



**LAC DES ILES UTILITY
COMMISSION
FINANCIAL STATEMENTS**

DECEMBER 31, 2025

www.vantagecpa.ca

LAC DES ILES UTILITY COMMISSION

FINANCIAL STATEMENTS

DECEMBER 31, 2025

CONTENTS

	<u>Page</u>
MANAGEMENT'S RESPONSIBILITY	1
INDEPENDENT AUDITORS' REPORT	2
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Operations and Accumulated Surplus	5
Statement of Change in Net Financial Assets	6
Statement of Cash Flow	7
Notes to the Financial Statements	8
Schedule of Accumulated Surplus	12

MANAGEMENT'S RESPONSIBILITY


Lac des Iles Utility Commission
Pierceland, Saskatchewan


Administration is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgements 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 judgement 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 of officials who are not employees of the organization. The board of directors is responsible for overseeing management in the performance of its financial reporting responsibilities. The board of directors fulfils these responsibilities by reviewing the financial information prepared by administration and discussing relevant matters with external auditors. The board of directors is also responsible for recommending the appointment of the organization's external auditors.

Vantage, an independent firm of Chartered Professional Accountants, is appointed by the board as external auditors to audit the financial statements. The external auditors report directly to the board and their report follows. The external auditors have full and free access to the board of directors to discuss their audit and their findings as to the integrity of the board's financial reporting and the adequacy of the system of internal controls.


Chairperson


Administrator

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Lac des Iles Utility Commission
Pierceland, Saskatchewan

Opinion

We have audited the accompanying financial statements of the Lac des Iles Utility Commission, which comprise the statement of financial position as at December 31, 2025, the statements of operations and accumulated surplus, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Lac des Iles Utility Commission as at December 31, 2025, and its financial performance and its 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Lac des Iles Utility Commission 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 Lac des Iles Utility Commission'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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 auditors' 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.

The logo for Vantage Chartered Professional Accountants, featuring the word "Vantage" in a stylized, cursive script font.

Chartered Professional Accountants


North Battleford, Saskatchewan
May 1, 2026


LAC DES ILES UTILITY COMMISSION

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 399,731	\$ 366,218
Accounts receivable (Note 4)	<u>29,668</u>	<u>23,408</u>
Total financial assets	<u>429,399</u>	<u>389,626</u>
LIABILITIES		
Accounts payable	956	8,681
Deferred revenue (Note 5)	<u>4,389</u>	<u>4,035</u>
Total liabilities	<u>5,345</u>	<u>12,716</u>
NET FINANCIAL ASSETS	424,054	376,910
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 6)	<u>66,294</u>	<u>74,252</u>
ACCUMULATED SURPLUS (Schedule 1)	<u>\$ 490,348</u>	<u>\$ 451,162</u>

APPROVED ON BEHALF OF THE BOARD


Chairperson


Administrator

See accompanying notes

LAC DES ILES UTILITY COMMISSION

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 Budget	2025	2024
REVENUE			
Water sales	\$ 203,350	\$ 204,372	\$ 203,350
Water interest charges	1,140	1,586	1,136
Bank interest	<u>7,900</u>	<u>10,044</u>	<u>7,897</u>
	<u>212,390</u>	<u>216,002</u>	<u>212,383</u>
EXPENSES			
Amortization	8,050	7,958	8,054
Governance	4,010	3,374	4,006
Maintenance, materials and supplies	46,600	34,770	65,594
Professional/Contractual	66,360	89,037	96,443
Utilities	14,520	20,601	14,525
Wages and benefits	<u>41,600</u>	<u>21,076</u>	<u>19,800</u>
	<u>181,140</u>	<u>176,816</u>	<u>208,422</u>
SURPLUS OF REVENUE OVER EXPENSES	31,250	39,186	3,961
ACCUMULATED SURPLUS at beginning of year	<u>451,162</u>	<u>451,162</u>	<u>447,201</u>
ACCUMULATED SURPLUS at end of year	<u><u>\$ 482,412</u></u>	<u><u>\$ 490,348</u></u>	<u><u>\$ 451,162</u></u>

See accompanying notes

LAC DES ILES UTILITY COMMISSION

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>
Surplus of revenue over expenses	\$ <u>39,186</u>	\$ <u>3,961</u>
Amortization of tangible capital assets	<u>7,958</u>	<u>8,054</u>
Surplus of expenses of other non-financial over expenditures	<u>7,958</u>	<u>8,054</u>
INCREASE IN NET FINANCIAL ASSETS	47,144	12,015
NET FINANCIAL ASSETS at beginning of year	<u>376,910</u>	<u>364,895</u>
NET FINANCIAL ASSETS at end of year	\$ <u><u>424,054</u></u>	\$ <u><u>376,910</u></u>

See accompanying notes

LAC DES ILES UTILITY COMMISSION

STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>
CASH PROVIDED (USED) BY THE FOLLOWING ACTIVITIES		
Operating		
Surplus of revenue over expenses	\$ 39,186	\$ 3,961
Amortization	<u>7,958</u>	<u>8,054</u>
	47,144	12,015
Change in assets/liabilities		
Increase in accounts receivable	(6,261)	(5,015)
Decrease in accounts and accrued liabilities payable	(7,724)	(355)
Deferred revenue	<u>354</u>	<u>1,181</u>
Cash provided by operating activities	<u>33,513</u>	<u>7,826</u>
INCREASE IN CASH AND CASH EQUIVALENTS	33,513	7,826
CASH AND TEMPORARY INVESTMENTS at beginning of year	<u>366,218</u>	<u>358,392</u>
CASH AND TEMPORARY INVESTMENTS at end of year	<u><u>\$ 399,731</u></u>	<u><u>\$ 366,218</u></u>

See accompanying notes

LAC DES ILES UTILITY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

1. NATURE OF THE ORGANIZATION

Lac des Iles Utility Commission 's principal activity is to provide a water system to community members at an affordable price.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the organization are prepared by management in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies are as follows:

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

(b) Revenue

Water and infrastructure revenue are based on an annual flat rate charge. Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues.

(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 occurred, as long as:

- i) the transfer is authorized;
- ii) eligibility criteria have been met; and
- iii) a reasonable estimate of the amount can be made.

Unearned government transfer amounts received but not earned will be recorded as deferred revenue.

Earned government transfer amounts not received will be recorded as an account receivable.

(d) Unearned Revenue

Water fees may be 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.

LAC DES ILES UTILITY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) 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.

(f) Non-Financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the organization because they can be used to provide organizational services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

(g) Financial Instruments

Derivative and equity instruments 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.

The Commission's financial assets and liabilities are measured as follows:

Cash and Cash Equivalents - Cost and amortized cost

Other Accounts Receivable - Cost and amortized cost

Accounts payable and accrued liabilities - Cost

(h) Appropriated Reserves

Reserves are established at the discretion of the Board of Directors to designate surplus for future operating and capital transactions.

LAC DES ILES UTILITY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Tangible Capital Assets

All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. 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 the declining balance method of amortization. The organization's tangible capital asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful life</u>
Operating equipment	10 years
Infrastructure	20 years

Government contributions: Government contributions for the acquisition of tangible capital assets are reported as capital revenue and do not reduce the cost of the related asset.

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

(j) 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.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Allowances are determined through an annual review of outstanding amounts.

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

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in operations in the periods in which they become known.

(k) Income Taxes

The organization is exempt from income taxes.

LAC DES ILES UTILITY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

3. CASH AND TEMPORARY INVESTMENTS

	<u>2025</u>	<u>2024</u>
Cash	\$ 88,424	\$ 64,644
Temporary investments	<u>311,307</u>	<u>301,574</u>
Total cash and temporary investments	<u>\$ 399,731</u>	<u>\$ 366,218</u>

Cash and temporary investments include balances with banks, credit unions, term deposits, marketable securities and short term investments with maturities of twelve months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

4. ACCOUNTS RECEIVABLE

	<u>2025</u>	<u>2024</u>
Water and sewer	\$ 9,125	10,984
Goods and services tax	6,878	7,315
Accrued interest	4,103	4,103
Due from other municipalities	<u>9,562</u>	<u>1,006</u>
Net accounts receivable	<u>\$ 29,668</u>	<u>\$ 23,408</u>

5. DEFERRED REVENUE

	<u>2025</u>	<u>2024</u>
Prepaid utilities	<u>\$ 4,389</u>	<u>\$ 4,035</u>

6. TANGIBLE CAPITAL ASSETS

	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Net</u>
Equipment	\$ 61,136	\$ 29,876	\$ 31,260	\$ 37,375
Water lines	<u>39,814</u>	<u>4,780</u>	<u>35,034</u>	<u>36,877</u>
	<u>\$ 100,950</u>	<u>\$ 34,656</u>	<u>\$ 66,294</u>	<u>\$ 74,252</u>

7. COMPARATIVE FIGURES

Certain comparative figures may have been reclassified to conform with the current period's financial statement presentation.

LAC DES ILES UTILITY COMMISSION

SCHEDULE OF ACCUMULATED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 1

	<u>2024</u>	<u>Changes</u>	<u>2025</u>
UNAPPROPRIATED SURPLUS	\$ 376,910	\$ 47,144	\$ 424,054
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Note 6)	<u>74,252</u>	<u>(7,958)</u>	<u>66,294</u>
TOTAL ACCUMULATED SURPLUS	<u>\$ 451,162</u>	<u>\$ 39,186</u>	<u>\$ 490,348</u>



CONTACT US

**300-1291 102nd Street
North Battleford, SK S9A 3V4**

306-445-6234