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# **TOWN OF CUT KNIFE**

## **FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

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**Vantage**  
CHARTERED PROFESSIONAL ACCOUNTANTS

## Management's Responsibility

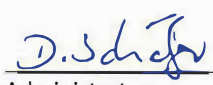
To the Ratepayers of Town of Cut Knife

The municipality's management is responsible for the preparation and presentation of the accompanying financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgements and estimates by management is required.

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

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

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

  
\_\_\_\_\_  
Mayor  
\_\_\_\_\_  
Administrator

## INDEPENDENT AUDITORS' REPORT

Mayor and Council  
Town of Cut Knife  
Cut Knife, Saskatchewan

### ***Qualified Opinion***

We have audited the accompanying financial statements of the Town of Cut Knife, which comprise the statement of financial position as at December 31, 2024, the statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Town of Cut Knife as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Qualified Opinion***

Effective for fiscal years beginning on or after April 1, 2022, the Town of Cut Knife was required to adopt PS 3280 Asset Retirement Obligations which requires the recognition of the future costs associated with the legal obligation to retire a contaminated tangible capital asset. The Town of Cut Knife has not yet completed its assessment of the tangible capital assets for possible asset retirement obligations. As a result, we were unable to determine whether any adjustments were necessary to the assets and liabilities as at December 31, 2024, December 31, 2023 and the gross expenses for those years. The 2023 auditors' report was not qualified in this regard due to new uncertainties that have arisen since.

The municipality has an interest in the Cut Knife & District Fire Association, Highway 40 Health Holdings, Cut Knife and District Recreation Board and the Clayton McLain Memorial Museum Inc. which are government partnerships. The municipality has not recorded in its financial statements these interests using the proportionate consolidation method, which constitutes a departure from Canadian Public Sector Accounting Standards. The effect on the financial statements of the failure to consolidate has not been determined for the 2024 and 2023 years. Our report on the fiscal 2023 financial statements was qualified in this regard.

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

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

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

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

The logo for Vantage Chartered Professional Accountants, featuring the word "Vantage" in a stylized, cursive script.

Chartered Professional Accountants

North Battleford, Saskatchewan  
September 8, 2025

**Town of Cut Knife**  
**Statement of Financial Position**  
**As at December 31, 2024**

Statement 1

	2024	2023
<b>FINANCIAL ASSETS</b>		(Restated)
Cash and Cash Equivalents (Note 2)	714,444	542,684
Investments (Note 3)	7,286	6,192
Taxes Receivable - Municipal (Note 4)	315,631	134,946
Other Accounts Receivable (Note 5)	180,956	219,444
Assets Held for Sale (Note 6)	85,859	117,618
Long-Term Receivable		
Debt Charges Recoverable		
Derivative Assets		
Other		
<b>Total Financial Assets</b>	<b>1,304,176</b>	<b>1,020,884</b>
<b>LIABILITIES</b>		
Bank Indebtedness		
Accounts Payable	3,709	4,639
Accrued Liabilities Payable		
Derivative Liabilities		
Deposits	8,250	12,425
Deferred Revenue		2,412
Asset Retirement Obligation		
Liability for Contaminated Sites		
Other Liabilities		
Long-Term Debt (Note 8)	200,000	
Lease Obligations (Note 9)	223,973	282,096
<b>Total Liabilities</b>	<b>435,932</b>	<b>301,572</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>868,244</b>	<b>719,312</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Schedule 6, 7)	2,714,875	2,725,636
Prepayments and Deferred Charges	503	7,098
Stock and Supplies		
Other		
<b>Total Non-Financial Assets</b>	<b>2,715,378</b>	<b>2,732,734</b>
<b>ACCUMULATED SURPLUS (DEFICIT)</b>	<b>3,583,622</b>	<b>3,452,046</b>
Accumulated Surplus (Deficit) is comprised of:		
Accumulated Surplus (Deficit) excluding remeasurement gains (losses) (Schedule 8)	<b>3,583,622</b>	<b>3,452,046</b>
Accumulated remeasurement gains (losses)		

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

**Town of Cut Knife**  
**Statement of Operations**  
**For the year ended December 31, 2024**

Statement 2

	2024 Budget	2024	2023
<b>REVENUES</b>			(Restated)
Tax Revenue (Schedule 1)	1,007,200	988,847	780,580
Other Unconditional Revenue (Schedule 1)	153,394	153,394	134,182
Fees and Charges (Schedule 4, 5)	663,100	658,310	669,148
Conditional Grants (Schedule 4, 5)	2,565	2,023	2,544
Tangible Capital Asset Sales - Gain (Loss) (Schedule 4, 5)	13,000	(252,145)	2,640
Land Sales - Gain (Schedule 4, 5)		(16,072)	
Investment Income (Schedule 4, 5)	25,000	24,644	34,337
Commissions (Schedule 4, 5)			
Restructurings (Schedule 4,5)			
Other Revenues (Schedule 4, 5)	(2,594)	28,898	273
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	38,343	35,077	38,620
<b>Total Revenues</b>	<b>1,900,008</b>	<b>1,622,976</b>	<b>1,662,324</b>
<b>EXPENSES</b>			
General Government Services (Schedule 3)	346,466	279,033	350,799
Protective Services (Schedule 3)	88,353	84,789	85,478
Transportation Services (Schedule 3)	762,772	431,494	728,036
Environmental and Public Health Services (Schedule 3)	191,141	170,958	177,628
Planning and Development Services (Schedule 3)	500		(290)
Recreation and Cultural Services (Schedule 3)	89,835	96,931	68,757
Utility Services (Schedule 3)	511,195	428,195	580,916
Restructurings (Schedule 3)			
<b>Total Expenses</b>	<b>1,990,262</b>	<b>1,491,400</b>	<b>1,991,324</b>
<b>Annual Surplus (Deficit) of Revenues over Expenses</b>	<b>(90,254)</b>	<b>131,576</b>	<b>(329,000)</b>
<b>Accumulated Surplus (Deficit) excluding remeasurement gains (losses), Beginning of Year</b>	<b>3,452,046</b>	<b>3,452,046</b>	<b>3,781,046</b>
<b>Accumulated Surplus (Deficit) excluding remeasurement gains (losses), End of Year</b>	<b>3,361,792</b>	<b>3,583,622</b>	<b>3,452,046</b>

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

**Town of Cut Knife**  
**Statement of Change in Net Financial Assets**  
**For the year ended December 31, 2024**

Statement 3

	2024 Budget	2024	2023 (Restated)
<b>Annual Surplus (Deficit) of Revenues over Expenses</b>	(90,254)	131,576	(329,000)
(Acquisition) of tangible capital assets		(448,839)	(100,417)
Amortization of tangible capital assets		109,865	121,095
Proceeds on disposal of tangible capital assets		97,590	80,578
Loss (gain) on the disposal of tangible capital assets		252,145	(2,640)
Transfer of assets/liabilities in restructuring transactions			
<b>Surplus (Deficit) of capital expenses over expenditures</b>		<b>10,761</b>	<b>98,616</b>
(Acquisition) of supplies inventories			
(Acquisition) of prepaid expense		6,595	(6,595)
Consumption of supplies inventory			
Use of prepaid expense			
<b>Surplus (Deficit) of expenses of other non-financial over expenditures</b>		<b>6,595</b>	<b>(6,595)</b>
<b>Unrealized remeasurement gains (losses)</b>			
<b>Increase/Decrease in Net Financial Assets</b>	<b>(90,254)</b>	<b>148,932</b>	<b>(236,979)</b>
<b>Net Financial Assets (Debt) - Beginning of Year</b>	<b>719,312</b>	<b>719,312</b>	<b>956,291</b>
<b>Net Financial Assets (Debt) - End of Year</b>	<b>629,058</b>	<b>868,244</b>	<b>719,312</b>

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

Town of Cut Knife  
Statement of Cash Flow  
For the year ended December 31, 2024

Statement 4

	2024	2023
		(Restated)
<b>Cash provided by (used for) the following activities</b>		
<b>Operating:</b>		
<b>Annual Surplus (Deficit) of Revenues over Expenses</b>	131,576	(329,000)
Amortization	109,865	121,095
Loss (gain) on disposal of tangible capital assets	252,145	(2,640)
	493,586	(210,545)
<b>Change in assets/liabilities</b>		
Taxes Receivable - Municipal	(180,685)	7,030
Other Receivables	38,488	(12,019)
Assets Held for Sale	31,759	(43,300)
Other Financial Assets		
Accounts and Accrued Liabilities Payable	(930)	(70,863)
Derivative Liabilities <i>[if applicable]</i>		
Deposits	(4,175)	(1,650)
Deferred Revenue	(2,412)	1,760
Asset Retirement Obligation		
Liability for Contaminated Sites		
Other Liabilities		
Stock and Supplies		
Prepayments and Deferred Charges	6,595	(6,595)
Other (Specify)		
<b>Cash provided by operating transactions</b>	<b>382,226</b>	<b>(336,182)</b>
<b>Capital:</b>		
Acquisition of capital assets	(448,839)	(100,417)
Proceeds from the disposal of capital assets	97,590	80,578
<b>Cash applied to capital transactions</b>	<b>(351,249)</b>	<b>(19,839)</b>
<b>Investing:</b>		
Decrease (increase) in restricted cash or cash equivalents		
Proceeds from disposal of investments		
Decrease (increase) in investments	(1,094)	(1,159)
<b>Cash provided by (applied to) investing transactions</b>	<b>(1,094)</b>	<b>(1,159)</b>
<b>Financing:</b>		
Debt charges recovered		
Long-term debt issued	200,000	
Long-term debt repaid	(58,123)	(56,526)
Other financing		
<b>Cash provided by (applied to) financing transactions</b>	<b>141,877</b>	<b>(56,526)</b>
<b>Change in Cash and Cash Equivalents during the year</b>	<b>171,760</b>	<b>(413,706)</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>542,684</b>	<b>956,390</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>714,444</b>	<b>542,684</b>
<b>Cash and cash equivalents is made up of:</b>		
Cash (Note 2)	493,484	325,111
Restricted portion of cash and cash equivalents (Note 2)	220,960	217,573
Temporary bank indebtedness		
	<b>714,444</b>	<b>542,684</b>

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



Town of Cut Knife  
Notes to the Financial Statements  
For the year ended December 31, 2024

1. Significant Accounting Policies

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

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

- a) **Reporting Entity:** The financial statements consolidate the assets, liabilities, and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

**Partnerships:** A partnership represents a contractual arrangement between the municipality and a party or parties outside the reporting entity. The partners have significant, clearly defined common goals, make a financial investment in the partnership, share control of decision making, and share, on an equitable basis, the significant risks and benefits associated with the operations of the partnership. These financial statements do not contain the following partnerships:

Cut Knife & District Fire Association - 38% partnership interest  
Highway 40 Health Holdings - 25% partnership interest  
Cut Knife and District Recreation Board - 33% partnership interest  
Clayton McLain Memorial Museum Inc. - 50%

- b) **Collection of Funds for Other Authorities:** Collection of funds by the municipality for school boards, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.
- c) **Government Transfers:** Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occur, providing:

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

Unearned government transfer amounts received will be recorded as deferred revenue until eligibility criteria or stipulations are met.

Earned government transfer amounts not received will be recorded as an amount receivable.

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

- d) **Other (Non-Government Transfer) Contributions:** Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the municipality if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions are deferred until the resources are used for the purpose specified, at which time the contributions are recognized as revenue. In-kind contributions are recorded at their fair value when they are received.
- e) **Deferred Revenue:** Fees and charges: Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.
- f) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- g) **Net Financial Assets:** Net Financial Assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.
- h) **Non-financial Assets:** Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.
- i) **Appropriated Reserves:** Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 8.
- j) **Property Tax Revenue:** Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by council. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.

**Town of Cut Knife**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2024**

**1. Significant Accounting Policies - continued**

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

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

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

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

**Measurement of Financial Instruments:**

The municipalities financial assets and liabilities are measured as follows:

<u>Financial Statement line item</u>	<u>Measurement</u>
Cash and Cash Equivalents	Cost and amortized cost
Investments	Fair value and cost/amortized cost
Other Accounts Receivable	Cost and amortized cost
Long-term Receivables	Amortized cost
Debt Charges Recoverable	Amortized cost
Bank Indebtedness	Amortized cost
Accounts Payable and Accrued Liabilities	Cost
Deposit Liabilities	Cost
Long-Term Debt	Amortized cost
Derivative Assets and Liabilities	Fair value

- l) **Inventories:** Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials, and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.
- m) **Tangible Capital Assets:** All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant deflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. Tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<b>General Assets</b>	
Land	Indefinite
Land Improvements	15 Yrs.
Buildings	40 Yrs.
<b>Vehicles and Equipment</b>	
Vehicles	10 Yrs.
Machinery and Equipment	3 to 20 Yrs.
<b>Leased Capital Assets</b>	Lease term
<b>Infrastructure Assets</b>	
<b>Infrastructure Assets</b>	
Water and Sewer	40 to 75 Yrs.
Road Network Assets	15 to 40 Yrs.

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

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

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

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

**Town of Cut Knife**

**Notes to the Financial Statements**

**For the year ended December 31, 2024**

**1. Significant Accounting Policies - continued**

- n) **Trust Funds:** Funds held in trust for others, under a trust agreement or statute, are not included in the financial statements as they are not controlled by the municipality.
- o) **Employee Benefit Plans:** Contributions to the municipality's multiemployer defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.
- p) **Liability for Contaminated Sites:** Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:
  - a) an environmental standard exists;
  - b) contamination exceeds the environmental standard;
  - c) the municipality:
    - i. is directly responsible; or
    - ii. accepts responsibility;
  - d) it is expected that future economic benefits will be given up; and
  - e) a reasonable estimate of the amount can be made.

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

Measurement uncertainty impacts the following financial statement areas:

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

The measurement of materials and supplies are based on estimates of volume and quality.

The 'Opening Asset Costs' of tangible capital assets have been estimated where actual costs were not available.

Amortization is based on the estimated useful lives of tangible capital assets.

The liability associated with asset retirement obligations are measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date, the discount rate, and inflation.

Measurement financial instruments at fair value and recognition and measurement of impairment of financial instruments requires the use of significant management estimates.

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

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

The segments (functions) are as follows:

General Government: Provides for the administration of the municipality.

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

Transportation Services: Responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

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

Planning and Development: Provides for neighbourhood development and sustainability.

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

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

- s) **Budget Information:** Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on June 20, 2024.
- t) **Assets Held for Sale:** The municipality is committed to selling the asset, the asset is in a condition to be sold, the asset is publicly seen to be for sale, there is an active market for the asset, there is a plan in place for selling the asset, and the sale is reasonably anticipated to be completed within one year of the financial statement date.

1. Significant Accounting Policies - continued

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

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

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

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

- v) **New Standards and Amendments to Standards:**

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

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

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

Town of Cut Knife

Notes to the Financial Statements

For the year ended December 31, 2024

2. Cash and Cash Equivalents	2024	2023
Cash	493,484	325,111
Short-term investments - amortized cost		
Restricted cash	220,960	217,573
<b>Total Cash and Cash Equivalents</b>	<b>714,444</b>	<b>542,684</b>

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

3. Investments	2024	2023
<b>Investments carried at amortized cost:</b>		
Co-op shares and credit union equity	7,286	6,192
<b>Total Investments</b>	<b>7,286</b>	<b>6,192</b>

4. Taxes Receivable - Municipal	2024	2023
Municipal - Current	178,586	78,411
- Arrears	182,045	121,535
	360,631	199,946
- Less allowance for uncollectible	(45,000)	(65,000)
<b>Total municipal taxes receivable</b>	<b>315,631</b>	<b>134,946</b>

School - Current	35,934	12,337
- Arrears	19,953	16,881
<b>Total taxes to be collected on behalf of School Divisions</b>	<b>55,887</b>	<b>29,218</b>

Other - Local improvement		
---------------------------	--	--

Total taxes and grants in lieu receivable or to be collected on behalf of other organizations 371,518 164,164

Deduct taxes to be collected on behalf of other organizations (55,887) (29,218)

**Total Taxes Receivable - Municipal 315,631 134,946**

5. Other Accounts Receivable	2024	2023
Federal Government	34,497	45,223
Provincial Government		
Local Government		
Utility	132,975	137,075
Trade	16,387	22,513
Other (Payroll)		17,536
<b>Total Other Accounts Receivable</b>	<b>183,859</b>	<b>222,347</b>

Less: Allowance for Uncollectible (2,903) (2,903)

**Net Other Accounts Receivable 180,956 219,444**

6. Assets Held for Sale	2024	2023
Tax title property	63,964	95,723
Allowance for market value adjustment	(33,341)	(33,341)
<b>Net Tax Title Property</b>	<b>30,623</b>	<b>62,382</b>
Other land	91,236	91,236
Allowance for market value adjustment	(36,000)	(36,000)
<b>Net Other Land</b>	<b>55,236</b>	<b>55,236</b>

Other

**Total Assets Held for Sale 85,859 117,618**

## Town of Cut Knife

### Notes to the Financial Statements

For the year ended December 31, 2024

#### 7. Bank Indebtedness

At December 31, 2024, the Municipality had lines of credit totalling \$100,000 (2023 - \$100,000), none of which was drawn.

#### 8. Long-Term Debt

a) The debt limit of the municipality is \$1,345,483. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the *Municipalities Act* section 161(1)).

b) Innovation Credit Union Loan is repayable at 4.50% amortized over 5 years payable quarterly of every year, secured by municipal borrowing resolution.

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Year Total	Prior Year Principal
2025	36,421	8,391	44,812	
2026	38,088	6,724	44,812	
2027	39,831	4,981	44,812	
2028	41,654	3,158	44,812	
2029	44,006	1,252	45,258	
Thereafter				
<b>Balance</b>	<b>200,000</b>	<b>24,506</b>	<b>224,506</b>	

#### 9. Lease Obligations

Future minimum lease payments under the capital lease together with the balance of the obligation due under the capital lease are as follows:

Year	Payment Amount
2025	68,772
2026	68,772
2027	68,772
2028	34,361
2029	
Thereafter	
Total future minimum lease payments	240,677
Amounts representing interest at a weighted average rate of 3.76%	(16,704)
<b>Capital Lease Liability</b>	<b>223,973</b>

The lease is repayable at \$34,361 semi-annually to the Royal Bank of Canada and bears interest at 3.76%. The lease obligation matures in 2028.

#### 10. Pension Plan

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality's pension expense in 2024 was \$34,911 (2023 - \$33,170). The benefits accrued to the municipality's employees from MEPP are calculated using the following: Pensionable Years of Service, Highest Average Salary, and the plan accrual rate.

2023 is the most current actuarial valuation report available for MEPP. At December 31, 2023, the MEPP disclosed an actuarial surplus of \$744,391,000.

#### 11. Comparative Figures

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

**Town of Cut Knife**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2024**

**12. Risk Management**

Through its financial assets and liabilities, the municipality is exposed to various risks.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge their responsibilities with respect to the financial instrument, and in so doing, cause a loss for the other party. The financial instruments that potentially subject the municipality to credit risk consist of the allowance for doubtful taxes receivable which administration monitors and reports to council as well as working with legal council on collections.

Liquidity Risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting financial obligations as they fall due. The municipality undertakes regular cash flow analyses to ensure that there are sufficient cash resources to meet all obligations.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency and other price risk.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The financial instruments that potentially subject the municipality to interest rate risk consist of any potential debt as well as short term investments.

**13. Prior Period Adjustments**

During 2024, the Town identified classification misstatements that overstated assets held for sale and understated tangible capital assets. The 2023 comparative figures have been restated to correct these misstatements.

	<b>2023 Previously Reported</b>	<b>Adjustments</b>	<b>2023 (Restated)</b>
<b>Statement of Financial Position</b>			
FINANCIAL ASSETS			
Assets Held for Sale	216,006	(98,388)	117,618
NON-FINANCIAL ASSETS			
Tangible Capital Assets	2,575,436	150,200	2,725,636
<b>Statement of Operations</b>			
Accumulated Surplus - Beginning of Year	3,729,234	51,812	3,781,046
Accumulated Surplus - End of Year	3,400,234	51,812	3,452,046
<b>Statement of Change in Net Financial Assets</b>			
Net Financial Assets - Beginning of Year	1,054,679	(98,388)	956,291
Net Financial Assets - End of Year	817,700	(98,388)	719,312

**Town of Cut Knife**  
**Schedule of Taxes and Other Unconditional Revenue**  
**For the year ended December 31, 2024**

Schedule 1

	2024 Budget	2024	2023
<b>TAXES</b>			
General municipal tax levy	924,200	876,382	675,357
Abatements and adjustments	(6,000)	(4,607)	(9,785)
Discount on current year taxes	(25,000)	(25,375)	(23,847)
<b>Net Municipal Taxes</b>	<b>893,200</b>	<b>846,400</b>	<b>641,725</b>
Potash tax share			
Trailer license fees			
Penalties on tax arrears	29,000	28,458	25,750
Special tax levy			
Other			
<b>Total Taxes</b>	<b>922,200</b>	<b>874,858</b>	<b>667,475</b>
<b>UNCONDITIONAL GRANTS</b>			
Revenue Sharing (Organized Hamlet)	153,394	153,394	134,182
Safe Restart			
Other			
<b>Total Unconditional Grants</b>	<b>153,394</b>	<b>153,394</b>	<b>134,182</b>
<b>GRANTS IN LIEU OF TAXES</b>			
Federal	25,000	23,589	18,786
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
Central Services			
SaskTel		2,110	1,171
Other		9,122	8,048
Local/Other			
Housing Authority		11,275	9,604
C.P.R. Mainline			
Treaty Land Entitlement			
Other			
Other Government Transfers			
S.P.C. Surcharge	50,000	51,888	54,702
Sask Energy Surcharge	10,000	16,005	20,794
Other			
<b>Total Grants in Lieu of Taxes</b>	<b>85,000</b>	<b>113,989</b>	<b>113,105</b>
<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<b>1,160,594</b>	<b>1,142,241</b>	<b>914,762</b>



Town of Cut Knife  
Schedule of Operating and Capital Revenue by Function  
For the year ended December 31, 2024

Schedule 2 - 1

	2024 Budget	2024	2023
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work	2,500	2,443	4,659
- Sales of supplies			
- Other	22,860	23,523	29,432
Total Fees and Charges	25,360	25,966	34,091
- Tangible capital asset sales - gain (loss)			
- Land sales - gain		(16,072)	
- Investment income	25,000	24,644	34,337
- Commissions			
- Other (Donations)	(2,594)	28,898	273
Total Other Segmented Revenue	47,766	63,436	68,701
Conditional Grants			
- Student Employment			
- MEEP			
- Other			
Total Conditional Grants			
<b>Total Operating</b>	<b>47,766</b>	<b>63,436</b>	<b>68,701</b>
<b>Capital</b>			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- Provincial Disaster Assistance			
- MEEP			
- Other			
<b>Total Capital</b>			
<b>Restructuring Revenue</b>			
<b>Total General Government Services</b>	<b>47,766</b>	<b>63,436</b>	<b>68,701</b>

**PROTECTIVE SERVICES**

<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Other (Fire fees)	4,500	1,587	4,164
Total Fees and Charges	4,500	1,587	4,164
- Tangible capital asset sales - gain (loss)			
- Other			
Total Other Segmented Revenue	4,500	1,587	4,164
Conditional Grants			
- Student Employment			
- Local government			
- MEEP			
- Other			
Total Conditional Grants			
<b>Total Operating</b>	<b>4,500</b>	<b>1,587</b>	<b>4,164</b>
<b>Capital</b>			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- Provincial Disaster Assistance			
- Local government			
- MEEP			
- Other			
<b>Total Capital</b>			
<b>Restructuring Revenue</b>			
<b>Total Protective Services</b>	<b>4,500</b>	<b>1,587</b>	<b>4,164</b>

Town of Cut Knife  
Schedule of Operating and Capital Revenue by Function  
For the year ended December 31, 2024

Schedule 2 - 2

	2024 Budget	2024	2023
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work	2,550	7,374	707
- Sales of supplies	90	209	
- Road Maintenance and Restoration Agreements			
- Frontage			
- Other			
Total Fees and Charges	2,640	7,583	707
- Tangible capital asset sales - gain (loss)	13,000	(4,312)	2,640
- Other			
Total Other Segmented Revenue	15,640	3,271	3,347
Conditional Grants			
- MREP (Highways)			
- Student Employment			
- MEEP			
- Other			
Total Conditional Grants			
<b>Total Operating</b>	15,640	3,271	3,347
<b>Capital</b>			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- RIRG			
- Provincial Disaster Assistance			
- MEEP			
- Other			
<b>Total Capital</b>			
<b>Restructuring Revenue</b>			
<b>Total Transportation Services</b>	15,640	3,271	3,347

**ENVIRONMENTAL AND PUBLIC HEALTH SERVICES**

<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	92,000	91,750	82,834
- Other (Recycling)	17,750	14,495	15,618
Total Fees and Charges	109,750	106,245	98,452
- Tangible capital asset sales - gain (loss)			
- Other			
Total Other Segmented Revenue	109,750	106,245	98,452
Conditional Grants			
- Student Employment			
- TAPD			
- Local government			
- MEEP			
- Other (Transit assistance)	65	63	61
Total Conditional Grants	65	63	61
<b>Total Operating</b>	109,815	106,308	98,513
<b>Capital</b>			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- TAPD			
- Provincial Disaster Assistance			
- MEEP			
- Other			
<b>Total Capital</b>			
<b>Restructuring Revenue</b>			
<b>Total Environmental and Public Health Services</b>	109,815	106,308	98,513

Town of Cut Knife  
Schedule of Operating and Capital Revenue by Function  
For the year ended December 31, 2024

Schedule 2 - 3

	2024 Budget	2024	2023
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges			
- Other			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- MEEP			
- Other			
Total Conditional Grants			
<b>Total Operating</b>			
<b>Capital</b>			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- Provincial Disaster Assistance			
- MEEP			
- Other			
<b>Total Capital</b>			
<b>Restructuring Revenue</b>			
<b>Total Planning and Development Services</b>			

**RECREATION AND CULTURAL SERVICES**

<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Other (Skating rink fees and arena advertising)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (Donations and insurance proceeds)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment	2,500	1,960	2,483
- Local government			
- MEEP			
- Other (Sask Lotteries)			
Total Conditional Grants	2,500	1,960	2,483
<b>Total Operating</b>	2,500	1,960	2,483
<b>Capital</b>			
Conditional Grants			
- ICIP			
- Provincial Government			
- Local government			
- Provincial Disaster Assistance			
- MEEP			
- Other			
<b>Total Capital</b>			
<b>Restructuring Revenue</b>			
<b>Total Recreation and Cultural Services</b>	2,500	1,960	2,483

**Town of Cut Knife**  
**Schedule of Operating and Capital Revenue by Function**  
**For the year ended December 31, 2024**

Schedule 2 - 4

	2024 Budget	2024	2023
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Water	330,850	327,918	336,876
- Sewer	100,000	97,336	92,852
- Other	90,000	91,675	102,006
Total Fees and Charges	520,850	516,929	531,734
- Tangible capital asset sales - gain (loss)		(247,833)	
- Other			
Total Other Segmented Revenue	520,850	269,096	531,734
Conditional Grants			
- Student Employment			
- MEEP			
- Other			
Total Conditional Grants			
<b>Total Operating</b>	<b>520,850</b>	<b>269,096</b>	<b>531,734</b>
<b>Capital</b>			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP	38,343	35,077	38,620
- New Building Canada Fund (SCF, NRP)			
- Clean Water and Wastewater Fund			
- Provincial Disaster Assistance			
- MEEP			
- Other			
<b>Total Capital</b>	<b>38,343</b>	<b>35,077</b>	<b>38,620</b>
<b>Restructuring Revenue</b>			
<b>Total Utility Services</b>	<b>559,193</b>	<b>304,173</b>	<b>570,354</b>
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>739,414</b>	<b>480,735</b>	<b>747,562</b>

**SUMMARY**

Total Other Segmented Revenue	698,506	443,635	706,398
Total Conditional Grants	2,565	2,023	2,544
Total Capital Grants and Contributions	38,343	35,077	38,620
Restructuring Revenue			
<b>TOTAL REVENUE BY FUNCTION</b>	<b>739,414</b>	<b>480,735</b>	<b>747,562</b>

Town of Cut Knife  
Total Expenses by Function  
For the year ended December 31, 2024

Schedule 3 - 1

	2024 Budget	2024	2023
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	27,100	22,467	17,983
Wages and benefits	189,000	170,791	165,523
Professional/Contractual services	88,566	67,590	108,621
Utilities	16,000	11,387	12,017
Maintenance, materials and supplies	21,900	19,440	37,235
Grants and contributions - operating			
- capital			
Amortization		4,370	4,370
Accretion of asset retirement obligation			
Interest	3,000	2,883	4,920
Allowance for uncollectible	150	(20,000)	130
Other	750	105	
<b>General Government Services</b>	<b>346,466</b>	<b>279,033</b>	<b>350,799</b>
<b>Restructuring</b>			
<b>Total General Government Services</b>	<b>346,466</b>	<b>279,033</b>	<b>350,799</b>

**PROTECTIVE SERVICES**

**Police protection**

Wages and benefits			
Professional/Contractual services	52,365	52,307	50,840
Utilities			
Maintenance, material and supplies			
Accretion of asset retirement obligation			
Grants and contributions - operating			
- capital			
Other			

**Fire protection**

Wages and benefits			
Professional/Contractual services	35,988	32,482	34,638
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Accretion of asset retirement obligation			
Other			

<b>Protective Services</b>	<b>88,353</b>	<b>84,789</b>	<b>85,478</b>
<b>Restructuring</b>			
<b>Total Protective Services</b>	<b>88,353</b>	<b>84,789</b>	<b>85,478</b>

**TRANSPORTATION SERVICES**

Wages and benefits	298,017	180,009	172,769
Professional/Contractual services	64,700	47,824	60,325
Utilities	41,417	32,168	27,664
Maintenance, materials and supplies	233,638	94,903	388,109
Gravel	60,000	31,294	26,938
Grants and contributions - operating			
- capital			
Amortization		45,296	52,231
Interest			
Accretion of asset retirement obligation			
Other	65,000		

<b>Transportation Services</b>	<b>762,772</b>	<b>431,494</b>	<b>728,036</b>
<b>Restructuring</b>			
<b>Total Transportation Services</b>	<b>762,772</b>	<b>431,494</b>	<b>728,036</b>

Town of Cut Knife  
Total Expenses by Function  
For the year ended December 31, 2024

Schedule 3 - 2

	2024 Budget	2024	2023
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Wages and benefits	24,000	31,816	27,681
Professional/Contractual services	144,836	131,435	136,116
Utilities	2,000	480	1,782
Maintenance, materials and supplies	9,000	2,762	5,081
Grants and contributions - operating	8,305	4,465	4,159
o Waste disposal			
o Public Health			
- capital			
o Waste disposal			
o Public Health			
Amortization			
Interest			
Accretion of asset retirement obligation			
Other	3,000		2,809
<b>Environmental and Public Health Services</b>	<b>191,141</b>	<b>170,958</b>	<b>177,628</b>
<b>Restructuring</b>			
<b>Total Environmental and Public Health Services</b>	<b>191,141</b>	<b>170,958</b>	<b>177,628</b>

<b>PLANNING AND DEVELOPMENT SERVICES</b>			
Wages and benefits			
Professional/Contractual services	500		(290)
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Accretion of asset retirement obligation			
Other (Housing project loss)			
<b>Planning and Development Services</b>	<b>500</b>		<b>(290)</b>
<b>Restructuring</b>			
<b>Total Planning and Development Services</b>	<b>500</b>		<b>(290)</b>

<b>RECREATION AND CULTURAL SERVICES</b>			
Wages and benefits		3,108	3,250
Professional/Contractual services	35,070	32,377	27,819
Utilities	2,400	2,599	9,299
Maintenance, materials and supplies	13,865	8,751	1,525
Grants and contributions - operating	38,500	47,596	24,364
- capital			
Amortization		2,500	2,500
Interest			
Accretion of asset retirement obligation			
Allowance for uncollectible			
Other			
<b>Recreation and Cultural Services</b>	<b>89,835</b>	<b>96,931</b>	<b>68,757</b>
<b>Restructuring</b>			
<b>Total Recreation and Cultural Services</b>	<b>89,835</b>	<b>96,931</b>	<b>68,757</b>

Town of Cut Knife

Total Expenses by Function

For the year ended December 31, 2024

Schedule 3 - 3

	2024 Budget	2024	2023
<b>UTILITY SERVICES</b>			
Wages and benefits	10,000	112,640	95,930
Professional/Contractual services	239,745	113,285	274,527
Utilities	64,400	40,975	52,617
Maintenance, materials and supplies	123,130	90,240	79,830
Grants and contributions - operating - capital			
Amortization	58,670	57,699	61,994
Interest	15,250	13,356	16,018
Accretion of asset retirement obligation			
Allowance for uncollectible			
Other			
Utility Services	511,195	428,195	580,916
Restructuring			
<b>Total Utility Services</b>	<b>511,195</b>	<b>428,195</b>	<b>580,916</b>
 <b>TOTAL EXPENSES BY FUNCTION</b>			
	<b>1,990,262</b>	<b>1,491,400</b>	<b>1,991,324</b>

Town of Cut Knife  
Schedule of Segment Disclosure by Function  
For the year ended December 31, 2024

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and Charges	25,966	1,587	7,583	106,245			516,929	658,310
Tangible Capital Asset Sales - Gain			(4,312)				(247,833)	(252,145)
Land Sales - Gain	(16,072)							(16,072)
Investment Income	24,644							24,644
Commissions								
Other Revenues	28,898							28,898
Grants - Conditional				63		1,960		2,023
- Capital							35,077	35,077
Restructurings								
<b>Total Revenues</b>	<b>63,436</b>	<b>1,587</b>	<b>3,271</b>	<b>106,308</b>		<b>1,960</b>	<b>304,173</b>	<b>480,735</b>
<b>Expenses (Schedule 3)</b>								
Wages and Benefits	193,258		180,009	31,816		3,108	112,640	520,831
Professional/Contractual Services	67,590	84,789	47,824	131,435		32,377	113,285	477,300
Utilities	11,387		32,168	480		2,599	40,975	87,609
Maintenance Materials and Supplies	19,440		126,197	2,762		8,751	90,240	247,390
Grants and Contributions				4,465		47,596		52,061
Amortization	4,370		45,296			2,500	57,699	109,865
Interest	2,883						13,356	16,239
Accretion of Asset Retirement Obligation								
Allowance for Uncollectible	(20,000)							(20,000)
Restructurings								
Other	105							105
<b>Total Expenses</b>	<b>279,033</b>	<b>84,789</b>	<b>431,494</b>	<b>170,958</b>		<b>96,931</b>	<b>428,195</b>	<b>1,491,400</b>
<b>Surplus (Deficit) by Function</b>	<b>(215,597)</b>	<b>(83,202)</b>	<b>(428,223)</b>	<b>(64,650)</b>		<b>(94,971)</b>	<b>(124,022)</b>	<b>(1,010,665)</b>

Taxes and other unconditional revenue (Schedule 1)

1,142,241

**Net Surplus (Deficit)**

**131,576**



Town of Cut Knife  
Schedule of Segment Disclosure by Function  
For the year ended December 31, 2023

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and Charges	34,091	4,164	707	98,452			531,734	669,148
Tangible Capital Asset Sales - Loss			2,640					2,640
Land Sales - Gain								
Investment Income	34,337							34,337
Commissions								
Other Revenues	273							273
Grants - Conditional				61		2,483		2,544
- Capital							38,620	38,620
Restructurings								
<b>Total Revenues</b>	<b>68,701</b>	<b>4,164</b>	<b>3,347</b>	<b>98,513</b>		<b>2,483</b>	<b>570,354</b>	<b>747,562</b>
<b>Expenses (Schedule 3)</b>								
Wages and Benefits	183,506		172,769	27,681		3,250	95,930	483,136
Professional/Contractual Services	108,621	85,478	60,325	136,116	(290)	27,819	274,527	692,596
Utilities	12,017		27,664	1,782		9,299	52,617	103,379
Maintenance Materials and Supplies	37,235		415,047	5,081		1,525	79,830	538,718
Grants and Contributions				4,159		24,364		28,523
Amortization	4,370		52,231			2,500	61,994	121,095
Interest	4,920						16,018	20,938
Accretion of Asset Retirement Obligation								
Allowance for Uncollectible	130							130
Restructurings								
Other				2,809				2,809
<b>Total Expenses</b>	<b>350,799</b>	<b>85,478</b>	<b>728,036</b>	<b>177,628</b>	<b>(290)</b>	<b>68,757</b>	<b>580,916</b>	<b>1,991,324</b>
<b>Surplus (Deficit) by Function</b>	<b>(282,098)</b>	<b>(81,314)</b>	<b>(724,689)</b>	<b>(79,115)</b>	<b>290</b>	<b>(66,274)</b>	<b>(10,562)</b>	<b>(1,243,762)</b>
Taxes and other unconditional revenue (Schedule 1)								914,762
<b>Net Surplus (Deficit)</b>								<b>(329,000)</b>

Town of Cut Knife  
Schedule of Tangible Capital Assets by Object  
For the year ended December 31, 2024

Schedule 6

		2024						2023	
		General Assets					Infrastructure Assets	General/ Infrastructure	
		Land	Land Improvements	Buildings	Vehicles	Machinery and Equipment	Linear assets	Assets Under Construction	Total (Restated)
Assets	<b>Asset Cost</b>								
	Opening Asset Costs	253,376		1,083,525	64,010	332,487	3,820,332		5,537,991
	Additions during the year				55,324	95,762	29,645	268,108	100,417
	Disposals and write-downs during the year				(10,000)	(100,417)	(322,140)		(84,678)
	Transfers (from) assets under construction Transfer of Capital Assets related to restructuring (Schedule 11)								
	<b>Closing Asset Costs</b>	<b>253,376</b>		<b>1,083,525</b>	<b>109,334</b>	<b>327,832</b>	<b>3,527,837</b>	<b>268,108</b>	<b>5,553,730</b>
Amortization	<b>Accumulated Amortization Cost</b>								
	Opening Accumulated Amortization Costs			678,626	55,510	156,204	1,937,754		2,713,739
	Add: Amortization taken		3,479	20,717	3,927	13,233	68,509		121,095
	Less: Accumulated amortization on disposals Transfer of Capital Assets related to restructuring (Schedule 11)				(5,000)	(3,515)	(74,307)		(6,740)
	<b>Closing Accumulated Amortization</b>		<b>3,479</b>	<b>699,343</b>	<b>54,437</b>	<b>165,922</b>	<b>1,931,956</b>		<b>2,828,094</b>
	<b>Net Book Value</b>	<b>253,376</b>	<b>(3,479)</b>	<b>384,182</b>	<b>54,897</b>	<b>161,910</b>	<b>1,595,881</b>	<b>268,108</b>	<b>2,725,636</b>

1. Total contributed/donated assets received in 2024

Nil

2. List of assets recognized at nominal value in 2024 are:

- Infrastructure Assets
- Vehicles
- Machinery and Equipment

Nil  
Nil  
Nil

3. Amount of interest capitalized in Schedule 6

Nil

Town of Cut Knife  
Schedule of Tangible Capital Assets by Function  
For the year ended December 31, 2024

Schedule 7

		2024							2023
		General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Water and Sewer	Total
									Total
									(Restated)
Assets	Asset Cost								
	Opening Asset Costs	407,538	61,186	1,487,554			418,092	3,179,360	5,553,730
	Additions during the year			151,086				297,753	448,839
	Disposals and write-downs during the year			(110,417)				(322,140)	(432,557)
	Transfer of Capital Assets related to restructuring (Schedule 11)								
Closing Asset Costs		407,538	61,186	1,528,223			418,092	3,154,973	5,570,012
Amortization	Accumulated								
	Opening Accumulated Amortization Costs	155,359	6,400	1,057,264			131,400	1,477,671	2,828,094
	Add: Amortization taken	4,370		45,296			2,500	57,699	109,865
	Less: Accumulated amortization on disposals			(8,515)				(74,307)	(82,822)
	Transfer of Capital Assets related to restructuring (Schedule 11)								
Closing Accumulated Amortization Costs		159,729	6,400	1,094,045			133,900	1,461,063	2,855,137
Net Book Value		247,809	54,786	434,178			284,192	1,693,910	2,714,875
									2,725,636

Town of Cut Knife  
Schedule of Accumulated Surplus  
For the year ended December 31, 2024

Schedule 8

	2023	Changes	2024
	(Restated)		
<b>UNAPPROPRIATED SURPLUS</b>	<b>135,293</b>	<b>342,337</b>	<b>477,630</b>
<b>APPROPRIATED RESERVES</b>			
Machinery and Equipment	16,040		16,040
Public Reserve	4,895		4,895
Capital Trust	50,000		50,000
Utility	15,328		15,328
Other (Recreation, Cemetery, Future Development)	504,854		504,854
<b>Total Appropriated</b>	<b>591,117</b>		<b>591,117</b>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>			
Tangible capital assets (Schedule 6, 7)	2,725,636	(10,761)	2,714,875
Less: Related debt		(200,000)	(200,000)
<b>Net Investment in Tangible Capital Assets</b>	<b>2,725,636</b>	<b>(210,761)</b>	<b>2,514,875</b>
<b>Accumulated Surplus (Deficit) excluding remeasurement gains (losses)</b>	<b>3,452,046</b>	<b>131,576</b>	<b>3,583,622</b>

Town of Cut Knife

Schedule of Mill Rates and Assessments

For the year ended December 31, 2024

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial and Industrial	Potash Mine(s)	
<b>Taxable Assessment</b>	119,570	22,441,440			9,420,295		31,981,305
<b>Regional Park Assessment</b>							
<b>Total Assessment</b>							31,981,305
<b>Mill Rate Factor(s)</b>	1.0000	1.0000			1.5000		
<b>Total Base/Minimum Tax</b> (generated for each property class)	2,550	211,650			47,600		261,800
<b>Total Municipal Tax Levy</b> (include base and/or minimum tax and special levies)	4,553	587,544			284,285		876,382

MILL RATES:	MILLS
<b>Average Municipal*</b>	27.4029
<b>Average School*</b>	5.2117
<b>Potash Mill Rate</b>	
<b>Uniform Municipal Mill Rate</b>	16.7500

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

**Town of Cut Knife**  
**Schedule of Council Remuneration**  
**For the year ended December 31, 2024**

Schedule 10

<b>Position</b>	<b>Name</b>	<b>Remuneration</b>	<b>Reimbursed Costs</b>	<b>Total</b>
Mayor	Don McCallum	350		350
Mayor	Gwen Kaye	5,750	493	6,243
Councillor	Sandra Feser	1,325		1,325
Councillor	Douglas Robertson	2,000		2,000
Councillor	Alfred Roschker	1,625		1,625
Councillor	Lyle Cronk	1,475		1,475
Councillor	Jason Lloyd	1,150		1,150
Councillor	Lisa Drake	4,100		4,100
Councillor	Karen Hamel	200		200
Councillor	Crystal Pentecost	200		200
Councillor	Natasha Toews	225		225
Councillor	Grant Wasmuth	200		200
<b>Total</b>		<b>18,600</b>	<b>493</b>	<b>19,093</b>