R. M. of Wawken No. 93

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2025

R. M. of Wawken No. 93
Wawota, Saskatchewan
December 31, 2025

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Management's Responsibility

The municipality's management is responsible for the preparation and presentation of the accompanying consolidated 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 consolidated 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 consolidated 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.

Baker Tilly SK LLP, an independent firm of chartered professional accountants, is appointed by the council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the council and management to discuss their audit findings.

Reeve **Administrator**

Independent Auditors' Report

To the Council
R. M. of Wawken No. 93

Opinion

We have audited the consolidated financial statements of R. M. of Wawken No. 93, (the municipality), which comprise the consolidated Statement of Financial Position as at December 31, 2025 and the consolidated Statements of Operations, Change in Net Financial Assets and Cash Flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the municipality as at December 31, 2025, and results of its operations and its consolidated cash flow 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 consolidated financial statements section of our report. We are independent of the municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Council is responsible for overseeing the municipality's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 municipality'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 municipality'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 consolidated 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 municipality to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

Baker Tilly SK LLP

Baker Tilly SK LLP

Yorkton, SK
May 20, 2026

R. M. of Wawken No. 93

Wawota, Saskatchewan

Statement 1

Consolidated Statement of Financial Position as at December 31, 2025

	2025	2024 (Note 13)
Assets		
Financial Assets		
Cash and cash equivalents (note 2)	2,991,910	2,495,068
Investments (note 3)	69,548	61,094
Taxes receivable - municipal (note 4)	12,970	25,963
Other accounts receivable (note 5)	62,092	104,190
Total Financial Assets	3,136,520	2,686,315
Liabilities		
Accounts payable (note 10)	111,448	51,162
Accrued liabilities payable	239	228
Deferred revenue (note 9)	-	62,584
Total Liabilities	111,687	113,974
Net Financial Assets	3,024,833	2,572,341
Non-Financial Assets		
Tangible capital assets (schedules 6 and 7)	5,734,269	5,405,377
Prepayments and deferred charges	3,094	1,486
Stock and supplies (note 7)	340,081	416,689
Total Non-Financial Assets	6,077,444	5,823,552
Accumulated Surplus	$ 9,102,277	$ 8,395,893

Approved on behalf of the council:

Reeve

Councillor

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

R. M. of Wawken No. 93

Consolidated Statement of Operations

For the year ended December 31, 2025

Statement 2

	2025 Budget (Note 1(w))	2025 Actual	2024 Actual (Note 13)
Revenues			
Tax revenue (schedule 1)	1,813,661	1,802,661	1,483,880
Other unconditional revenue (schedule 1)	297,349	297,923	274,561
Fees and charges (schedules 4 and 5)	90,955	108,252	108,618
Conditional grants (schedules 4 and 5)	64,813	60,938	64,337
Tangible capital asset sales - gain (schedules 4 and 5)	-	-	96,461
Investment income (schedules 4 and 5)	114,000	85,519	118,624
Provincial/Federal capital grants and contributions (schedules 4 and 5)	-	100,836	-
Total Revenues	2,380,778	2,456,129	2,146,481
Expenses (schedule 3)			
General government services	299,125	338,051	309,640
Protective services	45,250	57,178	56,244
Transportation services	1,605,173	1,222,565	1,157,500
Environmental and public health services	65,380	61,877	56,976
Planning and development services	-	18,950	12,779
Recreation and cultural services	36,050	50,524	39,418
Utilities services	800	600	658
Total Expenses	2,051,778	1,749,745	1,633,215
Annual Surplus of Revenue over Expenses	329,000	706,384	513,266
Accumulated Surplus, Beginning of Year	8,395,893	8,395,893	7,882,627
Accumulated Surplus, End of Year	$ 8,724,893	$ 9,102,277	$ 8,395,893

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

R. M. of Wawken No. 93

Consolidated Statement of Change in Net Financial Assets

Statement 3

For the year ended December 31, 2025

	2025 Budget (Note 1(w))	2025 Actual	2024 Actual (Note 13)
Surplus	329,000	706,384	513,266
(Acquisition) of tangible capital assets	-	(585,305)	(1,676,472)
Amortization of tangible capital assets	-	256,413	172,301
Proceeds on disposal of tangible capital assets	-	-	675,400
Loss (gain) on the disposal of tangible capital assets	-	-	(96,461)
Surplus (Deficit) of Capital Expenses over Expenditures	-	(328,892)	(925,232)
(Acquisition) of prepaid expense	-	(1,609)	-
Consumption of supplies inventory	-	76,609	137,902
Use of prepaid expense	-	-	2,685
Surplus of Expenses of Other Non-Financial over Expenditures	-	75,000	140,587
Increase (Decrease) in Net Financial Assets	329,000	452,492	(271,379)
Net Financial Assets, beginning of year	2,572,341	2,572,341	2,843,720
Net Financial Assets, End of Year	$ 2,901,341	$ 3,024,833	$ 2,572,341

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

R. M. of Wawken No. 93

Consolidated Statement of Cash Flow — Statement 4

For the year ended December 31, 2025

	2025	2024 (Note 13)
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus	706,384	513,266
Amortization	256,412	172,301
Loss (gain) on disposal of tangible capital assets	-	(96,461)
	962,796	589,106
Change in Assets/Liabilities		
Taxes receivable - municipal	12,993	2,832
Other receivables	42,096	(34,029)
Accounts payable and accrued liabilities	60,289	7,177
Accrued liabilities payable	11	11
Deferred revenue	(62,584)	37,056
Stock and supplies for use	76,608	137,903
Prepayments and deferred charges	(1,609)	2,685
Cash Provided by Operating Transactions	1,090,600	742,741
Capital:		
Acquisition of capital assets	(585,304)	(1,676,472)
Proceeds from the disposal of capital assets	-	675,400
Cash Applied to Capital Transactions	(585,304)	(1,001,072)
Investing:		
Acquisition of investment	(8,454)	(5,483)
Change in Cash and Cash Equivalents During the Year	496,842	(263,814)
Cash and cash equivalents, beginning of year	2,495,068	2,758,882
Cash and Cash Equivalents, End of Year	$ 2,991,910	$ 2,495,068

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

1. **Significant Accounting Policies**

The consolidated 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:

(a) Basis of accounting

The consolidated 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.

(b) Reporting entity

The consolidated 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.

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 consolidated financial statements contain the following partnerships:

WWW Fire Protection District - proportionately consolidated 33.33% (2024 - 33.33%)
Wawota Parks and Recreation Board - proportionately consolidated 33.33% (2024 - 33.33%)
Walpole-Wawken Vet Services Board - proportionately consolidated 50% (2024 - 50%)
Southeast Municipal Healthcare Corporation - proportionately consolidated 2.5% (2024 - 2.5%)
Municipal Building Fund - proportionately consolidated 33.33% (2024 - 33.33%)

All inter-organizational transactions and balances have been eliminated.

(c) Collection of funds for other authorities

Collection of funds by the municipality for the school board, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation. The amounts collected are disclosed in note 4.

1. **Significant Accounting Policies** - continued

(d) 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 are 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:

(i) the transfers are authorized;
(ii) any eligibility criteria and stipulations have been met; and
(iii) a reasonable estimate of the amount 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.

(e) 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 to the extent that they would be paid for on the normal operations of the municipality's activities and the fair value can be reasonably estimated.

(f) 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.

(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.

1. **Significant Accounting Policies** - continued

(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 8.

(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. If there are any unrealized gains and losses, they 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.

<u>Long-term debt</u>:
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.

<u>Long-term receivables</u>:
Receivables with terms longer than one year have been classified as other long-term receivables.

<u>Measurement of Financial Instruments</u>:
The municipality's financial assets and liabilities are measured as follows:

Financial statement line item	Measurement
Cash and cash equivalents	cost or amortized cost
Investments	cost or amortized cost
Other accounts receivable	cost or amortized cost
Accounts payable and accrued liabilities	cost or amortized cost

1. **Significant Accounting Policies** - continued

(l) Stock and supplies

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 first-in, first-out 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. The municipality's tangible capital assets useful lives are estimated as follows:

General Assets	
Land	Indefinite
Land improvements	10-25 years
Buildings	50 years
Vehicles	10 years
Machinery and equipment	5-15 years
Infrastructure Assets	
Linear assets	15-40 years

(n) 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.

(o) 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.

(p) Capitalization of interest

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

1. **Significant Accounting Policies** - continued

(q) Leases

All leases are recorded on the consolidated financial statement as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risks associated with the leased asset is classified as 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 present value of the minimum lease payments, excluding executory costs. Assets under capital leases are amortized on a straight-line basis over their estimated useful lives (lease term). Any other lease not meeting the before-mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

(r) Landfill liability

The municipality does not maintain a waste disposal site.

(s) Employee benefit plans

Contributions to the municipality's multi-employer defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.

(t) Revenue

Revenue from transactions with no performance obligations are recognized as received or as the municipality becomes aware of, provided collection is reasonably assured.

Investment income is recognized as earned.

For revenue items with related performance obligations:

Fees and charges are transactions with performance obligations. A performance obligation is a promise to provide a distinct good or service, or services, or distinct goods or services to a payor for consideration. The municipality recognizes revenue when the performance obligations are satisfied and the payor obtains control of the asset or benefits from the service provided.

When a single transaction requires the delivery of more than one performance obligation, the revenue recognition criteria are applied to the separately identifiable performance obligations. A performance obligation is considered to be separately identified if the product or service recognized as revenue for each performance obligation is its fair value in relation to the fair value of the contract as a whole.

1. **Significant Accounting Policies** - continued

(t) Revenue - continued

For each performance obligation, the municipality must ascertain whether the obligation is satisfied over a period of time, or at a point in time. In order to do this, the characteristics of the underlying goods and/or services must be considered in order to determine when the ultimate performance obligations will be satisfied. If any of the below criteria are met, the revenue must be recognized over a period of time; otherwise, corresponding amounts are to be recognized at a point in time.

a) The payor simultaneously receives and consumes the benefits provided by the municipality's performance as they fulfill the performance obligation.
b) The municipality's performance creates or enhances an asset (for example, work in progress) that the payor controls or uses as the asset is created or enhanced.
c) The municipality's performance does not create an asset with an alternative use to itself, and the municipality has an enforceable right to payment for performance completed to date.
d) The municipality is expected to continually maintain or support the transferred good or service under the terms of the agreement.

When determining the amounts of revenue to recognize at various stages along the point of time, determinants vary but often include percentage complete.

Non-exchange transactions are transactions or events where there is no direct transfer of goods or services to a payor. The municipality receives an increase in economic resources for which the payor does not receive any direct goods or services in return. Revenue for non-exchange transactions is recognized when the municipality has the authority and identifies a past transaction or event that gives rise to an asset.

Revenue from product sales is recognized when the significant rewards of ownership of the products have passed to the buyer, usually on the delivery of products.

(u) Use of estimates

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenue and expenditures during the period.

Use of estimates 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.

1. **Significant Accounting Policies** - continued

(u) Use of estimates - continued

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

The liability associated with asset retirement obligations is 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.

The values associated with the initial recognition and impairment tests of intangible capital assets involve significant estimates and assumptions, including those with respect to future cash inflows and outflows, discount rates and asset lives.

These determinations will affect the amount of amortization expense on intangible capital assets recognized in future periods. Management assesses impairment by comparing the recoverable amount of an intangible capital asset with its carrying value. The determination of the recoverable amount involves significant estimation by management.

Measurement of 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.

(v) 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.

1. **Significant Accounting Policies** - continued

(w) Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on July 10, 2025.

(x) 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.

(y) 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 are not limited to, assets in productive use, assets no longer in productive use, and 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 Tangible Capital Asset (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

(z) New accounting standards and amendments to standards

A new conceptual framework was issued in December 2022 with an effective date of April 1, 2026, replacing the conceptual aspects of Sections PS 1000, Financial Statement Concepts and PS 1100, Financial Statement Objectives. This revised conceptual framework is a guide for the Public Sector Accounting Board as it develops new standards or amends existing ones. The purpose of the revised framework is to guide public sector entities as they need to develop accounting policies when no other standards in the PSA Handbook specifically apply to a transaction.

A new PS 1202, Financial Statement Presentation, standard was issued in November 2023, with an effective date of April 1, 2026, to replace previous PS 1201, Financial Statement Presentation, and to incorporate other relevant aspects of previous Sections 1000 and PS 1100.

The extent of the impact on adoption of these future standards is not known at this time.

2. **Cash and Cash Equivalents**

	2025	2024
Cash	$ 2,991,910	$ 2,495,068

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

3. **Investments**

	2025	2024
Investment carried at amortized cost:		
Equity in co-operatives	1,475	1,475
Other portfolio investments	68,073	59,619
Total investments	$ 69,548	$ 61,094

		2025	2024
4.	**Taxes and Grants In Lieu Receivable**		
	Taxes receivable - municipal current	12,301	21,967
	Taxes receivable - municipal arrears	669	3,996
		12,970	25,963
	Less: Allowance for uncollectibles	-	-
	Total municipal taxes receivable	12,970	25,963
	Taxes receivable - school current	4,574	8,870
	Taxes receivable - school arrears	719	1,141
	Total school taxes receivable	5,293	10,011
	Total taxes and grants in lieu receivable	18,263	35,974
	Taxes collected on behalf of other organizations	(5,293)	(10,011)
	Municipal and Grants In Lieu Taxes Receivable	$ 12,970	$ 25,963
5.	**Other Accounts Receivable**		
	Federal government	47,805	41,393
	Provincial government	-	57,113
	Trade	14,287	5,684
	Net Other Accounts Receivable	$ 62,092	$ 104,190
6.	**Assets Held for Sale**		
	Tax title property	2,026	2,026
	Allowance for market value adjustment	(2,026)	(2,026)
	Total Assets Held for Sale	$ -	$ -

Tax title property has been classified as a non-financial asset as there is no active market for these assets nor are they reasonably estimated to be sold within a year.

		2025	2024
7.	**Stock and Supplies**		

Stock and supplies are comprised of the following:

	2025	2024
Gravel	271,385	335,421
Culverts	67,964	77,062
Other inventory	732	4,206
	$ 340,081	$ 416,689

8. **Bank Indebtedness**

Credit arrangements:

At December 31, 2025, the municipality had lines of credit totaling $100,000, none of which were drawn. The following has been collateralized in connection with this line-of-credit:
- general security agreement;

9. **Deferred Revenue**

	Balance, Beginning of Year	Plus Amount Received	Less Amount Recognized	Balance, End of Year
Canada Community Building Fund	$ 62,584	$ -	$ 62,584	$ -

10. **Accounts Payable**

Accounts payable are comprised of the following items:

	2025	2024
Accounts payable	55,968	(63)
Due to school	32,819	30,008
Unremitted municipal hail collections	22,661	21,217
	$ 111,448	$ 51,162

11. **Long-Term Debt**

The debt limit of the municipality for 2026 is $1,993,507. 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)).

12. **Employee Benefits Plans**

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multi-employer 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 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.

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

All contributions by employees are matched equally by the employer. The contribution rates were updated on July 1, 2018. Employee contribution rates in effect for the year are as follows:

	2025	2024
General members	9.00 %	9.00 %
Designated members	12.50 %	12.50 %

Contributions to the plan during the year were as follows:

	2025	2024
Benefit expense	$ 27,421	$ 26,634

As per the most recently audited consolidated financial statements dated December 31, 2024, the plan surplus is $1,511,598 (in thousands).

13. **Comparative Figures**

Certain balances for comparative purposes have been reclassified to conform with the current year's presentation.

14. **Commitments**

The municipality has committed to annual funding for the Moosomin Airport in the amount of $36,980 for the next 3 years.

15. **Risk Management**

It is management's opinion that the municipality is not exposed to significant credit, interest, exchange, or liquidity risks arising from these financial instruments.

16. **Statement of Remeasurement Gains and Losses**

There are no measurement gains or losses during the periods presented; therefore, no statement of remeasurement gains or losses is included in these financial statements.

R. M. of Wawken No. 93

Consolidated Schedule of Taxes and Other Unconditional Revenue — Schedule 1

For the year ended December 31, 2025

	2025 Budget (Note 1(w))	2025 Actual	2024 Actual (Note 13)
Taxes			
General municipal tax levy	1,914,576	1,914,576	1,578,597
Abatements and adjustments	(13,543)	(14,956)	(14,784)
Discount on current year taxes	(90,000)	(99,884)	(82,533)
Net municipal taxes	1,811,033	1,799,736	1,481,280
Penalties on tax arrears	1,000	857	857
Total Taxes	1,812,033	1,800,593	1,482,137
Unconditional Grants			
Revenue sharing	297,349	297,923	274,561
Total Unconditional Grants	297,349	297,923	274,561
Grants In Lieu of Taxes			
Provincial			
Transgas	408	408	408
Other	420	461	417
Local/Other			
Treaty land entitlement	800	1,199	918
Total Grants In Lieu of Taxes	1,628	2,068	1,743
Total Taxes and Other Unconditional Revenue	$ 2,111,010	$ 2,100,584	$ 1,758,441

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

R. M. of Wawken No. 93

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-1

For the year ended December 31, 2025

	2025 Budget (Note 1(w))	2025 Actual	2024 Actual (Note 13)
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	440	260	304
Sale of supplies	600	354	949
Other	4,460	18,567	19,486
Total Fees and Charges	5,500	19,181	20,739
Investment income	114,000	85,519	118,624
Total Other Segmented Revenue	119,500	104,700	139,363
Total General Government Services	$ 119,500	$ 104,700	$ 139,363
Protective Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Fire fees	-	5,904	9,203
Total Other Segmented Revenue	-	5,904	9,203
Total Protective Services	$ -	$ 5,904	$ 9,203
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	13,900	14,014	20,067
Sale of supplies	20,800	26,998	22,653
Total Fees and Charges	34,700	41,012	42,720
Tangible capital asset sales - gain	-	-	96,461
Total Other Segmented Revenue	34,700	41,012	139,181
Conditional Grants			
Rural Integrated Roads for Growth	57,113	57,113	57,113
Total Conditional Grants	57,113	57,113	57,113
Total Operating	91,813	98,125	196,294
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	100,836	-
Total Transportation Services	$ 91,813	$ 198,961	$ 196,294

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

R. M. of Wawken No. 93

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-2

For the year ended December 31, 2025

	2025 Budget (Note 1(w))	2025 Actual	2024 Actual (Note 13)
Environmental and Public Health Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Sales of supplies	4,300	3,855	5,270
Waste and disposal fees	5,200	5,236	5,236
Total Fees and Charges	9,500	9,091	10,506
Total Other Segmented Revenue	9,500	9,091	10,506
Conditional Grants			
Other provincial government	7,700	3,825	7,224
Total Conditional Grants	7,700	3,825	7,224
Total Environmental and Public Health Services	$ 17,200	$ 12,916	$ 17,730
Planning and Development Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Other	39,755	27,557	16,935
Total Other Segmented Revenue	39,755	27,557	16,935
Total Planning and Development Services	$ 39,755	$ 27,557	$ 16,935
Recreation and Cultural Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Recreation fees	-	3,632	6,915
Total Other Segmented Revenue	-	3,632	6,915
Total Recreation and Cultural Services	$ -	$ 3,632	$ 6,915
Utility Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Water	1,500	1,875	1,600
Total Other Segmented Revenue	1,500	1,875	1,600
Total Utility Services	$ 1,500	$ 1,875	$ 1,600

R. M. of Wawken No. 93

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-3

For the year ended December 31, 2025

	2025 Budget (Note 1(w))	2025 Actual	2024 Actual (Note 13)
Total Operating and Capital Revenue by Function	$ 269,768	$ 355,545	$ 388,040
Summary			
Total Other Segmented Revenue	204,955	193,771	323,703
Total Conditional Grants	64,813	60,938	64,337
Total Capital Grants and Contributions	-	100,836	-
Total Operating and Capital Revenue by Function	$ 269,768	$ 355,545	$ 388,040

R. M. of Wawken No. 93

Total Expenses by Function — Schedule 3-1

For the year ended December 31, 2025

	2025 Budget (Note 1(w))	2025 Actual	2024 Actual (Note 13)
General Government Services			
Council remuneration and travel	45,300	48,195	38,981
Wages and benefits	150,000	135,241	130,557
Professional/Contractual services	69,450	71,588	56,539
Utilities	1,300	5,573	1,267
Maintenance, materials and supplies	21,200	27,432	29,929
Grants and contributions - operating	700	3,125	600
Grants and contributions - capital	-	36,980	36,980
Amortization	-	3,245	5,392
Other	11,175	6,672	9,395
Total General Government Services	$ 299,125	$ 338,051	$ 309,640
Protective Services			
Police protection			
Professional/Contractual services	36,500	37,191	36,323
Maintenance, materials and supplies	1,250	3,116	2,616
Fire protection			
Professional/Contractual services	-	8,255	6,844
Maintenance, materials and supplies	5,500	-	-
Grants and contribution - operating	2,000	2,000	4,333
Amortization	-	6,616	6,128
Total Protective Services	$ 45,250	$ 57,178	$ 56,244
Transportation Services			
Wages and benefits	369,300	300,734	297,942
Professional/Contractual services	78,500	61,291	42,414
Utilities	9,700	9,162	8,069
Maintenance, materials and supplies	807,673	329,989	296,871
Gravel	290,000	275,662	352,078
Amortization	50,000	245,727	160,126
Total Transportation Services	$ 1,605,173	$ 1,222,565	$ 1,157,500

R. M. of Wawken No. 93

Total Expenses by Function — Schedule 3-2

For the year ended December 31, 2025

	2025 Budget (Note 1(w))	2025 Actual	2024 Actual (Note 13)
Environmental and Public Health Services			
Professional/Contractual services	46,780	48,806	38,970
Utilities	1,500	2,234	1,928
Maintenance, materials and supplies	17,100	10,837	16,078
Total Environmental and Public Health Services	$ 65,380	$ 61,877	$ 56,976
Planning and Development Services			
Professional/Contractual services	-	189	-
Amortization	-	824	654
Maintenance, materials and supplies	-	17,937	12,125
Total Planning and Development Services	$ -	$ 18,950	$ 12,779
Recreation and Cultural Services			
Professional/Contractual services	22,700	40,284	32,745
Maintenance, materials and supplies	-	7,500	-
Grants and contributions - operating	13,350	2,740	6,673
Total Recreation and Cultural Services	$ 36,050	$ 50,524	$ 39,418
Utility Services			
Professional/Contractual services	150	17	44
Utilities	650	583	614
Total Utility Services	$ 800	$ 600	$ 658
Total Expenses by Function	$ 2,051,778	$ 1,749,745	$ 1,633,215

R. M. of Wawken No. 93

Consolidated Schedule of Segment Disclosure by Function

For the year ended December 31, 2025

Schedule 4

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues (schedule 2)								
Fees and charges	19,181	5,904	41,012	9,091	27,557	3,632	1,875	108,252
Investment income	85,519	-	-	-	-	-	-	85,519
Grants - conditional	-	-	57,113	3,825	-	-	-	60,938
Grants - capital	-	-	100,836	-	-	-	-	100,836
Total Revenues	104,700	5,904	198,961	12,916	27,557	3,632	1,875	355,545
Expenses (schedule 3)								
Wages and benefits	183,436	-	300,734	-	-	-	-	484,170
Professional/contractual services	71,588	45,446	61,291	48,806	189	40,284	17	267,621
Utilities	5,573	-	9,162	2,234	-	-	583	17,552
Maintenance materials and supplies	27,432	3,116	605,651	10,837	17,937	7,500	-	672,473
Grants and contributions - operating	3,125	2,000	-	-	-	2,740	-	7,865
Grants and contributions - capital	36,980	-	-	-	-	-	-	36,980
Amortization of tangible capital assets	3,245	6,616	245,727	-	824	-	-	256,412
Other	6,672	-	-	-	-	-	-	6,672
Total Expenses	338,051	57,178	1,222,565	61,877	18,950	50,524	600	1,749,745
Surplus (Deficit) by Function	$ (233,351)	$ (51,274)	$ (1,023,604)	$ (48,961)	$ 8,607	$ (46,892)	$ 1,275	(1,394,200)
Taxation and other unconditional revenue (schedule 1)								2,100,584
Net Surplus								$ 706,384

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

R. M. of Wawken No. 93

Consolidated Schedule of Segment Disclosure by Function

Schedule 5

For the year ended December 31, 2024

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues (schedule 2)								
Fees and charges	20,739	9,203	42,720	10,506	16,935	6,915	1,600	108,618
Tangible capital asset sales - gain	-	-	96,461	-	-	-	-	96,461
Investment income	118,624	-	-	-	-	-	-	118,624
Grants - conditional	-	-	57,113	7,224	-	-	-	64,337
Total Revenues	139,363	9,203	196,294	17,730	16,935	6,915	1,600	388,040
Expenses (schedule 3)								
Wages and benefits	169,538	-	297,942	-	-	-	-	467,480
Professional/contractual services	56,539	43,167	42,414	38,970	-	32,745	44	213,879
Utilities	1,267	-	8,069	1,928	-	-	614	11,878
Maintenance materials and supplies	29,929	2,616	648,949	16,078	12,125	-	-	709,697
Grants and contributions - operating	600	4,333	-	-	-	6,673	-	11,606
Grants and contributions - capital	36,980	-	-	-	-	-	-	36,980
Amortization of tangible capital assets	5,392	6,128	160,126	-	654	-	-	172,300
Other	9,395	-	-	-	-	-	-	9,395
Total Expenses	309,640	56,244	1,157,500	56,976	12,779	39,418	658	1,633,215
Surplus (Deficit) by Function	$ (170,277)	$ (47,041)	$ (961,206)	$ (39,246)	$ 4,156	$ (32,503)	$ 942	(1,245,175)
Taxation and other unconditional revenue (schedule 1)								1,758,441
Net Surplus								$ 513,266

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

R. M. of Wawken No. 93

Consolidated Schedule of Tangible Capital Assets by Object

For the year ended December 31, 2025

Schedule 6

	General Assets					Infrastruct. Assets		General/ Infrastruct.	
	Land	**Land Improve.**	**Buildings**	**Vehicles**	**Machinery & Equipment**	**Linear Assets**	**Public Private Partnerships**	**Assets Under Constr.**	**Total**
Asset Cost									
Opening Asset Cost	185,383	2,619	339,147	-	1,696,204	6,909,989	-	3,816	9,137,158
Additions during the year	-	-	18,740	-	85,237	481,328	-	-	585,305
Transfer (from) assets under construction	-	-	3,816	-	-	-	-	(3,816)	-
Closing Asset Costs	185,383	2,619	361,703	-	1,781,441	7,391,317	-	-	9,722,463
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	-	-	226,880	-	303,219	3,201,682	-	-	3,731,781
Add: Amortization taken	-	-	3,890	-	109,012	143,511	-	-	256,413
Closing Accumulated Amortization Costs	-	-	230,770	-	412,231	3,345,193	-	-	3,988,194
Net Book Value	$ 185,383	$ 2,619	$ 130,933	$ -	$ 1,369,210	$ 4,046,124	$ -	$ -	$ 5,734,269

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

R. M. of Wawken No. 93

Consolidated Schedule of Tangible Capital Assets by Object

Schedule 6

For the year ended December 31, 2024

	General Assets					Infrastruct. Assets		General/ Infrastruct.	
	Land	**Land Improve.**	**Buildings**	**Vehicles**	**Machinery & Equipment**	**Linear Assets**	**Public Private Partnerships**	**Assets Under Constr.**	**Total**
Asset Cost									
Opening Asset Cost	185,383	2,619	324,063	-	1,496,172	6,362,257	-	-	8,370,494
Additions during the year	-	-	15,084	-	1,109,840	547,732	-	3,816	1,676,472
Disposals and write-down during the year	-	-	-	-	(909,808)	-	-	-	(909,808)
Closing Asset Costs	185,383	2,619	339,147	-	1,696,204	6,909,989	-	3,816	9,137,158
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	-	-	221,140	-	599,552	3,069,657	-	-	3,890,349
Add: Amortization taken	-	-	5,741	-	34,536	132,024	-	-	172,301
Less: Accumulated amortization on disposals	-	-	-	-	330,869	-	-	-	330,869
Closing Accumulated Amortization Costs	-	-	226,880	-	303,219	3,201,682	-	-	3,731,781
Net Book Value	$ 185,383	$ 2,619	$ 112,267	$ -	$ 1,392,985	$ 3,708,307	$ -	$ 3,816	$ 5,405,377

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

R. M. of Wawken No. 93

Consolidated Schedule of Tangible Capital Assets by Function

For the year ended December 31, 2025

Schedule 7

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Water & Sewer	Total
Asset Cost								
Opening Asset Cost	204,997	130,789	8,671,627	-	116,675	-	13,070	9,137,158
Additions during the year	-	9,352	575,953	-	-	-	-	585,305
Closing Asset Costs	204,997	140,141	9,247,580	-	116,675	-	13,070	9,722,463
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	129,430	107,396	3,416,743	-	65,142	-	13,070	3,731,781
Add: Amortization taken	3,245	6,616	245,728	-	824	-	-	256,413
Closing Accumulated Amortization Costs	132,675	114,012	3,662,471	-	65,966	-	13,070	3,988,194
Net Book Value	$ 72,322	$ 26,129	$ 5,585,109	$ -	$ 50,709	$ -	$ -	$ 5,734,269

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

R. M. of Wawken No. 93

Consolidated Schedule of Tangible Capital Assets by Function

For the year ended December 31, 2024

Schedule 7

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Water & Sewer	Total
Asset Cost								
Opening Asset Cost	204,997	130,789	7,907,156	-	114,482	-	13,070	8,370,494
Additions during the year	-	-	1,674,279	-	2,193	-	-	1,676,472
Disposals and write-down during the year	-	-	(909,808)	-	-	-	-	(909,808)
Closing Asset Costs	204,997	130,789	8,671,627	-	116,675	-	13,070	9,137,158
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	124,039	101,268	3,587,484	-	64,488	-	13,070	3,890,349
Add: Amortization taken	5,391	6,128	160,128	-	654	-	-	172,301
Less: Accumulated amortization on disposal	-	-	330,869	-	-	-	-	330,869
Closing Accumulated Amortization Costs	129,430	107,396	3,416,743	-	65,142	-	13,070	3,731,781
Net Book Value	$ 75,567	$ 23,393	$ 5,254,884	$ -	$ 51,533	$ -	$ -	$ 5,405,377

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

R. M. of Wawken No. 93

Consolidated Schedule of Accumulated Surplus

Schedule 8

For the year ended December 31, 2025

	2024	Changes	2025
Unappropriated Surplus	2,770,804	127,492	2,898,296
Appropriated Surplus			
Machinery and equipment			
Future expenditures	712	250,000	250,712
Other			
Other	219,000	-	219,000
Total Appropriated	219,712	250,000	469,712
Net Investments in Tangible Capital Assets			
Tangible capital assets (schedule 6 and 7)	5,405,377	328,892	5,734,269
Accumulated Surplus	$ 8,395,893	$ 706,384	$ 9,102,277

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

R. M. of Wawken No. 93

Schedule of Mill Rates and Assessments

For the year ended December 31, 2025

Schedule 9

	Property Class						
	Agriculture	**Residential**	**Residential Condominium**	**Seasonal Residential**	**Commercial & Industrial**	**Potash Mine(s)**	**Total**
Taxable Assessment	139,251,985	7,324,225	-	-	76,587,790	-	223,164,000
Regional Park Assessment							-
Total Assessment							223,164,000
Mill Rate Factor(s)	0.78	1.60	-	-	2.00		
Total Base/Minimum Tax (generated for each property class)	-	-	-	-	-		-
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	760,316	82,031	-	-	1,072,229		1,914,576

Mill Rates:	**Mills**
Average Municipal*	8.5792
Average School*	3.3600
Potash Mill Rate	-
Uniform Municipal Mill Rate	7.0000

*Average Mill Rates (multiply the total tax levy for each taxing authority by 1,000 and divide by the total assessment for the taxing authority).

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

R. M. of Wawken No. 93

Schedule of Council Remuneration

For the year ended December 31, 2025

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Darrell Petterson	9,182	-	9,182
Councillor	Hector Lamntagne	8,472	-	8,472
Councillor	Earl Bourhis	6,825	-	6,825
Councillor	Ryley Clements	8,540	-	8,540
Councillor	Blaine Ehr	9,264	-	9,264
Councillor	Jill Lowe	7,818	-	7,818
Councillor	Dale Hewitt	13,678	-	13,678
		$ 63,779	$ -	$ 63,779

The notes to consolidated financial statements are an integral part of these consolidated financial statements.