

## MANAGEMENT'S RESPONSIBILITY

To the Subscribers of  
**Sask Valley Rural Water Utility:**

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Association. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with external auditors.

Jensen Stromberg Chartered Professional Accountants, an independent firm of Chartered Professional Accountants, is appointed by the Board 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 Board and management to discuss their audit findings.



Chair



Treasurer

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Sask  
Audit

**SASK VALLEY RURAL WATER UTILITY**  
**BOX 126**  
**Rosthern, Saskatchewan**  
**S0K 3R0**

June 9, 2025

Jensen Stromberg Chartered Professional Accountants  
#300-165 3rd Avenue South  
Saskatoon, Saskatchewan  
S7K 1L8

Dear Sirs:

This representation letter is provided in connection with your audit of the financial statements of Sask Valley Rural Water Utility for the year ended December 31, 2024 for the purpose of expressing an opinion whether the financial statements are presented fairly, in all material respects, (or give a true fair view) in accordance with Canadian Public Sector Accounting Standards (PSAS).

Certain representations in this letter are limited to matters that are material. Misstatements (including omissions) are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that to the best of our knowledge and belief:

***Financial Statements***

We have fulfilled our responsibilities as set out in our audit engagement letter dated March 26, 2025 for:

- Preparing and fairly presenting the financial statements in accordance with PSAS;
- Providing you with access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:
  - ◆ Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as accounting records, supporting data and other relevant documentation, minutes of meetings or summaries of actions for which minutes have not yet been prepared, and information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;
  - ◆ Additional information that you have requested from us for the purpose of the audit; and
  - ◆ Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- Ensuring that all transactions have been recorded in the accounting records and are reflected on the financial statements; and
- Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

### ***Fraud and Non-Compliance***

We have disclosed to you:

- All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving management, employees who have significant roles in internal control, or others where the fraud could have a material effect on the financial statements;
- All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, regulators, or others;
- All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual obligations that should be considered when preparing the financial statements;
- All known instances of non-compliance or suspected non-compliance with our funding and grant agreements;
- All known, actual or possible litigation and claims that should be considered when preparing the financial statements; and
- The results of our risk assessments regarding possible fraud or error in the financial statements.

### ***Related Parties***

- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with requirements of PSAS.

### ***Estimates***

- We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with PSAS. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm the methods, the data, and the significant assumptions used in making accounting estimates, including:
  - Allowances for uncollectible receivables
  - Useful lives of tangible capital assets
  - Impairment of tangible capital assets

And their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of PSAS.

### ***Subsequent Events***

- All events subsequent to the date of the financial statements and for which PSAS require adjustment or disclosures have been adjusted or disclosed.

### ***Commitments and Contingencies***

- There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

### ***Adjustments***

- We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records. A copy of the journal entries is attached to this letter.

**Misstatements**

- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. The uncorrected misstatements are attached to this letter.

**Other Representations**

- We confirm that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate.
- We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all significant customers and/or suppliers of the Utility who individually represent a significant volume of transactions with our Utility. We are of the opinion that the volume of transactions (sales, services, purchases, borrowing and lending) done by the Utility with any one party is not of sufficient magnitude that discontinuance would have a material negative effect on the ongoing operations of the Utility.
- The Utility has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral. Where the value of any asset has been impaired, an appropriate provision has been made in the financial statements. This includes:
  - ◆ Appropriate provisions for idle or obsolete assets or where site restoration costs will be necessary.
  - ◆ Impairments in the value of goodwill or intangible assets.
- Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the balance-sheet date and have been appropriately reduced to their estimated net realizable value.

Yours very truly,

**SASK VALLEY RURAL WATER UTILITY**

Per: *Mart* Title: Chair Date: July 2/2025

Per: *Amanda Mack* Title: Treasurer Date: July 3/25

March 26, 2025

Sask Valley Rural Water Utility  
Box 126  
Rosthern, Saskatchewan  
S0K 3R0

Attention: Ms. Amanda McCormick,

Dear Ms. McCormick:

The purpose of this letter is to outline the terms of our engagement to audit the financial statements of the **Sask Valley Rural Water Utility** which comprise the statement of financial position as at **December 31, 2024**, and the statements of financial activities, changes in net financial assets, and changes in financial position for the year then ended and notes to the financial statements including significant accounting policies.

We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

#### **The Objective and Scope of the Audit**

The objectives of our audit 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 auditor's 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 if one exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### **The Responsibilities of the Auditor**

We will conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements. 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:

- a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform 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.
- b. 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 Organization's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit.

- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by management.
- d. 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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 audit report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- e. 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.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

Canadian generally accepted standards for audit engagements require that we communicate at least annually with you regarding all relationships between the Organization and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, the standards require us to consider relevant rules and related interpretations prescribed by CPA Saskatchewan and applicable legislation, covering such matters as:

- a. Holding a financial interest, either directly or indirectly, in a client;
- b. Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- c. Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- d. Economic dependence on a client; and
- e. Provision of services in addition to the audit engagement.

We are not aware of any relationships between the Organization and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence, that have occurred from January 1, 2024 to December 31, 2024.

### **The Responsibilities of Management**

Our audit will be conducted on the basis that management and, where appropriate, those charged with governance acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards.
- b. For the design and implementation of 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.
- c. To provide us with timely:
  - i. Access to all information of which management is aware that is relevant to the preparation of the financial statements;

- ii. Information about all known or suspected fraud, any allegations of fraud or suspected fraud and any known or probable instances of non-compliance with legislative or regulatory requirements;
- iii. Additional information that we may request from management for the purpose of the audit; and
- iv. Unrestricted access to persons within the Organization's administration from whom we determine it is necessary to obtain audit evidence.

As part of our audit process:

- a. We will make enquiries of management about the representations contained in the financial statements. At the conclusion of the audit, we will request from management and, where appropriate, those charged with governance, written confirmation concerning those representations. If such representations are not provided in writing, management acknowledges and understands that we would be required to disclaim an audit opinion.
- b. We will communicate any misstatements identified during the audit other than those that are clearly trivial. We will request that management correct all misstatements communicated.

### **Form and Content of Audit Opinion**

Unless unanticipated difficulties are encountered, our report will be substantially in the following form:

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of **Sask Valley Rural Water Utility**

### *Opinion*

We have audited the accompanying financial statements of **Sask Valley Rural Water Utility**, which comprise the statement of financial position as at **December 31, 2024** and the statements of financial activities, changes in net financial assets and changes in financial position for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at **December 31, 2024** and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

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

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

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

In preparing the financial statements, management is responsible for assessing the organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

The 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 auditor's 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 organization'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 organization'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 auditor's report. However, future events or conditions may cause the organization 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.

Saskatoon, Saskatchewan

Chartered Professional Accountants

If we conclude that a modification to our opinion on the financial statements is necessary, we will discuss the reasons with you in advance.

### **Confidentiality**

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each professional accountant must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, we will not provide any third party with confidential information concerning the affairs of the Organization unless:

- a. We have been specifically authorized with prior consent;
- b. We have been ordered or expressly required by law or by the provincial Code of Professional Conduct; or
- c. The information requested is or enters into the public domain.

### **Communications**

In performing our services, we will send messages and documents electronically. As such communications can be intercepted, misdirected, infected with a virus, or otherwise used or communicated by an unintended third party, we cannot guarantee that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim, and you release us from, any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this engagement. In that regard, you agree that we will have no liability for any loss or damage to any person or entity resulting from such communications, including any that are consequential, incidental, direct, indirect, punitive, exemplary or special damages such as loss of data, revenue or anticipated profits. If you do not consent to our use of electronic communications, please notify us in writing.

### **Use of Information**

It is acknowledged that we will have access to all information about identified individuals ("personal information") in your custody that we require to complete our engagement. Our services are provided on the basis that:

- a. You represent to us that management has obtained any required consents for our collection, use disclosure, storage, transfer and process of personal information under applicable privacy legislation and professional regulation; and
- b. We will hold all personal information in compliance with our Privacy Statement.

### **Use and Distribution of Our Report**

The examination of the financial statements and the issuance of our audit report are solely for the use of **Sask Valley Rural Water Utility** and those to whom our report is specifically addressed by us. We make no representations or warranties of any kind to any third party in respect of these financial statements or our audit report, and we accept no responsibility for their use by any third party or any liability to anyone other than **Sask Valley Rural Water Utility**.

For greater clarity, our audit will not be planned or conducted for any third party or for any specific transaction. Accordingly, items of possible interest to a third party may not be addressed and matters may exist that would be assessed differently by a third party, including without limitation, in connection with a specific transaction. Our audit report should not be circulated or relied upon by any third party for any purposes, without our written consent. You agree that our name may be used only with our prior written consent and that any information to which we have attached a communication, unless otherwise agreed to by us in writing.

### **Reproduction of Audit Report**

If reproduction or publication of our audit report, or reference to our report, is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review and approval in writing before the publication or posting process begins. Should some of the information in the annual report not

be available until after the date of the auditor's report, we will request that management provide a written representation that the final version of the document will be provided to us when available and prior to its issuance so we can complete our required procedures.

Management is responsible for the accurate reproduction of the financial statements, the auditor's report and other related information contained in an annual report or other public document. This includes any incorporation by reference to either full or summarized financial statements that we have audited. We are not required to read the information contained in your website or to consider the consistency of other information on the electronic site with the original document.

### **Preparation of Schedules**

We understand that you or your employees will prepare certain schedules and locate specified documents for our use before our engagement is planned to commence. This assistance will facilitate our work and help minimize our costs. Any failure to provide these working papers or documents on a timely basis may impede our services and require us to suspend our services or withdraw from the engagement.

### **Ownership**

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the engagement are the property of our firm, constitute our confidential information and will be retained by us in accordance with our firm's policies and procedures. During the course of our work, we may provide, for your own use, certain software, spreadsheets and other intellectual property to assist with the provision of our services. Such software, spreadsheets and other intellectual property must not be copied, distributed or used for any other purpose. We also do not provide any warranties in relation to these items and will not be liable for any lost or corrupted data or other damage or loss suffered or incurred by you in connection with your use of them. We retain the copyright and all intellectual property rights in any materials provided to you.

### **File Inspections**

In accordance with professional regulations, our client files may be periodically reviewed by practice inspectors and by other engagement file reviewers to ensure we are adhering to our professional and firm's standards. File reviewers are required to maintain confidentiality of client information.

### **Other Services**

In addition to the audit services referred to above we will, as allowed by the Rules of Professional Conduct, prepare your federal and provincial tax returns and other reports as agreed upon. Management will provide the information necessary to complete the returns/reports and will file them with the appropriate authorities on a timely basis.

### **Governing Legislation**

This engagement letter is subject to, and governed by, the laws of the Province of Saskatchewan. The Province of Saskatchewan will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action brought on in those courts to claim the action has been brought on in an inappropriate forum or to claim that those courts do not have jurisdiction.

**Consequential loss**

Our Firm and its partners, officers or employees will not be responsible for any consequential loss, injury or damages suffered by the client including but not limited to loss of use, earnings and business interruption, or the unauthorized distribution of any confidential document or report prepared on behalf of our Firm, including the partners, officers or employees of the accounting Firm for the exclusive use of the client.

**Relevant parties**

The client will not assert any claim for damages against our Firm unless the client has concurrently or previously asserted a claim against all other persons who might reasonably be liable in relation to that claim. Any release, waiver, or covenant to otherwise not sue or enforce any remedy known to law given by the client to a third party shall be deemed to apply in favour of our Firm.

**Fees at Regular Billing Rates**

Our professional fees will be based on our regular billing rates, plus direct out-of-pocket expenses and applicable taxes and are due when rendered. Fees for any additional services will be established separately.

**Termination**

Management acknowledges and understands that failure to fulfill its obligations as set out in this engagement letter will result, upon written notice, in the termination of the engagement. Either party may terminate this agreement for any reason upon providing written notice to the other party. If early termination takes place, you shall be responsible for all time and expenses incurred up to the termination date.

**Survival of Terms**

This engagement letter will continue in force for subsequent audits unless terminated by either party by written notice prior to the commencement of the subsequent audit.

This engagement letter includes the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior written oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all parties. If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements, and if the above terms are acceptable to you, please sign the copy of this letter in the space provided and return it to us.

We appreciate the opportunity of continuing to be of service to your Organization.

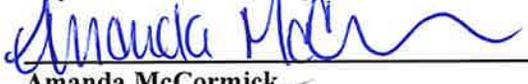
Yours truly,

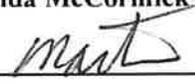
**JENSEN STROMBERG CHARTERED PROFESSIONAL ACCOUNTANTS**

Bill Jensen, CPA, CA

The services and terms set out are as agreed:

**Sask Valley Rural Water Utility**

Per:  **March 26, 2025**  
Amanda McCormick

Per:  **March 26, 2025**  
Chair

# **SASK VALLEY RURAL WATER UTILITY**

**Auditor's Report**

**Financial Statements**

**December 31, 2024**

## MANAGEMENT'S RESPONSIBILITY

To the Subscribers of  
**Sask Valley Rural Water Utility:**

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Association. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with external auditors.

Jensen Stromberg Chartered Professional Accountants, an independent firm of Chartered Professional Accountants, is appointed by the Board 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 Board and management to discuss their audit findings.



Chair



Treasurer

## AUDITOR'S REPORT

To the Members of **Sask Valley Rural Water Utility**

### *Opinion*

We have audited the accompanying financial statements of **Sask Valley Rural Water Utility**, which comprise the statement of financial position as at **December 31, 2024** and the statements of operations and accumulated surplus, changes in net financial assets, cash flows, and remeasurement gains and losses for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at **December 31, 2024** and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

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

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

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

In preparing the financial statements, management is responsible for assessing the organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

The 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 auditor's 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 organization'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 organization'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 auditor's report. However, future events or conditions may cause the organization 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.

# SASK VALLEY RURAL WATER UTILITY

## STATEMENT OF FINANCIAL POSITION

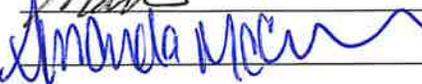
**December 31, 2024**  
with comparative figures for 2023

	<u>2024</u>	<u>2023</u>
<b>FINANCIAL ASSETS:</b>		
Cash	\$ 799,556	705,866
Short-term investments (Note 3)	234,290	222,762
Goods and service tax receivable	15,262	17,380
Subscriber loans receivable (Note 4)	39,186	66,906
Water fees receivable	70,233	22,475
Prepaid expenses	<u>4,238</u>	<u>-</u>
Total financial assets	1,162,765	1,035,389
<b>LIABILITIES:</b>		
Accounts payable and accrued liabilities	\$ 47,037	45,110
Long term debt (Note 5)	<u>20,649</u>	<u>60,873</u>
Total liabilities	67,686	105,983
<b>NET FINANCIAL ASSETS</b>	<u>1,095,079</u>	<u>929,406</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 6)	<u>2,592,108</u>	<u>2,647,833</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 3,687,187</u>	<u>3,577,239</u>

Total accumulated surplus is comprised of:

Accumulated surplus excluding remeasurement gains (losses)	3,687,187	3,577,239
Accumulated remeasurement gains (losses)	-	-

**APPROVED ON BEHALF OF THE BOARD:**

  
 \_\_\_\_\_ Treasurer  
  
 \_\_\_\_\_ Treasurer

See accompanying notes to the financial statements.

**SASK VALLEY RURAL WATER UTILITY**  
**STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**

**Year ended December 31, 2024**  
with comparative figures for 2023

	<u>2024</u>	<u>2024</u>	<u>2023</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Revenue:</b>			
Connection fees	\$ 2,000	14,100	60,144
Interest	13,000	63,899	41,364
Miscellaneous	500	2,586	1,857
Penalties	-	1,022	602
Service fees	99,850	101,652	99,845
Water sales	<u>480,610</u>	<u>580,189</u>	<u>480,609</u>
	595,960	763,448	684,421
<b>Expenses:</b>			
Amortization	-	55,725	55,250
Insurance	3,000	2,652	2,533
Interest and bank charges	2,310	2,171	2,310
Interest on long-term debt	5,990	3,381	5,983
Laboratory testing	2,000	4,539	1,866
Legal fees	2,000	519	1,513
Memberships and licences	400	600	150
Miscellaneous	-	74	8,695
Office	29,160	28,294	28,818
Professional fees	5,190	5,194	5,194
Repairs and maintenance	-	5,320	24,816
Sub-contract fees	25,000	1,577	6,662
Supplies	84,500	57,230	13,542
Travel	630	700	1,327
Utilities	2,000	3,834	2,884
Wages and salaries	30,560	31,360	30,561
Water purchased	<u>440,800</u>	<u>450,330</u>	<u>440,173</u>
	<u>633,540</u>	<u>653,500</u>	<u>632,277</u>
<b>Annual surplus (deficit)</b>	(37,580)	109,948	52,144
Accumulated surplus - beginning of year	<u>3,577,239</u>	<u>3,577,239</u>	<u>3,525,095</u>
<b>Accumulated surplus - end of year</b>	<u>\$ 3,539,659</u>	<u>3,687,187</u>	<u>3,577,239</u>

See accompanying notes to the financial statements.

**SASK VALLEY RURAL WATER UTILITY**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**

**Year ended December 31, 2024**  
with comparative figures for 2023

	<u>2024</u>	<u>2024</u>	<u>2023</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual surplus (deficit)	(37,580)	109,948	52,144
Amortization of tangible capital assets	-	55,725	55,250
Disposal of tangible capital assets	<u>-</u>	<u>-</u>	<u>50,440</u>
Increase (decrease) in net financial assets	(37,580)	165,673	157,834
Net financial assets - beginning of year	<u>929,406</u>	<u>929,406</u>	<u>771,572</u>
Net financial assets - end of year	<u>\$ 891,826</u>	<u>1,095,079</u>	<u>929,406</u>

See accompanying notes to the financial statements.

# SASK VALLEY RURAL WATER UTILITY

## STATEMENT OF CASH FLOWS

Year ended December 31, 2024

with comparative figures for 2023

	<u>2024</u>	<u>2023</u>
Operating activities:		
Net earnings	\$ 109,948	52,144
Item not involving an outlay of cash:		
Amortization	<u>55,725</u>	<u>55,250</u>
	165,673	107,394
Changes in non-cash working capital:		
Short-term investments	(11,528)	(6,607)
Goods and service tax receivable	2,118	(2,205)
Subscriber loans receivable	27,720	38,924
Water fees receivable	(47,759)	(5,110)
Accounts payable and accrued liabilities	1,927	(17,563)
Prepaid expenses	<u>(4,238)</u>	<u>-</u>
	<u>133,913</u>	<u>114,833</u>
Investing activities:		
Additions to capital assets	<u>-</u>	<u>(13,023)</u>
Financing activities:		
Long-term debt	<u>(40,223)</u>	<u>(28,428)</u>
Increase in cash during the year	93,690	73,382
Cash position, beginning of year	<u>705,866</u>	<u>632,484</u>
Cash position, end of year	<u>\$ 799,556</u>	<u>705,866</u>

See accompanying notes to the financial statements.

**SASK VALLEY RURAL WATER UTILITY**  
**STATEMENT OF REMEASUREMENT GAINS AND LOSSES**

**Year ended December 31, 2024**  
with comparative figures for 2023

	<b>2024</b>	<b>2023</b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>
<b>Accumulated remeasurement gains (losses), beginning of year</b>	\$ -	-
Unrealized gains (losses)		
Derivatives	-	-
Equity investments measured at fair value	-	-
Foreign exchange	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Reclassified to the Statement of Financial Activities		
Derivatives	-	-
Equity investments measured at fair value	-	-
Foreign exchange	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Net remeasurement gains (losses)	-	-
<b>Accumulated remeasurement gains (losses), end of year</b>	\$ -	-

See accompanying notes to the financial statements.

# SASK VALLEY RURAL WATER UTILITY

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

### 1. PURPOSE OF THE UTILITY

Sask Valley Rural Water Utility (the "Utility") was established under the authority of the Municipalities Act of the Province of Saskatchewan by a resolution of the Rural Municipality of Rosthern No. 403 in June 2003. Management has determined that they are exempt from payment of income tax under Section 149(1) of the Income Tax Act.

The Utility operates to provide water services to subscribers via pipeline within the Rural Municipality of Rosthern No. 403.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian public sector accounting standards ("PSAS").

The significant accounting policies used in the preparation of these financial statements are summarized below:

#### (a) **Revenue recognition**

Revenues are accounted for in the period in which the transactions or events occur that give rise to the revenues.

The Utility derives a portion of its revenue from the sale of water to its subscribers. The revenue from the sale of this water is billed based upon consumption, and is recognized in the period in which the service is provided.

The Utility derives a portion of its revenues from installing water connections to new subscribers. The revenue from the new connections is recognized in the period in which the connection was completed.

Subscriber loan interest revenue is accrued monthly per the terms of the contract.

#### (b) **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.

#### (c) **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. The assets do not normally provide resources to discharge the liabilities of government unless they are sold.

#### (d) **Expense recognition**

The Utility uses the accrual method of accounting for expenses whereby the cost of goods and services acquired in the period, or a liability is incurred are recorded regardless of whether payment has been made or invoices received.

# SASK VALLEY RURAL WATER UTILITY

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with financial institutions.

Long term deposits with original maturities at date of purchase beyond twelve months, are carried at amortized cost.

#### (f) Capital Assets

Capital assets are recorded at cost less accumulated amortization over their estimated useful lives at the following rates and methods:

Tools and equipment	20% - declining balance
Water meters	5 years - straight line
Waterlines	60 years - straight line

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and are also recorded as revenue.

When conditions indicate that a tangible capital asset no longer contributes to the Utility's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value the cost of the tangible capital assets are accounted for as expenses in the statement of operations and such write-downs are not reversed.

#### (g) 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Example of significant estimates include:

- The estimated useful lives of assets; and
- The recoverability of tangible assets

# SASK VALLEY RURAL WATER UTILITY

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

### 3. SHORT-TERM INVESTMENTS

	<u>2024</u>	<u>2023</u>
5.10% CCU GIC, maturing August 2024	\$ -	111,524
5.25% CCU GIC, maturing November 2024	-	111,238
5.10% CCU GIC, maturing August 2025	117,212	-
5.25% CCU GIC, maturing November 2025	<u>117,078</u>	<u>-</u>
	<u>\$ 234,290</u>	<u>222,762</u>

### 4. SUBSCRIBER LOANS RECEIVABLE

The amounts below represent the balances due from subscribers. The balances are repayable to the Utility at varying repayment rates over a period of 10 years. Interest is charged on these balances at Credit Union prime rate 0% to prime rate +1%. Subscriber loans receivable are secured by a mortgage and security interest in all property related to the subscribers' utility connection:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 66,906	105,830
Add: Interest charged	17,013	-
Less: Payment received	<u>44,733</u>	<u>38,924</u>
Balance, end of year	<u>\$ 39,186</u>	<u>66,906</u>

### 5. LONG-TERM DEBT

Affinity Credit Union loan bearing interest at 6.45% (8.20% - 2023) per annum, repayable in monthly blended payments of \$2,868. The loan matures on August 1, 2025 and is secured by a general security agreement over the subscriber loan receivable which has a carrying value of \$39,186 (\$66,906 - 2023)

	<u>2024</u>	<u>2023</u>
	<u>\$ 20,649</u>	<u>60,873</u>

Principal repayments terms are approximately:

2025	\$ 20,649	
2026	-	
2027	-	
2028	-	
2029	-	
Thereafter	-	

# SASK VALLEY RURAL WATER UTILITY

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

### 6. CAPITAL ASSETS

		<u>2024</u>		<u>2023</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 57,061	-	57,061	57,061
Tools and equipment	38,027	19,592	18,435	23,043
Water meters	109,614	109,614	-	-
Waterlines	<u>3,155,802</u>	<u>639,190</u>	<u>2,516,612</u>	<u>2,567,729</u>
	<u>\$ 3,360,504</u>	<u>768,396</u>	<u>2,592,108</u>	<u>2,647,833</u>

### 7. RISK MANAGEMENT

Through its financial assets and liabilities, the Utility 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 doing so, cause a loss for the other party. The Utility is mainly exposed to credit risk with respect to its cash and accounts receivable. It is management's opinion that the Utility is not exposed to significant credit risk as its cash is held by financial institutions with high credit ratings, and a significant portion of its accounts receivable is collectable from various levels of governments.

#### Liquidity Risk

Liquidity risk is the risk that the Utility will encounter difficulty in meeting financial obligations as they fall due. The Utility undertakes regular cash flow analyses to ensure that there are sufficient cash resources to meet all obligations. The Utility is mainly exposed to liquidity risk with respect to its accounts payable and accrued liabilities and long-term debt.

#### Market Risk

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

- Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The financial instruments that potentially subject the Utility to interest rate risk consist of short-term investments and long-term debt.
- Currency risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in currency fluctuations. The Utility is not subject to currency risk.
- Other price risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in the fair value of equity investments. The Utility is not subject to other price risk.

**Sask Valley Rural Water Utility**

Year End: December 31, 2024

Adjusting journal entries

Date: 1/1/2024 To 12/31/2024

Completed by	Reviewed by
ADP	
5/30/2025	

5D

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
1	1/1/2024	Other 5K Holdings Install	310-100-300	TT			0.08		
1	1/1/2024	Current Year's Surplus	390-900-910	TT			52,722.10		
1	1/1/2024	Net Investment in TCA	390-900-920	TT					
1	1/1/2024	Increase (decrease) in TCA	390-900-930	TT			47,074.41		
1	1/1/2024	TCA Debt	390-900-950	TT					
1	1/1/2024	Increase (decrease) in TCA debt	390-900-960	TT		60,872.67			
1	1/1/2024	Increase (decrease) in investment	390-900-970	TT		38,923.92			
To adjust opening equity balance									
<hr/>									
2	1/1/2024	GST Receivable - 100% Rebate	110-340-110	BB			1,815.11		
2	1/1/2024	General Accounts Payable	210-200-300	BB		38,874.31			
2	1/1/2024	UT - Water - Meals and Subsistence	580-230-100	BB			700.00		
2	1/1/2024	UT - Water - Sask Water Contract	580-295-200	BB			35,295.33		
2	1/1/2024	UT - Water - Power	580-300-120	BB			1,063.87		
To reverse prior year accounts payable									
<hr/>									
3	12/31/2024	Utility Overpayments	210-300-200	40			220.96		
3	12/31/2024	Utility Overpayments	210-300-200	40			220.96		
3	12/31/2024	Water - Service Fees	440-110-100	40		60.60			
3	12/31/2024	Water - Service Fees	440-110-100	40		60.60			
3	12/31/2024	Water-Sale of Water	440-110-110	40		160.36			
3	12/31/2024	Water-Sale of Water	440-110-110	40		160.36			
To adjust overpayment posted in the wrong account									
<hr/>									
4	12/31/2024	Interest Receivable	120-400-100	B		144.57			
4	12/31/2024	Short Term Investments	120-400-900	B		11,383.25			
4	12/31/2024	Interest Revenue	470-100-100	B			11,527.82		
To adjust interest receivable to actual									
<hr/>									
5	12/31/2024	Accum. Amortization-Waterline	120-900-405	U1			51,116.55		
5	12/31/2024	Accum. Amortization-Office Equipment	120-900-515	U1			0.58		
5	12/31/2024	Accum. Amortization-Tools & Equipment	120-900-525	U1			4,608.15		
5	12/31/2024	UT-Amortization Expenses	580-600-133	U1		55,725.28			
To record amortization provision									
<hr/>									
6	12/31/2024	Prepaid Expense	120-110-100	L1		4,237.74			
6	12/31/2024	UT - Water - Other Cont. Services	580-295-100	L1			1,722.70		
6	12/31/2024	UT - Water - Meters	580-440-100	L1			2,515.04		
To record prepaid expenses									
<hr/>									
7	12/31/2024	Net Investment in TCA	390-900-920	TT		55,725.28			
7	12/31/2024	Investment in subscriber loans	390-900-940	TT		44,733.01			
7	12/31/2024	TCA Debt	390-900-950	TT					
7	12/31/2024	TCA Debt	390-900-950	TT			40,223.26		
7	12/31/2024	Increase (decrease) in TCA debt	390-900-960	TT			55,725.28		
7	12/31/2024	Increase (decrease) in TCA debt	390-900-960	TT		40,223.26			
7	12/31/2024	Increase (decrease) in investment	390-900-970	TT			44,733.01		
To record net investment in TCA and change in debt/investments									
<hr/>									
8	1/1/2024	Due From Subscribers - Loan 3 Blum	110-300-122			13,631.02			
8	1/1/2024	Interest revenue - subscriber loan	470-100-200				13,631.02		
To record PY interest charged to subscribers									
<hr/>									
9	12/31/2024	Due From Subscribers - Loan 3 Blum	110-300-122	E2		3,382.11			
9	12/31/2024	Interest revenue - subscriber loan	470-100-200	E2			3,382.11		

**Sask Valley Rural Water Utility**

Year End: December 31, 2024

Adjusting journal entries

Date: 1/1/2024 To 12/31/2024

Completed by	Reviewed by
ADP	
5/30/2025	

5D-1

Number	Date	Name	Account No	Reference Annotation	Debit	Credit	Recurrence	Misstatement
		To record interest charged to subscribers in CY						
					368,298.34	368,298.34		
		Net Income (Loss)	109,947.67					

# Sask Valley Rural Water Utility

Year End: December 31, 2024

Trial balance

Completed by	Reviewed by
ADP	
5/30/2025	

5E

Account	Prelim	Adj's	Reclass	Rep	Rep 12/23	%Chg
110-110-120 Cash - Bank - Demand	799,556.56	0.00	0.00	799,556.56	705,865.86	13
110-110-150 Cash - Other - 5Kholdings Ir	(0.08)	0.00	0.00	(0.08)	(0.08)	0
<b>A Cash</b>	<b>799,556.48</b>	<b>0.00</b>	<b>0.00</b>	<b>799,556.48</b>	<b>705,865.78</b>	<b>13</b>
120-400-100 Interest Receivable	2,805.20	144.57	0.00	2,949.77	2,805.20	5
120-400-900 Short Term Investments	219,956.86	11,383.25	0.00	231,340.11	219,956.86	5
<b>B Temporary investments</b>	<b>222,762.06</b>	<b>11,527.82</b>	<b>0.00</b>	<b>234,289.88</b>	<b>222,762.06</b>	<b>5</b>
110-200-100 Utility- Water Rates Receiv	70,233.65	0.00	0.00	70,233.65	22,475.04	212
110-340-110 GST Receivable - 100% Rel	17,077.20	(1,815.11)	0.00	15,262.09	17,380.31	(12)
<b>C Accts. rec., trade &amp; other</b>	<b>87,310.85</b>	<b>(1,815.11)</b>	<b>0.00</b>	<b>85,495.74</b>	<b>39,855.35</b>	<b>115</b>
110-300-122 Due From Subscribers - Loa	22,172.53	17,013.13	0.00	39,185.66	66,905.54	(41)
<b>E</b>	<b>22,172.53</b>	<b>17,013.13</b>	<b>0.00</b>	<b>39,185.66</b>	<b>66,905.54</b>	<b>(41)</b>
120-110-100 Prepaid Expense	0.00	4,237.74	0.00	4,237.74	0.00	0
<b>L Prepaid expenses</b>	<b>0.00</b>	<b>4,237.74</b>	<b>0.00</b>	<b>4,237.74</b>	<b>0.00</b>	<b>0</b>
120-900-400 Waterline	3,155,802.69	0.00	0.00	3,155,802.69	3,155,802.69	0
120-900-405 Accum. Amortization-Waterl	(588,073.40)	(51,116.55)	0.00	(639,189.95)	(588,073.40)	9
120-900-510 Office Equipment	286.67	0.00	0.00	286.67	286.67	0
120-900-515 Accum. Amortization-Office	(283.87)	(0.58)	0.00	(284.45)	(283.87)	0
120-900-520 Tools and Equipment	37,740.26	0.00	0.00	37,740.26	37,740.26	0
120-900-525 Accum. Amortization-Tools	(14,699.57)	(4,608.15)	0.00	(19,307.72)	(14,699.57)	31
120-900-530 Water Meters	109,613.77	0.00	0.00	109,613.77	109,613.77	0
120-900-531 Accum - Amortizatiion - Wat	(109,614.24)	0.00	0.00	(109,614.24)	(109,614.24)	0
120-900-540 Land	57,060.69	0.00	0.00	57,060.69	57,060.69	0
<b>U Fixed assets</b>	<b>2,647,833.00</b>	<b>(55,725.28)</b>	<b>0.00</b>	<b>2,592,107.72</b>	<b>2,647,833.00</b>	<b>(2)</b>
420-400-300 F&C - General Office	0.00	0.00	0.00	0.00	(343.13)	(100)
440-110-100 Water - Service Fees	(101,773.60)	121.20	0.00	(101,652.40)	(99,845.00)	2
440-110-110 Water-Sale of Water	(580,509.68)	320.72	0.00	(580,188.96)	(480,609.24)	21
440-160-200 Water - Neuanlage Connect	(12,500.00)	0.00	0.00	(12,500.00)	(58,344.95)	(79)
440-160-400 Water -Penalty	(1,022.06)	0.00	0.00	(1,022.06)	(601.50)	70
440-170-100 Water - Owner Connection I	(1,600.00)	0.00	0.00	(1,600.00)	(1,800.00)	(11)
440-190-903 Water - Owner Repairs	(85.90)	0.00	0.00	(85.90)	(1,514.31)	(94)
470-100-100 Interest Revenue	(35,358.24)	(11,527.82)	0.00	(46,886.06)	(41,364.47)	13
<b>20 Sales or gross income</b>	<b>(732,849.48)</b>	<b>(11,085.90)</b>	<b>0.00</b>	<b>(743,935.38)</b>	<b>(684,422.60)</b>	<b>9</b>
470-100-200 Interest revenue - subscribe	0.00	(17,013.13)	0.00	(17,013.13)	0.00	0
510-290-100 GG - Cont. - Bank Charges	2,162.93	0.00	0.00	2,162.93	2,308.97	(6)
510-900-110 GG - Other	0.00	0.00	0.00	0.00	1.00	(100)
580-120-114 UT-Workers' Compensation	330.37	0.00	0.00	330.37	317.39	4
580-200-110 UT - Water - Legal Fees/ISC	518.56	0.00	0.00	518.56	1,512.62	(66)
580-220-100 UT - Water - Printing	364.94	0.00	0.00	364.94	0.00	0

6/9/2025

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# Sask Valley Rural Water Utility

Year End: December 31, 2024

Trial balance

Completed by	Reviewed by
ADP	
5/30/2025	

5E-1

Account	Prelim	Adj's	Reclass	Rep	Rep 12/23	%Chg
580-230-100 UT - Water - Meals and Sub	1,400.00	(700.00)	0.00	700.00	1,327.00	(47)
580-240-100 UT - Water - Insurance - Ge	2,652.12	0.00	0.00	2,652.12	2,533.40	5
580-250-100 UT - Water - Memberships/k	600.00	0.00	0.00	600.00	150.00	300
580-260-100 UT - Water - Interest fees p	8.00	0.00	0.00	8.00	0.00	0
580-290-100 UT - Water - Laboratory Tes	4,539.00	0.00	0.00	4,539.00	1,866.00	143
580-295-100 UT - Water - Other Cont. Se	3,299.56	(1,722.70)	0.00	1,576.86	6,661.54	(76)
580-295-200 UT - Water - Sask Water Cc	485,625.11	(35,295.33)	0.00	450,329.78	440,172.60	2
580-300-110 UT - Water - Heat	448.70	0.00	0.00	448.70	0.00	0
580-300-120 UT - Water - Power	4,449.11	(1,063.87)	0.00	3,385.24	2,883.77	17
580-400-110 UT - Water - RM Stationary	25,893.22	0.00	0.00	25,893.22	27,158.01	(5)
580-430-140 UT - Water - Mats & Suppl	44,892.63	0.00	0.00	44,892.63	8,274.66	443
580-440-100 UT - Water - Meters	13,819.73	(2,515.04)	0.00	11,304.69	4,949.21	128
580-440-110 UT - Water -Blumenthal Exp	0.00	0.00	0.00	0.00	848.00	(100)
580-440-111 UT - Water - Parcel C Subdi	5,320.20	0.00	0.00	5,320.20	23,967.61	(78)
580-450-100 UT - Water - Chemicals	1,033.08	0.00	0.00	1,033.08	318.00	225
580-450-120 UT - Water - Office Admin (	2,035.55	0.00	0.00	2,035.55	1,659.49	23
580-450-121 UT- Water-Audit/Accounting	5,194.00	0.00	0.00	5,194.00	5,194.00	0
580-600-133 UT-Amortization Expenses	0.00	55,725.28	0.00	55,725.28	55,249.95	1
580-700-112 UT-Water Interest on Blume	3,382.11	0.00	0.00	3,382.11	5,987.04	(44)
580-900-110 UT - Water - Other	74.00	0.00	0.00	74.00	8,694.82	(99)
<b>40 Operating expenses</b>	<b>608,042.92</b>	<b>(2,584.79)</b>	<b>0.00</b>	<b>605,458.13</b>	<b>602,035.08</b>	<b>1</b>
580-110-110 UT - Water - Salaries	25,267.10	0.00	0.00	25,267.10	24,434.70	3
580-120-111 UT-Canada Pension Plan	2,793.08	0.00	0.00	2,793.08	2,751.06	2
580-120-112 UT-Employment Insurance	1,074.44	0.00	0.00	1,074.44	1,041.41	3
580-120-113 UT-Income Tax	1,894.96	0.00	0.00	1,894.96	2,016.57	(6)
<b>60</b>	<b>31,029.58</b>	<b>0.00</b>	<b>0.00</b>	<b>31,029.58</b>	<b>30,243.74</b>	<b>3</b>
460-140-100 CA - Sale of Lands	(2,500.00)	0.00	0.00	(2,500.00)	0.00	0
<b>70 Other income or expense</b>	<b>(2,500.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>(2,500.00)</b>	<b>0.00</b>	<b>0</b>
210-200-300 General Accounts Payable	(83,998.93)	38,874.31	0.00	(45,124.62)	(45,384.57)	(1)
210-300-200 Utility Overpayments	820.44	(441.92)	0.00	378.52	378.52	0
210-400-900 Suspense	(1,491.17)	0.00	0.00	(1,491.17)	295.86	(604)
210-600-400 Rental Water Deposits	(800.00)	0.00	0.00	(800.00)	(400.00)	100
<b>BB Accounts payable &amp; acc. liab.</b>	<b>(85,469.66)</b>	<b>38,432.39</b>	<b>0.00</b>	<b>(47,037.27)</b>	<b>(45,110.19)</b>	<b>4</b>
210-700-802 Long Term Debt - Blumenth	(20,649.41)	0.00	0.00	(20,649.41)	(60,872.67)	(66)
<b>KK Long term debt</b>	<b>(20,649.41)</b>	<b>0.00</b>	<b>0.00</b>	<b>(20,649.41)</b>	<b>(60,872.67)</b>	<b>(66)</b>
390-900-940 Investment in subscriber loa	(66,905.54)	44,733.01	0.00	(22,172.53)	(66,905.54)	(67)
<b>TT. 1 Appropriated surplus</b>	<b>(66,905.54)</b>	<b>44,733.01</b>	<b>0.00</b>	<b>(22,172.53)</b>	<b>(66,905.54)</b>	<b>(67)</b>
310-100-300 Other 5K Holdings Install	0.08	(0.08)	0.00	0.00	0.08	(100)
390-900-910 Current Year's Surplus	(870,650.90)	(52,722.10)	0.00	(923,373.00)	(818,507.12)	13

6/9/2025

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**Sask Valley Rural Water Utility**

Year End: December 31, 2024

Trial balance

Completed by	Reviewed by
ADP 5/30/2025	

5E-2

Account	Prelim	Adj's	Reclass	Rep	Rep 12/23	%Chg
390-900-930 Increase (decrease) in TCA	47,074.41	(47,074.41)	0.00	0.00	47,074.41	(100)
390-900-960 Increase (decrease) in TCA	(60,872.67)	45,370.65	0.00	(15,502.02)	(60,872.67)	(75)
390-900-970 Increase (decrease) in inves	<u>(38,923.92)</u>	<u>(5,809.09)</u>	0.00	<u>(44,733.01)</u>	<u>(38,923.92)</u>	15
<b>TT. 2 Unappropriated surplus</b>	<b>(923,373.00)</b>	<b>(60,235.03)</b>	0.00	<b>(983,608.03)</b>	<b>(871,229.22)</b>	13
390-900-920 Net Investment in TCA	(2,647,833.00)	55,725.28	0.00	(2,592,107.72)	(2,647,833.00)	(2)
390-900-950 TCA Debt	<u>60,872.67</u>	<u>(40,223.26)</u>	0.00	<u>20,649.41</u>	<u>60,872.67</u>	(66)
<b>TT. 4 Net investments in TCA</b>	<b>(2,586,960.33)</b>	<b>15,502.02</b>	0.00	<b>(2,571,458.31)</b>	<b>(2,586,960.33)</b>	(1)
	<u>0.00</u>	<u>0.00</u>	0.00	<u>0.00</u>	<u>0.00</u>	0
<b>Net Income (Loss)</b>	<b>96,276.98</b>			<b>109,947.67</b>	<b>52,143.78</b>	111

**Sask Valley Rural Water Utility**  
 Year End: December 31, 2024  
 Summary of identified misstatements (Core)

Completed by	Reviewed by
ADP 5/30/2025	

**Objectives:**

To document misstatements identified during the audit and to evaluate:

- The effect of identified misstatements (including those in qualitative financial statement disclosures) on the audit.
- The effect of uncorrected misstatements if any, on the financial statements.

(Refer to Vol. 1, Ch. 37, Completing the File, Vol. 2, Ch. 18, Step 8 - Perform Planned Procedures, Vol. 2, Ch. 19, Step 9 - Evaluate Evidence Obtained, Vol. 2, Ch. 21, Step 10 - Communicate the Results, and Vol. 2, Ch. 22, Step 11 - Complete the File, for further guidance.)

Performance materiality \$ 17,175 Trivial misstatements under \$ 1,103 need not be recorded below.

Round To: 1's

Description	Under (over) misstatement in the financial statements				Corrected?	W/P ref.
	Assets	Liabilities	Equity	Profit and Loss		
Total corrected adjusting journal entries	-	-	-	-	Yes	<u>335.14</u> <u>335.15</u>
Unrecorded misstatements - factual	13,631	(1,491)	15,122	15,122	No	<u>335.11</u>
Unrecorded misstatements - projected	-	-	-	-	No	<u>335.12</u>
Unrecorded misstatements - judgmental	-	-	-	-	No	<u>335.13</u>
<b>Total uncorrected misstatements</b>	13,631	(1,491)	15,122	15,122		<u>335.10</u>
Effect of uncorrected misstatements from prior periods	(13,631)	1,491	(15,122)	(15,122)		E1/BB
<b>Uncorrected misstatements to be carried forward</b>	-	-	-	-		

**CONCLUSION:**

In my opinion, the identified and uncorrected misstatements (if any) are not material, either individually or in aggregate, to the financial statements.

(If misstatements are material, explain why and describe the impact on the auditor's opinion.)

Signature Alen Del Poso Date 5/30/2025

**Describe the basis for the conclusion reached** (such as all misstatements identified have been corrected)

Completed by:  Alen Del Poso 5/30/2025  
 Reviewed by: