440,135**	**-**	**5,762,196**	**29,064**	**1,139,687**	**4,997,291**	**-**	**12,368,373**	**12,836,413**

Municipality of **Town of Carrot River**
Schedule of Tangible Capital Assets by Function
As at December 31, 2023

Schedule 7

		2023								2022
		General Government	**Protective Services**	**Transportation Services**	**Environmental & Public Health**	**Planning & Development**	**Recreation & Culture**	**Water & Sewer**	**Total**	Total
Assets	**Asset cost**									
	Opening Asset costs	561,195	1,120,403	6,242,236	1,070,389	-	1,679,392	9,730,360	20,403,975	20,272,731
	Additions during the year	-	-	-	-	-	-	4,240	4,240	131,244
	Disposals and write-downs during the year	-	-	-	-	-	-	-	-	-
	Transfer of Capital Assets related to restructuring **(Schedule 11)**	-	-	-	-	-	-	-	-	-
	Closing Asset Costs	**561,195**	**1,120,403**	**6,242,236**	**1,070,389**	**-**	**1,679,392**	**9,734,600**	**20,408,215**	**20,403,975**
Amortization	**Accumulated**									
	Opening Accumulated Amortization Costs	254,763	459,178	2,539,098	241,252	-	886,812	3,186,459	7,567,562	7,187,263
	Add: Amortization taken	16,014	52,257	147,156	20,488	-	32,933	203,432	472,280	380,299
	Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	-	-
	Transfer of Capital Assets related to restructuring **(Schedule 11)**	-	-	-	-	-	-	-	-	-
	Closing Accumulated Amortization Costs	**270,777**	**511,435**	**2,686,254**	**261,740**	**-**	**919,745**	**3,389,891**	**8,039,842**	**7,567,562**
	Net Book Value	**290,418**	**608,968**	**3,555,982**	**808,649**	**-**	**759,647**	**6,344,709**	**12,368,373**	**12,836,413**

Municipality of **Town of Carrot River**

Schedule of Accumulated Surplus

As at December 31, 2023 Schedule 8

	2022	Changes	2023
UNAPPROPRIATED SURPLUS	**(509,393)**	**634,901**	**125,508**
APPROPRIATED RESERVES			
Endowment fund	2,695,101	303,295	2,998,396
Public Reserve	-	-	-
Capital Trust	103,422	-	103,422
Utility	97,640	-	97,640
Other (Specify)	-	-	-
Total Appropriated	**2,896,163**	**303,295**	**3,199,458**
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets **(Schedule 6, 7)**	12,836,413	(468,040)	12,368,373
Less: Related debt	(3,006,966)	277,102	(2,729,864)
Net Investment in Tangible Capital Assets	**9,829,447**	**(190,938)**	**9,638,509**
Accumulated Surplus (Deficit) excluding remeasurement gains (losses)	**12,216,217**	**747,258**	**12,963,475**

Municipality of **Town of Carrot River**
Schedule of Mill Rates and Assessments
As at December 31, 2023

Schedule 9

	PROPERTY CLASS						
	Agriculture	**Residential**	**Residential Condominium**	**Seasonal Residential**	**Commercial & Industrial**	**Potash Mine(s)**	**Total**
Taxable Assessment	137,280	55,391,360	-	-	10,019,120	-	65,547,760
Regional Park Assessment							-
Total Assessment							65,547,760
Mill Rate Factor(s)	2.54	1.00	-	-	2.54		
Total Base/Minimum Tax (generated for each property class)	1,300	548,300	-	-	68,450		618,050
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	3,375	873,469		-	212,346		1,089,190

MILL RATES:	**MILLS**
Average Municipal*	16.62
Average School*	4.89
Potash Mill Rate	0.00
Uniform Municipal Mill Rate	5.95

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

Municipality of **Town of Carrot River**
Schedule of Council Remuneration
As at December 31, 2023

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Mayor	**Roman Charko**	4,660	2,400	7,060
Councillor	Neal Wasko	3,160	1,800	4,960
Councillor	Dylan Borody	3,000	1,800	4,800
Councillor	Al Frecon	3,000	1,800	4,800
Councillor	Chris Bergen	2,675	1,800	4,475
Councillor	Carrie Neigel	2,675	1,800	4,475
Councillor	Evan Wolowski	3,200	1,800	5,000
Total		**22,370**	**13,200**	**35,570**

TOWN OF CARROT RIVER

PO Box 147
5 Main Street
Carrot River, SK
S0E 0L0

Confidential

Janke LLP
PO Box 1930
Tisdale Saskatchewan S0E 1T0

Attention: Shane Janke CPA, CA

Dear Sir:

This representation letter is provided in connection with your audit of the financial statements of Town of Carrot River for the year ended December 31, 2023, for the purpose of you expressing an opinion as to whether the financial statements is presented fairly, in all material respects, in accordance with Canadian public sector accounting standards

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated December 29, 2023 for:

a. Preparing and fairly presenting the financial statements in accordance with Canadian public sector accounting standards;

b. Providing you with:

   i. Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:

      A. Accounting records, supporting data and other relevant documentation,

      B. Minutes of meetings (such as council and audit committee) or summaries of actions taken for which minutes have not yet been prepared, and

      C. Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;

   ii. Additional information that you have requested from us for the purpose of the audit; and

   iii. Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.

c. Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and

d. Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

Fraud and Non Compliance

We have disclosed to you:

(continued)

a. All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:

   i. Management;

   ii. Employees who have significant roles in internal control; or

   iii. Others where the fraud could have a material effect on the financial statements;

b. All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;

c. All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements;

d. All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and

e. The results of our risk assessments regarding possible fraud or error in the financial statements.

Related Parties

We have disclosed to you the identity of all of the municipality's related-party relationships and transactions of which we are aware. This includes sales, purchases, loans, transfers of assets, liabilities and services, leasing agreements, guarantees, non-monetary transactions, and transactions for no consideration for the period ended as well as related balances due to or from such parties at the period end.

All related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian public sector accounting standards.

Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with Canadian public sector accounting standards. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the significant assumptions and measurement methods used by us in making accounting estimates, including those measured at fair value, are reasonable.

Subsequent Events

All events subsequent to the date of the financial statements and for which Canadian public sector accounting standards requires adjustment or disclosure have been adjusted or disclosed.

Commitments and Contingencies

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

Adjustments

We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

Misstatements

The effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole.

Accounting policies

All significant accounting policies are disclosed in the financial statements and are consistent with those used in the previous period.

Contractual compliance

We have complied with the terms and conditions of all contractual agreements that could have a material effect, in the event of non-compliance, on the financial statements.

(continued)

Direct liabilities

We have recorded in the accounts all known liabilities of our municipality as at December 31, 2023 except for trivial amounts.

Inventories

The inventories of raw material, work in progress, finished goods and supplies as at December 31, 2023 were the property of our entity and were determined by actual count, weight or measurement. They do not include any items billed to customers but not shipped, any items returned by customers for which credits have not been recorded, any items on consignment, bill-and-hold arrangements, or other arrangements either owned by us or by our suppliers.

Inventories were measured at the lower of actual cost and net realizable value. Cost is determined by the average cost method.

In pricing the inventories, due allowance was made for slow-moving, obsolete, unsaleable or unusable items.

Inventories were measured on the same basis and were determined in the same manner as inventories at the end of the preceding period.

Impairment of long-lived assets

We have evaluated long-lived assets for recoverability whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Management acknowledges that when the long-lived asset is not recoverable, an impairment loss is recognized in earnings at the amount by which the carrying amount exceeds its fair value.

Journal entries

We have approved all journal entries and other adjustments proposed by you, and they have been included in our financial statements.

Liabilities and contingencies

All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

Long-term investments

All long-term investments owned by our municipality are recorded in the accounts. The long-term investments are valued using the equity method, and an appropriate impairment loss has been recognized in earnings when a significant adverse change in the expected timing or amount of future cash flows from investments has been identified. When the extent of such an impairment has decreased, a reversal of the previously recognized impairment loss has been recognized in earnings.

All income earned for the period ended December 31, 2023 on those long-term investments has been recorded in the accounts.

Material measurement uncertainties

The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.

Tangible Capital Assets

Tangible capital assets are recorded at cost. We have good and valid title to all items of property and equipment reflected in the accounts relating thereto, and there are no liens or encumbrances on our assets. During the period ended December 31, 2023, no material amounts relating to additions or improvements of property, plant and equipment were charged to expense. The provision for amortization is based on the cost and expected economic useful lives of the property using the straight-line method.

The property, leasehold improvement and equipment accounts, and the related allowances for amortization have been adjusted for all important items of such assets that were idle, obsolete, sold, dismantled, abandoned or otherwise disposed of for the period ended December 31, 2023 and for all prior periods.

We have evaluated property, plant and equipment for recoverability in accordance with the provisions of the CPA Canada Handbook – Accounting, Part II, Section 3063 (Impairment of Long-Lived Assets). Impairment losses have been recognized in earnings when required.

(continued)

Receivables

The accounts receivable reflected in the accounts constitute valid claims against customers and other debtors.

Receivables known to be uncollectible have been written off, and adequate provision has been made for anticipated adjustments or losses in connection with the collection of receivables.

Regulatory compliance

We are up to date with all corporate filings and annual returns. This includes all Canada Revenue Agency and HST/GST/PST returns.

Revenue recognition

We have recorded all revenue that met the following criteria:

a. Persuasive evidence of an arrangement exists;

b. Delivery has occurred, or services have been rendered;

c. Price is fixed or determinable; and

d. Collectability is reasonably assured.

Subsequent events

There have been no events between the balance sheet date and the date of this letter that would require recognition or disclosure in the financial statements.

There have been no events subsequent to the balance sheet date of the comparative financial statements that would require adjustment or disclosure in the current financial statements.

None of the councillors were in debt to the company

None of the councillors were in debt to the municipality, other than in the ordinary course of business at the period-end or at any time during the period.

Acknowledged and agreed on behalf of Town of Carrot River by:

Ms. Taryn Bryson, Administrator

June 18, 2024

Date signed

Mr. Roman Charko, Mayor

Jun 18 /24

Date signed