

R. M. of Torch River No. 488

FINANCIAL STATEMENTS

Year Ended December 31, 2024

R. M. of Torch River No. 488

White Fox, Saskatchewan

December 31, 2024

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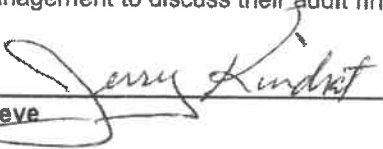
Management's Responsibility

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, 2024 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, 2024, 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

PS 3280 asset retirement obligations requires the municipality to recognize a liability at the reporting date for future costs that the municipality is legally obligated to incur for the decommissioning and post closure monitoring costs of its landfill. A liability has not been recognized for these costs. As insufficient information is available with regards to the expected costs of the decommissioning costs and extend of post closure monitoring activities, we are unable to determine the asset retirement obligation liability that would have been recognized on the current or prior year's statement of financial position, or the impacts on expenses, surplus and accumulated surplus of the current or prior year.

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 qualified 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 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
June 11, 2025

R. M. of Torch River No. 488
 White Fox, Saskatchewan
 Statement of Financial Position as at December 31, 2024

Statement 1

| | 2024 | 2023 (Note 17) |
|---|----------------------|----------------------|
| Assets | | |
| Financial Assets | | |
| Cash and cash equivalents - note 2 | 2,470,357 | 2,760,406 |
| Investments - note 7 | 190,171 | 173,033 |
| Taxes receivable - municipal - note 3 | 400,011 | 312,550 |
| Other accounts receivable - note 4 | 194,456 | 218,685 |
| Assets held for sale - note 5 | 13,134 | 14,655 |
| Total Financial Assets | 3,268,129 | 3,479,329 |
| Liabilities | | |
| Accounts payable - note 11 | 471,822 | 72,685 |
| Accrued liabilities payable | 43,045 | 41,407 |
| Deferred revenue - note 10 | 59,367 | 20,374 |
| Asset retirement obligations - buildings | 35,000 | 35,000 |
| Total Liabilities | 609,234 | 169,466 |
| Net Financial Assets | 2,658,895 | 3,309,863 |
| Non-Financial Assets | | |
| Tangible capital assets - schedules 6 and 7 | 10,680,385 | 10,750,199 |
| Prepayments and deferred charges | 164,153 | 67,981 |
| Stock and supplies - note 6 | 419,889 | 385,019 |
| Total Non-Financial Assets | 11,264,427 | 11,203,199 |
| Accumulated Surplus | \$ 13,923,322 | \$ 14,513,062 |
| Accumulated surplus is comprised of: | | |
| Accumulated surplus - schedule 8 | 13,923,322 | 14,513,062 |

Unrecognized Assets
 Contractual Rights - note 16

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, 2024

Statement 2

| | 2024 Budget [Note 1(w)] | 2024 Actual | 2023 Actual (Note 17) |
|---|---------------------------------------|------------------------|-------------------------------------|
| Revenues | | | |
| Tax revenue - schedule 1 | 3,436,140 | 3,433,383 | 3,325,682 |
| Other unconditional revenue - schedule 1 | 839,250 | 839,110 | 746,123 |
| Fees and charges - schedules 4 and 5 | 181,280 | 207,325 | 176,381 |
| Conditional grants - schedules 4 and 5 | 91,350 | 86,284 | 49,521 |
| Tangible capital asset sales - gain - schedules 4 and 5 | | 29,138 | 49,213 |
| Land sales - gain - schedules 4 and 5 | 500 | 2,030 | |
| Investment income - schedules 4 and 5 | 82,180 | 123,883 | 72,462 |
| Total Revenues | 4,630,700 | 4,721,153 | 4,419,382 |
| Expenses - schedule 3 | | | |
| General government services | 531,450 | 497,748 | 435,506 |
| Protective services | 220,080 | 221,501 | 212,916 |
| Transportation services | 3,347,430 | 4,107,992 | 3,734,136 |
| Environmental and public health services | 272,210 | 420,793 | 227,066 |
| Planning and development services | 20,200 | 23,731 | 10,565 |
| Recreation and cultural services | 43,460 | 43,926 | 43,705 |
| Utilities services | 30,500 | 58,115 | 25,414 |
| Total Expenses | 4,465,330 | 5,373,806 | 4,689,308 |
| Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions | 165,370 | (652,653) | (269,926) |
| Provincial/Federal Capital Grants and Contributions - schedules 4 and 5 | 189,730 | 62,913 | 771,391 |
| Surplus (Deficit) of Revenue over Expenses | 355,100 | (589,740) | 501,465 |
| Accumulated Surplus, Beginning of Year | 14,513,062 | 14,513,062 | 14,011,597 |
| Accumulated Surplus, End of Year | \$ 14,868,162 | \$ 13,923,322 | \$ 14,513,062 |

*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, 2024

Statement 3

| | 2024 Budget [Note 1(w)] | 2024 Actual | 2023 Actual (Note 17) |
|---|--|------------------------|--------------------------------------|
| Surplus (Deficit) | <u>355,100</u> | <u>(589,740)</u> | <u>501,465</u> |
| (Acquisition) of tangible capital assets | (670,000) | (883,854) | (1,225,417) |
| Amortization of tangible capital assets | | 868,806 | 824,582 |
| Proceeds on disposal of tangible capital assets | | 114,000 | 189,000 |
| Loss (gain) on the disposal of tangible capital assets | <u>(500)</u> | <u>(29,138)</u> | <u>(49,213)</u> |
| Surplus (Deficit) of Capital Expenses over Expenditures | <u>(670,500)</u> | <u>69,814</u> | <u>(261,048)</u> |
| (Acquisition) of supplies inventories | | (34,870) | |
| (Acquisition) of prepaid expense | | (96,172) | (38,016) |
| Consumption of supplies inventory | | | <u>341,127</u> |
| Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures | <u>0</u> | <u>(131,042)</u> | <u>303,111</u> |
| Increase (Decrease) in Net Financial Assets | (315,400) | (650,968) | 543,528 |
| Net Financial Assets, beginning of year | <u>3,309,863</u> | <u>3,309,863</u> | <u>2,766,335</u> |
| Net Financial Assets, End of Year | <u>\$ 2,994,463</u> | <u>\$ 2,658,895</u> | <u>\$ 3,309,863</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, 2024

Statement 4

| | 2024 | 2023 (Note 17) |
|---|--------------|-------------------|
| Cash Provided by (used for) the Following Activities | | |
| Operating: | | |
| Surplus (Deficit) | (589,740) | 501,465 |
| Amortization | 868,806 | 824,582 |
| Loss (gain) on disposal of tangible capital assets | (29,138) | (49,213) |
| | 249,928 | 1,276,834 |
| Change in Assets/Liabilities | | |
| Taxes receivable - municipal | (87,462) | 23,289 |
| Other receivables | 24,229 | 104,971 |
| Land for resale | 1,522 | 1,682 |
| Accounts payable and accrued liabilities | 400,775 | (60,869) |
| Deferred revenue | 38,993 | (543,521) |
| Stock and supplies for use | (34,870) | 341,127 |
| Prepayments and deferred charges | (96,173) | (38,016) |
| Cash Provided by Operating Transactions | 496,942 | 1,105,497 |
| Capital: | | |
| Acquisition of capital assets | (883,854) | (1,225,417) |
| Proceeds from the disposal of capital assets | 114,000 | 189,000 |
| Cash Applied to Capital Transactions | (769,854) | (1,036,417) |
| Investing: | | |
| Proceeds on disposal of long-term investments | | 40,288 |
| Additions to long-term investments | (17,137) | (22,061) |
| Cash Provided by (Applied to) Investing Transactions | (17,137) | 18,227 |
| Change in Cash and Cash Equivalents During the Year | (290,049) | 87,307 |
| Cash and cash equivalents, beginning of year | 2,760,406 | 2,673,099 |
| Cash and Cash Equivalents, End of Year | \$ 2,470,357 | \$ 2,760,406 |

*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, 2024

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.

The municipality has determined that there are no entities requiring consolidation.

(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 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.

(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.

R. M. of Torch River No. 488
Notes to Financial Statements
For the year ended December 31, 2024

1. **Significant Accounting Policies** - continued

(f) 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 to the extent that they would be paid for on the normal operations of the municipality's activities and the fair value can be reasonably estimated.

(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) Financial instruments

Derivative and equity instruments (or other portfolio investments) 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. If there are any unrealized gains and losses they 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.

R. M. of Torch River No. 488
Notes to Financial Statements
For the year ended December 31, 2024

1. **Significant Accounting Policies** - continued

(j) Financial instruments - continued

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 municipality's financial assets and liabilities are measured as follows:

| <u>Financial statement line item</u> | <u>Measurement</u> |
|--|------------------------|
| Cash and cash equivalents | Cost or amortized cost |
| Investments | Cost or amortized cost |
| Other accounts receivable | Cost or amortized cost |
| Long-term receivables | Cost or amortized cost |
| Accounts payable and accrued liabilities | Cost or amortized cost |
| Deposit liabilities | Cost or amortized cost |

(k) 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.

(l) 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. The municipality's tangible capital assets 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 |

R. M. of Torch River No. 488
Notes to Financial Statements
For the year ended December 31, 2024

1. Significant Accounting Policies - continued

(m) 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.

(n) 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.

(o) Capitalization of interest

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

(p) 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 risks 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 present value of the minimum lease payments, excluding executory costs. 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.

(q) Employee benefit plans

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

(r) Revenue

Revenue from transactions with no performance obligations are recognized as received or as the municipality becomes aware of, provided collection is reasonably assured.

Investment income is recognized as earned.

For revenue items with related performance obligations:

Fees and charges are transactions with performance obligations. A performance obligation is a promise to provide a distinct good or service, or services, or distinct goods or services to a payor for consideration. The municipality recognizes revenue when the performance obligations are satisfied and the payor obtains control of the asset or benefits from the service provided.

R. M. of Torch River No. 488
Notes to Financial Statements
For the year ended December 31, 2024

1. Significant Accounting Policies - continued

(s) Revenue - continued

For each performance obligation, the municipality must ascertain whether the obligation is satisfied over a period of time, or at a point in time. In order to do this, the characteristics of the underlying goods and/or services must be considered in order to determine when the ultimate performance obligations will be satisfied. If any of the below criteria are met, the revenue must be recognized over a period of time; otherwise, corresponding amounts are to be recognized at a point in time.

- a) The payor simultaneously receives and consumes the benefits provided by the municipality's performance as they fulfill the performance obligation.
- b) The municipality's performance creates or enhances an asset (for example, work in progress) that the payor controls or uses as the asset is created or enhanced.
- c) The municipality's performance does not create an asset with an alternative use to itself, and the municipality has an enforceable right to payment for performance completed to date.
- d) The municipality is expected to continually maintain or support the transferred good or service under the terms of the agreement.

When determining the amounts of revenue to recognize at various stages along the point of time, determinants vary but often include percentage complete.

Non-exchange transactions are transactions or events where there is no direct transfer of goods or services to a payor. The municipality receives an increase in economic resources for which the payor does not receive any direct goods or services in return. Revenue for non-exchange transactions is recognized when the municipality has the authority and identifies a past transaction or event that gives rise to an asset.

Revenue from product sales is recognized when the significant rewards of ownership of the products have passed to the buyer, usually on the delivery of products.

(t) 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. M. of Torch River No. 488
Notes to Financial Statements
For the year ended December 31, 2024

1. Significant Accounting Policies - continued

(u) Use of estimates

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.

Estimates impact the following financial statement areas:

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 liabilities 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 of 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.

(v) 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.

R. M. of Torch River No. 488
Notes to Financial Statements
For the year ended December 31, 2024

1. **Significant Accounting Policies** - continued

(w) Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on July 24, 2024.

(x) 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 and 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 de-recognizes 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.

R. M. of Torch River No. 488
Notes to Financial Statements
For the year ended December 31, 2024

1. Significant Accounting Policies - continued

(y) 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.

(z) New accounting policies adopted during the year

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. This section has been applied prospectively; there was no impact to these financial statements.

PSG-8, Purchased intangibles, provides guidance on accounting for and reporting on purchased intangible capital assets. It provides clarity on the recognition criteria, along with instances of assets that would not meet the definition of such. Application may be made either retroactively or prospectively in accordance with PS 2120, Accounting changes. This section has been applied prospectively; there was no impact to these financial statements.

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 may be applied either retroactively (with or without prior period restatement) or prospectively. This section has been applied prospectively; there was no impact to these financial statements.

R. M. of Torch River No. 488
Notes to Financial Statements
For the year ended December 31, 2024

| | 2024 | 2023 |
|---|---------------------|---------------------|
| 2. Cash and Cash Equivalents | | |
| Cash | \$ <u>2,470,357</u> | \$ <u>2,760,406</u> |
| Cash and cash equivalents 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 | | |
| Municipal - current | 333,199 | 259,623 |
| Municipal - arrears | <u>66,812</u> | <u>52,926</u> |
| | 400,011 | 312,549 |
| Less: Allowance for uncollectibles | <u>0</u> | <u>0</u> |
| Total municipal taxes receivable | <u>400,011</u> | <u>312,549</u> |
| School - current | 98,314 | 60,717 |
| School - arrears | <u>9,132</u> | <u>6,863</u> |
| Total school taxes receivable | <u>107,446</u> | <u>67,580</u> |
| Other | <u>20,456</u> | <u>27,411</u> |
| Total taxes and grants in lieu receivable | 527,913 | 407,540 |
| Less: Taxes receivable to be collected on behalf of other organizations | <u>127,902</u> | <u>94,990</u> |
| Municipal and Grants In Lieu Taxes Receivable | <u>\$ 400,011</u> | <u>\$ 312,550</u> |
| 4. Other Accounts Receivable | | |
| Federal government | | 78,969 |
| Trade | <u>194,456</u> | <u>139,716</u> |
| Net Other Accounts Receivable | <u>\$ 194,456</u> | <u>\$ 218,685</u> |
| 5. Land for Resale | | |
| Tax title property | 58,681 | 60,202 |
| Less: Allowance for market value adjustment | <u>45,547</u> | <u>45,547</u> |
| Total Land for Resale | <u>\$ 13,134</u> | <u>\$ 14,655</u> |
| 6. Stock and Supplies | | |
| Stock and supplies are comprised of the following: | | |
| Gravel | 211,389 | 208,887 |
| Other | <u>208,500</u> | <u>176,132</u> |
| | <u>\$ 419,889</u> | <u>\$ 385,019</u> |

R. M. of Torch River No. 488
Notes to Financial Statements
For the year ended December 31, 2024

| | 2024 | 2023 |
|--|-------------------|-------------------|
| 7. Long-Term Investments | | |
| Sask Association of Rural Municipalities - Self Insurance Fund | 130,796 | 117,269 |
| Sask Association of Rural Municipalities - Property Insurance Fund | 58,557 | 54,946 |
| Portfolio investments | <u>818</u> | <u>818</u> |
| | <u>\$ 190,171</u> | <u>\$ 173,033</u> |

8. Bank Indebtedness

Credit arrangements:

At December 31, 2024, the municipality had lines of credit totalling \$450,000, none of which were drawn.

| | 2024 | 2023 |
|--|------------------|------------------|
| 9. Asset Retirement Obligation | | |
| Asset retirement obligations - buildings | <u>\$ 35,000</u> | <u>\$ 35,000</u> |

Asbestos

The municipality owns a building which contains asbestos, and therefore, the municipality is legally required to perform abatement activities upon renovation or demolition of this asset. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. The estimated total liability of \$35,000 (prior year 2023-\$35,000) is based on the estimated future cash flows for abatement activities. The reported liability is based on estimates and assumptions using the best information available to management. Future events may result in significant changes to the estimated total expense and estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

10. Deferred Revenue

| | Balance, Beginning of Year | Plus Amount Received | Less Amount Recognized | Balance, End of Year |
|--------------------------------|----------------------------------|----------------------------|------------------------------|----------------------------|
| Canada Community Building Fund | | 84,399 | 47,219 | 37,180 |
| Other | <u>20,374</u> | <u>1,813</u> | <u> </u> | <u>22,187</u> |
| | <u>\$ 20,374</u> | <u>\$ 86,212</u> | <u>\$ 47,219</u> | <u>\$ 59,367</u> |

R. M. of Torch River No. 488
Notes to Financial Statements
For the year ended December 31, 2024

| | 2024 | 2023 |
|--|------------|-----------|
| 11. Accounts Payable | | |
| Accounts payable are comprised of the following items: | | |
| Accounts payable | 352,332 | 72,685 |
| Due to School | 66,646 | |
| Due to conservation and development | 10,190 | |
| Due to SMHI | 42,654 | |
| | \$ 471,822 | \$ 72,685 |

12. Long-Term Debt

(a) The debt limit of the municipality for 2025 is \$3,626,042. 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)).

13. Employee Benefits Plan

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The 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.

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

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:

| | 2024 | 2023 |
|--------------------|---------|---------|
| General members | 9.00 % | 9.00 % |
| Designated members | 12.50 % | 12.50 % |

Contributions to the plan during the year were as follows:

| | | |
|-----------------|------------|------------|
| Benefit expense | \$ 106,493 | \$ 113,221 |
|-----------------|------------|------------|

As per the most recently audited financial statements dated December 31, 2023, the plan surplus is \$1,161,337.

14. 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 taxes receivable and trade receivables.

R. M. of Torch River No. 488
Notes to Financial Statements
For the year ended December 31, 2024

15. Statement of Remeasurement Gains and Losses

There are no measurement gains or losses during the periods presented; therefore, no statement of remeasurement gains or losses is included in these financial statements.

16. Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in an asset and revenue in the future. Significant contractual rights of the municipality are as follows:

- Investing in Canada Infrastructure contribution agreement signed for the Garrick Landfill Decommissioning project. The maximum total eligible expenditures approved for the project is \$132,877, with the financial contribution from Canada and Saskatchewan not to exceed 73.33% of the total eligible expenditures to a maximum of \$97,439.
- Investing in Canada Infrastructure contribution agreement signed for the construction of a bridge south of Garick located at E.S.E 30-51-16 W2. The maximum total eligible expenditures approved for the project is \$1,000,000, with the financial contribution from Canada and Saskatchewan not to exceed 50% of the total eligible expenditures to a maximum of \$500,000

17. Comparative Figures

The comparative financial statements have been restated to recognize asset retirement obligations. As a result, the comparative statement of operations for the year ending December 31, 2023 has been restated as follows:

| | |
|---|----------------------|
| Balance of accumulated surplus, beginning of year, as previously stated | 14,046,597 |
| Adjustment to beginning balance | <u>(35,000)</u> |
| Balance of accumulated surplus, beginning of year, as restated | <u>\$ 14,011,597</u> |

The comparative statement of financial position as at December 31, 2023 has been restated as follows:

| Line Item | As Restated | As Previously Stated | Difference |
|------------------------------|-------------|----------------------|------------|
| Asset retirement obligations | \$ 35,000 | \$ 0 | \$ 35,000 |

18. Commitments

During 2022 and 2023, 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, 2024

Schedule 1

| | 2024 Budget [Note 1(w)] | 2024 Actual | 2023 Actual (Note 17) |
|--|-------------------------------|---------------------|-----------------------------|
| Taxes | | | |
| General municipal tax levy | 3,428,800 | 3,428,176 | 3,319,768 |
| Abatements and adjustments | (1,000) | (50) | (1,523) |
| Discount on current year taxes | (130,600) | (133,292) | (128,118) |
| Net municipal taxes | <u>3,297,200</u> | <u>3,294,834</u> | <u>3,190,127</u> |
| Penalties on tax arrears | 19,600 | 16,670 | 17,960 |
| Special tax levy | <u>103,230</u> | <u>106,591</u> | <u>106,073</u> |
| Total Taxes | <u>3,420,030</u> | <u>3,418,095</u> | <u>3,314,160</u> |
| Unconditional Grants | | | |
| Equalization (revenue sharing) | 831,650 | 831,698 | 739,345 |
| Organized hamlet | <u>7,600</u> | <u>7,412</u> | <u>6,778</u> |
| Total Unconditional Grants | <u>839,250</u> | <u>839,110</u> | <u>746,123</u> |
| Grants In Lieu of Taxes | | | |
| Federal | 1,100 | 951 | 1,075 |
| Provincial | | | |
| Other | <u>15,010</u> | <u>14,337</u> | <u>10,447</u> |
| Total Grants In Lieu of Taxes | <u>16,110</u> | <u>15,288</u> | <u>11,522</u> |
| Total Taxes and Other Unconditional Revenue | <u>\$ 4,275,390</u> | <u>\$ 4,272,493</u> | <u>\$ 4,071,805</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, 2024

Schedule 2-1

| | 2024 Budget [Note 1(w)] | 2024 Actual | 2023 Actual (Note 17) |
|--|-------------------------------|-------------------|-----------------------------|
| General Government Services | | | |
| Operating | | | |
| Other Segmented Revenue | | | |
| Fees and charges | | | |
| Sale of gravel supplies | 3,000 | 2,517 | 2,804 |
| Licenses and permits | 11,080 | 10,799 | 10,531 |
| Other | 14,000 | 23,695 | 7,500 |
| Total Fees and Charges | <u>28,080</u> | <u>37,011</u> | <u>20,835</u> |
| Land sales - gain | 500 | 2,030 | |
| Investment income | 82,180 | 123,883 | 72,462 |
| Total Other Segmented Revenue | <u>110,760</u> | <u>162,924</u> | <u>93,297</u> |
| Total General Government Services | <u>\$ 110,760</u> | <u>\$ 162,924</u> | <u>\$ 93,297</u> |
| Transportation Services | | | |
| Operating | | | |
| Other Segmented Revenue | | | |
| Fees and charges | | | |
| Custom work | 3,500 | 3,233 | 3,352 |
| Sale of gravel supplies | 5,000 | 13,721 | 6,523 |
| Other | 45,000 | 52,485 | 35,963 |
| Total Fees and Charges | <u>53,500</u> | <u>69,439</u> | <u>45,838</u> |
| Tangible capital asset gain | | 29,138 | 49,213 |
| Total Other Segmented Revenue | <u>53,500</u> | <u>98,577</u> | <u>95,051</u> |
| Total Operating | <u>53,500</u> | <u>98,577</u> | <u>95,051</u> |
| Capital | | | |
| Conditional Grants | | | |
| Canada Community Building Fund | 47,220 | 47,219 | 395,590 |
| Rural Integrated Roads for Growth | 13,540 | 13,545 | |
| Investing in Canada Infrastructure | | | |
| Program | 128,970 | 2,149 | 324,306 |
| Provincial disaster assistance program | | | 51,495 |
| Total Capital | <u>189,730</u> | <u>62,913</u> | <u>771,391</u> |
| Total Transportation Services | <u>\$ 243,230</u> | <u>\$ 161,490</u> | <u>\$ 866,442</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, 2024

Schedule 2-2

| | 2024 Budget [Note 1(w)] | 2024 Actual | 2023 Actual (Note 17) |
|---|-------------------------------|-------------------|-----------------------------|
| Environmental and Public Health Services | | | |
| Operating | | | |
| Other Segmented Revenue | | | |
| Fees and charges | | | |
| Waste and disposal fees | 61,400 | 58,465 | 70,818 |
| Recycle fees | 2,000 | 3,840 | 2,802 |
| Total Other Segmented Revenue | <u>63,400</u> | <u>62,305</u> | <u>73,620</u> |
| Conditional Grants | | | |
| Donations | 5,780 | 3,868 | 4,827 |
| Pest control | 45,570 | 42,416 | 44,694 |
| Total Conditional Grants | <u>51,350</u> | <u>46,284</u> | <u>49,521</u> |
| Total Environmental and Public Health Services | <u>\$ 114,750</u> | <u>\$ 108,589</u> | <u>\$ 123,141</u> |
| Planning and Development Services | | | |
| Operating | | | |
| Other Segmented Revenue | | | |
| Fees and charges | | | |
| Maintenance and development charges | 15,400 | 15,945 | 12,648 |
| Other | | | 2,295 |
| Total Fees and Charges | <u>15,400</u> | <u>15,945</u> | <u>14,943</u> |
| Total Other Segmented Revenue | <u>15,400</u> | <u>15,945</u> | <u>14,943</u> |
| Conditional Grants | | | |
| Federation of Canadian Municipalities | 40,000 | 40,000 | |
| Total Conditional Grants | <u>40,000</u> | <u>40,000</u> | <u>0</u> |
| Total Planning and Development Services | <u>\$ 55,400</u> | <u>\$ 55,945</u> | <u>\$ 14,943</u> |
| Utility Services | | | |
| Operating | | | |
| Other Segmented Revenue | | | |
| Fees and charges | | | |
| Water | 20,900 | 22,625 | 21,145 |
| Total Other Segmented Revenue | <u>20,900</u> | <u>22,625</u> | <u>21,145</u> |
| Total Utility Services | <u>\$ 20,900</u> | <u>\$ 22,625</u> | <u>\$ 21,145</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, 2024

Schedule 2-3

| | 2024 Budget [Note 1(w)] | 2024 Actual | 2023 Actual (Note 17) |
|--|-------------------------------|-------------------|-----------------------------|
| Total Operating and Capital Revenue by Function | <u>\$ 545,040</u> | <u>\$ 511,573</u> | <u>\$ 1,118,968</u> |
| Summary | | | |
| Total Other Segmented Revenue | 263,960 | 362,376 | 298,056 |
| Total Conditional Grants | 91,350 | 86,284 | 49,521 |
| Total Capital Grants and Contributions | <u>189,730</u> | <u>62,913</u> | <u>771,391</u> |
| Total Operating and Capital Revenue by Function | <u>\$ 545,040</u> | <u>\$ 511,573</u> | <u>\$ 1,118,968</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, 2024

Schedule 3-1

| | 2024 Budget [Note 1(w)] | 2024 Actual | 2023 Actual (Note 17) |
|---|-------------------------------|---------------------|-----------------------------|
| General Government Services | | | |
| Council remuneration and travel | 47,390 | 43,636 | 31,375 |
| Wages and benefits | 315,640 | 300,896 | 261,992 |
| Professional/Contractual services | 108,190 | 114,093 | 101,670 |
| Contractual services - other | 110 | | |
| Utilities | 11,270 | 10,653 | 10,730 |
| Maintenance, materials and supplies | 48,050 | 25,170 | 28,940 |
| Amortization | | 2,201 | |
| Other | 800 | 1,099 | 799 |
| Total General Government Services | \$ 531,450 | \$ 497,748 | \$ 435,506 |
| Protective Services | | | |
| Police protection | | | |
| Professional/Contractual services | 71,570 | 72,114 | 70,088 |
| Fire protection | | | |
| Professional/Contractual services | 10,170 | 10,708 | 9,607 |
| Grants and contributions - operating | 138,340 | 138,679 | 133,221 |
| Total Protective Services | \$ 220,080 | \$ 221,501 | \$ 212,916 |
| Transportation Services | | | |
| Wages and benefits | 1,281,030 | 1,197,703 | 1,310,882 |
| Professional/Contractual services | 110,600 | 137,106 | 88,329 |
| Utilities | 25,770 | 20,401 | 22,588 |
| Maintenance, materials and supplies | 1,254,030 | 812,144 | 924,741 |
| Gravel | 669,000 | 1,116,670 | 585,509 |
| Machinery costs/fuel/blades | 7,000 | 6,898 | 5,762 |
| Amortization | | 817,070 | 796,325 |
| Total Transportation Services | \$ 3,347,430 | \$ 4,107,992 | \$ 3,734,136 |
| Environmental and Public Health Services | | | |
| Wages and benefits | 71,220 | 71,419 | 61,810 |
| Professional/Contractual services | 161,210 | 257,432 | 104,308 |
| Maintenance, materials and supplies | 36,500 | 41,845 | 30,070 |
| Grants and contributions - public health | 3,280 | 2,068 | 4,127 |
| Amortization | | 48,029 | 26,751 |
| Total Environmental and Public Health Services | \$ 272,210 | \$ 420,793 | \$ 227,066 |

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, 2024

Schedule 3-2

| | 2024 Budget [Note 1(w)] | 2024 Actual | 2023 Actual (Note 17) |
|--|-------------------------------|----------------------------|-----------------------------|
| Planning and Development Services | | | |
| Professional/Contractual services | 17,000 | 21,231 | 8,995 |
| Grants and contributions - operating | <u>3,200</u> | <u>2,500</u> | <u>1,570</u> |
| Total Planning and Development Services | <u>\$ 20,200</u> | <u>\$ 23,731</u> | <u>\$ 10,565</u> |
| Recreation and Cultural Services | | | |
| Grants and contributions - operating | 23,460 | 23,443 | 23,222 |
| Grants and contributions - capital | 20,000 | 20,000 | 20,000 |
| Amortization | | <u>483</u> | <u>483</u> |
| Total Recreation and Cultural Services | <u>\$ 43,460</u> | <u>\$ 43,926</u> | <u>\$ 43,705</u> |
| Utility Services | | | |
| Wages and benefits | 8,740 | 9,176 | 6,516 |
| Professional/Contractual services | 6,350 | 20,486 | 6,243 |
| Utilities | 5,650 | 6,056 | 5,772 |
| Maintenance, materials and supplies | 9,760 | 21,374 | 5,860 |
| Amortization | | <u>1,023</u> | <u>1,023</u> |
| Total Utility Services | <u>\$ 30,500</u> | <u>\$ 58,115</u> | <u>\$ 25,414</u> |
| Total Expenses by Function | <u>\$ 4,465,330</u> | <u>\$ 5,373,806</u> | <u>\$ 4,689,308</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, 2024

Schedule 4

| | General Government | Protective Services | Transport. Services | Environ. & Public Health | Planning & Develop. | Rec. & Culture | Utilities Services | Total |
|---|---------------------|---------------------|-----------------------|--------------------------|---------------------|--------------------|--------------------|---------------------|
| Revenues - schedule 2 | | | | | | | | |
| Fees and charges | 37,011 | | 69,439 | 62,305 | 15,945 | | 22,625 | 207,325 |
| Tangible capital asset sales - gain | | | 29,138 | | | | | 29,138 |
| Land sales - gain | 2,030 | | | | | | | 2,030 |
| Investment income | 123,883 | | | | | | | 123,883 |
| Grants - conditional | | | | 46,284 | 40,000 | | | 86,284 |
| Grants - capital | | | 62,913 | | | | | 62,913 |
| Total Revenues | 162,924 | 0 | 161,490 | 108,589 | 55,945 | 0 | 22,625 | 511,573 |
| Expenses - schedule 3 | | | | | | | | |
| Wages and benefits | 300,896 | | 1,197,703 | 71,419 | | | 9,176 | 1,579,194 |
| Professional/contractual services | 157,729 | 82,822 | 137,106 | 257,432 | 21,231 | | 20,486 | 676,806 |
| Utilities | 10,653 | | 20,401 | | | | 6,056 | 37,110 |
| Maintenance materials and supplies | 25,170 | | 1,928,814 | 41,845 | | | 21,374 | 2,017,203 |
| Machinery costs/fuel/blades | | | 6,898 | | | | | 6,898 |
| Grants and contributions | 2,201 | 138,679 | | 2,068 | 2,500 | 43,443 | | 186,690 |
| Amortization | | | 817,070 | 48,029 | | 483 | 1,023 | 868,806 |
| Other | 1,099 | | | | | | | 1,099 |
| Total Expenses | 497,748 | 221,501 | 4,107,992 | 420,793 | 23,731 | 43,926 | 58,115 | 5,373,806 |
| Surplus (Deficit) by Function | \$(334,824) | \$(221,501) | \$(3,946,502) | \$(312,204) | \$ 32,214 | \$(43,926) | \$(35,490) | (4,862,233) |
| Taxation and other unconditional revenue - schedule 1 | | | | | | | | 4,272,493 |
| Net Surplus (Deficit) | | | | | | | | \$(589,740) |

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, 2023

Schedule 5

| | General Government | Protective Services | Transport. Services | Environ. & Public Health | Planning & Develop. | Rec. & Culture | Utilities Services | Total |
|---|---------------------|---------------------|-----------------------|--------------------------|---------------------|--------------------|--------------------|---------------------|
| Revenues - schedule 2 | | | | | | | | |
| Fees and charges | 20,835 | | 45,838 | 73,620 | 14,943 | | 21,145 | 176,381 |
| Tangible capital asset sales - gain | | | 49,213 | | | | | 49,213 |
| Investment income | 72,462 | | | | | | | 72,462 |
| Grants - conditional | | | | 49,521 | | | | 49,521 |
| Grants - capital | | | 771,391 | | | | | 771,391 |
| Total Revenues | 93,297 | 0 | 866,442 | 123,141 | 14,943 | 0 | 21,145 | 1,118,968 |
| Expenses - schedule 3 | | | | | | | | |
| Wages and benefits | 261,992 | | 1,310,882 | 61,810 | | | 6,516 | 1,641,200 |
| Professional/contractual services | 133,045 | 79,695 | 88,329 | 104,308 | 8,995 | | 6,243 | 420,615 |
| Utilities | 10,730 | | 22,588 | | | | 5,772 | 39,090 |
| Maintenance materials and supplies | 28,940 | | 1,510,250 | 30,070 | | | 5,860 | 1,575,120 |
| Machinery costs/fuel/blades | | | 5,762 | | | | | 5,762 |
| Grants and contributions | | 133,221 | | 4,127 | 1,570 | 43,222 | | 182,140 |
| Amortization | | | 796,325 | 26,751 | | 483 | 1,023 | 824,582 |
| Other | 799 | | | | | | | 799 |
| Total Expenses | 435,506 | 212,916 | 3,734,136 | 227,066 | 10,565 | 43,705 | 25,414 | 4,689,308 |
| Surplus (Deficit) by Function | \$(342,209) | \$(212,916) | \$(2,867,694) | \$(103,925) | \$ 4,378 | \$(43,705) | \$(4,269) | (3,570,340) |
| Taxation and other unconditional revenue - schedule 1 | | | | | | | | 4,071,805 |
| Net Surplus | | | | | | | | \$ 501,465 |

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, 2024

Schedule 6

| | General Assets | | | | | Infrastruct. Assets | | General/ | Total |
|---|----------------|---------------|------------|-----------|-----------------------|---------------------|----------------------|--------------|---------------|
| | Land | Land Improve. | Buildings | Vehicles | Machinery & Equipment | Linear Assets | Assets under Constr. | Infrastruct. | |
| Asset Cost | | | | | | | | | |
| Opening Asset Cost | 790,233 | 0 | 578,122 | 141,109 | 5,846,166 | 24,591,608 | 0 | 0 | 31,947,238 |
| Additions during the year | | | | | 787,428 | 96,426 | | | 883,854 |
| Disposals and write-down during the year | | | | | (355,940) | | | | (355,940) |
| Closing Asset Costs | 790,233 | 0 | 578,122 | 141,109 | 6,277,654 | 24,688,034 | 0 | 0 | 32,475,152 |
| Accumulated Amortization Cost | | | | | | | | | |
| Opening Accumulated Amortization Costs | 0 | 0 | 384,160 | 56,797 | 2,442,188 | 18,313,894 | 0 | 0 | 21,197,039 |
| Add: Amortization taken | | | 9,254 | 14,111 | 475,753 | 369,688 | | | 868,806 |
| Less: Accumulated amortization on disposals | | | | | 271,078 | | | | 271,078 |
| Closing Accumulated Amortization Costs | 0 | 0 | 393,414 | 70,908 | 2,646,863 | 18,683,582 | 0 | 0 | 21,794,767 |
| Net Book Value | \$ 790,233 | \$ 0 | \$ 184,708 | \$ 70,201 | \$ 3,630,791 | \$ 6,004,452 | \$ 0 | \$ 0 | \$ 10,680,385 |

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, 2023

Schedule 6

| | General Assets | | | | | Machinery & Equipment | Vehicles | Infrastruct. Assets | General/ Infrastruct. | Total |
|---|----------------|---------------|------------|-----------|--------------|-----------------------|----------|---------------------|-----------------------|-------|
| | Land | Land Improve. | Buildings | | | | | | | |
| Asset Cost | | | | | | | | | | |
| Opening Asset Cost | 782,521 | 0 | 578,122 | 141,109 | 5,783,519 | 23,415,205 | 489,352 | 31,189,828 | | |
| Additions during the year | 7,712 | | | | 526,249 | 50,024 | 641,432 | 1,225,417 | | |
| Disposals and write-down during the year | | | | | (463,602) | (4,405) | | (468,007) | | |
| Transfer of Capital Assets related to restructuring | | | | | | | | | | |
| Closing Asset Costs | 790,233 | 0 | 578,122 | 141,109 | 5,846,166 | 24,591,608 | 0 | 31,947,238 | | |
| Accumulated Amortization Cost | | | | | | | | | | |
| Opening Accumulated Amortization Costs | 0 | 0 | 374,906 | 42,686 | 2,294,972 | 17,988,113 | 0 | 20,700,677 | | |
| Add: Amortization taken | | | 9,254 | 14,111 | 471,031 | 330,186 | | 824,582 | | |
| Less: Accumulated amortization on disposals | | | | | (323,815) | (4,405) | | (328,220) | | |
| Closing Accumulated Amortization Costs | 0 | 0 | 384,160 | 56,797 | 2,442,188 | 18,313,894 | 0 | 21,197,039 | | |
| Net Book Value | \$ 790,233 | \$ 0 | \$ 193,962 | \$ 84,312 | \$ 3,403,978 | \$ 6,277,714 | \$ 0 | \$ 10,750,199 | | |

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, 2024

Schedule 7

| | General Government | Protective Services | Transport. Services | Environ. & Public Health | Planning & Develop. | Rec. & Culture | Water & Sewer | Total |
|---|--------------------|---------------------|---------------------|--------------------------|---------------------|----------------|---------------|---------------|
| Asset Cost | | | | | | | | |
| Opening Asset Cost | 150,441 | 0 | 30,194,561 | 641,991 | 0 | 19,885 | 940,360 | 31,947,238 |
| Additions during the year | 14,976 | | 868,878 | | | | | 883,854 |
| Disposals and write-down during the year | | | (355,940) | | | | | (355,940) |
| Closing Asset Costs | 165,417 | 0 | 30,707,499 | 641,991 | 0 | 19,885 | 940,360 | 32,475,152 |
| Accumulated Amortization Cost | | | | | | | | |
| Opening Accumulated Amortization Costs | 138,793 | 0 | 19,917,125 | 200,026 | 0 | 4,827 | 936,268 | 21,197,039 |
| Add: Amortization taken | 2,201 | | 817,070 | 48,029 | | 483 | 1,023 | 868,806 |
| Less: Accumulated amortization on disposals | | | 271,078 | | | | | 271,078 |
| Closing Accumulated Amortization Costs | 140,994 | 0 | 20,463,117 | 248,055 | 0 | 5,310 | 937,291 | 21,794,767 |
| Net Book Value | \$ 24,423 | \$ 0 | \$ 10,244,382 | \$ 393,936 | \$ 0 | \$ 14,575 | \$ 3,069 | \$ 10,680,385 |

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, 2023

Schedule 7

| | General Government | Protective Services | Transport. Services | Environ. & Public Health | Planning & Develop. | Rec. & Culture | Water & Sewer | Total |
|--|--------------------|---------------------|---------------------|--------------------------|---------------------|----------------|---------------|---------------|
| Asset Cost | | | | | | | | |
| Opening Asset Cost | 139,441 | 0 | 29,448,151 | 641,991 | 0 | 19,885 | 940,360 | 31,189,828 |
| Additions during the year | 11,000 | | 1,214,417 | | | | | 1,225,417 |
| Disposals and write-down during the year | | | (468,007) | | | | | (468,007) |
| Closing Asset Costs | 150,441 | 0 | 30,194,561 | 641,991 | 0 | 19,885 | 940,360 | 31,947,238 |
| Accumulated Amortization Cost | | | | | | | | |
| Opening Accumulated Amortization Costs | 138,793 | 0 | 19,449,020 | 173,275 | 0 | 4,344 | 935,245 | 20,700,677 |
| Add: Amortization taken | | | 796,325 | 26,751 | | 483 | 1,023 | 824,582 |
| Less: Accumulated amortization on disposal | | | 328,220 | | | | | 328,220 |
| Closing Accumulated Amortization Costs | 138,793 | 0 | 19,917,125 | 200,026 | 0 | 4,827 | 936,268 | 21,197,039 |
| Net Book Value | \$ 11,648 | \$ 0 | \$ 10,277,436 | \$ 441,965 | \$ 0 | \$ 15,058 | \$ 4,092 | \$ 10,750,199 |

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, 2024

Schedule 8

| | 2023 | Changes | 2024 |
|--|----------------------|----------------------|----------------------|
| Unappropriated Surplus | <u>1,862,606</u> | <u>(465,295)</u> | <u>1,397,311</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 | 227,517 | (19,105) | 208,412 |
| Nipawin Fire | 227,005 | (16,345) | 210,660 |
| Smeaton Fire | 205,561 | (285) | 205,276 |
| Garrick Landfill Shared | 57,263 | | 57,263 |
| Machinery | <u>379,721</u> | | <u>379,721</u> |
| | <u>1,780,825</u> | <u>(35,735)</u> | <u>1,745,090</u> |
| Total Appropriated | <u>1,785,998</u> | <u>(35,735)</u> | <u>1,750,263</u> |
| Garrick | 42,015 | (18,723) | 23,292 |
| Snowden | 61,187 | (173) | 61,014 |
| Shipman | <u>11,057</u> | | <u>11,057</u> |
| Total Hamlets | <u>114,259</u> | <u>(18,896)</u> | <u>95,363</u> |
| Net Investment in Tangible Capital Assets | | | |
| Tangible capital assets - schedule 6 and 7 | <u>10,750,199</u> | <u>(69,814)</u> | <u>10,680,385</u> |
| Accumulated Surplus | <u>\$ 14,513,062</u> | <u>\$ (589,740)</u> | <u>\$ 13,923,322</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, 2024

Schedule 9

| | Property Class | | | | | Total |
|---|----------------|-------------|-------------------------|----------------------|-------------------------|-------------|
| | Agriculture | Residential | Residential Condominium | Seasonal Residential | Commercial & Industrial | |
| Taxable Assessment | 256,655,180 | 66,555,757 | | | 6,343,890 | 329,554,827 |
| Regional Park Assessment | | | | | | |
| Total Assessment | | | | | | |
| Mill Rate Factor(s) | 1.00 | 0.97 | | | 1.80 | 329,554,827 |
| Total Base/Minimum Tax (generated for each property class) | 351,350 | 81,750 | | | 600 | 433,700 |
| Total Municipal Tax Levy (include base and/or minimum tax and special levies) | 2,650,132 | 669,623 | | | 108,421 | 3,428,176 |
| Mill Rates: | | | | | | |
| Average Municipal* | 10.4024 | | | | | |
| Average School* | 2.1800 | | | | | |
| Potash Mill Rate | | | | | | |
| Uniform Municipal Mill Rate | 9.5000 | | | | | |
| Municipal Mill Rate - Garrick | 5.7500 | | | | | |
| Municipal Mill Rate - Snowden | 8.0000 | | | | | |
| Municipal Mill Rate - Shipman | 9.5000 | | | | | |

*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, 2024

Schedule 10

| Name | Remuneration | Reimbursed Costs | Total |
|----------------|---------------------|-----------------------------|------------------|
| Jerry Kindrat | 5,477 | 3,706 | 9,183 |
| Dave Larose | 2,725 | 1,077 | 3,802 |
| Lyle Lindbergh | 3,499 | 834 | 4,333 |
| Peter Lubyk | 4,437 | 1,857 | 6,294 |
| Ken Runn | 3,188 | 369 | 3,557 |
| Kurt Winny | 1,838 | 319 | 2,157 |
| Garry Ritchie | 625 | | 625 |
| Ken Rein | 3,824 | 1,578 | 5,402 |
| | <u>3,824</u> | <u>1,578</u> | <u>5,402</u> |
| | <u>\$ 25,613</u> | <u>\$ 9,740</u> | <u>\$ 35,353</u> |

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