



Report of the Independent Auditors' on the Summary Consolidated Financial Statements

To the Council
Town of Sturgis

Opinion

The consolidated summary financial statements, which comprise the summary consolidated Statement of Financial Position as at December 31, 2024, the summary consolidated Statements of Operations, Changes in Net Financial Assets and Cash Flow for the year then ended, and related notes, are derived from the audited consolidated financial statements of Town of Sturgis for the year ended December 31, 2024. We expressed a qualified audit opinion on those consolidated financial statements in our report dated June 23, 2025.

In our opinion, the accompanying consolidated summary financial statements are a fair summary of the audited consolidated financial statements, on the basis described in note 1. However, the summary consolidated financial statements are misstated to the equivalent extent as the audited consolidated financial statements of Town of Sturgis for the year ended December 31, 2024.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by Canadian public sector accounting standards. Reading the summary consolidated financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditors' report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed a qualified audit opinion on the audited consolidated financial statements in our report dated June 23, 2025.

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 retirement of a tangible capital asset. The municipality owns several buildings constructed prior to 1990 that likely contain asbestos and require remediation upon the retirement of the building. A liability has not been recognized for these costs. As insufficient information is available with regards to the extent and expected costs of the likely remediation 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.

PS 3280 asset retirement obligations also requires the municipality to recognize a liability at the reporting date for future costs that the municipality is legally obligated to incur for the 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 extent 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.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements on the basis described in note 1.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are a fair summary of the audited consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, Engagements to Report on Summary Consolidated Financial Statements.

Baker Tilly SK LLP

Baker Tilly SK LLP

Yorkton, SK
June 23, 2025

Town of Sturgis Sturgis, Saskatchewan Consolidated Statement of Financial Position as at December 31, 2024

Statement 1

	2024	2023
Assets		
Financial Assets		
Cash and cash equivalents	810,184	459,541
Investments	187,900	565,347
Taxes receivable - municipal	67,499	81,778
Other accounts receivable	110,293	80,608
Total Financial Assets	1,175,876	1,187,274
Liabilities		
Accounts payable	43,505	16,921
Accrued liabilities	30,647	46,715
Utility deposits	10,740	10,340
Deferred revenue	31,171	438,836
Asset retirement obligation	530,237	530,237
Long-term debt	572,417	652,149
Total Liabilities	1,218,717	1,695,198
Net Financial Assets	(42,841)	(507,924)
Non-Financial Assets		
Tangible capital assets	3,054,024	2,964,527
Prepayments and deferred charges	40,181	40,181
Stock and supplies	20,000	20,000
Assets held for sale	20,069	19,069
Total Non-Financial Assets	3,134,274	3,043,777
Accumulated Surplus	\$ 3,091,433	\$ 2,535,853
Accumulated surplus is comprised of:		
Accumulated surplus	3,091,433	2,535,853

Town of Sturgis Consolidated Statement of Operations For the year ended December 31, 2024

Statement 2

	2024 Budget	2024 Actual	2023 Actual
Revenues			
Tax revenue	780,110	640,626	617,284
Other unconditional revenue	158,000	180,790	158,100
Fees and charges	346,000	453,043	364,569
Conditional grants	13,300	97,467	19,891
Tangible capital asset sales - gain		4,018	
Land sales - gain (loss)	10,900	(1,392)	(3,292)
Investment income	3,650	28,562	31,885
Total Revenues	1,311,960	1,403,114	1,188,437
Expenses			
General government services	105,900	445,691	298,628
Protective services	64,000	51,956	54,671
Transportation services	258,410	221,656	271,432
Environmental and public health services	98,650	100,257	82,733
Planning and development services	2,000	1,403	1,253
Recreation and cultural services	279,420	289,785	246,269
Utilities services	419,000	184,690	238,280
Total Expenses	1,227,380	1,295,438	1,193,266
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	84,580	107,676	(4,829)
Provincial/Federal Capital Grants and Contributions	43,000	447,904	0
Surplus (Deficit) of Revenue over Expenses	127,580	555,580	(4,829)
Accumulated Surplus, Beginning of Year	2,535,853	2,535,853	2,540,682
Accumulated Surplus, End of Year	\$ 2,663,433	\$ 3,091,433	\$ 2,535,853

Town of Sturgis
Consolidated Statement of Change in Net Financial Assets
For the year ended December 31, 2024

Statement 3

	2024 Budget	2024 Actual	2023 Actual
Surplus (Deficit)	127,580	555,580	(4,829)
(Acquisition) of tangible capital assets	(3,170)	(246,833)	(355,429)
Amortization of tangible capital assets		121,353	132,752
Proceeds on disposal of tangible capital assets		40,000	
Loss (gain) on the disposal of tangible capital assets		(4,018)	
Surplus (Deficit) of Capital Expenses over Expenditures	(3,170)	(89,498)	(222,677)
(Increase) of assets held for sale	0	(999)	(4,393)
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	0	(999)	(4,393)
Increase (Decrease) in Net Financial Assets	124,410	465,083	(231,899)
Net Financial Assets (Debt), beginning of year	(507,924)	(507,924)	(276,025)
Net Financial Assets (Debt), End of Year	<u>\$(383,514)</u>	<u>\$(42,841)</u>	<u>\$(507,924)</u>

Town of Sturgis
Consolidated Statement of Cash Flow
For the year ended December 31, 2024

Statement 4

	2024	2023
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus (Deficit)	555,580	(4,829)
Amortization	121,353	132,752
Loss (gain) on disposal of tangible capital assets	(4,018)	
	672,915	127,923
Change in Assets/Liabilities		
Taxes receivable - municipal	14,278	(26,795)
Other receivables	(29,685)	(17,909)
Assets held for sale	(1,000)	(4,393)
Accrued liabilities payable	(16,068)	5,090
Accounts payable	26,587	(43,933)
Deposits	400	300
Deferred revenue	(407,665)	53,160
Cash Provided by Operating Transactions	<u>259,762</u>	<u>93,443</u>
Capital:		
Acquisition of capital assets	(246,833)	(355,429)
Proceeds on sale of tangible capital assets	40,000	
Cash Applied to Capital Transactions	<u>(206,833)</u>	<u>(355,429)</u>
Investing:		
Proceeds on disposal of investments	400,000	534,392
Acquisition in investment	(22,554)	(557,843)
Cash Provided by (Applied to) Investing Transactions	<u>377,446</u>	<u>(23,451)</u>
Financing:		
Debt repayment	(79,732)	(75,827)
Change in Cash and Cash Equivalents During the Year	350,643	(361,264)
Cash and cash equivalents, beginning of year	459,541	820,805
Cash and Cash Equivalents, End of Year	<u>\$ 810,184</u>	<u>\$ 459,541</u>

Town of Sturgis
Notes to Summary Consolidated Financial Statements
For the year ended December 31, 2024

1. Basis of the Summary Consolidated Financial Statements

The following criteria have been applied by management in the preparation of these summary consolidated financial statements:

- (a) The information in the summary consolidated financial statements is in agreement with the related information in the municipality's December 31, 2024 audited consolidated financial statements; and
- (b) The summary consolidated financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the audited consolidated financial statements, including the notes thereto.
- (c) The audited consolidated financial statements can be obtained by request at the town office.
- (d) The detailed notes included in the audited consolidated financial statements are not included in the summary consolidated financial statements as these notes are available in the audited consolidated financial statements which can be obtained as described above.