

R. M. of Torch River No. 488

FINANCIAL STATEMENTS

Year Ended December 31, 2022

R. M. of Torch River No. 488

White Fox, Saskatchewan

December 31, 2022

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Management's Responsibility

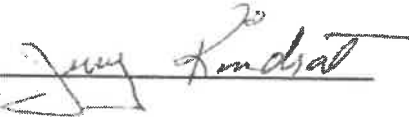
The municipality's management is responsible for the preparation and presentation of the accompanying financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles and methods,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

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

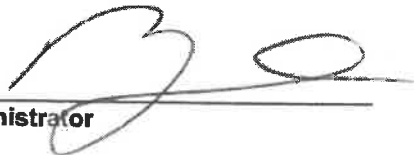
The council is composed of elected officials who are not employees of the municipality. The council is responsible for overseeing management in the performance of its financial reporting responsibilities. The council fulfils these responsibilities by reviewing the financial information prepared by management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

Baker Tilly SK LLP, an independent firm of chartered professional accountants, is appointed by the council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the council and management to discuss their audit findings.

Reeve



Administrator



Independent Auditors' Report

To the Council
R. M. of Torch River No. 488

Qualified Opinion

We have audited the financial statements of R. M. of Torch River No. 488, (the municipality), which comprise the Statement of Financial Position as at December 31, 2022 and the Statements of Operations, Change in Net Financial Assets and Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible 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 municipality as at December 31, 2022, and results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The municipality is contingently liable for the landfill closure and post-closure care requirements as defined in accordance with The Environmental Act. These costs include final covering and landscaping of the landfill, pumping the grounds, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The cost associated with the landfill closure and post closure care requirements can not be estimated, therefore no amount has been recorded in these financial statements.

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 municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of R. M. of Torch River No. 488 for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on September 19, 2022.

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 municipality'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.

Council is 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 judgment and maintain professional skepticism throughout the audit. We also:

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

Baker Tilly SK LLP

Baker Tilly SK LLP

Yorkton, SK
May 1, 2023

R. M. of Torch River No. 488

White Fox, Saskatchewan

Statement 1

Statement of Financial Position as at December 31, 2022

	2022	2021 (Note 14)
Assets		
Financial Assets		
Cash and temporary investments - note 2	2,673,099	3,462,025
Taxes receivable - municipal - note 3	335,837	347,300
Other accounts receivable - note 4	323,656	111,448
Land for resale - note 5	16,338	16,538
Long-term investments - note 7	191,260	227,328
Total Financial Assets	<u>3,540,190</u>	<u>4,164,639</u>
Liabilities		
Accounts payable	124,756	163,828
Accrued liabilities payable	50,204	36,729
Deferred revenue - note 9	563,895	307,665
Total Liabilities	<u>738,855</u>	<u>508,222</u>
Net Financial Assets	<u>2,801,335</u>	<u>3,656,417</u>
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	10,489,152	10,195,054
Prepayments and deferred charges	29,964	32,838
Stock and supplies - note 6	726,146	405,402
Total Non-Financial Assets	<u>11,245,262</u>	<u>10,633,294</u>
Accumulated Surplus - schedule 8	<u>\$ 14,046,597</u>	<u>\$ 14,289,711</u>

Contractual Obligations and Commitments

Approved on behalf of the council:

Reeve

Councillor

*The notes to financial statements are an integral
part of these financial statements.*

R. M. of Torch River No. 488
Statement of Operations
For the year ended December 31, 2022

Statement 2

	2022 Budget [Note 1(t)]	2022 Actual	2021 Actual (Note 14)
Revenues			
Taxes and other unconditional revenue			
- schedule 1	3,902,780	3,904,276	3,986,892
Fees and charges - schedules 4 and 5	148,670	164,017	155,789
Conditional grants - schedules 4 and 5	40,950	50,857	146,559
Tangible capital asset sales - gain			
- schedules 4 and 5		(12,178)	(7,383)
Land sales - gain - schedules 4 and 5	1,000	1,000	
Investment income and commissions			
- schedules 4 and 5	21,600	15,329	19,258
Total Revenue	<u>4,115,000</u>	<u>4,123,301</u>	<u>4,301,115</u>
Expenses - schedule 3			
General government services	438,650	421,191	442,858
Protective services	181,015	162,226	180,830
Transportation services	3,654,830	3,887,915	3,539,741
Environmental and public health services	175,270	229,782	224,241
Planning and development services	14,060	17,234	16,715
Recreation and cultural services	47,250	47,723	47,142
Utilities services	30,900	23,013	32,188
Total Expenses	<u>4,541,975</u>	<u>4,789,084</u>	<u>4,483,715</u>
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(426,975)	(665,783)	(182,600)
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>496,050</u>	<u>422,669</u>	<u>49,788</u>
Surplus (Deficit) of Revenue over Expenses	69,075	(243,114)	(132,812)
Accumulated Surplus, Beginning of Year	<u>14,289,711</u>	<u>14,289,711</u>	<u>14,422,523</u>
Accumulated Surplus, End of Year	<u>\$ 14,358,786</u>	<u>\$ 14,046,597</u>	<u>\$ 14,289,711</u>

*The notes to financial statements are an integral
part of these financial statements.*

R. M. of Torch River No. 488
Statement of Change in Net Financial Assets
For the year ended December 31, 2022

Statement 3

	2022 Budget [Note 1(t)]	2022 Actual	2021 Actual (Note 14)
Surplus (Deficit)	<u>69,075</u>	<u>(243,114)</u>	<u>(132,812)</u>
(Acquisition) of tangible capital assets	(600,000)	(1,404,072)	(514,629)
Amortization of tangible capital assets		799,188	798,325
Proceeds on disposal of tangible capital assets		298,608	93,285
Loss (gain) on the disposal of tangible capital assets	<u>(4,700)</u>	<u>12,178</u>	<u>7,383</u>
Surplus (Deficit) of Capital Expenses over Expenditures	<u>(604,700)</u>	<u>(294,098)</u>	<u>384,364</u>
(Acquisition) of supplies inventories		(320,745)	
Consumption of supplies inventory			200,600
Use of prepaid expense		<u>2,875</u>	<u>7,203</u>
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>(317,870)</u>	<u>207,803</u>
Increase (Decrease) in Net Financial Assets	(535,625)	(855,082)	459,355
Net Financial Assets, beginning of year	<u>3,656,416</u>	<u>3,656,416</u>	<u>3,197,061</u>
Net Financial Assets, End of Year	<u>\$ 3,120,791</u>	<u>\$ 2,801,334</u>	<u>\$ 3,656,416</u>

*The notes to financial statements are an integral
part of these financial statements.*

R. M. of Torch River No. 488
Statement of Cash Flow
For the year ended December 31, 2022

Statement 4

	2022	2021 (Note 14)
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus (Deficit)	(243,114)	(132,812)
Amortization	799,188	798,325
Loss on disposal of tangible capital assets	12,178	7,383
	<u>568,252</u>	<u>672,896</u>
Change in Assets/Liabilities		
Taxes receivable - municipal	11,462	14,914
Other receivables	(212,208)	24,971
Land for resale	200	(4,637)
Accounts payable and accrued liabilities	(25,596)	(92,044)
Deferred revenue	256,230	122,767
Stock and supplies for use	(320,744)	200,600
Prepayments and deferred charges	2,874	7,203
Cash Provided by Operating Transactions	<u>280,470</u>	<u>946,670</u>
Capital:		
Acquisition of capital assets	(1,404,072)	(514,629)
Proceeds from the disposal of capital assets	298,608	93,285
Cash Applied to Capital Transactions	<u>(1,105,464)</u>	<u>(421,344)</u>
Investing:		
Proceeds on disposal of long-term investments	36,068	
Additions to long-term investments		(14,509)
Cash Provided by (Applied to) Investing Transactions	<u>36,068</u>	<u>(14,509)</u>
Change in Cash and Temporary Investments During the Year	(788,926)	510,817
Cash and temporary investments, beginning of year	<u>3,462,025</u>	<u>2,951,208</u>
Cash and Temporary Investments, End of Year	<u>\$ 2,673,099</u>	<u>\$ 3,462,025</u>

*The notes to financial statements are an integral
part of these financial statements.*

R. M. of Torch River No. 488
Notes to Financial Statements
For the year ended December 31, 2022

1. Significant Accounting Policies

The financial statements of the municipality are 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:

(a) 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.

(b) 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.

(c) Collection of funds for other authorities

Collection of funds by the municipality for the school board, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation. The amounts collected are disclosed in note 3.

(d) Government transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or are 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:

- (i) the transfers are authorized;
- (ii) any eligibility criteria have been met; and
- (iii) a reasonable estimate of the amount can be made.

Unearned government transfer amounts received will be recorded as deferred revenue.

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

(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.

1. Significant Accounting Policies - continued

(f) 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.

(g) 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.

(h) 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.

(i) Investments

Portfolio investments are valued at the lower of cost, less any provisions for other than temporary impairment. Investments with terms longer than three months have been classified as other long-term investments concurrent with the nature of the investment. The long-term investments in the Saskatchewan Association of Rural Municipalities Self-Insurance Fund are accounted for on the equity basis.

(j) 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.

R. M. of Torch River No. 488
Notes to Financial Statements
For the year ended December 31, 2022

1. Significant Accounting Policies - continued

(k) 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 in schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

General Assets	
Land	Indefinite
Land improvements	15 years
Buildings	40 years
Vehicles	10 years
Machinery and equipment	10 years
Infrastructure Assets	
Linear assets	15-40 years

(l) 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.

(m) 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.

(n) Capitalization of interest

The municipality does not capitalize interest incurred while a tangible capital asset is under construction.

(o) Leases

All leases are recorded on the financial statement 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 capital leases and recorded as tangible capital assets. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. Assets under capital leases are amortized on a straight-line basis over their estimated useful lives (lease term). Any other lease not meeting the before-mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

1. Significant Accounting Policies - continued

(p) Employee benefit plans

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

(q) Property tax revenue

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

Utility revenue is recognized in the period in which the service has been provided.

All other revenue is recorded when received, or receivable, collection is likely, and the amount can be reasonably determined.

(r) 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. 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.

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.

1. Significant Accounting Policies - continued

(s) 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.

(t) Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on August 15, 2022.

(u) 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:

- (i) An environmental standard exists;
- (ii) Contamination exceeds the environmental standard;
- (iii) The municipality:
 - a) Is directly responsible; or
 - b) Accepts responsibility;
- (iv) It is expected that future economic benefits will be given up; and
- (v) A reasonable estimate of the amount can be made.

R. M. of Torch River No. 488
Notes to Financial Statements
For the year ended December 31, 2022

1. Significant Accounting Policies - continued

(v) New standards and amendments to standards

Effective for fiscal years beginning on or after April 1, 2022:

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

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

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

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

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

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

R. M. of Torch River No. 488
Notes to Financial Statements
For the year ended December 31, 2022

	2022	2021
2. Cash and Temporary Investments		
Cash	\$ 2,673,099	\$ 3,462,025
Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less.		
3. Taxes and Grants In Lieu Receivable	2022	2021
Municipal - current	275,786	312,505
Municipal - arrears	66,368	41,111
	<u>342,154</u>	<u>353,616</u>
Less: Allowance for uncollectibles	6,317	6,317
Total municipal taxes receivable	<u>335,837</u>	<u>347,299</u>
School - current	68,034	61,370
School - arrears	11,017	8,368
Total school taxes receivable	<u>79,051</u>	<u>69,738</u>
Other	<u>14,523</u>	<u>12,556</u>
Total taxes and grants in lieu receivable	429,411	429,593
Less: Taxes receivable to be collected on behalf of other organizations	<u>93,574</u>	<u>82,294</u>
Municipal and Grants In Lieu Taxes Receivable	<u>\$ 335,837</u>	<u>\$ 347,299</u>
4. Other Accounts Receivable		
Federal government	167,686	
Trade	155,970	118,653
Total other accounts receivable	<u>323,656</u>	<u>118,653</u>
Less: Allowance for uncollectibles	<u>0</u>	<u>7,205</u>
Net Other Accounts Receivable	<u>\$ 323,656</u>	<u>\$ 111,448</u>
5. Land for Resale		
Tax title property	55,568	56,324
Less: Allowance for market value adjustment	<u>39,230</u>	<u>39,786</u>
Total Land for Resale	<u>\$ 16,338</u>	<u>\$ 16,538</u>
6. Stock and Supplies		
Stock and supplies are comprised of the following:		
Gravel	549,082	139,678
Other	<u>177,064</u>	<u>265,724</u>
	<u>\$ 726,146</u>	<u>\$ 405,402</u>

R. M. of Torch River No. 488
Notes to Financial Statements
For the year ended December 31, 2022

	2022	2021
7. Long-Term Investments		
Sask Association of Rural Municipalities - Self Insurance Fund	109,709	134,801
Sask Association of Rural Municipalities - Property Insurance Fund	40,445	51,421
Equity in CO-OP's	16,106	16,106
Portfolio investments	25,000	25,000
	<u>\$ 191,260</u>	<u>\$ 227,328</u>

The long-term investments in the Saskatchewan Association of Rural Municipalities - Self-Insurance Fund are accounted for on the equity basis.

8. Bank Indebtedness

Credit arrangements:

At December 31, 2022, the municipality had lines of credit totaling 450,000, none of which were drawn.

9. Deferred Revenue

	Balance, Beginning of Year	Plus Amount Received	Less Amount Recognized	Balance, End of Year
Investing in Canada Infrastructure		245,337		245,337
Canada Community Building Fund	281,990	45,454	31,000	296,444
Other	25,674	22,114	25,674	22,114
	<u>\$ 307,664</u>	<u>\$ 312,905</u>	<u>\$ 56,674</u>	<u>\$ 563,895</u>

10. Long-Term Debt

- (a) The debt limit of the municipality for 2023 is \$3,292,350. 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).

R. M. of Torch River No. 488
Notes to Financial Statements
For the year ended December 31, 2022

11. Employee Benefit Plans

The municipality participates in a contributory defined benefit pension plan for all its employees. For defined benefit plans considered to be multi-employer plans, contributions are expensed when they are due and payable. The municipality currently participates in the Municipal Employees Pension Plan.

The contributions by the participating employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. The portion of the annual benefit costs and of the asset surpluses (deficits) that are attributable to the municipality cannot be easily determined.

Accordingly, the multi-employer plans are accounted for on the defined contribution basis. No portion of the asset (deficit) surplus of the plan is recognized in these financial statements. The benefit expense reflected in the financial statements is equal to the municipality's contributions for the year.

All contributions by employees are matched equally by the employer. The contribution rates were updated on July 1, 2018. Employee contribution rates in effect for the year are as follows:

	2022	2021
General members	9.00 %	9.00 %
Designated members	12.50 %	12.50 %

Contributions to the plan during the year were as follows:

Benefit expense	112,659	108,968
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As per the most recently audited financial statements dated December 31, 2021, the plan surplus is \$1,144,386,000.

12. Contingent Liabilities

The municipality is contingently liable under terms of the Saskatchewan Association of Rural Municipalities Self-Insurance Plan for its proportionate share of claims and future claims in excess of the Plan's reserve fund.

13. Budget

The figures shown under the "Budget" column in the statement of operations and attached schedules have not been audited and are provided for information purposes only.

R. M. of Torch River No. 488
Notes to Financial Statements
For the year ended December 31, 2022

14. Comparative Figures

Certain balances for comparative purposes have been reclassified to conform with the current year's presentation.

The comparative financial statements have been restated to adjust deferred revenue, inventory, and accounts receivable. As a result, the comparative statement of operations for the year ending December 31, 2021 has been restated as follows:

Balance of accumulated surplus, beginning of year, as previously stated	14,605,912
Adjustment to beginning balance	<u>(183,389)</u>
Balance of accumulated surplus, beginning of year, as restated	<u>\$ 14,422,523</u>

Line Item	As Restated	As Previously Stated	Difference
Revenues			
Conditional grants	85,135	186,226	(101,091)
Provincial/Federal capital grants	111,212	370,528	<u>(259,316)</u>
			<u>(360,407)</u>
Expenses			
Transportation	3,539,741	3,571,311	<u>(31,570)</u>
Adjustment to surplus (deficit) of revenue over expenses			(328,837)
Balance of accumulated surplus, end of year as previously stated			14,801,937
Effect of adjustment to beginning balance			<u>(183,389)</u>
Balance of accumulated surplus, end of year, as restated			<u>\$ 14,289,711</u>

The comparative statement of financial position as at December 31, 2021 has been restated as follows:

Line Item	As Restated	As Previously Stated	Difference
Other accounts receivable	\$ 111,448	\$ 292,614	\$(181,166)
Deferred revenue	307,665	25,674	281,991
Stock and supplies	405,402	454,472	(49,070)

15. Commitments

During 2022, the municipality received funds from the Investing in Canada Infrastructure Program. As a condition of this funding, the municipality is required to retain title to and ownership of the project for the asset disposal period. In the event an asset is sold, leased or disbursed, the municipality may be required to reimburse Saskatchewan for the funding received for the project.

R. M. of Torch River No. 488
Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2022

Schedule 1

	2022 Budget [Note 1(t)]	2022 Actual	2021 Actual (Note 14)
Taxes			
General municipal tax levy	3,249,070	3,249,086	3,158,719
Abatements and adjustments	(10,000)	(13,215)	(13,701)
Discount on current year taxes	(122,350)	(122,867)	(122,124)
Net municipal taxes	<u>3,116,720</u>	<u>3,113,004</u>	<u>3,022,894</u>
Penalties on tax arrears	19,950	18,812	18,885
Special tax levy	<u>98,430</u>	<u>104,198</u>	<u>202,146</u>
Total Taxes	<u>3,235,100</u>	<u>3,236,014</u>	<u>3,243,925</u>
Unconditional Grants			
Equalization (revenue sharing)	648,160	648,535	721,914
Organized hamlet	<u>6,260</u>	<u>6,258</u>	<u>7,814</u>
Total Unconditional Grants	<u>654,420</u>	<u>654,793</u>	<u>729,728</u>
Grants In Lieu of Taxes			
Federal	870	861	829
Provincial			
Other	<u>12,390</u>	<u>12,608</u>	<u>12,410</u>
Total Grants In Lieu of Taxes	<u>13,260</u>	<u>13,469</u>	<u>13,239</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 3,902,780</u>	<u>\$ 3,904,276</u>	<u>\$ 3,986,892</u>

*The notes to financial statements are an integral
part of these financial statements.*

R. M. of Torch River No. 488
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2022

Schedule 2-1

	2022 Budget [Note 1(t)]	2022 Actual	2021 Actual (Note 14)
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sale of gravel supplies	3,000	2,099	2,945
Licenses and permits	12,990	11,121	15,063
Other		333	
Total Fees and Charges	<u>15,990</u>	<u>13,553</u>	<u>18,008</u>
Land sales - gain	1,000	1,000	
Investment income and commissions	21,600	15,329	19,258
Total Other Segmented Revenue	<u>38,590</u>	<u>29,882</u>	<u>37,266</u>
Conditional Grants			
Donations			50,000
Total Conditional Grants	<u>0</u>	<u>0</u>	<u>50,000</u>
Total General Government Services	<u>\$ 38,590</u>	<u>\$ 29,882</u>	<u>\$ 87,266</u>
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work		250	331
Sale of gravel supplies	7,850	13,770	11,045
Rentals		(1,310)	12,191
Other	33,200	41,850	25,691
Total Fees and Charges	<u>41,050</u>	<u>54,560</u>	<u>49,258</u>
Tangible capital asset gain (loss)		(12,178)	(7,383)
Total Other Segmented Revenue	<u>41,050</u>	<u>42,382</u>	<u>41,875</u>
Conditional Grants			
Municipal Economic Enhancement			61,424
Total Conditional Grants	<u>0</u>	<u>0</u>	<u>61,424</u>
Total Operating	<u>41,050</u>	<u>42,382</u>	<u>103,299</u>
Capital			
Conditional Grants			
Canada Community Building Fund	90,910	31,000	
Investing in Canada Infrastructure Program	241,910	228,441	
Provincial disaster assistance program	163,230	163,228	49,788
Total Capital	<u>496,050</u>	<u>422,669</u>	<u>49,788</u>
Total Transportation Services	<u>\$ 537,100</u>	<u>\$ 465,051</u>	<u>\$ 153,087</u>

*The notes to financial statements are an integral
part of these financial statements.*

R. M. of Torch River No. 488
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2022

Schedule 2-2

	2022 Budget [Note 1(t)]	2022 Actual	2021 Actual (Note 14)
Environmental and Public Health Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Waste and disposal fees	59,470	61,221	57,565
Recycle fees	3,000	1,873	3,267
Total Other Segmented Revenue	<u>62,470</u>	<u>63,094</u>	<u>60,832</u>
Conditional Grants			
Donations	2,570	3,121	2,447
Pest control	38,380	47,736	32,688
Total Conditional Grants	<u>40,950</u>	<u>50,857</u>	<u>35,135</u>
Total Environmental and Public Health Services	<u>\$ 103,420</u>	<u>\$ 113,951</u>	<u>\$ 95,967</u>
Planning and Development Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Maintenance and development charges	8,500	10,970	10,121
Total Other Segmented Revenue	<u>8,500</u>	<u>10,970</u>	<u>10,121</u>
Total Planning and Development Services	<u>\$ 8,500</u>	<u>\$ 10,970</u>	<u>\$ 10,121</u>
Utility Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Water	20,660	21,840	17,570
Total Other Segmented Revenue	<u>20,660</u>	<u>21,840</u>	<u>17,570</u>
Total Utility Services	<u>\$ 20,660</u>	<u>\$ 21,840</u>	<u>\$ 17,570</u>
Total Operating and Capital Revenue by Function	<u>\$ 708,270</u>	<u>\$ 641,694</u>	<u>\$ 364,011</u>
Summary			
Total Other Segmented Revenue	171,270	168,168	167,664
Total Conditional Grants	40,950	50,857	146,559
Total Capital Grants and Contributions	<u>496,050</u>	<u>422,669</u>	<u>49,788</u>
Total Operating and Capital Revenue by Function	<u>\$ 708,270</u>	<u>\$ 641,694</u>	<u>\$ 364,011</u>

The notes to financial statements are an integral part of these financial statements.

R. M. of Torch River No. 488
Total Expenses by Function
For the year ended December 31, 2022

Schedule 3-1

	2022 Budget [Note 1(t)]	2022 Actual	2021 Actual (Note 14)
General Government Services			
Council remuneration and travel	41,970	32,835	24,776
Wages and benefits	237,580	228,331	253,565
Professional/Contractual services	102,840	103,312	111,342
Utilities	10,600	10,505	10,069
Maintenance, materials and supplies	45,660	42,538	33,052
Amortization		2,930	3,459
Allowance for uncollectibles			6,595
Other		740	
Total General Government Services	\$ 438,650	\$ 421,191	\$ 442,858
Protective Services			
Police protection			
Professional/Contractual services	68,620	68,615	72,754
Fire protection			
Professional/Contractual services	13,965	11,985	13,121
Grants and contributions - operating	98,430	81,626	94,955
Total Protective Services	\$ 181,015	\$ 162,226	\$ 180,830
Transportation Services			
Wages and benefits	1,401,730	1,325,656	1,236,994
Professional/Contractual services	562,870	261,477	162,088
Utilities	26,200	28,234	16,988
Maintenance, materials and supplies	1,094,030	1,139,824	986,234
Gravel	570,000	360,978	373,553
Machinery costs/fuel/blades		4,703	
Amortization		767,043	763,884
Total Transportation Services	\$ 3,654,830	\$ 3,887,915	\$ 3,539,741
Environmental and Public Health Services			
Wages and benefits	63,360	66,162	54,479
Professional/Contractual services	78,340	97,608	94,191
Maintenance, materials and supplies	31,000	36,140	27,784
Grants and contributions - public health	2,570	3,121	19,270
Amortization		26,751	28,517
Total Environmental and Public Health Services	\$ 175,270	\$ 229,782	\$ 224,241

*The notes to financial statements are an integral
part of these financial statements.*

R. M. of Torch River No. 488
 Total Expenses by Function
 For the year ended December 31, 2022

Schedule 3-2

	2022 Budget [Note 1(t)]	2022 Actual	2021 Actual (Note 14)
Planning and Development Services			
Professional/Contractual services	12,560	15,734	16,715
Grants and contributions - operating	<u>1,500</u>	<u>1,500</u>	<u></u>
Total Planning and Development Services	<u>\$ 14,060</u>	<u>\$ 17,234</u>	<u>\$ 16,715</u>
Recreation and Cultural Services			
Grants and contributions - operating	27,250	27,240	26,660
Grants and contributions - capital	20,000	20,000	20,000
Amortization	<u></u>	<u>483</u>	<u>482</u>
Total Recreation and Cultural Services	<u>\$ 47,250</u>	<u>\$ 47,723</u>	<u>\$ 47,142</u>
Utility Services			
Wages and benefits	6,550	6,224	6,468
Professional/Contractual services	6,850	1,760	6,387
Utilities	5,400	5,359	4,958
Maintenance, materials and supplies	12,100	7,689	12,392
Amortization	<u></u>	<u>1,981</u>	<u>1,983</u>
Total Utility Services	<u>\$ 30,900</u>	<u>\$ 23,013</u>	<u>\$ 32,188</u>
Total Expenses by Function	<u>\$ 4,541,975</u>	<u>\$ 4,789,084</u>	<u>\$ 4,483,715</u>

*The notes to financial statements are an integral
 part of these financial statements.*

R. M. of Torch River No. 488

Schedule of Segment Disclosure by Function
For the year ended December 31, 2022

Schedule 4

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	13,553		54,560	63,094	10,970		21,840	164,017
Tangible capital asset sales - gain (loss)			(12,178)					(12,178)
Land sales - gain	1,000							1,000
Investment income and commissions	15,329							15,329
Grants - conditional				50,857				50,857
Grants - capital			422,669					422,669
Total Revenues	29,882	0	465,051	113,951	10,970	0	21,840	641,694
Expenses - schedule 3								
Wages and benefits	228,331		1,325,656	66,162			6,224	1,626,373
Professional/contractual services	136,147	80,600	261,477	97,608	15,734		1,760	593,326
Utilities	10,505		28,234				5,359	44,098
Maintenance materials and supplies	42,538		1,500,802	36,140			7,689	1,587,169
Machinery costs/fuel/blades			4,703					4,703
Grants and contributions		81,626		3,121	1,500	47,240		133,487
Amortization	2,930		767,043	26,751		483	1,981	799,188
Other	740							740
Total Expenses	421,191	162,226	3,887,915	229,782	17,234	47,723	23,013	4,789,084
Surplus (Deficit) by Function	\$(391,309)	\$(162,226)	\$(3,422,864)	\$(115,831)	\$(6,264)	\$(47,723)	\$(1,173)	(4,147,390)
Taxation and other unconditional revenue - schedule 1								3,904,276
Net Surplus (Deficit)								\$(243,114)

The notes to financial statements are an integral
part of these financial statements.

R. M. of Torch River No. 488
Schedule of Segment Disclosure by Function
For the year ended December 31, 2021

Schedule 5

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues - schedule 2								
Fees and charges	18,008		49,258	60,832	10,121		17,570	155,789
Tangible capital asset sales - gain (loss)			(7,383)					(7,383)
Investment income and commissions	19,258							19,258
Grants - conditional	50,000		61,424	35,135				146,559
Grants - capital			49,788					49,788
Total Revenues	87,266	0	153,087	95,967	10,121	0	17,570	364,011
Expenses - schedule 3								
Wages and benefits	253,565		1,236,994	54,479			6,468	1,551,506
Professional/contractual services	136,118	85,875	162,088	94,191	16,715		6,387	501,374
Utilities	10,069		16,988				4,958	32,015
Maintenance materials and supplies	33,052		1,359,787	27,784			12,392	1,433,015
Grants and contributions		94,955		19,270		46,660		160,885
Amortization	3,459		763,884	28,517		482	1,983	798,325
Allowance for uncollectibles	6,595							6,595
Total Expenses	442,858	180,830	3,539,741	224,241	16,715	47,142	32,188	4,483,715
Surplus (Deficit) by Function	\$ (355,592)	\$ (180,830)	\$ (3,386,654)	\$ (128,274)	\$ (6,594)	\$ (47,142)	\$ (14,618)	(4,119,704)
Taxation and other unconditional revenue - schedule 1								3,986,892
Net Surplus (Deficit)								\$ (132,812)

*The notes to financial statements are an integral
part of these financial statements.*

R. M. of Torch River No. 488
Schedule of Tangible Capital Assets by Object
For the year ended December 31, 2022

Schedule 6

	2022						2021	
	General Assets			Infrastruct. Assets		General/ Infrastruct.	Total	Total
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Assets under Constr.	
Asset Cost								
Opening Asset Cost	782,521	0	543,123	67,099	5,614,532	22,925,634	457,957	30,390,866
Additions during the year								
Disposals and write-down during the year				74,010	809,093	489,574	31,395	1,404,072
Closing Asset Costs	782,521	0	543,123	141,109	(640,107)	23,415,208	(640,107)	30,070,807
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	0	0	330,652	35,976	2,198,932	17,630,252	0	20,195,812
Add: Amortization taken			9,254	6,710	425,361	357,863		799,188
Less: Accumulated amortization on disposals					329,321			329,321
Closing Accumulated Amortization Costs	0	0	339,906	42,686	2,294,972	17,988,115	0	20,665,679
Net Book Value	\$ 782,521	\$ 0	\$ 203,217	\$ 98,423	\$ 3,488,546	\$ 5,427,093	\$ 489,352	\$ 10,489,152
								\$ 10,195,054

The notes to financial statements are an integral
part of these financial statements.

R. M. of Torch River No. 488
Schedule of Tangible Capital Assets by Function
For the year ended December 31, 2022

Schedule 7

	2022						2021
	General Government Services	Protective Services	Transport. & Public Health	Environ. Planning & Develop.	Rec. & Culture	Water & Sewer	Total
Asset Cost							
Opening Asset Cost	104,441	0	28,684,186	641,991	0	940,363	30,390,866
Additions during the year			1,404,072				1,404,072
Disposals and write-down during the year			(640,107)				(640,107)
Closing Asset Costs	104,441	0	29,448,151	641,991	0	940,363	31,154,831
Accumulated Amortization Cost							
Opening Accumulated Amortization costs	100,863	0	19,011,298	146,524	0	933,266	20,195,812
Add: Amortization taken	2,930		767,043	26,751		1,981	798,325
Less: Accumulated amortization on disposals			329,321				329,321
Closing Accumulated Amortization Costs	103,793	0	19,449,020	173,275	0	935,247	20,665,679
Net Book Value	\$ 648	\$ 0	\$ 9,999,131	\$ 468,716	\$ 0	\$ 5,116	\$ 10,489,152
							\$ 10,195,054

The notes to financial statements are an integral part of these financial statements.

R. M. of Torch River No. 488
Schedule of Accumulated Surplus
For the year ended December 31, 2022

Schedule 8

	2021	Changes	2022
Unappropriated Surplus	<u>2,193,137</u>	<u>(567,562)</u>	<u>1,625,575</u>
Appropriated Surplus			
Public reserve	<u>5,173</u>	<u>0</u>	<u>5,173</u>
Other			
Future Roadwork/Bridges	300,000		300,000
Garrick Landfill	119,833		119,833
Health Care	30,925		30,925
Weed Control	9,000		9,000
Gravel	150,000		150,000
Land for Gravel	20,000		20,000
Contaminated/Reclaimed Sites	15,000		15,000
Emergency Management	39,000		39,000
Choiceland Fire	223,322	7,835	231,157
Nipawin Fire	226,974	22,622	249,596
Smeaton Fire	220,763	(10,872)	209,891
Garrick Landfill Shared	57,263		57,263
Machinery	379,721		379,721
	<u>1,791,801</u>	<u>19,585</u>	<u>1,811,386</u>
Total Appropriated	<u>1,796,974</u>	<u>19,585</u>	<u>1,816,559</u>
Garrick	42,501	5,421	47,922
Snowden	50,988	5,344	56,332
Shipman	<u>11,057</u>		<u>11,057</u>
Total Hamlets	<u>104,546</u>	<u>10,765</u>	<u>115,311</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6 and 7	<u>10,195,054</u>	<u>294,098</u>	<u>10,489,152</u>
Net Investment in Tangible Capital Assets	<u>10,195,054</u>	<u>294,098</u>	<u>10,489,152</u>
Total Accumulated Surplus	<u>\$ 14,289,711</u>	<u>\$ (243,114)</u>	<u>\$ 14,046,597</u>

*The notes to financial statements are an integral
part of these financial statements.*

R. M. of Torch River No. 488
Schedule of Mill Rates and Assessments
For the year ended December 31, 2022

Schedule 9

	Property Class					Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)
Taxable Assessment	257,261,540	61,639,315			9,408,055	328,308,910
Regional Park Assessment						
Total Assessment						328,308,910
Mill Rate Factor(s)	1.00	1.05			2.10	
Total Base/Minimum Tax (generated for each property class)	370,625	78,875			525	450,025
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	2,460,352	617,121			171,613	3,249,086
Mill Rates:						
Average Municipal*	9.8964					
Average School*	2.2200					
Potash Mill Rate						
Uniform Municipal Mill Rate	8.7000					
Municipal Mill Rate - Garrick	5.7500					
Municipal Mill Rate - Snowden	7.0000					
Municipal Mill Rate - Shipman	8.7000					

*Average Mill Rates (multiply the total tax levy for each taxing authority by 1,000 and divide by the total assessment for the taxing authority).

The notes to financial statements are an integral part of these financial statements.

R. M. of Torch River No. 488
Schedule of Council Remuneration
For the year ended December 31, 2022

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Jerry Kindrat	5,060	2,138	7,198
Dave Larose	2,940	759	3,699
Lyle Lindbergh	2,740	744	3,484
Peter Lubyk	4,380	2,200	6,580
Ken Runn	3,420	710	4,130
Richard Pickett	3,000	1,401	4,401
Ken Rein	2,900	747	3,647
	<u>\$ 24,440</u>	<u>\$ 8,699</u>	<u>\$ 33,139</u>

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part of these financial statements.*