



## **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, 2023, 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, 2023. We expressed a qualified audit opinion on those consolidated financial statements in our report dated September 26, 2024.

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, 2023.

### *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 September 26, 2024.

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 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.

### *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  
September 26, 2024

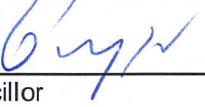
**Town of Sturgis**  
Sturgis, Saskatchewan  
Consolidated Statement of Financial Position as at December 31, 2023

Statement 1

	2023	2022 (Note 13)
<b>Assets</b>		
<b>Financial Assets</b>		
Cash and cash equivalents - note 2	459,541	820,805
Taxes receivable - municipal - note 3	81,778	54,982
Other accounts receivable - note 4	80,608	62,700
Long-term investments - note 6	565,347	541,896
<b>Total Financial Assets</b>	<u>1,187,274</u>	<u>1,480,383</u>
<b>Liabilities</b>		
Accounts payable	16,922	60,854
Accrued liabilities	46,715	41,625
Utility deposits	10,340	10,040
Deferred revenue - note 8	438,836	385,676
Long-term debt - note 9	652,149	727,976
<b>Total Liabilities</b>	<u>1,164,962</u>	<u>1,226,171</u>
<b>Net Financial Assets</b>	<u>22,312</u>	<u>254,212</u>
<b>Non-Financial Assets</b>		
Tangible capital assets - schedules 6 and 7	2,946,084	2,718,796
Prepayments and deferred charges	40,181	40,181
Stock and supplies	20,000	20,000
Assets held for sale - note 5	19,069	14,675
<b>Total Non-Financial Assets</b>	<u>3,025,334</u>	<u>2,793,652</u>
<b>Total Accumulated Surplus Excluding Remeasurement Gains - schedule 8</b>	<u>\$ 3,047,646</u>	<u>\$ 3,047,864</u>

Approved on behalf of the council:

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Councillor

**Town of Sturgis**  
Consolidated Statement of Operations  
For the year ended December 31, 2023

Statement 2

	2023 Budget (Note 1(t))	2023 Actual	2022 Actual (Note 13)
<b>Revenues</b>			
Tax revenue - schedule 1	761,100	775,384	750,936
Fees and charges - schedules 4 and 5	886,870	364,569	425,997
Conditional grants - schedules 4 and 5	17,440	19,891	21,400
Tangible capital asset sales - gain - schedules 4 and 5			97,245
Land sales - gain (loss) - schedules 4 and 5	4,000	( 3,292)	350
Investment income - schedules 4 and 5	5,150	31,885	9,472
Provincial/Federal Capital Grants and Contributions	39,800		
<b>Total Revenues</b>	<u>1,714,360</u>	<u>1,188,437</u>	<u>1,305,400</u>
<b>Expenses - schedule 3</b>			
General government services	140,460	298,629	311,349
Protective services	55,500	54,671	50,594
Transportation services	286,070	271,432	255,342
Environmental and public health services	78,750	78,122	59,281
Planning and development services	5,000	6,285	1,977
Recreation and cultural services	240,730	241,236	225,010
Utilities services	762,000	238,280	210,948
<b>Total Expenses</b>	<u>1,568,510</u>	<u>1,188,655</u>	<u>1,114,501</u>
<b>Surplus (Deficit) of Revenue over Expenses</b>	145,850	( 218)	190,899
<b>Accumulated Surplus Excluding Remeasurement Gains, Beginning of Year</b>	<u>3,047,864</u>	<u>3,047,864</u>	<u>2,856,965</u>
<b>Accumulated Surplus, Excluding Remeasurement Gains, End of Year</b>	<u>\$ 3,193,714</u>	<u>\$ 3,047,646</u>	<u>\$ 3,047,864</u>

**Town of Sturgis**  
Consolidated Statement of Change in Net Financial Assets  
For the year ended December 31, 2023

Statement 3

	<b>2023 Budget (Note 1(t))</b>	<b>2023 Actual</b>	<b>2022 Actual (Note 13)</b>
<b>Surplus (Deficit)</b>	<u>145,850</u>	<u>( 218)</u>	<u>190,899</u>
(Acquisition) of tangible capital assets		( 355,429)	( 99,335)
Amortization of tangible capital assets		128,141	131,957
Proceeds on disposal of tangible capital assets			97,246
Loss (gain) on the disposal of tangible capital assets			<u>( 97,245)</u>
<b>Surplus (Deficit) of Capital Expenses over Expenditures</b>	<u>0</u>	<u>( 227,288)</u>	<u>32,623</u>
(Acquisition) of prepaid expense			( 200)
(Increase) of assets held for sale		( 4,394)	
Decrease of assets held for sale			<u>1,344</u>
<b>Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures</b>	<u>0</u>	<u>( 4,394)</u>	<u>1,144</u>
<b>Increase (Decrease) in Net Financial Assets</b>	145,850	( 231,900)	224,666
Net Financial Assets, beginning of year	<u>254,212</u>	<u>254,212</u>	<u>29,546</u>
<b>Net Financial Assets, End of Year</b>	<u>\$ 400,062</u>	<u>\$ 22,312</u>	<u>\$ 254,212</u>

**Town of Sturgis**  
Consolidated Statement of Cash Flow  
For the year ended December 31, 2023

Statement 4

	2023	2022 (Note 13)
<b>Cash Provided by (used for) the Following Activities</b>		
<b>Operating:</b>		
<b>Surplus (Deficit)</b>	( 218)	190,899
Amortization	128,141	131,957
Loss (gain) on disposal of tangible capital assets	<u>( 97,245)</u>	<u>( 97,245)</u>
	127,923	225,611
<b>Change in Assets/Liabilities</b>		
Taxes receivable - municipal	( 26,795)	( 6,092)
Other receivables	( 17,909)	( 14,027)
Assets held for sale	( 4,393)	1,340
Accrued liabilities payable	5,090	( 398)
Accounts payable	( 43,933)	( 27,161)
Deposits	300	600
Deferred revenue	53,160	( 33,325)
Prepayments and deferred charges	<u>( 200)</u>	<u>( 200)</u>
<b>Cash Provided by Operating Transactions</b>	<u>93,443</u>	<u>146,348</u>
<b>Capital:</b>		
Acquisition of capital assets	( 355,429)	( 99,335)
Proceeds on sale of tangible capital assets	<u>97,246</u>	<u>97,246</u>
<b>Cash Applied to Capital Transactions</b>	<u>( 355,429)</u>	<u>( 2,089)</u>
<b>Investing:</b>		
Proceeds on disposal of investments	534,392	
Acquisition in investment	<u>( 557,843)</u>	<u>( 30,687)</u>
<b>Cash Provided by (Applied to) Investing Transactions</b>	<u>( 23,451)</u>	<u>( 30,687)</u>
<b>Financing:</b>		
Debt repayment	<u>( 75,827)</u>	<u>( 72,113)</u>
<b>Change in Cash and Cash Equivalents During the Year</b>	( 361,264)	41,459
Cash and cash equivalents, beginning of year	<u>820,805</u>	<u>779,346</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 459,541</u>	<u>\$ 820,805</u>