Municipal Accounting Manual

October 2026

saskatchewan.ca

Saskatchewan

Table of Contents

Introduction **1**

Municipal Financial Statements **2**

Overview 2

Municipal Financial Statement Purpose 2

Municipal Financial Statement Reporting Requirements 4

Financial Statements **5**

Consolidated Statement of Financial Position – Statement 1 (Figure 1) 5

Consolidated Statement of Operations – Statement 2 (Figure 2) 8

Consolidated Statement of Change in Net Financial Assets – Statement 3(Figure 3) 10

Consolidated Statement of Cash Flow – Statement 4 (Figure 4) 12

Consolidated Statement of Remeasurement Gains and Losses – Statement 5 (Figure 5) 15

Notes to the Consolidated Financial Statements **18**

Supporting Schedules **19**

Schedule 1 – Schedule of Taxes and Other Unconditional Revenue (Figure 6) 19

Schedule 2 – Revenues by Function (Figure 7) 21

Schedule 3 – Expenses by Function (Figure 8) 29

Schedule 4/5 – Consolidated Segment Disclosure by Function (Figure 9) 34

Schedule 6/7 – Consolidated Tangible Capital Assets by Object/Function (Figure 10) 36

Schedule 8/9 – Consolidated Schedule of Intangible Assets by Object/ Function (Figure 11) 38

Schedule 10 – Consolidated Schedule of Accumulated Surplus (Figure 12) 40

Schedule 11 – Schedule of Mill Rates and Assessments (Figure 13) 41

Schedule 12 – Schedule of Council Remuneration (Figure 14) 42

Schedule 13 – Schedule of Restructuring (Figure 15) 43

Municipal Financial Statement Preparation **45**

Trial Balance 45

Financial Statement Preparation 46

Supporting Schedules 47

Notes to the Consolidated Financial Statements 49

Summary of Input Required for each Main Financial Statement 52

Budget Preparation 55

Completing the Budget 55

Accrual Based Budget 57

Appendices 58
A-1 Reporting Entity Control 58
A-2 Revenue Recognition 60
A-3 Municipal Debt Limit Calculation 64
A-4 Glossary of Terms 66
A-5 Key Measures 69

Introduction

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

Upcoming Accounting Changes

The PSAB has issued a new conceptual Framework and reporting model for fiscal years beginning on or after April 1, 2026. These new accounting requirements will be effective for the 2027 municipal reporting year. A conceptual framework is a coherent set of interrelated concepts underlying accounting and financial reporting standards. It prescribes the nature, function and limits of financial accounting and reporting. A reporting model establishes guidance on the presentation of information in the financial statements. More details are available at PSAB's Reporting Model: Resources. The relevant changes include:

- New Conceptual Framework: Supersedes - Sections PS 1000 and PS 1100
- Financial Statement Presentation, Section PS 1202: Replaces Section PS 1201

What This Means for Municipalities

Under provincial legislation, municipalities are required to prepare financial statements in accordance with the generally accepted accounting principles for municipal governments updated from time to time by CPA Canada.

As a result, reporting entities will be required to adjust certain accounting practices to ensure continued alignment with PSAB standards. More details are available at PSAB's Reporting Model: Resources.

The timelines and deadlines for submitting financial statements and the auditor's report remain the same, as prescribed in three municipal acts.

What the Ministry Is Doing

Ministry of Government Relations is working to provide municipalities and their auditors with the guiding material early in 2027. The updated documents will be posted at saskatchewan.ca. This should provide enough time for municipalities to get used to it ahead of the December 31, 2027, year-end.

Municipal Financial Statements

Overview

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

PSAB serves the public interest by:

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

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

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

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

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

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

Municipal Financial Statement Purpose

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

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

General purposes of financial statements are:

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

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

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

For example, a municipality's statements for the fiscal year ending December 31, 2026, must be submitted to the Ministry of Government Relations no later than July 1, 2027. Failure to do so may impact subsequent funding to the municipality.

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

For example, a city's statements for the fiscal year ending December 31, 2026, must be submitted to the Ministry of Government Relations no later than September 1, 2027. Failure to do so may impact subsequent funding to the municipality.

Financial statements provide the following information:

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

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

Municipal Financial Statement Reporting Requirements

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

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

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

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

Financial Statements

Note: The following section contains illustrative examples of the financial statement.

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

Statement Purpose and Scope

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

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

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

Sample Consolidated Statement of Financial Position

Municipality of Please Fill in Municipa **[Enter municipality name on Statement 1 to populate all statements and schedules]**

Statement 1: Consolidated Statement of Financial Position

As at December 31, 2026

Statement 1

	2026	2025
FINANCIAL ASSETS		
Cash and Cash Equivalents (Note 2)	-	-
Investments (Note 3)	-	-
Taxes Receivable - Municipal (Note 4)	-	-
Other Accounts Receivable (Note 5)	-	-
Assets Held for Sale (Note 6)	-	-
Long-Term Receivable (Note 7)	-	-
Debt Charges Recoverable (Note 8)	-	-
Derivative Assets *[if applicable]* (Note 9)	-	-
Other (Specify)		
Total Financial Assets	-	-
LIABILITIES		
Bank Indebtedness (Note 10)		
Accounts Payable		
Accrued Liabilities Payable		
Derivative Liabilities *[if applicable]* (Note 9)	-	-
Deposits		
Deferred Revenue (Note 11)	-	-
Asset Retirement Obligation (Note 12)	-	-
Liability for Contaminated Sites (Note 13)		
Infrastructure Liability *[if applicable]* (Note 27)		
Other Liabilities		
Long-Term Debt (Note 14)	-	-
Lease Obligations (Note 15)		
Total Liabilities	-	-
NET FINANCIAL ASSETS (DEBT)	-	-
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	-	-
Intangible Capital Assets [*if applicable*](Schedule 8, 9)	-	-
Prepayments and Deferred Charges		
Stock and Supplies		
Other (Note 16)		
Total Non-Financial Assets	-	-
ACCUMULATED SURPLUS (DEFICIT)	-	-
Accumulated surplus is comprised of:		
Accumulated Surplus (Deficit) excluding remeasurement gains (loss	-	-
Accumulated remeasurement gains (losses) (Statement 5)	-	-

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.

Figure 1 – Consolidated Statement of Financial Position

Sections of the Consolidated Statement of Financial Position

The Statement consists of three main sections:

Net Financial Assets

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

Assets

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

Liabilities

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

Non-Financial Assets

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

Accumulated Surplus (Deficit)

Accumulated surplus (deficit) = Net financial assets (debt) + non-financial assets

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

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

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

Financial ratios are used in accounting to evaluate the overall financial condition of an organization. See key measures in Appendix A-5 for a list of financial ratios that may be used to evaluate the organization's financial health and financial trends.

Consolidated Statement of Operations – Statement 2 (Figure 2)

Statement Purpose and Scope

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

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

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

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

Sample Consolidated Statement of Operations

Municipality of Please Fill in Municipality Name Statement 2: Consolidated Statement of Operations As at December 31, 2026			Statement 2
	2026 Budget	2026	2025
REVENUES			
Tax Revenue (Schedule 1)	-	-	-
Other Unconditional Revenue (Schedule 1)	-	-	-
Fees and Charges (Note 28 (*if applicable*), Schedule 4, 5)	-	-	-
Conditional Grants (Note 28 *(if applicable)*, Schedule 4, 5)	-	-	-
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	-	-	-
Intangible Capital Asset Sales - Gain (Schedule 4, 5)	-	-	-
Land Sales - Gain (Schedule 4, 5)	-	-	-
Investment Income (Note 3) (Schedule 4, 5)	-	-	-
Commissions (Schedule 4, 5)	-	-	-
Restructurings (Note 25 *(if applicable)*, Schedule 4,5)	-	-	-
Other Revenues (Schedule 4, 5)	-	-	-
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	-	-	-
Total Revenues	-	-	-
EXPENSES			
General Government Services (Schedule 3)	-	-	-
Protective Services (Schedule 3)	-	-	-
Transportation Services (Schedule 3)	-	-	-
Environmental and Public Health Services (Schedule 3)	-	-	-
Planning and Development Services (Schedule 3)	-	-	-
Recreation and Cultural Services (Schedule 3)	-	-	-
Utility Services (Schedule 3)	-	-	-
Restructurings (Note 25 *(if applicable)*, Schedule 3)	-	-	-
Total Expenses	-	-	-
Annual Surplus (Deficit) of Revenues over Expenses	-	-	-
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), Beginning of Year	-	-	
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), End of Year	-	-	-
The accompanying notes and schedules are an integral part of these statements.			

Figure 2 – Consolidated Statement of Operations

Sections of the Consolidated Statement of Operations

The Statement consists of two main sections:

Revenues

Revenues are income streams that a municipality receives. They can be received from a number of sources, including taxes, fees, grants and the sale of assets, including land and tangible capital assets. Additional revenues may also be received in the form of interest or dividends on funds held in bank

accounts or investments. Revenue is recognized when performance obligations are met. Performance obligations are enforceable promises to provide specific goods or services to a specific payor. See Appendix A-2 Revenue Recognition for further discussion on performance obligations.

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

- Capital revenues vs. Operating revenues – Operating revenues are those funds generated or received to be used in the day-to-day operations of the municipality. Capital revenues are grants, taxes, levies, or transfers that have been identified for expenditures relating to the purchase or improvement of tangible capital assets.

- Own-source revenues – This term refers to revenues that are generated by the municipality by collecting taxes and resource revenues or by generating business and other income. These typically include property taxes, fees and/or charges.

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

Expenses

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

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

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

See key measures in Appendix A-5 for a list of financial ratios that may be used to evaluate the organization's financial health and financial trends.

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

Statement Purpose and Scope

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

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

the transfers to/from reserves.

Sample Consolidated Statement of Change in Net Financial Assets

Municipality of Please Fill in Municipality Name			
Statement 3: Consolidated Statement of Change in Net Financial Assets			
As at December 31, 2026			Statement 3
	2026 Budget	**2026**	2025
Annual Surplus (Deficit) of Revenues over Expenses	-	-	-
(Acquisition) of tangible capital assets		-	-
Amortization of tangible capital assets		-	-
Amortization of intangible capital assets			
Proceeds on disposal of tangible capital assets			
Loss (gain) on the disposal of tangible capital assets		-	-
Proceeds on disposal of intangible capital assets		-	-
Loss (gain) on the disposal of intangible capital assets		-	-
Transfer of assets/liabilities in restructuring transactions		-	-
Surplus (Deficit) of capital expenses over expenditures	-	-	-
(Acquisition) of supplies inventories			
(Acquisition) of prepaid expense			
Consumption of supplies inventory			
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures	-	-	-
Unrealized remeasurement gains (losses)		-	-
Increase/Decrease in Net Financial Assets	-	-	-
Net Financial Assets (Debt) - Beginning of Year	-	-	-
Net Financial Assets (Debt) - End of Year	-	-	-
The accompanying notes and schedules are an integral part of these statements.			

Figure 3 – Statement of Changes in Net Financial Assets

Sections of the Statement of Consolidated Change in Net Financial Assets

The Statement consists of five main sections:

Surplus (Deficit)

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

Changes in Capital Expenses over Expenditures

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

Changes in other Non-Financial Expenses over Expenditures

Other items not directly tied to the operations, such as changes to inventories and prepaid expenses, are

shown in this section. The expired or used-up portion charged in the operating statement is added back, and the cost of purchases made during the year is deducted.

Unrealized Remeasurement Gains (Losses)

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

Increase/Decrease in Net Financial Assets

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

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

Statement Purpose and Scope

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

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

Sample Consolidated Statement of Cash Flow

Municipality of	**Please Fill in Municipality Name**	
Statement 4: Consolidated Statement of Cash Flow		
As at December 31, 2026		Statement 4
	2026	2025
Cash provided by (used for) the following activities		
Operating:		
Annual Surplus (Deficit) of Revenues over Expenses	-	-
Amortization of tangible capital assets	-	-
Amortization of intangible capital assets	-	-
Loss (gain) on disposal of tangible capital assets	-	-
Loss (gain) on disposal of intangible capital assets	-	-
	-	-
Change in assets/liabilities		
Taxes Receivable - Municipal	-	
Other Receivables	-	
Assets Held for Sale	-	
Other Financial Assets	-	
Accounts and Accrued Liabilities Payable	-	
Derivative Liabilities *[if applicable]*	-	
Deposits	-	
Deferred Revenue	-	
Asset Retirement Obligation	-	
Liability for Contaminated Sites	-	
Infrastructure Liability *[if applicable]*	-	
Other Liabilities	-	
Stock and Supplies	-	
Prepayments and Deferred Charges	-	
Other (Specify)	-	
Cash provided by operating transactions	-	-

Capital:			
	Acquisition of capital assets	-	-
	Proceeds from the disposal of capital assets	-	-
Cash applied to capital transactions		-	-
Investing:			
	Decrease (increase) in restricted cash or cash equivalents	-	
	Proceeds on disposal of investments		
	Decrease (increase) in investments	-	
Cash provided by (applied to) investing transactions		-	-
Financing:			
	Debt charges recovered		
	Long-term debt issued		
	Long-term debt repaid		
	Other financing		
Cash provided by (applied to) financing transactions		-	-
Change in Cash and Cash Equivalents		-	-
Cash and Cash Equivalents		-	
Cash and Cash Equivalents - End of Year		-	-
Cash and cash equivalents is made up of:			
	Cash and cash equivalents (Note 2)	-	-
	Less: restricted portion of cash and cash equivalents (Note 2)	-	-
	Temporary bank indebtedness		
		-	-

Figure 4 – Consolidated Statement of Cash Flow

Sections of the Consolidated Statement of Cash Flow

The Statement consists of four main sections:

Operating

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

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

for expenditures, and therefore this would result in a positive change in the Statement of Cash Flow.

Capital

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

Investing

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

Financing (Borrowing)

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

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

Statement Purpose and Scope

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

Sample Statement of Remeasurement Gains and Losses

Municipality of **Please Fill in Municipality Name**		
Statement 5: Consolidated Statement of Remeasurement Gains and Losses		
As at December 31, 2026		Statement 5
	2026	2025
Accumulated remeasurement gains (losses) at the beginning of the year:		
Unrealized gains (losses) attributable to (Note 3):		
Derivatives		
Equity Investments measured at fair value		
Foreign exchange (if applicable)		
	-	-
Amounts reclassified to the Statement of Operations (Note 3):		
Derivatives		
Equity Investments measured at fair value		
Reversal of net remeasurements of portfolio investments		
Foreign exchange (if applicable)		
	-	-
Net remeasurement gains (losses) for the year	-	-
Accumulated remeasurement gains(losses) at end of year	-	-
The accompanying notes and schedules are an integral part of these statements.		

Figure 5 – Consolidated Statement of Remeasurement Gains and Losses

Sections of the Statement of Remeasurement Gains and Losses

The Statement consists of two main sections:

Unrealized Gains (Losses)

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

Amounts Reclassified to the Statement of Operations

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

Notes to the Consolidated Financial Statements

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

The notes on the consolidated financial statements include three groups:

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

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

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

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

Details of items on the Consolidated Statement of Financial Position

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

Other required disclosures

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

Supporting Schedules

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

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

Note: The following section contains illustrative examples of the supporting schedules.

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

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

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

Sample Schedule

Municipality of **Please Fill in Municipality Name**

Schedule 1: Schedule of Taxes and Other Unconditional Revenue

As at December 31, 2026 Schedule 1

	2026 Budget	2026	2025
TAXES			
General municipal tax levy			
Abatements and adjustments			
Discount on current year taxes			
Net Municipal Taxes	-	-	-
Potash tax share			
Trailer license fees			
Penalties on tax arrears			
Special tax levy			
Other (*Specify*)			
Total Taxes	-	-	-
UNCONDITIONAL GRANTS			
Revenue Sharing			
(Organized Hamlet)			
Safe Restart			
Other (*Specify*)			
Total Unconditional Grants	-	-	-
GRANTS IN LIEU OF TAXES			
Federal			
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
Central Services			
SaskTel			
Other (*Specify*)			
Local/Other			
Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement			
Other (*Specify*)			
Other Government Transfers			
S.P.C. Surcharge			
Sask Energy Surcharge			
Other (*Specify*)			
Total Grants in Lieu of Taxes	-	-	-
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	-	-	-

Figure 6 – Schedule of Taxes and Other Unconditional Revenue

Schedule 2 – Revenues by Function (Figure 7)

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

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

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

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

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

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

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

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

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

Sample Schedule

Municipality of **Please Fill in Municipality Name**

Schedule 2: Schedule of Operating and Capital Revenue by Function

As at December 31, 2026 Schedule 2 - 1

	2026 Budget	2026	2025
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work			
- Sales of supplies			
- Other (*Specify*)			
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)			
- Intangible capital asset sales - gain (loss)			
- Land sales - gain			
- Investment income			
'-Commissions			
- Other (*Specify*)			
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment			
- Other (*Specify*)			
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- BCSF Community stream (formerly CCBF)			
- ICIP			
- Provincial Disaster Assistance			
- Canada Housing Infrastructure Fund (CHIF)			
- Other (*Specify*)			
Total Capital	-	-	-
Restructuring Revenue (*Specify, if any*)			
Total General Government Services	-	-	-

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

Municipality of	**Please Fill in Municipality Name**		
Schedule 2: Schedule of Operating and Capital Revenue by Function			
As at December 31, 2026			Schedule 2 - 2
	2026 Budget	**2026**	2025
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work			
- Sales of supplies			
- Road Maintenance and Restoration Agreements			
- Frontage			
- Other (*Specify*)			
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)			
- Intangible capital asset sales - gain (loss)			
- Other (*Specify*)			
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- RIRG (CTP)			
- Student Employment			
- Other (*Specify*)			
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- BCSF Community stream (formerly CCBF)			
- ICIP			
- RIRG (CTP, Bridge and Large Culvert, Road Const.)			
- Provincial Disaster Assistance			
- Canada Housing Infrastructure Fund (CHIF)			
- Other (*Specify*)			
Total Capital	-	-	-
Restructuring Revenue (*Specify, if any*)			
Total Transportation Services	-	-	-

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees			
- Other (*Specify*)			
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)			
- Intangible capital asset sales - gain (loss)			
- Other (*Specify*)			
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment			
- TAPD			
- Local government			
- Other (*Specify*)			
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- BCSF Community stream (formerly CCBF)			
- ICIP			
- TAPD			
- Provincial Disaster Assistance			
- Canada Housing Infrastructure Fund (CHIF)			
- Other (*Specify*)			
Total Capital	-	-	-
Restructuring Revenue (*Specify, if any*)			
Total Environmental and Public Health Services	-	-	-

Municipality of	**Please Fill in Municipality Name**		
Schedule 2: Schedule of Operating and Capital Revenue by Function			
As at December 31, 2026			Schedule 2 - 3
	2026 Budget	**2026**	2025
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges			
- Other (*Specify*)			
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)			
- Intangible capital asset sales - gain (loss)			
- Other (*Specify*)			
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment			
- Other (*Specify*)			
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- BCSF Community stream (formerly CCBF)			
- ICIP			
- Provincial Disaster Assistance			
- Canada Housing Infrastructure Fund (CHIF)			
- Other (*Specify*)			
Total Capital	-	-	-
Restructuring Revenue (*Specify, if any*)			
Total Planning and Development Services	-	-	-

Municipality of	**Please Fill in Municipality Name**		
Schedule 2: Schedule of Operating and Capital Revenue by Function			
As at December 31, 2026			Schedule 2 - 3
	2026 Budget	**2026**	2025
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges			
- Other (*Specify*)			
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)			
- Intangible capital asset sales - gain (loss)			
- Other (*Specify*)			
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment			
- Other (*Specify*)			
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- BCSF Community stream (formerly CCBF)			
- ICIP			
- Provincial Disaster Assistance			
- Canada Housing Infrastructure Fund (CHIF)			
- Other (*Specify*)			
Total Capital	-	-	-
Restructuring Revenue (*Specify, if any*)			
Total Planning and Development Services	-	-	-

Municipality of	**Please Fill in Municipality Name**		
Schedule 2: Schedule of Operating and Capital Revenue by Function			
As at December 31, 2026			Schedule 2 - 4
	2026 Budget	**2026**	**2025**
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water			
- Sewer			
- **Other (*Specify*)**			
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)			
- Intangible capital asset sales - gain (loss)			
- **Other (*Specify*)**			
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment			
- **Other (*Specify*)**			
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- BCSF Community stream (formerly CCBF)			
- ICIP			
- New Building Canada Fund (SCF, NRP)			
- Clean Water and Wastewater Fund			
- Provincial Disaster Assistance			
- Canada Housing Infrastructure Fund (CHIF)			
- **Other (*Specify*)**			
Total Capital	-	-	-
Restructuring Revenue (*Specify, if any*)			
Total Utility Services	-	-	-
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	-	-	-
SUMMARY			
Total Other Segmented Revenue	-	-	-
Total Conditional Grants	-	-	-
Total Capital Grants and Contributions	-	-	-
Restructuring Revenue	-	-	-
TOTAL REVENUE BY FUNCTION	-	-	-

Figure 7 – Schedule of Operating and Capital Revenue by Function

Schedule 3 – Expenses by Function (Figure 8)

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

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

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

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

Sample Schedule

Municipality of **Please Fill in Municipality Name**

Schedule 3: Total Expenses by Function

As at December 31, 2026

Schedule 3 - 1

	2026 Budget	2026	2025
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel			
Wages and benefits			
Professional/Contractual services			
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Amortization of Tangible Capital Assets			
Amortization of Intangible capital assets			
Accretion of asset retirement obligation			
Interest			
Allowance for uncollectible			
Other (*Specify*)			
General Government Services	-	-	-
Restructuring *(Specify, if any)*			
Total General Government Services	-	-	-

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

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

Schedule 3: Total Expenses by Function

As at December 31, 2026 Schedule 3 - 2

	2026 Budget	2026	2025
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits			
Professional/Contractual services			
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
o Waste disposal			
o Public Health			
- capital			
o Waste disposal			
o Public Health			
Amortization of Tangible Capital Assets			
Amortization of Intangible capital assets			
Interest			
Accretion of asset retirement obligation			
Other (*Specify*)			
Environmental and Public Health Services	-	-	-
Restructuring (Specify, if any)			
Total Environmental and Public Health Services	-	-	-

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

Municipality of	**Please Fill in Municipality Name**		
Schedule 3: Total Expenses by Function			
As at December 31, 2026			Schedule 3 - 3
	2026 Budget	**2026**	**2025**
UTILITY SERVICES			
Wages and benefits			
Professional/Contractual services			
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Amortization of Tangible Capital Assets			
Amortization of Intangible capital assets			
Interest			
Accretion of asset retirement obligation			
Allowance for Uncollectible			
Other (*Specify*)			
Utility Services	-	-	-
Restructuring (Specify, if any)			
Total Utility Services	-	-	-
TOTAL EXPENSES BY FUNCTION	-	-	-

Figure 8 – Expenses by Function

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

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

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

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

Sample Schedule

Municipality of **Please Fill in Municipality Name**
Schedule 4: Consolidated Schedule of Segment Disclosure by Function
As at December 31, 2026

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	and Developme	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	-	-	-	-	-	-	-	-
Tangible Capital Asset Sales - Gain	-	-	-	-	-	-	-	-
Intangible Capital Asset Sales - Gain	-	-	-	-	-	-	-	-
Land Sales - Gain	-							-
Investment Income	-							-
Commissions	-							-
Other Revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	-	-	-	-	-	-
- Capital	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
Total Revenues	–	–	–	–	–	–	–	–
Expenses (Schedule 3)								
Wages & Benefits	-	-	-	-	-	-	-	-
Professional/ Contractual Services	-	-	-	-	-	-	-	-
Utilities	-	-	-	-		-	-	-
Maintenance Materials and Supplies	-	-	-	-		-	-	-
Grants and Contributions	-	-	-	-	-	-	-	-
Amortization of Tangible Capital Assets	-	-	-	-	-	-	-	-
Amortization of Intangible capital assets	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Accretion of asset retirement obligation	-	-	-	-	-	-	-	-
Allowance for Uncollectible	-					-	-	-
Restructurings	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenses	–	–	–	–	–	–	–	–
Surplus (Deficit) by Function	–	–	–	–	–	–	–	–
Taxes and other unconditional revenue **(Schedule 1)**								-
Net Surplus (Deficit)								–

Municipality of Please Fill in Municipality Name
Schedule 5: Consolidated Schedule of Segment Disclosure by Function
As at December 31, 2025

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	-	-	-	-	-	-	-	-
Tangible Capital Asset Sales - Gain	-	-	-	-	-	-	-	-
Intangible Capital Asset Sales - Gain	-	-	-	-	-	-	-	-
Land Sales - Gain	-							-
Investment Income	-							-
Commissions	-							-
Other Revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	-	-	-	-	-	-
- Capital	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-	-
Expenses (Schedule 3)								
Wages & Benefits	-	-	-	-	-	-	-	-
Professional/ Contractual Services	-	-	-	-	-	-	-	-
Utilities	-	-	-	-		-	-	-
Maintenance Materials and Supplies	-	-	-	-		-	-	-
Grants and Contributions	-	-	-	-	-	-	-	-
Amortization of Tangible Capital Assets	-	-	-	-	-	-	-	-
Amortization of Intangible capital assets	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Accretion of asset retirement obligation	-	-	-	-	-	-	-	-
Allowance for Uncollectible	-					-	-	-
Restructurings	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenses	-	-	-	-	-	-	-	-
Surplus (Deficit) by Function	-	-	-	-	-	-	-	-
Taxes and other unconditional revenue **(Schedule 1)**								-
Net Surplus (Deficit)								-

Figure 9 – Consolidated Segment Disclosure by Function

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

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

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

Sample Schedule

Municipality of Please Fill in Municipality Name
Schedule 6: Consolidated Schedule of Tangible Capital Assets by Object
As at December 31, 2026

Schedule 6

	2026									2025
	General Assets					Infrastructure Assets		General/ Infrastructure		
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets	Public Private Partnerships	Assets Under Construction	Total	Total
Assets										
Asset cost										
Opening Asset costs									-	
Additions during the year									-	
Disposals and write-downs during the year									-	
Transfers (from) assets under construction									-	
Transfer of Capital Assets related to restructuring									-	
Closing Asset Costs	-	-	-	-	-		-	-	-	-
Amortization										
Accumulated Amortization Cost										
Opening Accumulated Amortization Costs									-	
Add: Amortization taken									-	
Less: Accumulated amortization on disposals									-	
Transfer of Capital Assets related to restructuring									-	
Closing Accumulated	-	-	-	-	-		-	-	-	-
Net Book Value	-	-	-	-	-		-	-	-	-

1. Total contributed/donated assets received in 2026	$ -
2. List of assets recognized at nominal value in 2026 are:	
- Infrastructure Assets	$ -
- Vehicles	$ -
- Machinery and Equipment	$ -
3. Amount of interest capitalized in Schedule 6	$ -

Municipality of Please Fill in Municipality Name
Schedule 7: Consolidated Schedule of Tangible Capital Assets by Function
As at December 31, 2026

Schedule 7

		2026								2025
		General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
Assets	**Asset cost**									
	Opening Asset costs								-	
	Additions during the year								-	
	Disposals and write-downs during the								-	
	Transfer of Capital Assets related to restructuring **(Schedule 13)**								-	
	Closing Asset Costs	-	-	-	-	-	-	-	-	-
Amortization	**Accumulated**									
	Opening Accumulated								-	
	Add: Amortization taken								-	
	Less: Accumulated amortization on disposals								-	
	Transfer of Capital Assets related to restructuring **(Schedule 13)**								-	
	Closing Accumulated Amortization Costs	-	-	-	-	-	-	-	-	-
	Net Book Value	-	-	-	-	-	-	-	-	-

Figure 10 – Consolidated Schedule of Tangible Capital Assets by Object

Schedule 8/9 – Consolidated Schedule of Intangible Assets by Object/Function (Figure 11)

Schedule 8 details the Intangible Asset transactions that occurred in the current year and are grouped by asset category. Municipalities can determine their own categories as they may vary from one municipality to another. Schedule 9 itemizes the same information but groups it by functional area instead of asset category. The prior year's comparative provides only the totals for each line.

The NBV should match schedules 8, 9, and the Consolidated Statement of Financial position.

Sample Schedule

Municipality of Please Fill in Municipality Name
Schedule 8: Consolidated Schedule of Intangible Capital Assets by Object
As at December 31, 2026

Schedule 8

		2026								2025
		General Assets					*Asset Category TBD*	*Asset Category TBD*		
		TBD	*TBD*	*TBD*	*TBD*	*TBD*	*TBD*	Assets Under Construction	Total	Total
Assets	**Asset cost**									
	Opening Asset costs								-	
	Additions during the year								-	
	Disposals and write-downs during the year								-	
	Transfers (from) assets under construction								-	
	Transfer of Intangible Capital Assets related to restructuring **(Schedule 13)**								-	
	Closing Asset Costs	-	-	-	-	-	-	-	-	-
Amortization	**Accumulated Amortization Cost**									
	Opening Accumulated Amortization Costs								-	
	Add: Amortization taken								-	
	Less: Accumulated amortization on disposals								-	
	Transfer of Intangible Capital Assets related to restructuring **(Schedule 13)**								-	
	Closing Accumulated Amortization	-	-	-	-	-	-	-	-	-
	Net Book Value	-	-	-	-	-	-	-	-	-

1. Total contributed/donated assets received in 2026	$ -
2. List of assets recognized at nominal value in 2026 are:	
- Infrastructure Assets	$ -
- Vehicles	$ -
- Machinery and Equipment	$ -
3. Amount of interest capitalized in Schedule 8	$ -

Municipality of Please Fill in Municipality Name
Schedule 9: Consolidated Schedule of Intangible Capital Assets by Function
As at December 31, 2026

Schedule 9

		2026								2025
		General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
Assets	**Asset cost**									
	Opening Asset costs								-	
	Additions during the year								-	
	Disposals and write-downs during the year								-	
	Transfer of Intangible Capital Assets related to restructuring **(Schedule 13)**								-	
	Closing Asset Costs	-	-	-	-	-	-	-	-	-

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

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

Schedule 10 – Consolidated Schedule of Accumulated Surplus (Figure 12)

Schedule 10 provides details about the opening balances, changes for the year and closing balances of the municipal reserves, both appropriated and unappropriated.

The net investment in tangible/intangible capital assets is also detailed in Schedule 10.

Sample Schedule

Municipality of	**Please Fill in Municipality Name**		
Schedule 10: Consolidated Schedule of Accumulated Surplus			
As at December 31, 2026			Schedule 10
	2025	**Changes**	**2026**
UNAPPROPRIATED SURPLUS			
APPROPRIATED RESERVES			
Machinery and Equipment			-
Public Reserve			-
Capital Trust			-
Utility			-
Other (Specify)			-
Total Appropriated	-	-	-
ORGANIZED HAMLETS (add lines if required)			
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
Total Organized Hamlets	-	-	-
NET INVESTMENT IN CAPITAL ASSETS			
Tangible capital assets **(Schedule 6, 7)**	-	-	-
Intangible capital assets **(Schedule 8, 9)**	-	-	-
Less: Related debt			-
Net Investment in Capital Assets	-	-	-
Accumulated Surplus (Deficit) excluding remeasurement gains (losses)	-	-	-

Figure 12 – Consolidated Schedule of Accumulated Surplus

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

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

Sample Schedule

Municipality of	**Please Fill in Municipality Name**						
Schedule 11: Schedule of Mill Rates and Assessments							
As at December 31, 2026							Schedule 11
	PROPERTY CLASS						
	Agriculture	**Residential**	**Residential Condominium**	**Seasonal Residential**	**Commercial & Industrial**	**Potash Mine(s)**	**Total**
Taxable Assessment							-
Regional Park Assessment							
Total Assessment							-
Mill Rate Factor(s)							
Total Base/Minimum Tax (generated for each property							-
Total Municipal Tax Levy (include base and/or minimum tax and special levies)							-
MILL RATES:	**MILLS**						
Average Municipal*							
Average School*							
Potash Mill Rate							
Uniform Municipal Mill Rate							
* Average Mill Rates (multiply the total tax levy for each taxing authority by 1000 and divide by the total assessment for the taxing authority).							

Figure 13 – Schedule of Mill Rates and Assessments

Schedule 12 – Schedule of Council Remuneration (Figure 14)

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

Sample Schedule

Municipality of	Please Fill in Municipality Name				
Schedule 12: Schedule of Council Remuneration					
As at December 31, 2026					Schedule 12

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve/Mayor				-
Councillor				-
Councillor				-
Councillor				-
Councillor				-
Councillor				-
Councillor				-
Councillor				-
Councillor				-
Councillor				-
Councillor				-
				-
				-
				-
Total		-	-	-

Figure 14 – Schedule of Council Remuneration

Schedule 13 – Schedule of Restructuring (Figure 15)

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

Sample Schedule

Municipality of	**Please Fill in Municipality Name**	
Schedule 13: Schedule of Restructuring		
As at December 31, 2026		Schedule 13
		2026
Carrying Amount of Assets and Liabilities Transferred/Received at Restructuring Date:		
	Cash and Cash Equivalents	-
	Investments	-
	Taxes Receivable - Municipal	-
	Other Accounts Receivable	-
	Assets Held for Sale	-
	Long-Term-Receivable	-
	Debt Charges Recoverable	-
	Derivative Assets	-
	Bank Indebtedness	-
	Accounts Payable	-
	Accrued Liabilities Payable	-
	Derivative Liabilities	-
	Deposits	-
	Deferred Revenue	-
	Asset Retirement Obligation	-
	Liability for Contaminated Sites	-
	Infrastructure Liability	-
	Other Liabilities	-
	Long-Term Debt	-
	Lease Obligations	-
	Tangible Capital Assets	-
	Intangible Capital Assets	-
	Prepayments and Deferred Charges	-
	Stock and Supplies	-
	Other	-
	Total Net Carrying Amount Received (Transferred)	-

Figure 15 – Schedule of Restructuring

Municipal Financial Statement Preparation

Trial Balance

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

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

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

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

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

Figure 16 – Sample Excel Trial Balance

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

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

Figure 17 – Consolidated Statement of Financial Position

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

Figure 18 – Statement of Operations

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

Financial Statement Preparation

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

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

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

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

Supporting Schedules

Schedule	Purpose/ Notes	Procedure
Schedule 1 – Schedule of Taxes and Other Unconditional Revenue	Note that these revenues are not attributed to any specific functional area.	Enter the required information for the current year's actual, prior year's actual and current year's budget.
Schedule 2 – Schedule of Operating and Capital Revenue by Function	This schedule identifies revenues by functional area and includes: - Fees and charges - Intangible and tangible capital asset sales gain (loss) - Operating conditional grants - Capital conditional grants - Investment income - Other Note that the actual revenue categories may vary by functional area.	Enter the required information for the current year's actual, the prior year's actual and the current year's budget.
Schedule 3 – Expenses by Function	The schedule identifies expenses by functional area, and although many lines are similar, there may be some variations in expense categories between functions.	Enter the required information for the current year's actual, prior year's actual and the current year's budget.
Schedule 4 (current year) and Schedule 5 (prior year comparatives) – Schedule of Segment Disclosure by Function	Schedule 4 identifies revenue and expenses by function for the current year. Schedule 5 identifies revenue and expenses by function for the prior year. **Important Note:** The Total Revenues must equal the Total Operating and Capital Revenue by Function on the final page of Schedule 2. The Total Expenses must equal the Total Expenses by Function on the final page of Schedule 3.	The information is obtained from Schedules 1, 2 and 3.
Schedule 6 – Schedule of Tangible Capital Assets by Object	This schedule identifies Tangible Capital Assets by Object, and although many lines are similar, there may be some variations in assets between functions. **Important Note:**	The information required for this schedule can be taken from the TCA Register. Note that it may be easier to complete this schedule using a printed copy and then transfer the information into an electronic copy.

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

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

Notes to the Consolidated Financial Statements

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

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

Note Number	Financial Statement Line	Procedure
Note 1	Significant Accounting Policies	This note discloses key accounting policies that impact the consolidated financial statements. The information in this note should be reviewed annually for material changes. Where a change has been made to an accounting policy in a given year, the impacts should be disclosed in accordance with the relevant PSAS section.
Note 2	Statement 1 - Cash and Cash Equivalents	Enter the required information and replace the [$] with the actual figures.

Note Number	Financial Statement Line	Procedure
Note 3	Statement 1 - Investments	Enter the required information and replace the [$] with the actual figures.
Note 4	Statement 1 - Taxes Receivable – Municipal	Enter the required information and replace the [$] with the actual figures.
Note 5	Statement 1 - Other Accounts Receivable	Enter the required information and replace the [$] with the actual figures.
Note 6	Statement 1 - Assets Held for Sale	Enter the required information and replace the [$] with the actual figures.
Note 7	Statement 1 - Long-Term Receivable	Enter the required information and replace the [$] with the actual figures.
Note 8	Statement 1 - Debt Charges Recoverable	Enter the required information and replace the [$] with the actual figures.
Note 9	Statement 1 - Financial Instruments – Fair Value Disclosures	Enter the required information and replace the [$] with the actual figures.
Note 10	Statement 1 - Bank Indebtedness	Enter the required information and replace the [$] with the actual figures.
Note 11	Statement 1 - Deferred Revenue	Enter the required information and replace the [$] with the actual figures.
Note 12	Statement 1 - Asset Retirement Obligation	Enter the required information and replace the [$] with the actual figures.
Note 13	Statement 1 - Liability for Contaminated Sites	Enter the required information and replace the [$] with the actual figures.
Note 14	Statement 1 - Long-Term Debt	Enter the required information and replace the [$] with the actual figures.
Note 15	Statement 1 - Lease Obligations	Enter the required information and replace the [$] with the actual figures.
Note 16	Statement 1 - Other Non-Financial Assets	Enter the required information and replace the [$] with the actual figures.
Note 17	Statement 1 - Contingent Liabilities	Enter the required information and replace the [$] with the actual figures.
Note 18	Pension Plan	Enter the required information and replace the [$] with the actual figures.
Note 19	Comparative Figures	This note will change year to year, and every municipality will use this note.
Note 20	Trusts Administered by the Municipality	Enter the required information and replace the [$] with the actual figures.
Note 21	Related Parties	Enter the required information and replace the [$] with the actual figures.

Note Number	Financial Statement Line	Procedure
		This note outlines transactions and balances outstanding with related parties.
Note 22	Statement 1 - Contingent Assets	Enter the required information and replace the [$] with the actual figures.
Note 23	Statement 1 - Contractual Rights	Enter the required information and replace the [$] with the actual figures.
Note 24	Statement 1 - Contractual Obligation and Commitments	Enter the required information and replace the [$] with the actual figures.
Note 25	Restructuring Transactions	Enter the required information and replace the [$] with the actual figures.
Note 26	Risk Management	Enter the required information and replace the [$] with the actual figures.
Note 27	Public Private Partnerships	Enter the required information and replace the [$] with the actual figures.
Note 28	Statement 2 – Revenue	Enter the required information and replace the [$] with the actual figures. This note is applicable when there are collection uncertainties to disclose, or significant concessionary terms associated with revenue.
Note 29	Correction of Prior Period Error	Enter the required information and replace the [$] with the actual figures. Important note: Not every municipality will utilize each Note. Only enter information in the notes that pertain to your municipality.
Note 30	Subsequent Events	Enter the required information, if applicable.
Note 31	Loan Guarantee	Enter the required information and replace the [$] with the actual figures.

Summary of Input Required for Each Main Financial Statement

Statement	Notes	Procedure
Statement 1 – Statement of Financial Position	**Important note:** The Accumulated Surplus on Statement 1 must equal the Accumulated Surplus excluding remeasurement gains (losses) on Schedule 10 and Accumulated remeasurement gains (losses) on Statement 5.	Information is pulled directly from: • Standard Notes 2 through 16 and 21 through 25 and 27, and • Schedules 6, 7, 8, 9 and 10. Additional (directly entered) information includes: • Items in the Liabilities section- accounts payable, accrued liabilities, deposits, and other liabilities. • Non-financial assets including prepayments and deferred charges, stock, and supply values.
Statement 2 – Statement of Operations	**Important notes:** The Annual Surplus (Deficit) of Revenues over Expenses must equal the Net Surplus (Deficit) on Schedule 4. The Accumulated Surplus (Deficit) excluding remeasurement gains (losses), End of Year must equal the Accumulated Surplus (Deficit) excluding remeasurement gains (losses) on Statement 1 and Schedule 10.	Information is pulled directly from Schedules 1 and 3 to 5. Additional information is the Accumulated Surplus at the beginning of the prior, comparative year.
Statement 3 – Statement of Changes in Net Financial Assets	**Important note:** The Net Financial Assets - End of Year must equal the Net Financial Assets shown on Statement 1. The statement should be adjusted by unrealized remeasurement gains (losses).	Only the starting surplus or deficit is carried forward from Statement 2. Capital expenses/expenditures must be manually entered from various sources, including the TCA Register, Schedules 6 and 7. Changes in other non-financial expenses/expenditures must also be entered manually. These values can be found by looking at detailed GL account information for the increases and decreases in the prepaid and supplies inventory accounts.

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

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

Budget Preparation

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

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

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

Developing a budget is beneficial because a budget:

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

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

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

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

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

A generic budget spreadsheet can be downloaded from the Government of Saskatchewan website.

Completing the Budget

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

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

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

To complete the budget:

- All known or anticipated revenues and expenditures are entered into the appropriate section of the budget spreadsheet. Fees and charges have an additional column to identify the functional area. This filtered column will be useful when transferring the budget figures to Schedule 2 in preparation for the annual financial statements. See Figure 19.

48	**FEES AND CHARGES (Schedule 02)**				
49		Functional Area			
50	Sales of: Gravel				
51	Supplies				
52					
53	Rentals				
54					
55	Policing and Fire Fees				
56					
57	Recreation Fees:				
58	Recreation Centre Fees: Skating Rink				
59	Curling Rink				
60	Swimming Pool				
61	Golf Fees				
62	Baseball diamonds				
63	Sports fields				

Figure 19 – Fees and Charges Schedule

- Each functional area expenditure section has a line for tangible/intangible capital asset expenditures. This would be the <u>total</u> <u>cost</u> of any anticipated tangible/intangible capital asset purchases.

- The final portion of the Cash Budget section of the budget spreadsheet is for any debt repaid or issued and for any transfers to or from Reserves. This would include any appropriated reserves or transfers from the operating fund to cover an anticipated cash deficit.

The final section of the spreadsheet is used to calculate the anticipated **accrual-based surplus or deficit,** as shown in Figure 20.

- Any amounts entered for TCA expenditures, debt or transfers from reserves will be carried to the accrual section and be reversed. As these are considered investing or financing activities, they are not relevant to the current year's anticipated budgeted surplus or deficit.

- Additional information that must be entered is:

- the annual amortization by functional area. These figures are available from the TCA Register
- expected gains or losses incurred on the disposal of TCAs
- expected changes to supplies/inventories
- expected changes to prepaid expenses

647	**Accrual Budget (Amortization Budget)**			
648				
649	**TOTAL CASH SURPLUS/(DEFICIT)** **(Must be greater than zero)**	-	-	-
650				
651	**Long Term Debt**			
652	**Less:** Long Term Debt Issue			
653	**Add:** Long Term Debt Repayment			
654				
655				
656	**Municipal Reserves**			
657	**Less:** Operating Fund Usage			
658	Appropriated Fund Usage			

Figure 20 – Accrual Budget (Amortization Budget)

Accrual Based Budget

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

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

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

Appendices

A-1 Reporting Entity Control

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

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

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

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

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

Section PS 1300.14 of the PSAB Handbook provides:

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

(a) a government may establish an organization's fundamental purpose and eliminate or significantly limit the ability of the organization to make future decisions by predetermining the financial and operating policies of the organization,

(b) a government may direct the financial and operating policies of an organization on an ongoing basis, or

(c) a government may veto, overrule, or modify the financial and operating policies established by an organization.

Indicators of control are outlined in PS 1300.18 and 19:

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

(d) government has the power to unilaterally appoint or remove a majority of the members of the governing body of the organization,

(e) government has ongoing access to the assets of the organization, has the ability to direct the ongoing use of those assets, or has ongoing responsibility for losses,

(f) government holds the majority of the voting shares or a "golden share" that confers the power to govern the financial and operating policies of the organization, and

(g) government has the unilateral power to dissolve the organization and thereby access its assets and become responsible for its obligations.

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

(a) provide significant input into the appointment of members of the governing body of the organization by appointing a majority of those members from a list of nominees provided by others or being otherwise involved in the appointment or removal of a significant number of members,

(b) appoint or remove the CEO or other key personnel,

(c) establish or amend the mission or mandate of the organization,

(d) approve the business plans or budgets for the organization and require amendments, either on a net or line-by-line basis,

(e) establish borrowing or investment limits or restrict the organization's investments,

(f) restrict the revenue-generating capacity of the organization, notably the sources of revenue, and

(g) establish or amend the policies that the organization uses to manage, such as those relating to accounting, personnel, compensation, collective bargaining, or deployment of resources.

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

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

A-2 Revenue Recognition

Own Source Revenues

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

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

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

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

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

(a) the related legislation, regulations or by-laws have been approved by the legislature or council, or
(b) the ability to assess and collect tax has been provided through legislative convention. PS 3400.19-25 Performance obligations:

- A payor exchanges consideration for specific benefits in the form of enforceable promises made by a public sector entity. These enforceable promises constitute performance obligations.

- Enforceable promises create a valid expectation of the payor that the public sector entity will transfer a good or service. Enforceable promises may arise from a contract negotiated with the payor or from terms set by the public sector entity. Many goods and services are subject to a payor's acceptance of standard terms. If a promise is enforceable by a payor, it is a performance obligation, whether written or not.

- In some cases, transactions with performance obligations arise from the public sector entity's authority to provide rights to a good or service. For example, a public sector entity is the only entity that can provide a payor with the right to drive by issuing a driver's license.

- A public sector entity's mandate or mission does not create performance obligations on its own because it does not establish an enforceable promise to a specific payor. Obligations associated with fulfilling a public sector entity's mandate generally benefit the community as a whole rather than a specific payor.

- Social policies or programs established by a public sector entity, such as health care, do not create performance obligations. The public sector entity has not entered into a specific transaction with a particular payor.

- Performance obligations do not include activities that a public sector entity undertakes unless those activities provide a distinct good or service to the payor. For example, a public sector entity may need to perform various administrative tasks to set up the terms of the arrangement with a payor, such as enrollment activities to register a student for a course. A performance obligation does not arise when those tasks do not provide a distinct good or service to the payor.

- Many activities of public sector entities, including activities that may involve receipt of consideration, do not create performance obligations for public sector entities. Unless one or more enforceable promises to the payor can be identified that meet the definition of a liability for the public sector entity (see Liabilities, Section PS 3200), no performance obligation is present.

PS 3400.26.-28 Performance obligations as liabilities Public sector entities have many types of obligations. Only those obligations that meet the definition of a liability in Liabilities, Section PS 3200, are present obligations. Unfulfilled performance obligations are one type of present obligation that a public sector entity may have.

- An unfulfilled performance obligation for a public sector entity has all three of the essential characteristics of a liability. It is a present obligation of a public sector entity to others arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits. There is:

  (a) a duty or responsibility to others, leaving a public sector entity little or no discretion to avoid settlement of the obligation,
  (b) a duty or responsibility to others that entails settlement by a future transfer or use of assets, provision of goods or services, or other forms of economic settlement at a specified or predetermined date, on the occurrence of a specified event, or on demand, and
  (c) a transaction or event obligating the public sector entity that has already occurred.

- When a public sector entity receives consideration prior to the provision of goods or services, unearned revenues would be recorded, provided the definition of a liability is met. The public sector entity still must satisfy the performance obligations identified in the exchange transaction. Although the public sector entity is in possession of the economic resources associated with those performance obligations, it has not fulfilled its obligations, and, therefore, the revenue has not yet been earned.

Government Transfers

Government transfers are detailed in the PSAB handbook in section 3410. As indicated in PS 3410.16, a transfer without eligibility criteria or stipulations should be recognized as revenue by a recipient government when the transfer is authorized. Per PS 3410.17, a transfer with eligibility criteria but without stipulations should be recognized as revenue by a recipient government when the transfer is authorized and all eligibility criteria have been met. Further conditions apply for transfers with

stipulations (PS 3410.19). For specific circumstances, the CPA handbook should be referenced.

The decision tree shown in Figure 21 has been prepared to illustrate the transferring and recipient government accounting set out in Section PS 3410. The decision tree is illustrative only and matters of principle relating to particular situations should be decided in the context of the Section.

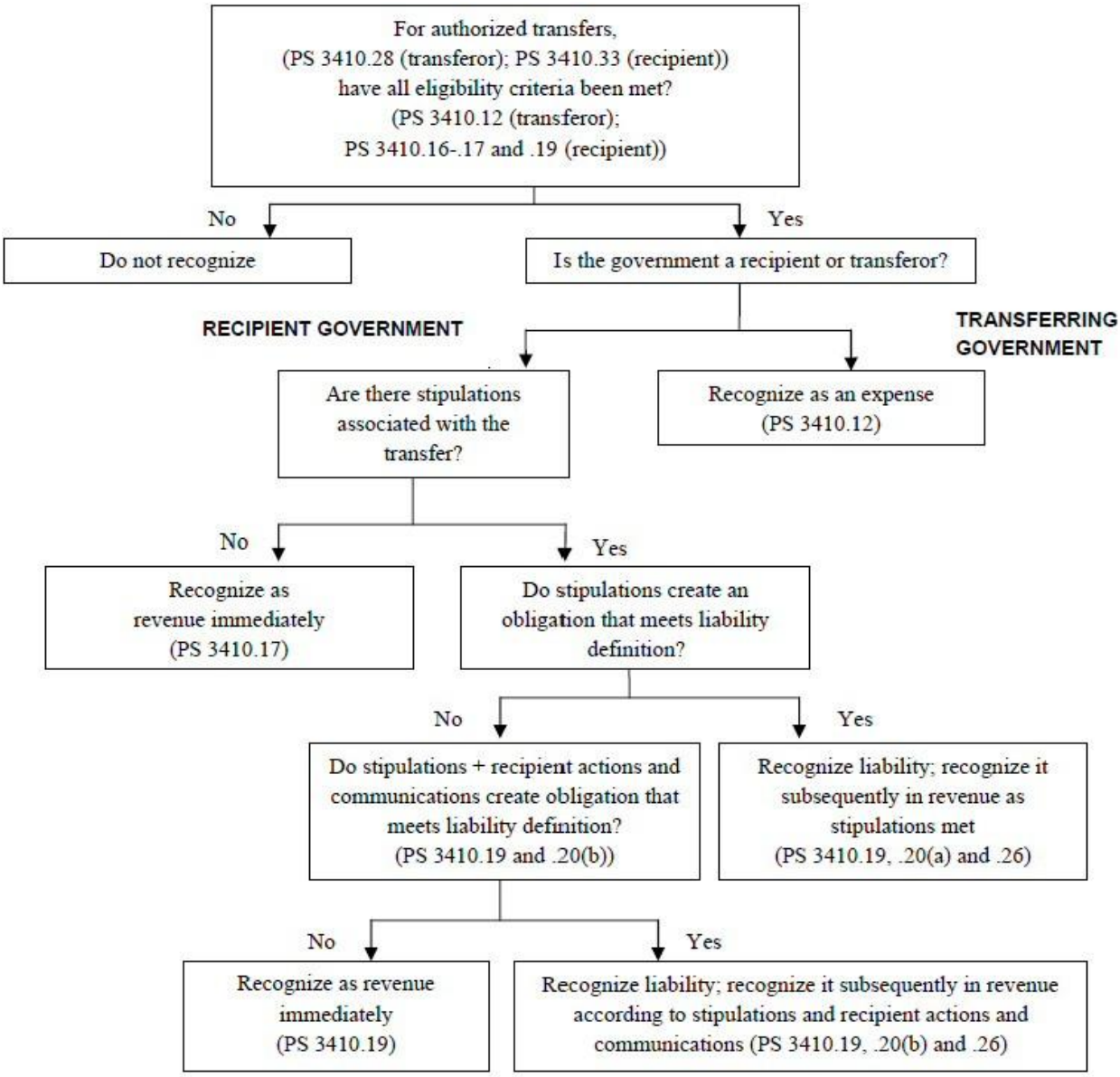

Figure 21 – Decision Tree

Deferral Method

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

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

<u>Recognition of restricted contributions for the purchase of capital assets</u>

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

.34 Restricted contributions for the purchase of capital assets that will not be amortized should be recognized as direct increases in net assets. [JAN. 2012]

.35 The deferral of contributions restricted for the purchase of capital assets that will be amortized provides a means to match such contributions with the benefits provided by the capital assets acquired. Such contributions will be recognized as revenue over the useful life of the acquired capital asset to reflect the fact that the contribution provides benefits in all the periods in which the organization has used the capital asset.

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

A-3 Municipal Debt Limit Calculation

Who establishes the debt limit for a municipality?

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

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

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

Examples include:

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

Sample Calculation:

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

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

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

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

A-4 Glossary of Terms

Term	Definition
Accrual basis of accounting or accrual accounting	The accrual basis of accounting recognizes the effect of transactions and events in the period in which the transactions and events occur, regardless of whether there has been a receipt or payment of cash or its equivalent. The accrual basis of accounting is compliant with accounting standards such as PSAS. See also cash basis of accounting.
Accretion expense	Refers to an expense incurred in order to increase the carrying value of an asset retirement obligation to recognize the passage of time.
Appropriated reserves	Reserves are established at the discretion of the Council to designate surplus for future operating and capital transactions. Another term for appropriated reserves is internally restricted reserves. See also unappropriated reserves.
Assets held for sale	Assets held by the municipalities that are no longer in use, and that the municipality plans to sell and are actively looking for a buyer.
Asset retirement obligation	An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset.
Bank indebtedness	All obligations and indebtedness owed to banking for financial institutions, such as an operating loan or credit arrangements.
Cash basis of accounting, cash model of accounting	The cash basis of accounting recognizes the effect of transactions and events in the period in which there has been a receipt or payment of cash or its equivalent. The cash basis of accounting is not compliant with accounting standards such as PSAS. See also the accrual basis of accounting.
Contractual obligations	Refers to current obligations of a public sector entity that will become liabilities in the future once certain terms of an underlying agreement are fulfilled.
Debt charges recoverable	The principal and interest recoverable from a project undertaken with another partner (such as another municipality) whereby the municipality has assumed the long-term financing. Amounts are recoverable in annual principal instalments plus interest.
Deferred revenue	Fees and charges: Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.
Derivatives	Financial instruments or other contracts within PS 3450 with all three of the following characteristics: • Their value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable provided in the case of a

Term	Definition
	non-financial variable that the variable is not specific to a party to the contract (sometimes called the "underlying"). • They require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors. • They are settled at a future date(s).
Expenditure	An Expenditure is a one-time purchase of an asset that adds long-term value to the entity over years. An expenditure is recorded on the Consolidated Statement of Financial Position and is recognized into the Statement of Operations over time.
Expense	An expense is an amount spent by an entity in the process of earning revenue. Expenses are recorded on the Consolidated Statement of Operations.
Fair value	Refers to the amount of consideration that two parties at arm's length would agree to, assuming that they are not only both willing and knowledgeable but also under no compulsion to act.
Financial assets	Assets that can be used to either settle current liabilities or finance future operations. They must not be intended for use within the normal operations of the entity.
Financial liabilities	Liabilities that are contractual obligations: a) to deliver cash or another financial asset to another entity, or b) to exchange financial instruments with another entity under conditions that are potentially unfavourable to a government.
Financial instruments	Any contract that gives rise to a financial asset for one entity and a financial liability and/or equity instrument for another.
Foreign currency	Any currency that differs from the reporting currency of the public sector entity.
Intangible assets	Intangible assets are non-monetary assets without physical substance and identifiable (either being separable or arising from contractual or arising from contractual or legal rights). Examples include trademarks and patents.
Net financial assets	Net financial assets at the end of the accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.
Performance obligations	Refers to separable and enforceable promises to provide specific goods and/or services to a particular payor.

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

A-5 Key Measures

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

Key Measures – Statement of Financial Position

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

Key measures – Statement of Operations

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

Key Measures – Sustainability

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

		Thresholds		
Ratio	**Calculation**	**Unfavourable**	**Moderate**	**Favourable**
Financial Assets to Liabilities	Financial Assets divided by Liabilities	Less than0.5	0.5 to 1	More than 1
Total Assets to Liabilities**	Total assets divided by Liabilities	Less than 0.75	0.75 to 1.5	More than 1.5
Net Book Value (NBV) of TCA to Total Cost of TCA	NBV of TCA divided by Total Cost of TCA	Less than 25%	25% to 50%	More than 50%
Total Long-Term Debt Outstanding to Debt Limit (Municipal Debt Ratio) **	Term Debt divided by Debt Limit	More than 100%	75% to 100%	Less than 75%
Return on Fixed Assets	Annual Surplus (Deficit) divided by Total Cost of TCA	Less than the average for the municipality type	Equal to the average for the municipality type	More than the average for the municipality type
Asset Sustainability	Total Cost of Annual Additions of TCA divided by Annual Amortization (five-year average)	Less than 75%	75% to 100%	More than 100%
**Also included within the key measures for the Statement of Financial Position.				

Key Measures – Flexibility

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

		Thresholds		
Ratio	**Calculation**	**Unfavourable**	**Moderate**	**Favourable**
Government Services Expense to Total Expense (Municipal Administration) **	Government Services Expense divided by Total Expense	More than the three-year average for the municipality type	Equal to the three-year average for the municipality type	Less than the three-year average for the municipality type
Total Utilities Services Revenue to Utilities Services Expense	Total Utilities Services Revenue divided by Utilities Services Expense	Less than the average for the municipality type	Equal to the average for the municipality type	More than the average for the municipality type
Total Expense to Total Tax Levy	Total Expense divided by Total Tax Levy	More than the average for the municipality type	Equal to the average for the municipality type	Less than the average for the municipality type
**Also included within the key measures for the Statement of Operations.				

Key Measures – Vulnerability

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

		Thresholds		
Ratio	**Calculation**	**Unfavourable**	**Moderate**	**Favourable**
Total Government Transfers to Total Revenue	Total Government Transfers divided by Total Revenue	Increasing over last three years	Non-trend over last three years	Down trend over last three years
Revenue Sharing to Total Operating Revenue	Revenue Sharing divided by Total Operating Revenue	Increasing over last three years	Non-trend over last three years	Down trend over last three years

Key Measures – Sustainability / Flexibility

These ratios address the sustainability and flexibility measures described above.

		Thresholds		
Ratio	**Calculation**	**Unfavourable**	**Moderate**	**Favourable**
Total Uncollected Taxes to Current Year Tax Year Levy	Total Uncollected Taxes divided by Current Year Tax Year Levy	More than 8%	5% to 8%	Less than 5%
(Total Tax Levied-Total Tax Levied 2 yrs. prior) to Total Tax Levied	(Total Tax Levied-Total Tax Levied 2 yrs. prior) divided by Total Tax Levied	More than Consumer Price Index (CPI) Growth plus or minus (+/-) 15%	+/- 5% to 15% CPI Growth	Less than +/- 5% of CPI Growth
Annual Surplus (Deficit) Revenues over Expenses	Total Revenues minus Total Expenses; taken from the Statement of Operations	A deficit took place in at least two out of the last three years	A deficit took place in one out of the last three years	No deficits took place in the last three years

Key Measures – Vulnerability / Flexibility

These ratios address the vulnerability and flexibility measures described above.

		Thresholds		
Ratio	**Calculation**	**Unfavourable**	**Moderate**	**Favourable**
Accumulated Surplus to Total Tax Levy	Accumulated Surplus divided by Total Tax Levy	Less than the average for the municipality type	Equal to the average for the municipality type	More than the average for the municipality type
Tax Base – Taxes from Commercial Property to Total Taxes	Taxes from Commercial Property divided by Total Taxes	Less than 5%	5% to 20%	More than 20%

Key Measures – Other

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

		Thresholds		
Ratio	**Calculation**	**Unfavourable**	**Moderate**	**Favourable**
Public Debt to Operating Revenue	Long-Term Debt Repaid divided by Operating Revenue	More than 20%	10% to 20%	Less than 10%
Total Expense to Taxable Assessment	Total Expense divided by Taxable Assessment	More than the average for the	Equal to the average for the	Less than the average for

		Thresholds		
Ratio	**Calculation**	**Unfavourable**	**Moderate**	**Favourable**
		municipality type	municipality type	the municipality type