

INDEPENDENT AUDITOR'S REPORT

To Council of R. M. of Lac Pelletier No. 107:

Qualified Opinion

We have audited the financial statements of R. M. of Lac Pelletier No. 107, which comprise the statement of financial position as at December 31, 2025, 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 possible 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, 2025, 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

The quantities of gravel 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 gravel 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 R. M. of Lac Pelletier's inventory and gravel expense as at December 31, 2025 and December 31, 2024.

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.

Other Matter

The additional information listed in Schedules 11 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.

INDEPENDENT AUDITOR'S REPORT (continued)

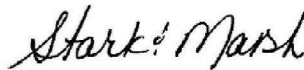
Auditor's Responsibility for the Audit of the Financial Statements

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.
- 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
March 17, 2026

Management's Responsibility

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 Accountants, 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.



Reeve - R. M. of Lac Pelletier No. 107



Administrator



Date

	2025	2024
FINANCIAL ASSETS		
Cash and Cash Equivalents (Note 2)	2,789,967	2,415,804
Investments (Note 3)		
Taxes Receivable - Municipal (Note 4)	69,529	73,146
Other Accounts Receivable (Note 5)	47,359	16,102
Assets Held for Sale (Note 6)		
Long-Term Receivable (Note 7)	44,252	37,957
Debt Charges Recoverable (Note 8)		
Derivative Assets (Note 9)		
Other (Specify)		
Total Financial Assets	2,951,107	2,543,009
LIABILITIES		
Bank Indebtedness (Note 10)		
Accounts Payable	264,873	239,801
Accrued Liabilities Payable		
Derivative Liabilities (Note 9)		
Deposits		
Deferred Revenue (Note 11)		
Asset Retirement Obligation (Note 12)		
Liability for Contaminated Sites (Note 13)		
Infrastructure Liability (Note 27)		
Other Liabilities		
Long-Term Debt (Note 14)		
Lease Obligations (Note 15)		
Total Liabilities	264,873	239,801
NET FINANCIAL ASSETS (DEBT)	2,686,234	2,303,208
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	3,629,393	3,746,207
Intangible Capital Assets (Schedule 8, 9)		
Prepayments and Deferred Charges		
Stock and Supplies	196,313	278,048
Other (Note 16)		
Total Non-Financial Assets	3,825,706	4,024,255
ACCUMULATED SURPLUS (DEFICIT)	6,511,940	6,327,473
Accumulated surplus is comprised of:		
Accumulated Surplus (Deficit) excluding remeasurement gains (losses) (Schedule 10)	6,511,940	6,327,473
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.

	2025 Budget	2025	2024
REVENUES	(unaudited)		
Tax Revenue (Schedule 1)	1,268,250	1,237,329	1,245,361
Other Unconditional Revenue (Schedule 1)	236,365	236,389	223,030
Fees and Charges (Note 28, Schedule 4, 5)	122,736	132,386	107,260
Conditional Grants (Note 28, Schedule 4, 5)	48,922	54,992	48,962
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	8,000	(3,773)	(144,680)
Intangible Capital Asset Sales - Gain (Schedule 4, 5)	-	-	-
Land Sales - Gain (Schedule 4, 5)	-	1,110	-
Investment Income (Note 3) (Schedule 4, 5)	86,958	62,149	86,081
Commissions (Schedule 4, 5)	-	-	-
Restructurings (Note 25, Schedule 4,5)	-	-	-
Other Revenues (Schedule 4, 5)	40,208	27,883	23,377
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	35,000	35,512	34,698
Total Revenues	1,846,439	1,783,977	1,624,089
EXPENSES			
General Government Services (Schedule 3)	323,119	318,581	306,885
Protective Services (Schedule 3)	55,786	53,657	63,147
Transportation Services (Schedule 3)	857,773	1,031,451	913,469
Environmental and Public Health Services (Schedule 3)	93,849	112,907	91,766
Planning and Development Services (Schedule 3)	-	7,357	-
Recreation and Cultural Services (Schedule 3)	16,288	15,782	22,937
Utility Services (Schedule 3)	39,660	59,775	59,571
Restructurings (Note 25, Schedule 3)	-	-	-
Total Expenses	1,386,475	1,599,510	1,457,775
Annual Surplus (Deficit) of Revenues over Expenses	459,964	184,467	166,314
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), Beginning of Year	6,327,473	6,327,473	6,161,159
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), End of Year	6,787,437	6,511,940	6,327,473

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

Statement 3: Statement of Change in Net Financial Assets

For the fiscal year ended December 31, 2025

Statement 3

	2025 Budget (unaudited)	2025	2024
Annual Surplus (Deficit) of Revenues over Expenses	459,964	184,467	166,314
(Acquisition) of tangible capital assets	(89,234)	(89,234)	(299,020)
Amortization of tangible capital assets		201,273	188,708
Amortization of intangible capital assets			
Proceeds on disposal of tangible capital assets		1,010	141,000
Loss (gain) on the disposal of tangible capital assets	(8,000)	3,773	144,680
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	(97,234)	116,822	175,368
(Acquisition) of supplies inventories, net		81,737	(69,202)
(Acquisition) of prepaid expense, net			
Consumption of supplies inventory, net			
Use of prepaid expense, net			
Surplus (Deficit) of expenses of other non-financial over expenditures	-	81,737	(69,202)
Unrealized remeasurement gains (losses)		-	-
Increase/Decrease in Net Financial Assets	362,730	383,026	272,480
Net Financial Assets (Debt) - Beginning of Year	2,303,208	2,303,208	2,030,736
Net Financial Assets (Debt) - End of Year	2,665,938	2,686,234	2,303,208

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

	2025	2024
Cash provided by (used for) the following activities		
Operating:		
Annual Surplus (Deficit) of Revenues over Expenses	184,467	166,314
Amortization of tangible capital assets	201,273	188,708
Amortization of intangible capital assets	-	-
Loss (gain) on disposal of tangible capital assets	3,773	144,680
Loss (gain) on disposal of intangible capital assets	-	-
	389,513	499,702
Change in assets/liabilities		
Taxes Receivable - Municipal	3,617	(16,173)
Other Receivables	(37,552)	4,728
Assets Held for Sale	-	-
Other Financial Assets	-	-
Accounts and Accrued Liabilities Payable	25,072	123,526
Derivative Liabilities	-	-
Deposits	-	-
Deferred Revenue	-	(3,436)
Asset Retirement Obligation	-	-
Liability for Contaminated Sites	-	-
Infrastructure Liability	-	-
Other Liabilities	-	-
Stock and Supplies	81,735	(69,200)
Prepayments and Deferred Charges	-	-
Other (Specify)	-	-
Cash provided by operating transactions	462,385	539,147
Capital:		
Acquisition of capital assets	(89,234)	(299,020)
Proceeds from the disposal of capital assets	1,010	141,000
Cash applied to capital transactions	(88,224)	(158,020)
Investing:		
Decrease (increase) in restricted cash or cash equivalents		
Proceeds on disposal of investments		
Decrease (increase) in investments	-	-
Cash provided by (applied to) investing transactions	-	-
Financing:		
Debt charges recovered		
Long-term debt issued		
Long-term debt repaid		
Other financing		
Cash provided by (applied to) financing transactions	-	-
Change in Cash and Cash Equivalents	374,161	381,127
Cash and Cash Equivalents	2,415,804	2,034,683
Cash and Cash Equivalents - End of Year	2,789,967	2,415,804
Cash and cash equivalents is made up of:		
Cash and cash equivalents (Note 2)	2,789,967	2,415,804
Less: restricted portion of cash and cash equivalents (Note 2)	-	-
Temporary bank indebtedness	-	-
	2,789,967	2,415,804

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

	2025	2024
Accumulated remeasurement gains (losses) at the beginning of the year:		
Unrealized gains (losses) attributable to (Note 3):		
Derivatives		
Equity Investments measured at fair value		
Foreign exchange		
	-	-
Amounts reclassified to the Statement of Operations (Note 3):		
Derivatives		
Equity Investments measured at fair value		
Reversal of net remeasurements of portfolio investments		
Foreign exchange		
	-	-
Net remeasurement gains (losses) for the year	-	-
Accumulated remeasurement gains(losses) at end of year	-	-

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 included in these financial statements are as follows:

Entity

R.M. of Lac Pelletier No. 107

Partnerships: A partnership represents a contractual arrangement between the municipality and a party or parties outside the reporting entity. The partners have significant, clearly defined common goals, make a financial investment in the partnership, share control of decision making, and share, on an equitable basis, the significant risks and benefits associated with the operations of the partnership. These financial statements contain no partnerships:

- 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.

1. Significant Accounting Policies - continued

- 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.
- 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.

1. Significant Accounting Policies - continued

- 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 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
Other Accounts Receivable	Cost
Long term receivable	Amortized Cost
Accounts payable and accrued liabilities	Cost

- 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.

1. Significant Accounting Policies - continued

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>
General Assets	
Land	Indefinite
Land Improvements	15 Yrs
Buildings	40 Yrs
Vehicles & Equipment	
Vehicles	10 Yrs
Machinery and Equipment	5 to 20 Yrs
Leased capital assets	Lease term
Infrastructure Assets	
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.

1. Significant Accounting Policies - continued

- 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, 2025.
- 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.

1. Significant Accounting Policies - continued

- 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.

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.

1. Significant Accounting Policies - continued

- 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 July 8, 2025.
- 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.

1. Significant Accounting Policies - continued

- w) **Loan Guarantees:** The municipality provides loan guarantees for various 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. Information on these loan guarantees provided by the municipality are disclosed in Note 28, if applicable.

2. Cash and Cash Equivalents

	2025	2024
Cash	2,789,967	2,415,804
Short-term investments - amortized cost	-	-
Restricted Cash	-	-
Total Cash and Cash Equivalents	2,789,967	2,415,804

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

3. Investments

The municipality did not have any significant investments at December 31, 2025.

R. M. of Lac Pelletier No. 107
Notes to the Financial Statements
For the fiscal year ended December 31, 2025

4. Taxes Receivable - Municipal

	2025	2024
Municipal - Current	69,266	71,898
- Arrears	4,909	10,234
	74,175	82,132
- Less Allowance for Uncollectible	(4,646)	(8,986)
Total municipal taxes receivable	69,529	73,146
School - Current	28,906	48,037
- Arrears	19,598	15,527
Total taxes to be collected on behalf of School Divisions	48,504	63,564
Other	897	428
Total taxes and grants in lieu receivable or to be collected on behalf of other organizations	118,930	137,138
Deduct taxes to be collected on behalf of other organizations	(49,401)	(63,992)
Total Taxes Receivable - Municipal	69,529	73,146

5. Other Accounts Receivable

Federal Government	12,624	1
Provincial Government		
Local Government		
Utility	-	-
Trade	34,735	16,101
Other (Specify)	-	-
Total Other Accounts Receivable	47,359	16,102
Less: Allowance for Uncollectible		
Net Other Accounts Receivable	47,359	16,102

R. M. of Lac Pelletier No. 107

Notes to the Financial Statements

For the fiscal year ended December 31, 2025

6. Assets Held for Sale

	2025	2024
Tax Title Property		
Allowance for market value adjustment		
Net Tax Title Property	-	-
Other Land		
Allowance for market value adjustment		
Net Other Land	-	-
Other (Describe)		
Total Assets Held for Sale	-	-

7. Long-Term Receivable

	2025	2024
Sask Assoc. of Rural Municipalities - Self Insurance Fund	44,147	37,852
Other (Co-op equity)	105	105
Total Long-Term Receivables	44,252	37,957

8. Debt Charges Recoverable

The municipality has no significant debt charges recoverable at December 31, 2025.

9. Financial Instruments - Fair Value Disclosures

The municipality does not have any significant financial instruments carried at fair value as at December 31, 2025. For those instruments carried at cost/amortized cost the carrying value approximates the fair value.

R. M. of Lac Pelletier No. 107

Notes to the Financial Statements

For the fiscal year ended December 31, 2025

10. Bank Indebtedness

The municipality has no indebtedness and it does not have access to an arranged line of credit.

11. Deferred Revenue

The municipality has no deferred revenue at December 31, 2025.

12. Asset Retirement Obligation

The municipality has reviewed their Tangible Capital Assets and other possible items that may have an asset retirement obligation and it was determined that they do not have any asset retirement obligations at December 31, 2025.

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 \$1,371,963. 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)).

15. Lease Obligations

The municipality has no significant long-term lease obligations.

16. Other Non-financial Assets

The municipality has no other non-financial assets.

17. Contingent Liabilities

The municipality is contingently liable under terms of the Saskatchewan Association of Rural Municipalities Self-Insurance Plan for its proportionate share of claims and future claims in excess of the Plan's reserve fund.

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 2025 was \$31,223. 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 the 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.plannera.ca/fund-information/plan-reporting>

Details of MEPP	2025	2024
Number of active members	5	4
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	31,223	26,368
Employer contributions for the year	31,223	26,368
Plan Assets	**	4,090,806,000
Plan Liabilities	**	2,571,158,000
Plan Surplus	**	1,519,648,000

** 2025 MEPP financial information is not yet available.

19. Comparative Figures

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

20. Trusts Administered by the Municipality

The municipality does not administer any trusts.

21. Related Parties

The financial statements include transactions with related parties.

Transactions with these related parties are in the normal course of operations and are settled on normal trade terms.

22. Contingent Assets

Contingent assets are not recorded in the financial statements.

23. Contractual Rights

The municipality does not have any reportable contractual rights.

24. Contractual Obligations and Commitments

These contractual obligations will become liabilities in the future when the terms of the contracts are met. Significant contractual obligations and commitments of the municipality include:

Contractual Obligations and Commitments Type ¹	Describe Nature Time and Extent	2025	2026	2027	2028	2029	Thereafter	No Fixed Maturity Date	Current Year Total	Prior Year Total
Gravel Royalties Agreement	For 3 years started in 2024	23,000	23,000						46,000	69,000
Funding for long-term care facility	For 30 years starting in 2016	12,821	12,821	12,821	12,821	12,821	205,136		269,241	282,062
Total		35,821	35,821	12,821	12,821	12,821	205,136	-	315,241	351,062

¹See Note 15 for Capital Lease obligations.

25. Restructuring Transactions

The municipality does not have any reportable restructuring transactions.

R. M. of Lac Pelletier No. 107
Notes to the Financial Statements
For the fiscal year ended December 31, 2025

26. Risk Management

Through its financial assets and liabilities, the municipality 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 so doing, cause a loss for the other party. The financial instruments that potentially subject the municipality to credit risk consist of *taxes receivable and trade receivables*.

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

	2025
<i>Taxes Receivable</i>	74,175
<i>Trade Receivable</i>	34,735
Maximum credit risk exposure	108,910

At December 31 the following taxes receivable and trade receivable were due but not impaired:

	30 days	60 days	90 days	Over 120
<i>Taxes Receivable</i>	67,278		-	6,897
<i>Trade Receivable</i>	29,050			5,686
Net total	96,328	-	-	12,583

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.

R. M. of Lac Pelletier No. 107
Notes to the Financial Statements
For the fiscal year ended December 31, 2025

27. Public Private Partnerships:

The municipality has no reportable Public Private Partnerships.

	2025 Budget	2025	2024
TAXES	(unaudited)		
General municipal tax levy	1,196,935	1,196,935	1,205,112
Abatements and adjustments			
Discount on current year taxes	(49,215)	(46,880)	(47,781)
Net Municipal Taxes	1,147,720	1,150,055	1,157,331
Potash tax share			
Trailer license fees			
Penalties on tax arrears	2,901	2,768	2,816
Special tax levy	58,949	28,779	28,660
Other (Specify)			
Total Taxes	1,209,570	1,181,602	1,188,807

UNCONDITIONAL GRANTS			
Revenue Sharing	222,769	222,793	210,193
Darlings Beach	13,596	13,596	12,837
Safe Restart			
Other (Specify)			
Total Unconditional Grants	236,365	236,389	223,030

GRANTS IN LIEU OF TAXES

Federal

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Provincial

S.P.C. Electrical			
SaskEnergy Gas			
TransGas	58,680	55,727	56,554
Central Services			
SaskTel			
Other (Specify)			

Local/Other

Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement			
Other (Specify)			

Other Government Transfers

S.P.C. Surcharge			
Sask Energy Surcharge			
Other (Specify)			

Total Grants in Lieu of Taxes	58,680	55,727	56,554
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TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	1,504,615	1,473,718	1,468,391
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	2025 Budget (unaudited)	2025	2024
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	3,500	7,368	2,086
- Sales of supplies	500	340	420
- Other (permits, road use fees, weed control, sundry)	58,170	69,970	45,195
Total Fees and Charges	62,170	77,678	47,702
- Tangible capital asset sales - gain (loss)			
- Intangible capital asset sales - gain (loss)			
- Land sales - gain		1,110	
- Investment income	86,958	62,149	86,081
- Commissions			
- Other (sundry, insurance proceeds)	33,258	20,144	4,810
Total Other Segmented Revenue	182,386	161,081	138,593
Conditional Grants			
- Student Employment			
- MEEP			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	182,386	161,081	138,593
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- Provincial Disaster Assistance			
- MEEP			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue (Specify, if any)			
Total General Government Services	182,386	161,081	138,593

PROTECTIVE SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (Specify)			
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)			
- Intangible capital asset sales - gain (loss)			
- Other (fire fees)	6,450	7,719	18,498
Total Other Segmented Revenue	6,450	7,719	18,498
Conditional Grants			
- Student Employment			
- Local government			
- MEEP			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	6,450	7,719	18,498
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- Provincial Disaster Assistance			
- Local government			
- MEEP			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue (Specify, if any)			
Total Protective Services	6,450	7,719	18,498

	2025 Budget	2025	2024
TRANSPORTATION SERVICES			
(unaudited)			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work			
- Sales of supplies	17,500	10,663	19,116
- Road Maintenance and Restoration Agreements	3,000	3,000	3,000
- Frontage			
- Other (Specify)			
Total Fees and Charges	20,500	13,663	22,116
- Tangible capital asset sales - gain (loss)	8,000	(3,773)	(144,680)
- Intangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	28,500	9,890	(122,564)
Conditional Grants			
- RIRG (CTP)	35,672	35,672	37,323
- Student Employment			
- MEEP			
- Other (Specify)			
Total Conditional Grants	35,672	35,672	37,323
Total Operating	64,172	45,562	(85,241)
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	35,000	35,075	34,698
- ICIP			
- RIRG (CTP, Bridge and Large Culvert, Road Const.)			
- Provincial Disaster Assistance			
- MEEP			
- Other (Specify)			
Total Capital	35,000	35,075	34,698
Restructuring Revenue (Specify, if any)			
Total Transportation Services	99,172	80,637	(50,543)

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES**Operating**

Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	12,824	12,360	12,450
- Other (lagoon maintenance fee)	1,500	3,000	
Total Fees and Charges	14,324	15,360	12,450
- Tangible capital asset sales - gain (loss)			
- Intangible capital asset sales - gain (loss)			
- Other (pest control)	500	20	69
Total Other Segmented Revenue	14,824	15,380	12,519
Conditional Grants			
- Student Employment			
- TAPD			
- Local government			
- MEEP			
- Other (pest control)	13,250	19,320	11,639
Total Conditional Grants	13,250	19,320	11,639
Total Operating	28,074	34,700	24,158
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- TAPD			
- Provincial Disaster Assistance			
- MEEP			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue (Specify, if any)			
Total Environmental and Public Health Services	28,074	34,700	24,158

	2025 Budget (unaudited)	2025	2024
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges			
- Other (Specify)			
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)			
- Intangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment			
- MEEP			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- Provincial Disaster Assistance			
- MEEP			
- Other (targeted sector support)		437	
Total Capital	-	437	-
Restructuring Revenue (Specify, if any)			
Total Planning and Development Services	-	437	-

RECREATION AND CULTURAL SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Other (Specify)			
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)			
- Intangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment			
- Local government			
- MEEP			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- Local government			
- Provincial Disaster Assistance			
- MEEP			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue (Specify, if any)			
Total Recreation and Cultural Services	-	-	-

	2025 Budget	2025	2024
UTILITY SERVICES			
(unaudited)			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water			
- Sewer	25,742	25,685	24,992
- Other (Specify)			
Total Fees and Charges	25,742	25,685	24,992
- Tangible capital asset sales - gain (loss)			
- Intangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	25,742	25,685	24,992
Conditional Grants			
- Student Employment			
- MEEP			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	25,742	25,685	24,992
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- New Building Canada Fund (SCF, NRP)			
- Clean Water and Wastewater Fund			
- Provincial Disaster Assistance			
- MEEP			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue (Specify, if any)			
Total Utility Services	25,742	25,685	24,992
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	341,824	310,259	155,698

SUMMARY

Total Other Segmented Revenue	257,902	219,755	72,038
Total Conditional Grants	48,922	54,992	48,962
Total Capital Grants and Contributions	35,000	35,512	34,698
Restructuring Revenue	-	-	-
TOTAL REVENUE BY FUNCTION	341,824	310,259	155,698

	2025 Budget	2025	2024
GENERAL GOVERNMENT SERVICES			
	(unaudited)		
Council remuneration and travel	30,389	32,608	22,792
Wages and benefits	155,717	147,610	145,599
Professional/Contractual services	82,729	102,031	88,020
Utilities	5,135	5,711	4,900
Maintenance, materials and supplies	15,100	15,076	14,808
Grants and contributions - operating			
- capital			
Amortization of Tangible Capital Assets		3,301	3,301
Amortization of Intangible capital assets			
Accretion of asset retirement obligation			
Interest			
Allowance for uncollectible	9,049	4,709	8,785
Other (donations, carbon tax)	25,000	7,535	18,680
General Government Services	323,119	318,581	306,885
Restructuring (Specify, if any)			
Total General Government Services	323,119	318,581	306,885
PROTECTIVE SERVICES			
Police protection			
Wages and benefits			
Professional/Contractual services	39,000	34,102	33,306
Utilities			
Maintenance, material and supplies			
Amortization of Tangible Capital Assets			
Amortization of Intangible capital assets			
Accretion of asset retirement obligation			
Grants and contributions - operating			
- capital			
Other (Specify)			
Fire protection			
Wages and benefits			
Professional/Contractual services	6,026	8,795	23,101
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating	10,760	10,760	6,740
- capital			
Amortization of Tangible Capital Assets			
Amortization of Intangible capital assets			
Interest			
Accretion of asset retirement obligation			
Other (Specify)			
Protective Services	55,786	53,657	63,147
Restructuring (Specify, if any)			
Total Protective Services	55,786	53,657	63,147
TRANSPORTATION SERVICES			
Wages and benefits	285,786	278,659	216,405
Professional/Contractual Services	39,765	52,228	30,927
Utilities	13,391	12,865	12,895
Maintenance, materials, and supplies	458,831	288,514	287,884
Gravel	60,000	222,082	200,819
Grants and contributions - operating			
- capital			
Amortization of Tangible Capital Assets		177,103	164,539
Amortization of Intangible capital assets			
Interest			
Accretion of asset retirement obligation			
Other (Specify)			
Transportation Services	857,773	1,031,451	913,469
Restructuring (Specify, if any)			
Total Transportation Services	857,773	1,031,451	913,469

	2025 Budget	2025	2024
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
(unaudited)			
Wages and benefits			
Professional/Contractual services	60,029	78,313	60,443
Utilities			
Maintenance, materials and supplies	11,000	11,352	8,081
Grants and contributions - operating			
o Waste disposal	10,000	10,000	10,000
o Public Health			
- capital			
o Waste disposal	12,820	12,821	12,821
o Public Health			
Amortization of Tangible Capital Assets		421	421
Amortization of Intangible capital assets			
Interest			
Accretion of asset retirement obligation			
Other (Specify)			
Environmental and Public Health Services	93,849	112,907	91,766
Restructuring (Specify, if any)			
Total Environmental and Public Health Services	93,849	112,907	91,766

PLANNING AND DEVELOPMENT SERVICES

Wages and benefits			
Professional/Contractual Services		7,357	
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Amortization of Tangible Capital Assets			
Amortization of Intangible Capital Assets			
Interest			
Accretion of asset retirement obligation			
Allowance for uncollectible			
Other (Specify)			
Planning and Development Services	-	7,357	-
Restructuring (Specify, if any)			
Total Planning and Development Services	-	7,357	-

RECREATION AND CULTURAL SERVICES

Wages and benefits			
Professional/Contractual services	10,630	10,624	9,689
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating	5,658	5,158	13,248
- capital			
Amortization of Tangible Capital Assets			
Amortization of Intangible capital assets			
Interest			
Accretion of asset retirement obligation			
Allowance for uncollectible			
Other (Specify)			
Recreation and Cultural Services	16,288	15,782	22,937
Restructuring (Specify, if any)			
Total Recreation and Cultural Services	16,288	15,782	22,937

	2025 Budget	2025	2024
UTILITY SERVICES	(unaudited)		
Wages and benefits			
Professional/Contractual services	1,860	1,527	1,324
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital	37,800	37,800	37,800
Amortization of Tangible Capital Assets		20,448	20,447
Amortization of Intangible Capital Assets			
Interest			
Accretion of asset retirement obligation			
Allowance for Uncollectible			
Other (Specify)			
Utility Services	39,660	59,775	59,571
Restructuring (Specify, if any)			
Total Utility Services	39,660	59,775	59,571
TOTAL EXPENSES BY FUNCTION	1,386,475	1,599,510	1,457,775

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	77,678	-	13,663	15,360	-	-	25,685	132,386
Tangible Capital Asset Sales - Gain	-	-	(3,773)	-	-	-	-	(3,773)
Intangible Capital Asset Sales - Gain	-	-	-	-	-	-	-	-
Land Sales - Gain	1,110	-	-	-	-	-	-	1,110
Investment Income	62,149	-	-	-	-	-	-	62,149
Commissions	-	-	-	-	-	-	-	-
Other Revenues	20,144	7,719	-	20	-	-	-	27,883
Grants - Conditional	-	-	35,672	19,320	-	-	-	54,992
- Capital	-	-	35,075	-	437	-	-	35,512
Restructurings	-	-	-	-	-	-	-	-
Total Revenues	161,081	7,719	80,637	34,700	437	-	25,685	310,259
Expenses (Schedule 3)								
Wages & Benefits	180,218	-	278,659	-	-	-	-	458,877
Professional/ Contractual Services	102,031	42,897	52,228	78,313	7,357	10,624	1,527	294,977
Utilities	5,711	-	12,865	-	-	-	-	18,576
Maintenance Materials and Supplies	15,076	-	510,596	11,352	-	-	-	537,024
Grants and Contributions	-	10,760	-	22,821	-	5,158	37,800	76,539
Amortization of Tangible Capital Assets	3,301	-	177,103	421	-	-	20,448	201,273
Amortization of Intangible Capital Assets	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Accretion of asset retirement obligation	-	-	-	-	-	-	-	-
Allowance for Uncollectible	4,709	-	-	-	-	-	-	4,709
Restructurings	-	-	-	-	-	-	-	-
Other	7,535	-	-	-	-	-	-	7,535
Total Expenses	318,581	53,657	1,031,451	112,907	7,357	15,782	59,775	1,599,510
Surplus (Deficit) by Function	(157,500)	(45,938)	(950,814)	(78,207)	(6,920)	(15,782)	(34,090)	(1,289,251)

Taxes and other unconditional revenue (Schedule 1)

1,473,718

Net Surplus (Deficit)**184,467**

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	47,702	-	22,116	12,450	-	-	24,992	107,260
Tangible Capital Asset Sales - Gain	-	-	(144,680)	-	-	-	-	(144,680)
Intangible Capital Asset Sales - Gain	-	-	-	-	-	-	-	-
Land Sales - Gain	-	-	-	-	-	-	-	-
Investment Income	86,081	-	-	-	-	-	-	86,081
Commissions	-	-	-	-	-	-	-	-
Other Revenues	4,810	18,498	-	69	-	-	-	23,377
Grants - Conditional	-	-	37,323	11,639	-	-	-	48,962
- Capital	-	-	34,698	-	-	-	-	34,698
Restructurings	-	-	-	-	-	-	-	-
Total Revenues	138,593	18,498	(50,543)	24,158	-	-	24,992	155,698
Expenses (Schedule 3)								
Wages & Benefits	168,391	-	216,405	-	-	-	-	384,796
Professional/ Contractual Services	88,020	56,407	30,927	60,443	-	9,689	1,324	246,810
Utilities	4,900	-	12,895	-	-	-	-	17,795
Maintenance Materials and Supplies	14,808	-	488,703	8,081	-	-	-	511,592
Grants and Contributions	-	6,740	-	22,821	-	13,248	37,800	80,609
Amortization of Tangible Capital Assets	3,301	-	164,539	421	-	-	20,447	188,708
Amortization of Intangible Capital Assets	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Accretion of asset retirement obligation	-	-	-	-	-	-	-	-
Allowance for Uncollectible	8,785	-	-	-	-	-	-	8,785
Restructurings	-	-	-	-	-	-	-	-
Other	18,680	-	-	-	-	-	-	18,680
Total Expenses	306,885	63,147	913,469	91,766	-	22,937	59,571	1,457,775
Surplus (Deficit) by Function	(168,292)	(44,649)	(964,012)	(67,608)	-	(22,937)	(34,579)	(1,302,077)
Taxes and other unconditional revenue (Schedule 1)								1,468,391
Net Surplus (Deficit)								166,314

		2025							2024		
		General Assets					Infrastructure Assets		General/ Infrastructure	Total	Total
		Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets	Public Private Partnerships	Assets Under Construction		
Assets	Asset cost										
	Opening Asset costs	202,951	10,523	284,455	23,864	1,912,912	4,607,177			7,041,882	7,078,956
	Additions during the year				89,234					89,234	299,020
	Disposals and write-downs during the year				(23,864)					(23,864)	(336,094)
	Transfers (from) assets under construction									-	-
Transfer of Capital Assets related to restructuring (Schedule 13)									-	-	
	Closing Asset Costs	202,951	10,523	284,455	89,234	1,912,912	4,607,177	-	-	7,107,252	7,041,882
Amortization	Accumulated Amortization Cost										
	Opening Accumulated Amortization Costs		5,735	140,456	19,089	333,706	2,796,689			3,295,675	3,157,381
	Add: Amortization taken		421	7,637	-	103,926	89,289			201,273	188,708
	Less: Accumulated amortization on disposals				(19,089)					(19,089)	(50,414)
	Transfer of Capital Assets related to restructuring (Schedule 13)									-	-
	Closing Accumulated Amortization Costs	-	6,156	148,093	-	437,632	2,885,978	-	-	3,477,859	3,295,675
	Net Book Value	202,951	4,367	136,362	89,234	1,475,280	1,721,199	-	-	3,629,393	3,746,207

1. Total contributed/donated assets received in 2025 \$ -
2. List of assets recognized at nominal value in 2025 are:
 - Infrastructure Assets \$ -
 - Vehicles \$ -
 - Machinery and Equipment \$ -
3. Amount of interest capitalized in Schedule 6 \$ -

		2025						2024	2024	
		General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
Assets	Asset cost									
	Opening Asset costs	177,256	-	5,929,355	10,523	-	-	924,748	7,041,882	7,078,956
	Additions during the year			89,234					89,234	299,020
	Disposals and write-downs during the year			(23,864)					(23,864)	(336,094)
	Transfer of Capital Assets related to restructuring (Schedule 13)								-	
	Closing Asset Costs	177,256	-	5,994,725	10,523	-	-	924,748	7,107,252	7,041,882
Amortization	Cost									
	Opening Accumulated Amortization Costs	72,615	-	2,953,144	5,735	-	-	264,181	3,295,675	3,157,381
	Add: Amortization taken	3,301		177,103	421			20,448	201,273	188,708
	Less: Accumulated amortization on disposals			(19,089)					(19,089)	(50,414)
	Transfer of Capital Assets related to restructuring (Schedule 13)								-	
	Closing Accumulated Amortization Costs	75,916	-	3,111,158	6,156	-	-	284,629	3,477,859	3,295,675
	Net Book Value	101,340	-	2,883,567	4,367	-	-	640,119	3,629,393	3,746,207

		2025						2024		
		General Assets					<u>Asset Category</u>	<u>Asset Category</u>		
							Assets Under Construction	Total	Total	
Assets	Asset cost									
	Opening Asset costs							-	-	
	Additions during the year							-	-	
	Disposals and write-downs during the year							-	-	
	Transfers (from) assets under construction							-	-	
	Transfer of Intangible Capital Assets related to restructuring (Schedule 13)							-	-	
	Closing Asset Costs	-	-	-	-	-	-	-	-	
Amortization	Accumulated Amortization Cost									
	Opening Accumulated Amortization Costs							-	-	
	Add: Amortization taken							-	-	
	Less: Accumulated amortization on disposals							-	-	
	Transfer of Intangible Capital Assets related to restructuring (Schedule 13)							-	-	
		Costs	-	-	-	-	-	-	-	-
	Net Book Value	-	-	-	-	-	-	-	-	

1. Total contributed/donated assets received in 2025
2. List of assets recognized at nominal value in 2025 are:
 - Infrastructure Assets
 - Vehicles
 - Machinery and Equipment
3. Amount of interest capitalized in Schedule 8

\$ -
 \$ -
 \$ -
 \$ -

		2025							2024	
		General Government	Protective Services	Transportation Services	Environmental & Public	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
Assets	Asset cost									
	Opening Asset costs								-	
	Additions during the year								-	
	Disposals and write-downs during the year								-	
	Transfer of Intangible Capital Assets related to restructuring (Schedule 13)								-	
	Closing Asset Costs	-	-	-	-	-	-	-	-	-
Amortization	Accumulated Amortization Cost									
	Opening Accumulated Amortization Costs								-	
	Add: Amortization taken								-	
	Less: Accumulated amortization on disposals								-	
	Transfer of Intangible Capital Assets related to restructuring (Schedule 13)								-	
	Closing Accumulated Amortization Costs	-	-	-	-	-	-	-	-	-
	Net Book Value	-	-	-	-	-	-	-	-	-

	2024	Changes	2025
UNAPPROPRIATED SURPLUS	1,526,689	(42,217)	1,484,472
APPROPRIATED RESERVES			
Machinery and Equipment		-	
Public Reserve	1,089	-	1,089
Capital Trust	273,150	255,146	528,296
Utility	259,813	27,158	286,971
Other (capital and cemetery)	337,839	56,802	394,641
Total Appropriated	871,891	339,106	1,210,997
ORGANIZED HAMLETS (add lines if required)			
Organized Hamlet of Darlings Beach	182,686	4,392	187,078
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Organized Hamlet of (Name)			
Total Organized Hamlets	182,686	4,392	187,078
NET INVESTMENT IN CAPITAL ASSETS			
Tangible capital assets (Schedule 6, 7)	3,746,207	(116,814)	3,629,393
Intangible capital assets (Schedule 8, 9)	-	-	-
Less: Related debt			-
Net Investment in Capital Assets	3,746,207	(116,814)	3,629,393
Accumulated Surplus (Deficit) excluding remeasurement gains (losses)	6,327,473	184,467	6,511,940

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	188,733,685	24,739,735		53,939,600	5,725,940		273,138,960
Regional Park Assessment							25,864,130
Total Assessment							299,003,090
Mill Rate Factor(s)	0.8500	1.0000		1.0000	2.2500		
Total Base/Minimum Tax (generated for each property class)							-
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	762,012	117,514		256,213	61,196		1,196,935

MILL RATES:

MILLS

Average Municipal*	4.38
Average School*	2.30
Potash Mill Rate	
Uniform Municipal Mill Rate	4.75

* Average Mill Rates (multiply the total tax levy for each taxing authority by 1000 and divide by the total assessment for the taxing authority).

Schedule 12: Schedule of Council Remuneration (unaudited)

As at December 31, 2025

Schedule 12

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Murray Spetz	4,200	1,708	5,908
Councillor	Kali Christianson	2,400	396	2,796
Councillor	Dylan Spetz	2,600	372	2,972
Councillor	Grant Schierlinck	2,400	399	2,799
Councillor	Bob Stennick	6,225	1,721	7,946
Councillor	Jeremy Neufeld	3,500	652	4,152
Councillor	Nicholaus Cote	2,300	549	2,849
Total		23,625	5,797	29,422

	2025
Carrying Amount of Assets and Liabilities Transferred/Received at Restructuring Date:	
Cash and Cash Equivalents	-
Investments	-
Taxes Receivable - Municipal	-
Other Accounts Receivable	-
Assets Held for Sale	-
Long-Term-Receivable	-
Debt Charges Recoverable	-
Derivative Assets	-
Bank Indebtedness	-
Accounts Payable	-
Accrued Liabilities Payable	-
Derivative Liabilities	-
Deposits	-
Deferred Revenue	-
Asset Retirement Obligation	-
Liability for Contaminated Sites	-
Infrastructure Liability	-
Other Liabilities	-
Long-Term Debt	-
Lease Obligations	-
Tangible Capital Assets	-
Intangible Capital Assets	-
Prepayments and Deferred Charges	-
Stock and Supplies	-
Other	-
Total Net Carrying Amount Received (Transferred)	-