

**TOWN OF LEADER**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

## INDEPENDENT AUDITOR'S REPORT

To Council of Town of Leader:

### Qualified Opinion

We have audited the financial statements of Town of Leader, which comprise the statement of financial position as at December 31, 2024, and the statements of operations, change in net financial assets, cash flow 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, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Qualified Opinion

Public Sector Accounting Standards require that controlled or jointly entities be consolidated into the financial statements of the Town, as they make up part of the Town's government reporting entity. As explained in Note 1 (a), the Town has not consolidated certain entities that it controls or jointly controls. Known entities are listed in Note 1 (a), but we were unable to obtain sufficient and appropriate audit evidence over the completeness and accuracy of the list. Financial statements for these entities were unavailable at the time of our audit and, therefore, we were unable to obtain sufficient and appropriate audit evidence over the extent of adjustments required to the Town's financial statements for these, or other, entities at December 31, 2024 and December 31, 2023.

The quantities of inventory on hand were determined from accounting records of quantity movements, while other items were determined by your administration by actual count. Due to problems of timing, distance, identification and measurement, we did not find it feasible to make a physical count of the various inventory items. We agreed the amount of inventory to the accounting records prepared by management, but as we did not attend the count, we did not do further procedures over quantity or value. Therefore we were unable to obtain sufficient appropriate audit evidence over the Town of Leader's inventory and related expenses as at December 31, 2024 and December 31, 2023.

Public Sector Accounting Standards (PSAS) require that the municipality accrue a liability for asset retirement obligations. The Town of Leader has an asset retirement obligation related to the decommissioning of its landfill, as well as asbestos in certain assets. Previously they have accrued landfill closure costs for the decommissioning of the landfill. However it is unknown if this is the full closure and post closure monitoring as there may be additional costs once additional reports and studies are completed, and these amounts have not been currently estimated. It is unknown how much asbestos is in the Town assets or what the cost to remediate will be. Due to the uncertainties mentioned above, we were unable to determine the extent of asset retirement obligation adjustments required to the Town's financial statements as at December 31, 2024 and December 31, 2023.

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 qualified opinion.

## **INDEPENDENT AUDITOR'S REPORT (continued)**

### **Other Matter**

The additional information listed in Schedules 1 to 13 has been taken from the accounting records of the organization but has not been audited by us other than in the course of our examination of the aforementioned financial statements to the extent necessary to allow us to render an opinion thereon.

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

As management, the Council is responsible for the preparation and fair presentation of these 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 Responsibility 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 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:

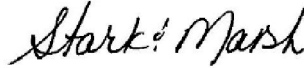
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 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 auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.

## INDEPENDENT AUDITOR'S REPORT (continued)

### Auditor's Responsibility for the Audit of the Financial Statements (continued)

- 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.



\_\_\_\_ CPA LLP \_\_\_\_  
Chartered Professional Accountants

Swift Current, Saskatchewan  
June 17, 2025

## Management's Responsibility

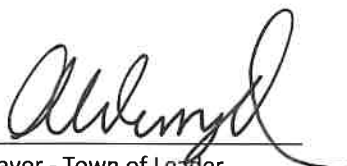

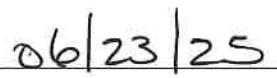
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The municipality's management is responsible for the preparation and presentation of the accompanying financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes 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.

Stark & Marsh CPA LLP, an independent firm of Chartered Professional Accountant, is appointed by the Council to audit the financial statements and report directly to them. 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.

  
Mayor - Town of Leader  
Administrator  
Date

	2024	2023
<b>FINANCIAL ASSETS</b>		
Cash and Cash Equivalents (Note 2)	220,070	726,167
Investments (Note 3)	213,659	152,580
Taxes Receivable - Municipal (Note 4)	45,416	72,486
Other Accounts Receivable (Note 5)	563,475	517,018
Assets Held for Sale (Note 6)	41,238	39,708
Long-Term Receivable (Note 7)		
Debt Charges Recoverable (Note 8)		
Derivative Assets (Note 9)		
Other (Specify)		
<b>Total Financial Assets</b>	<b>1,083,858</b>	<b>1,507,959</b>
<b>LIABILITIES</b>		
Bank Indebtedness (Note 10)	284,969	
Accounts Payable	162,476	137,422
Accrued Liabilities Payable		
Derivative Liabilities (Note 9)		
Deposits	24,870	24,955
Deferred Revenue (Note 11)	17,034	7,919
Asset Retirement Obligation (Note 12)		
Liability for Contaminated Sites (Note 13)		
Infrastructure Liability (Note 27)		
Other Liabilities		
Long-Term Debt (Note 14)	161,975	388,864
Lease Obligations (Note 15)		
<b>Total Liabilities</b>	<b>651,324</b>	<b>559,160</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>432,534</b>	<b>948,799</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Schedule 6, 7)	8,473,821	6,520,981
Intangible Capital Assets (Schedule 8, 9)		
Prepayments and Deferred Charges	41,200	37,180
Stock and Supplies (Note 1 I)	122,076	119,948
Other (Note 16)		
<b>Total Non-Financial Assets</b>	<b>8,637,097</b>	<b>6,678,109</b>
<b>ACCUMULATED SURPLUS (DEFICIT)</b>	<b>9,069,631</b>	<b>7,626,908</b>
Accumulated surplus is comprised of:		
Accumulated Surplus (Deficit) excluding remeasurement gains (losses) (Schedule 10)	9,069,631	7,626,908
Accumulated remeasurement gains (losses) (Statement 5)	-	-
Unrecognized Assets (Note 1 m)		
Contingent Assets (Note 22)		
Contractual Rights (Note 23)		
Contingent Liabilities (Note 17)		
Contractual Obligations and Commitments (Note 24)		

The accompanying notes and schedules are an integral part of these statements.

Town of Leader  
Statement of Operations  
For the fiscal year ended December 31, 2024

Statement 2

	2024 Budget	2024	2023
REVENUES	(unaudited)		
Tax Revenue (Schedule 1)	1,050,012	1,030,194	1,075,566
Other Unconditional Revenue (Schedule 1)	245,820	245,820	214,877
Fees and Charges (Note 28, Schedule 4, 5)	1,089,914	1,129,563	1,141,549
Conditional Grants (Note 28, Schedule 4, 5)	76,158	74,880	64,518
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	-	10,431	6,389
Intangible Capital Asset Sales - Gain (Schedule 4, 5)	-	-	-
Land Sales - Gain (Schedule 4, 5)	-	(7,536)	1,686
Investment Income (Note 3) (Schedule 4, 5)	21,000	27,339	23,858
Commissions (Schedule 4, 5)	-	-	-
Restructurings (Schedule 4,5)	-	-	-
Other Revenues (Schedule 4, 5)	157,470	120,424	211,523
Total Revenues	2,640,374	2,631,115	2,739,966
EXPENSES			
General Government Services (Schedule 3)	324,489	382,433	317,332
Protective Services (Schedule 3)	146,799	136,103	116,679
Transportation Services (Schedule 3)	672,244	601,822	655,023
Environmental and Public Health Services (Schedule 3)	278,944	284,839	330,565
Planning and Development Services (Schedule 3)	45,000	53,619	38,179
Recreation and Cultural Services (Schedule 3)	590,797	592,597	548,270
Utility Services (Schedule 3)	530,252	503,451	570,518
Restructurings (Schedule 3)	-	-	-
Total Expenses	2,588,525	2,554,864	2,576,566
Annual Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	51,849	76,251	163,400
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	1,521,417	1,366,472	290,371
Annual Surplus (Deficit) of Revenues over Expenses	1,573,266	1,442,723	453,771
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), Beginning of Year	7,626,908	7,626,908	7,173,137
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), End of Year	9,200,174	9,069,631	7,626,908

The accompanying notes and schedules are an integral part of these statements.

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

Statement 3

	2024 Budget (unaudited)	2024	2023
Annual Surplus (Deficit) of Revenues over Expenses	1,573,266	1,442,723	453,771
(Acquisition) of tangible capital assets	(2,451,639)	(2,317,833)	(277,667)
Amortization of tangible capital assets		306,693	323,713
Amortization of intangible capital assets			
Proceeds on disposal of tangible capital assets		68,731	65,418
Loss (gain) on the disposal of tangible capital assets		(10,431)	(6,389)
Proceeds on disposal of intangible capital assets		-	-
Loss (gain) on the disposal of intangible capital assets		-	-
Transfer of assets/liabilities in restructuring transactions		-	-
Surplus (Deficit) of capital expenses over expenditures	(2,451,639)	(1,952,840)	105,075
(Acquisition) of supplies inventories, net		(2,128)	(44,966)
(Acquisition) of prepaid expense, net		(4,020)	(1,441)
Consumption of supplies inventory, net			
Use of prepaid expense, net			
Surplus (Deficit) of expenses of other non-financial over expenditures	-	(6,148)	(46,407)
Unrealized remeasurement gains (losses)		-	-
Increase/Decrease in Net Financial Assets	(878,373)	(516,265)	512,439
Net Financial Assets (Debt) - Beginning of Year	948,799	948,799	436,360
Net Financial Assets (Debt) - End of Year	70,426	432,534	948,799

*The accompanying notes and schedules are an integral part of these statements.*



Town of Leader  
Statement of Cash Flow  
For the fiscal year ended December 31, 2024

Statement 4

	2024	2023
Cash provided by (used for) the following activities		
Operating:		
Annual Surplus (Deficit) of Revenues over Expenses	1,442,723	453,771
Amortization of tangible capital assets	306,693	323,713
Amortization of intangible capital assets	-	-
Loss (gain) on disposal of tangible capital assets	(10,431)	(6,389)
Loss (gain) on disposal of intangible capital assets	-	-
	1,738,985	771,095
Change in assets/liabilities		
Taxes Receivable - Municipal	27,070	(20,207)
Other Receivables	(46,457)	(243,272)
Assets Held for Sale	(1,530)	15,453
Other Financial Assets	-	-
Accounts and Accrued Liabilities Payable	25,054	(152,693)
Derivative Liabilities	-	-
Deposits	(83)	774
Deferred Revenue	9,115	2,357
Asset Retirement Obligation	-	(316,659)
Liability for Contaminated Sites	-	-
Infrastructure Liability	-	-
Other Liabilities	-	-
Stock and Supplies	(2,132)	(44,966)
Prepayments and Deferred Charges	(4,020)	(1,441)
Other (Specify)	-	-
Cash provided by operating transactions	1,746,002	10,441
Capital:		
Acquisition of capital assets	(2,317,833)	(277,667)
Proceeds from the disposal of capital assets	68,731	65,418
Cash applied to capital transactions	(2,249,102)	(212,249)
Investing:		
Decrease (increase) in restricted cash or cash equivalents	-	-
Proceeds on disposal of investments	-	97,420
Decrease (increase) in investments	(61,077)	-
Cash provided by (applied to) investing transactions	(61,077)	97,420
Financing:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	(226,889)	(188,641)
Other financing	284,969	-
Cash provided by (applied to) financing transactions	58,080	(188,641)
Change in Cash and Cash Equivalents	(506,097)	(293,029)
Cash and Cash Equivalents - Beginning of Year	726,167	1,019,196
Cash and Cash Equivalents - End of Year	220,070	726,167
Cash and cash equivalents is made up of:		
Cash and cash equivalents (Note 2)	220,070	726,167
Less: restricted portion of cash and cash equivalents (Note 2)	-	-
Temporary bank indebtedness	220,070	726,167

The accompanying notes and schedules are an integral part of these statements.

## 1. Significant Accounting Policies

The financial statements of the municipality have been 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:

**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.

- a) **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. Entities not consolidated in these financial statements are as follows:

Entity

Leader Make A Splash Foundation

Leader & District Tourism Committee

Local Library Board (proportionate share)

Leader & District Healthcare Foundation(proportionate share)

- b) **Collection of funds for other authorities:** Collection of funds by the municipality for school boards, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.
- c) **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 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:
- a) the transfers are authorized
  - b) any eligibility criteria and stipulations have been met; and
  - c) reasonable estimates of the amounts 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.

- d) **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.
- e) **Revenue - from transactions with no performance obligations** is recognized as revenue in the period it is earned. The municipality has no significant specific performance obligations related to revenues at year end.

**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.

Town of Leader  
Notes to the financial Statements  
For the fiscal year ended December 31, 2024

- f) Local Improvement Charges: Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- 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 10.
- j) 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.
- k) 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. Unrealized gains and losses 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.

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 receivable:

Receivables with terms longer than one year have been classified as other long-term receivables.

Measurement of Financial Instruments:

The municipalities financial assets and liabilities are measured as follows:

<u>Financial Statement line item</u>	<u>Measurement</u>
Cash & Cash Equivalents	Cost
Investments	Cost
Accounts payable and accrued liabilities	Cost
Long-Term Debt	Amortized cost

Town of Leader

Notes to the financial Statements

For the fiscal year ended December 31, 2024

- l) 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.
- m) Tangible Capital Assets: All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant deflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. Tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land Improvements	15 Yrs
Buildings	40 Yrs
Vehicles & Equipment	
Vehicles	10 Yrs
Machinery and Equipment	10 - 20 Yrs
<i>Infrastructure Assets</i>	
Infrastructure Assets	15 to 40 Yrs
Water & Sewer	40 Yrs
Road Network Assets	15 to 40 Yrs

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.

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.

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

Leases: All leases are recorded on the financial statements as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risk associated with the leased asset is classified as a capital leases and recorded as tangible capital assets. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. Assets under capital leases are amortized on a straight line basis, over their estimated useful lives. Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

- n) **Public Private Partnerships:** Public private partnerships where the municipality procures infrastructure using a private sector partner are accounted for and reported as infrastructure assets on the Statement of Financial Position and are initially recognized at cost. The municipality has no such partnerships at December 31, 2024.
- o) **Trust Funds:** Funds held in trust for others, under a trust agreement or statute, are not included in the financial statements as they are not controlled by the municipality. Trust fund activities administered by the municipality are disclosed in Note 20.
- p) **Employee Benefit Plans:** Contributions to the municipality's multiemployer defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.
- q) **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:
  - a) an environmental standard exists;
  - b) contamination exceeds the environmental standard;
  - c) the municipality:
    - i. is directly responsible; or
    - ii. accepts responsibility;
  - d) it is expected that future economic benefits will be given up; and
  - e) a reasonable estimate of the amount can be made.
- r) **Measurement Uncertainty:** The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period.

Measurement uncertainty impacts the following financial statement areas:

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

The measurement of materials and supplies are based on estimates of volume and quality.

The 'Opening Asset costs' of tangible capital assets have been estimated where actual costs were not available.

Amortization is based on the estimated useful lives of tangible capital assets and intangible capital assets.

The liability 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 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.

- s) Basis of Segmentation/Segment Report: The municipality follows the Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the purpose of specific borrowings.

The segments (functions) are as follows:

General Government: Provides for the administration of the municipality.

Protective Services: Comprised of expenses for Police and Fire protection.

Transportation Services: Responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

Environmental and Public Health: The environmental segment provides waste disposal and other environmental services. The public health segment provides for expenses related to public health services in the municipality.

Planning and Development: Provides for neighbourhood development and sustainability.

Recreation and Culture: Provides for community services through the provision of recreation and leisure services.

Utility Services: Provides for delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

- t) Budget Information: Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on May 22, 2024.
- u) Assets Held for Sale: the municipality is committed to selling the asset, the asset is in a condition to be sold, the asset is publicly seen to be for sale, there is an active market for the asset, there is a plan in place for selling the asset and the sale is reasonably anticipated to be completed within one year of the financial statement date.
- v) 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 not limited to assets in productive use, assets no longer in productive use, 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 derecognizes 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.

- w) Loan Guarantees: The municipality provides loan guarantees for various (describe) organizations, which are not consolidated as part of the municipality's Statements. As the guarantees represent potential financial commitments for the municipality, these amounts are considered as contingent liabilities and not formally recognized as liabilities until the municipality considers it likely for the borrower to default on its obligation and the amount of the liability can be estimated. The municipality monitors the status of the organizations, loans, and lines of credit annually and in the event that payment by the municipality is likely to occur, a provision will be recognized in the Statements.

y) 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 may be applied retroactively or prospectively.

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.

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.

Prospective application: During the year, the municipality adopted the above accounting standards prospectively. There were no adjustments required due to the application of these standards.

2. Cash and Cash Equivalents	2024	2023
Cash	-	515,642
Cash in savings accounts	220,070	210,525
Total Cash and Cash Equivalents	220,070	726,167

Cash and Temporary Investments includes balances with banks and short-term deposits with maturities of three months or less.

3. Investments	2024	2023
Investments carried at amortized cost:		
Guaranteed Investment Certificates (GICs)	213,659	152,580
Total investments	213,659	152,580

GICs have effective interest rates of [3.900% to 5.100% (Prior - 5.100% to 5.490%)] three of the GICs with a total cost of \$213,659 mature in less than one year.

Investment Income	2024	2023
Interest	19,379	16,531
Total investment income	19,379	16,531

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4. Taxes Receivable - Municipal

	2024	2023
Municipal - Current	83,650	90,803
- Arrears	62,991	34,034
	146,641	124,837
- Less Allowance for Uncollectible	(101,456)	(56,211)
Total municipal taxes receivable	45,185	68,626
School -Current	18,700	21,001
-Arrears	15,150	2,255
Total taxes to be collected on behalf of School Divisions	33,850	23,256
Other	231	3,860
Total taxes and grants in lieu receivable or to be collected on behalf of other organizations	79,266	95,742
Deduct taxes to be collected on behalf of other organizations	(34,081)	(27,116)
Total Taxes Receivable - Municipal	45,416	72,486

5. Other Accounts Receivable

	2024	2023
Federal Government	163,211	89,907
Provincial Government	213,000	232,205
Local Government	7,946	
Utility	144,345	139,788
Trade	36,043	56,838
Other (Interest receivable)	2,012	
Total Other Accounts Receivable	566,557	518,738
Less: Allowance for Uncollectible	(3,082)	(1,720)
Net Other Accounts Receivable	563,475	517,018



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6. Assets Held for Sale

	2024	2023
Tax Title Property	93,060	93,060
Allowance for market value adjustment	(93,060)	(93,060)
Net Tax Title Property	-	-
Other Land	41,238	39,708
Allowance for market value adjustment	-	-
Net Other Land	41,238	39,708
Other (Describe)		
Total Assets Held for Sale	41,238	39,708

7. Long-Term Receivable

The Town has no significant long-term receivables as at December 31, 2024.

8. Debt Charges Recoverable

The Town has no significant debt charges recoverable as at December 31, 2024.

9. Financial Instruments - Fair Value Disclosures

The municipality does not have any significant financial instruments carried at fair value as at December 31, 2024.  
For those instruments carried at cost/amortized cost the carrying value approximates the fair value.

10. Bank Indebtedness

Bank indebtedness includes an operating loan amounting to \$500,000 (2023 - nil) and bearing interest at prime plus 5.45%. As of December 31, 2024, \$240,788 has been withdrawn.

11. Deferred Revenue

	2023	Externally Restricted Inflows	Revenue Earned	2024
Prepaid taxes	4,719	8,234	4,719	8,234
Board advertising commitment	3,200	8,800	3,200	8,800
Total Deferred Revenue	7,919	17,034	7,919	17,034

## 12. Asset Retirement Obligation

### Landfill

Landfill closure and post-closure care requirements have been defined in accordance with The Environmental Management and Protection Act and include final covering and landscaping of the landfill, pumping of ground water, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over time using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable. In the current year, there was no expense of decommissioning in excess of the initial estimate recorded.

### Asbestos

The municipality may owns a linear asset 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 extent of the abatement activities required and the resulting liability is unknown at this time.

## 13. Liability for Contaminated Sites

The municipality has no known contaminated sites and accordingly there is no accrued liability for estimated future remediation costs for such a site.

## 14. Long-Term Debt

a) The debt limit of the municipality is \$1,985,454. 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)).

The town has the following loans:

A loan of \$78,947, requiring one payment of \$78,947 inclusive of interest at 3.250% (2023 - 7.250%) with a final payment of \$81,512 in 2025. The security is the asset acquired, which has a carrying value of \$1,019,018.

An unsecured loan with a prior year balance of \$120, 868 was fully repaid during the year.

A loan of \$83,028 requiring 1 payments of \$44,021 inclusive of interest at 3.750% (2023 - 7.250%) and a final payment of \$43,695. The security is the asset acquired, which has a carrying value of \$123,515. The debtor has the right to declare the loan due on demand, however, until this occurs payments will be made as previously described.

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Year Total	Prior Year Total
2025	114,208	8,593	122,801	172,663
2026	37,818	3,472	41,290	168,790
2027	9,949	730	10,679	37,818
2028	-	-	-	9,593
2029	-	-	-	-
Thereafter	-	-	-	-
Balance	161,975	12,795	174,770	388,864

#### 15. Lease Obligations

The Town has no significant lease obligations as at December 31, 2024.

#### 16. Other Non-financial Assets

The Town has no other non-financial assets as at December 31, 2024.

#### 17. Contingent Liabilities

The Town has no significant contingent liabilities as at December 31, 2024.

#### 18. Pension Plan

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer 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 municipality's pension expense in 2024 was \$39,534. 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.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. Any actuarially determined deficiency is the responsibility of the participating employers and employees, which could affect future contribution rates and/or benefits. Contributions to MEPP are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. As a result, individual employers are not able to identify their share of the underlying assets and liabilities, and the net pension assets or liabilities for this plan are not recognized in these financial statements. Rather, the plan is accounted for as a defined contribution plan whereby the contributions are expensed when made.

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

Details of MEPP	2024	2023
Number of active members	9	9
Member contribution rate (percentage of salary)	9.00%	9.00%
Employer contribution rate (percentage of salary)	9.00%	9.00%
Member contributions for the year	39,534	39,500
Employer contributions for the year	39,534	39,500
Plan Assets	4,090,806,000	3,602,822,000
Plan Liabilities	2,571,158,000	2,441,485,000
Plan Surplus	1,519,648,000	1,161,337,000

#### 19. Comparative Figures

Prior year comparative figures have been restated to conform to the current year's presentation.

For the fiscal year ended December 31, 2024

Contractual Rights Type	Describe Nature Time and Extent	2025	2026	2027	2028	2029	Thereafter	No Fixed Maturity Date	Current Year Total	Prior Year Total
Investing in Canada Infrastructure Program Grant	In the prior year the Town entered an agreement with the Government of Saskatchewan to receive a grant equal to 73.33% of the estimated cost to construct a new water tank, up to a maximum remaining amount of \$1,405,443 is to be received as costs are incurred.	99,388	-	-	-	-	-	-	99,388	1,405,443
Total		99,388	-	-	-	-	-	-	99,388	1,405,443

#### 24. Contractual Obligations and Commitments

The municipality has entered into an agreement to construct a water tower. The contractual obligations will become liabilities in the future when the construction begins. Significant contractual obligations and commitments of the municipality include:

Contractual Obligations and Commitments Type <sup>1</sup>	Describe Nature Time and Extent	2025	2026	2027	2028	2029	Thereafter	No Fixed Maturity Date	Current Year Total	Prior Year Total
Contractual Obligation	Water Tank Construction	79,158	-	-	-	-	-	-	79,158	1,645,000
Total		79,158	-	-	-	-	-	-	79,158	1,645,000

<sup>1</sup> See Note 15 for Capital Lease obligations.

#### 25. Restructuring Transactions

The Town has no significant restructuring transactions as at December 31, 2024.

#### 26. Risk Management

Through its financial assets and liabilities, the municipality is exposed to various risks including credit, market, and interest rate risk.

##### 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, utility and trade receivables.

The municipalities maximum exposure to credit risk as at December 31 is as follows:

2024

Taxes & special levy receivable	146,641
Utility receivable	144,345
Trade receivable	36,043
Maximum credit risk exposure	327,029

At December 31 the following *receivables* were due but not impaired:

	Current	30 days	60 days	Over 90 days
Taxes & special levy receivable	42,848	-	-	-
Utility receivable	106,373	4,079	19,133	12,272
Trade receivable	33,078	821	-	2,037
Net total	182,299	4,900	19,133	14,309

26. Risk Management continued

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 and other price risk.

Interest Rate 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 municipality to interest rate risk consist of cash and cash equivalents.

27. Public Private Partnerships.

The Municipality has no reportable Public Private Partnerships.

28. Subsequent Events

Subsequent to yearend, the Town of Leader signed a new term loan with Sandhills Credit Union for \$300,000. This loan has an interest rate of 4.95%, resulting in an annual instalment of \$85,023 payments starting March 18, 2026 until 2029.