

RURAL MUNICIPAL OF MCCRANEY NO. 282

Auditor's Report

Consolidated Financial Statements

December 31, 2025

MANAGEMENT'S RESPONSIBILITY

To the Ratepayers of
Rural Municipal of McCraney No. 282:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. 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.

Jensen Stromberg Chartered Professional Accountants, 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 AUDITOR'S REPORT

To the **Reeve** and Council of the **Rural Municipal of McCraney No. 282**

Report on the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of the **Rural Municipal of McCraney No. 282**, which comprise the consolidated statement of financial position as at **December 31, 2025** and the consolidated statements of operations, changes in net financial assets, cash flows, and remeasurement gains and losses for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements, present fairly, in all material respects, the financial position of the Rural Municipality as at **December 31, 2025** and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Rural Municipality is required to record asset retirement obligations to reflect present liabilities for future expenditures with respect to legal obligations associated with the retirement of tangible capital assets. The Rural Municipality was unable to obtain and provide sufficient appropriate audit evidence regarding the completeness and valuation of these potential liabilities and the required disclosures. Consequently, we were unable to determine whether any adjustments were necessary to the presented amount of liabilities, accumulated surplus (deficit), expenditures, or surplus (deficit) of revenues over expenditures. Our opinion on the consolidated financial statements for the period ended December 31, 2024 was modified accordingly.

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 Consolidated Financial Statements* section of our report. We are independent of the Rural 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 these 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 Rural Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and the use of the going concern basis of accounting unless management either intends to liquidate the Rural Municipality or cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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 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 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 Rural 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 Rural 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 auditor's 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 auditor's report. However, future events or conditions may cause the Rural 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Saskatoon, Saskatchewan
May 20, 2026



Chartered Professional Accountants

RURAL MUNICIPAL OF MCCRANEY NO. 282**Statement 1****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****December 31, 2025**
with comparative figures for 2024

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Financial Assets:		
Cash and Cash Equivalents (Note 2)	\$ 1,243,242	1,559,161
Investments (Note 3)	905,490	614,674
Taxes Receivable - Municipal (Note 4)	131,470	128,744
Other Accounts Receivable (Note 5)	39,241	9,116
Assets Held for Sale	-	-
Long-Term Receivable (Note 6)	64,497	57,422
Debt Charges Recoverable	-	-
Total Financial Assets	2,383,940	2,369,117
<u>LIABILITIES</u>		
Bank Indebtedness (Note 7)	-	-
Accounts Payable	52,243	7,028
Accrued Liabilities Payable	-	-
Deposits	8,750	7,850
Deferred Revenue	-	-
Asset Retirement Obligation	-	-
Liability for Contaminated Sites	-	-
Other Liabilities	-	-
Long-Term Debt (Note 8)	-	-
Lease Obligations	-	-
Total Liabilities	60,993	14,878
NET FINANCIAL ASSETS (DEBT)	2,322,947	2,354,239
Non-Financial Assets:		
Tangible Capital Assets (Schedule 6, 7)	2,254,032	2,037,952
Intangible Capital Assets (Schedule 8, 9)	-	-
Prepaid and Deferred Charges	62	152
Stock and Supplies	44,482	96,777
Total Non-Financial Assets	2,298,576	2,134,881
Accumulated Surplus (Deficit)	\$ 4,621,523	4,489,120
Accumulated Surplus (Deficit) is comprised of:		
Accumulated Surplus (Deficit) excluding remeasurement gains (losses) (Schedule 10)	4,621,523	4,489,120
Accumulated remeasurement gains (losses) (Statement 5)	-	-
Contingent liabilities (Note 9)		

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

RURAL MUNICIPAL OF MCCRANEY NO. 282**Statement 2****CONSOLIDATED STATEMENT OF OPERATIONS**

Year ended December 31, 2025
with comparative figures for 2024

	<u>2025</u> <u>Budget</u>	<u>2025</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
Revenues:			
Tax Revenue (Schedule 1)	\$ 1,171,785	1,172,624	1,130,768
Other Unconditional Revenue (Schedule 1)	278,454	301,006	280,143
Fees and Charges (Schedule 4, 5)	27,180	28,285	162,063
Conditional Grants (Schedule 4, 5)	42,371	40,296	41,588
Tangible Capital Asset Sales - Gain (Loss) (Schedule 4, 5)	-	10,213	33,227
Land Sales - Gain (Loss) (Schedule 4, 5)	475	-	-
Investment Income (Note 3) (Schedule 4, 5)	37,050	54,119	46,472
Commissions (Schedule 4, 5)	1,000	1,130	1,077
Restructurings (Schedule 4, 5)	-	-	-
Other Revenues (Schedule 4, 5)	-	-	25,000
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	<u>25,620</u>	<u>17,444</u>	<u>28,442</u>
Total Revenues	1,583,935	1,625,117	1,748,780
Expenses:			
General Government Services (Schedule 3)	165,016	162,419	159,661
Protective Services (Schedule 3)	24,888	120,223	24,827
Transportation Services (Schedule 3)	1,161,700	1,179,807	877,224
Environmental and Public Health Services (Schedule 3)	20,400	15,964	12,562
Planning and Development Services (Schedule 3)	-	-	-
Recreation and Cultural Services (Schedule 3)	10,695	10,477	10,449
Utility Services (Schedule 3)	7,400	3,824	3,159
Restructurings (Schedule 3)	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	1,390,099	1,492,714	1,087,882
Annual Surplus (Deficit) of Revenues over Expenses	193,836	132,403	660,898
Accumulated Surplus (Deficit) excluding remeasurement gains (losses) - Beginning of Year	<u>4,489,120</u>	<u>4,489,120</u>	<u>3,828,222</u>
Accumulated Surplus (Deficit) excluding remeasurement gains (losses) - End of Year	<u>\$ 4,682,956</u>	<u>4,621,523</u>	<u>4,489,120</u>

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

RURAL MUNICIPAL OF MCCRANEY NO. 282**Statement 3****CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**

Year ended December 31, 2025
with comparative figures for 2024

	<u>2025</u> <u>Budget</u>	<u>2025</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
Annual Surplus (Deficit) of Revenues over Expenses	\$ 193,836	132,403	660,898
(Acquisition) of tangible capital assets	-	(663,126)	(163,870)
Amortization of tangible capital assets	161,325	158,359	178,479
Proceeds on disposal of tangible capital assets	-	298,900	33,227
Loss (gain) on disposal of tangible capital assets	-	(10,213)	(33,227)
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (Deficit) of capital expenses over expenditures	<u>161,325</u>	<u>(216,080)</u>	<u>14,609</u>
(Acquisition) of supplies inventories	-	-	189
(Acquisition) of prepaid expenses	-	-	-
Consumption of supplies inventories	-	52,295	43,387
Use of prepaid expenses	-	90	47
Surplus (Deficit) of expenses of other non-financial over expenditures	<u>-</u>	<u>52,385</u>	<u>43,623</u>
Unrealized remeasurement gains (losses)	-	-	-
Increase (decrease) in Net Financial Assets	355,161	(31,292)	719,130
Net Financial Assets (Debt) - Beginning of Year	<u>2,354,239</u>	<u>2,354,239</u>	<u>1,635,109</u>
Net Financial Assets (Debt) - End of Year	<u>\$ 2,709,400</u>	<u>2,322,947</u>	<u>2,354,239</u>

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

RURAL MUNICIPAL OF MCCRANEY NO. 282**Statement 4****CONSOLIDATED STATEMENT OF CASH FLOWS**

Year ended December 31, 2025
with comparative figures for 2024

Cash provided by (used for) the following activities:	<u>2025</u>	<u>2024</u>
Operating:		
Annual Surplus (Deficit) of Revenues over Expenses	\$ 132,403	660,898
Amortization of tangible capital assets	158,359	178,479
Loss (gain) on disposal of tangible capital assets	<u>(10,213)</u>	<u>(33,227)</u>
	280,549	806,150
Change in assets/liabilities		
Taxes Receivable - Municipal	(2,727)	(45,804)
Other Accounts Receivable	(30,125)	60,284
Assets Held for Sale	-	-
Other Financial Assets	-	-
Accounts and Accrued Liabilities Payable	45,215	(4,455)
Deposits	900	1,450
Deferred Revenue	-	-
Asset Retirement Obligation	-	-
Liability for Contaminated Sites	-	-
Other Liabilities	-	-
Stock and Supplies	52,295	43,576
Prepayments and Deferred Charges	90	47
Other	<u>-</u>	<u>-</u>
Cash provided by (applied to) operating transactions	<u>346,197</u>	<u>861,248</u>
Capital:		
Acquisition of tangible capital assets	(663,126)	(163,870)
Proceeds from the disposal of tangible capital assets	<u>298,900</u>	<u>33,227</u>
Cash provided by (applied to) capital transactions	<u>(364,226)</u>	<u>(130,643)</u>
Investing:		
Decrease (increase) in restricted cash or cash equivalents	-	-
Proceeds on disposal of investments	-	-
Decrease (increase) in investments	<u>(297,890)</u>	<u>(218,188)</u>
Cash provided by (applied to) investing transactions	<u>(297,890)</u>	<u>(218,188)</u>
Financing:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	-	-
Other financing	<u>-</u>	<u>-</u>
Cash provided by (applied to) financing transactions	<u>-</u>	<u>-</u>
Change in Cash and Cash Equivalents	(315,919)	512,417
Cash and Cash Equivalents - Beginning of Year	<u>1,559,161</u>	<u>1,046,744</u>
Cash and Cash Equivalents - End of Year (Note 2)	<u>\$ 1,243,242</u>	<u>1,559,161</u>

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

RURAL MUNICIPAL OF MCCRANEY NO. 282**Statement 5****CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES**

Year ended December 31, 2025
with comparative figures for 2024

	<u>2025</u>	<u>2024</u>
Accumulated remeasurement gains (losses) - Beginning of Year	\$ <u>-</u>	<u>-</u>
Unrealized gains (losses) attributable to:		
Derivatives	-	-
Equity Investments measured at fair value	-	-
Foreign exchange	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Reclassified to the Statement of Operations:		
Derivatives	-	-
Equity Investments measured at fair value	-	-
Reversal of net remeasurements of portfolio investments	-	-
Foreign exchange	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Net remeasurement gains (losses) for the year	<u>-</u>	<u>-</u>
Accumulated remeasurement gains (losses) - End of Year	\$ <u>-</u>	<u>-</u>

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

RURAL MUNICIPAL OF MCCRANEY NO. 282

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Municipality are prepared by management in accordance with the local government accounting standards established by the Public Sector Accounting Board. Significant aspects of the accounting policies are as follows:

(a) Basis of Accounting

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

(b) Reporting Entity

The consolidated financial statements consolidate the assets, liabilities and flow of resources of the Municipality. The entity is comprised of all organizations 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.

(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 the relevant legislation. The amounts collected are disclosed in Note 4.

(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 the result of a direct financial return. Government transfers are recognized as either expenditures or revenues in the period that the events giving rise to the transfer occurred, as long as:

- a) the transfer is authorized;
- b) eligibility criteria have been met by the recipient; and
- c) a reasonable estimate of the amount can be made

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

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

(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 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.

RURAL MUNICIPAL OF MCCRANEY NO. 282
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Revenue

Revenue from transactions with no performance obligations is recognized as revenue in the period in which the transaction or event occurred that gave rise to the revenue.

Revenue from transactions with related performance obligations is recognized as revenue when the related performance obligation is met. 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 identifiable if the product or service delivered has stand-alone value to that customer and the fair value associated with the product or service can be measured reliably. The amount recognized as revenue for each performance obligation is its fair value in relation to the fair value of the contract as a whole.

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
- e) The municipality provides the payor with access to a specific good or service under the terms of the agreement.

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

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) Local Improvement Charges

Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.

(h) 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.

(i) 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.

RURAL MUNICIPAL OF MCCRANEY NO. 282
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Appropriated Reserves

Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts designated are described on Schedule 10.

(k) 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.

(l) Financial Instruments

Derivative and equity instruments that are quoted in an active market are carried at fair value. All other financial instruments are measured at cost or 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 consolidated statement of operations when there is an other than temporary decline in value.

Interest and dividends attributable to financial instruments are reported in the consolidated statement of operations. Unrealized gains and losses are recognized in the consolidated statement of remeasurement gains and losses. When the investment is disposed of the accumulated gains or losses are reclassified to the consolidated statement of operations.

Long-term debt: Long-term debt is initially recognized net of premiums, discounts, and transaction costs and is measured at amortized cost with interest expense recognized using the effective interest rate method.

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

Measurement of Financial Instruments:

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

Cash and Cash Equivalents	Cost and amortized cost
Investments	Fair value and cost/amortized cost
Other Accounts Receivable	Cost and amortized cost
Long-Term Receivable	Amortized cost
Debt Charges Recoverable	Amortized cost
Bank Indebtedness	Amortized cost
Accounts Payable and Accrued Liabilities	Cost
Deposit Liabilities	Cost
Long-Term Debt	Amortized cost

RURAL MUNICIPAL OF MCCRANEY NO. 282
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) 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 of the inventory in the ordinary course of business.

(n) 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 inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of the contribution. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The costs 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 asset useful lives are estimated as follows:

<u>Asset</u>	<u>Useful Life</u>
<i>General Assets</i>	
Land	Indefinite
Land Improvements	5 to 25 years
Buildings	10 to 50 years
Vehicles and Equipment	
Vehicles	5 to 10 years
Machinery & Equipment	5 to 10 years
<i>Infrastructure Assets</i>	
Infrastructure Assets	30 to 75 years

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 consolidated financial statements as either a capital or operating lease. Any lease that transfers the majority of benefits and risk associated with the leased asset is classified as a capital lease. 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 (lease term). Any other lease not meeting the before-mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

RURAL MUNICIPAL OF MCCRANEY NO. 282
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) 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 Consolidated Statement of Financial Position and are initially recognized at cost. Cost includes the gross amount of consideration given up to acquire, construct, develop or better a tangible capital asset; and all costs directly attributable to the acquisition, construction, development or betterment of the infrastructure asset. Infrastructure assets are amortized over the asset's useful life and recognized as an expense on the Consolidated Statement of Operations.

When the municipality has recognized an infrastructure asset in relation to a public private partnership arrangement and has an obligation to provide consideration to the private sector partner, the municipality recognizes a corresponding infrastructure liability on the Consolidated Statement of Financial Position. Infrastructure liabilities are initially measured at the same amount as the related infrastructure asset, reduced for any consideration previously provided to the public sector partner. Other consideration attributable to the partnership agreement such as operating and maintenance payments are excluded from the measurement of the liability. Two common models used to measure infrastructure liabilities are the financial liability and user pay models. The financial liability model is utilized when the municipality designs, builds, finances, operates and/or maintains infrastructure in exchange for a contractual right to receive cash or another asset. The reason for this being that the corresponding liability constitutes a financial liability. The user pay model is applicable when the private sector partner designs, builds, finances, operates and/or maintains the infrastructure in exchange for a right to charge the ultimate end users. This compensation granted by the municipality is facilitated via the granting of rights to earn revenue from a third party. Due to such, the corresponding liability should be classified as a performance obligation.

Key estimation techniques used may include independent market appraisals, relevant past transactions or quotes generated by other bidders.

RURAL MUNICIPAL OF MCCRANEY NO. 282
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Asset Retirement Obligation

Asset retirement obligations represent the legal obligations associated with the retirement of a tangible capital asset that results from its acquisition, construction, development, or normal use. The tangible capital 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, 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 the present value method.

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.

(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.

The Municipality does not have any contaminated sites.

(r) Employee Benefit Plans

Contributions to the Municipality's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the Municipality's obligations are limited to its contributions.

RURAL MUNICIPAL OF MCCRANEY NO. 282
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Measurement Uncertainty

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts 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.

Measurement uncertainty impacts the following financial statement areas:

- a) Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.
- b) The measurement of materials and supplies are based on estimates of volume and quality.
- c) The 'Opening asset costs' of tangible capital assets have been estimated where actual costs were not available.
- d) Amortization is based on the estimated useful lives of tangible capital assets.
- e) The liability associated with asset retirement obligations are measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date, the discount rate, and inflation.
- f) 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 period in which they become known.

(t) 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 borrowing.

These segments (functions) are as follows:

General Government: The general government segment provides for the administration of the Municipality.

Protective Services: Protective services is comprised of expenses for police and fire protection.

Transportation Services: The transportation services segment is 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: The planning and development segment provides for neighbourhood development and sustainability.

Recreation and Culture: The recreation and culture segment provides for community services through the provision of recreation and leisure services.

Utility Services: The utility services segment provides for the delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

RURAL MUNICIPAL OF MCCRANEY NO. 282
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Assets Held for Sale

The Municipality records assets held for sale when 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 consolidated financial statement date.

(v) Budget Information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on May 21, 2025.

(w) Loan Guarantees

Loan guarantees provided by the Municipality for various organizations are not consolidated as part of the Municipality's consolidated financial statements. As the guarantees represent potential financial commitments for the Municipality, these amounts are considered contingent liabilities and are 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 annually and in the event that payment by the Municipality is likely to occur, a provision will be recognized in the consolidated financial statements.

2. CASH AND CASH EQUIVALENTS

	<u>2025</u>	<u>2024</u>
Cash	\$ 803,699	1,134,844
Short-term investments	439,543	424,317
Restricted cash	<u>-</u>	<u>-</u>
	<u>\$ 1,243,242</u>	<u>1,559,161</u>

Cash and temporary investments includes balances with banks, less outstanding cheques and plus outstanding deposits, and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for other than specific current purposes is included in restricted cash.

Short-term investments consists of term deposits bearing interest at 2.75% (2024 - 3.20% - 5.25%), maturing January 2026.

RURAL MUNICIPAL OF MCCRANEY NO. 282
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

3. INVESTMENTS

	<u>2025</u>	<u>2024</u>
Investments carried at fair value:		
Equity investments quoted in an active market	\$ -	-
Portfolio investments	-	-
Investments carried at amortized cost:		
Term notes and deposits	905,490	614,674
Government/government guaranteed bonds	<u>-</u>	<u>-</u>
Total investments	<u>\$ 905,490</u>	<u>614,674</u>

Term notes and deposits have effective interest rates of 3.40% to 3.75% (2024 - 3.00% - 4.00%) with maturity dates ranging from July 2026 - October 2028.

	<u>2025</u>	<u>2024</u>
Investment income:		
Interest	\$ 54,119	46,472
Dividends	-	-
Realized gains (losses) previously recognized in the statement of remeasurement	-	-
Realized gains (losses) on disposal	-	-
Impairment charges	-	-
Net settlement on derivative financial instruments	-	-
Income from portfolio investments	<u>-</u>	<u>-</u>
	<u>\$ 54,119</u>	<u>46,472</u>

RURAL MUNICIPAL OF MCCRANEY NO. 282
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

4. TAXES RECEIVABLE - MUNICIPAL

	<u>2025</u>	<u>2024</u>
Municipal: - Current	\$ 108,556	114,164
- Arrears	<u>42,914</u>	<u>34,580</u>
	151,470	148,744
Less: Allowance for Uncollectible	<u>(20,000)</u>	<u>(20,000)</u>
Total municipal taxes receivable	<u>131,470</u>	<u>128,744</u>
School: - Current	-	-
- Arrears	<u>-</u>	<u>-</u>
Total taxes to be collected on behalf of School Divisions	<u>-</u>	<u>-</u>
Other: - Current	-	-
- Arrears	<u>-</u>	<u>-</u>
Total other collections receivable	<u>-</u>	<u>-</u>
Total taxes and grants in lieu receivable or to be collected on behalf of other organizations	131,470	128,744
Deduct taxes receivable to be collected on behalf of other organizations	<u>-</u>	<u>-</u>
Total Taxes Receivable - Municipal	<u><u>\$ 131,470</u></u>	<u><u>128,744</u></u>

5. OTHER ACCOUNTS RECEIVABLE

	<u>2025</u>	<u>2024</u>
Federal Government	\$ 33,928	8,007
Provincial Government	-	-
Local Government	-	-
Utility	-	-
Trade	5,313	1,109
Other	<u>-</u>	<u>-</u>
Total Other Accounts Receivable	39,241	9,116
Less: Allowance for Uncollectible	<u>-</u>	<u>-</u>
Net Other Accounts Receivable	<u><u>\$ 39,241</u></u>	<u><u>9,116</u></u>

6. LONG-TERM INVESTMENT

	<u>2025</u>	<u>2024</u>
Sask. Assoc. of Rural Municipalities - Self-insurance fund	<u>\$ 64,497</u>	<u>57,422</u>

7. BANK INDEBTEDNESS

Credit Arrangements

At December 31, 2025, the Municipality had a line of credit totaling \$500,000, none of which was drawn.

RURAL MUNICIPAL OF MCCRANEY NO. 282
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

8. LONG-TERM DEBT

The authorized debt limit for the Municipality is \$1,170,897. The authorized debt limit for a Municipality is the total amount of the Municipality's own source revenues for the preceding year (the *Municipalities Act* section 161(1)). The incremental debt above the debt limit authorized in the *Municipalities Act* is approved by the Saskatchewan Municipal Board.

9. 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.

10. PENSION PLAN

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 Municipality's pension expense in 2025 was \$32,054 (2024 - \$24,301). 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.

Total current service contributions by the Municipality to MEPP in 2025 were \$32,054 (2024 - \$24,301). Total current service contributions by the employees of the Municipality to MEPP in 2025 were \$32,054 (2024 - \$24,301).

Based on the latest information available (December 31, 2024 Audited Financial Statements) the Municipal Employees Pension Plan had a surplus in the net assets available for benefits of \$1,519,648,000. This is based on the most recent actuarial valuation, completed December 31, 2023. The Rural Municipality's portion of this is not readily determinable.

RURAL MUNICIPAL OF MCCRANEY NO. 282
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

11. 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 doing so, cause a loss for the other party. The Municipality is mainly exposed to credit risk with respect to its cash and taxes and other accounts receivable. It is management's opinion that the Municipality is not exposed to significant credit risk as its cash is held by financial institutions with high credit ratings, and a significant portion of its taxes and other accounts receivable can be collected through tax enforcement procedures.

Liquidity Risk

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

Market Risk

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

- Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Municipality is subject to interest rate risk on its investments.
- Currency risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in currency fluctuations. The Municipality is not subject to any significant currency rate risk.
- Other price risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in the fair value of equity investments. The Municipality is not subject to any significant other price risk.

RURAL MUNICIPAL OF MCCRANEY NO. 282

CONSOLIDATED SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUE

Year ended December 31, 2025
with comparative figures for 2024

	<u>2025</u> <u>Budget</u>	<u>2025</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
TAXES			
General municipal tax levy	\$ 1,205,185	1,205,185	1,164,441
Abatements and adjustments	-	(438)	-
Discount on current year taxes	<u>(45,000)</u>	<u>(44,460)</u>	<u>(42,933)</u>
Net Municipal Taxes	1,160,185	1,160,287	1,121,508
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	10,000	12,337	9,260
Special tax levy	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Taxes	<u>1,170,185</u>	<u>1,172,624</u>	<u>1,130,768</u>
UNCONDITIONAL GRANTS			
Revenue Sharing	278,454	299,497	278,471
Organized Hamlet	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Unconditional Grants	<u>278,454</u>	<u>299,497</u>	<u>278,471</u>
GRANTS IN LIEU OF TAXES			
Federal	200	170	191
Provincial			
S.P.C. Electrical	-	-	-
Sask Energy Gas	-	-	-
TransGas	-	-	-
Central Services	-	-	-
Sasktel	1,400	1,339	1,481
Other	<u>-</u>	<u>-</u>	<u>-</u>
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Other Government Transfers			
S.P.C. Surcharge	-	-	-
Sask Energy Surcharge	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Grants in Lieu of Taxes	<u>1,600</u>	<u>1,509</u>	<u>1,672</u>
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	<u>\$ 1,450,239</u>	<u>1,473,630</u>	<u>1,410,911</u>

RURAL MUNICIPAL OF MCCRANEY NO. 282

CONSOLIDATED SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2025
with comparative figures for 2024

	<u>2025</u> <u>Budget</u>	<u>2025</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 680	320	2,750
Sales of supplies	4,600	3,039	1,841
Other	-	-	-
Total Fees and Charges	5,280	3,359	4,591
Tangible capital asset sales - gain (loss)	-	-	-
Land sales - gain (loss)	475	-	-
Investment income	37,050	54,119	46,472
Commissions	1,000	1,130	1,077
Other	-	-	-
Total Other Segmented Revenue	43,805	58,608	52,140
Conditional Grants			
Student Employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	<u>43,805</u>	<u>58,608</u>	<u>52,140</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	25,620	17,444	28,442
ICIP	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	<u>25,620</u>	<u>17,444</u>	<u>28,442</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total General Government Services	<u>69,425</u>	<u>76,052</u>	<u>80,582</u>
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
Student Employment	-	-	-
Local government	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	<u>-</u>	<u>-</u>	<u>-</u>
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
ICIP	-	-	-
Provincial Disaster Assistance	-	-	-
Local government	-	-	-
Other	-	-	-
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Protective Services	<u>-</u>	<u>-</u>	<u>-</u>

RURAL MUNICIPAL OF MCCRANEY NO. 282

CONSOLIDATED SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2025
with comparative figures for 2024

	<u>2025</u> <u>Budget</u>	<u>2025</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Custom work	\$ 6,400	15,388	57,865
Sale of supplies	500	-	-
Road maintenance and restoration agreements	15,000	9,538	99,607
Other	-	-	-
Total Fees and Charges	21,900	24,926	157,472
Tangible capital asset sales - gain (loss)	-	10,213	33,227
Other (insurance revenue)	-	-	25,000
Total Other Segmented Revenue	21,900	35,139	215,699
Conditional Grants			
RIRG (CTP)	37,843	37,843	37,843
Student Employment	-	-	-
Other	-	-	-
Total Conditional Grants	37,843	37,843	37,843
Total Operating	59,743	72,982	253,542
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
ICIP	-	-	-
RIRG (CTP, Bridge and Large Culvert, Road Const.)	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Transportation Services	59,743	72,982	253,542
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Waste and Disposal Fees	-	-	-
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
Student Employment	-	-	-
TAPD	-	-	-
Local government	-	-	-
Other (Provincial Rat & Beaver Program)	4,528	2,453	3,745
Total Conditional Grants	4,528	2,453	3,745
Total Operating	4,528	2,453	3,745
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
ICIP	-	-	-
TAPD	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Environmental and Public Health Services Services	4,528	2,453	3,745

RURAL MUNICIPAL OF MCCRANEY NO. 282

CONSOLIDATED SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2025
with comparative figures for 2024

	<u>2025</u> <u>Budget</u>	<u>2025</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Maintenance and development charges	\$ -	-	-
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
Student Employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
ICIP	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Planning and Development Services	-	-	-
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
Student Employment	-	-	-
Local government	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
ICIP	-	-	-
Local government	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Recreation and Cultural Services	-	-	-

RURAL MUNICIPAL OF MCCRANEY NO. 282

CONSOLIDATED SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION

Year ended December 31, 2025
with comparative figures for 2024

	<u>2025</u> <u>Budget</u>	<u>2025</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
Water	\$ -	-	-
Sewer	-	-	-
Other	-	-	-
Total Fees and Charges	-	-	-
Tangible capital asset sales - gain (loss)	-	-	-
Other	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
Student Employment	-	-	-
Other	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	-	-	-
ICIP	-	-	-
New Building Canada Fund (SCF, NRP)	-	-	-
Clean Water and Wastewater Fund	-	-	-
Provincial Disaster Assistance	-	-	-
Other	-	-	-
Total Capital	-	-	-
Restructuring Revenue	-	-	-
Total Utility Services	-	-	-
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	<u>\$ 133,696</u>	<u>151,487</u>	<u>337,869</u>
SUMMARY			
Total Other Segmented Revenue	\$ 65,705	93,747	267,839
Total Conditional Grants	42,371	40,296	41,588
Total Capital Grants and Contributions	25,620	17,444	28,442
Restructuring Revenue	-	-	-
TOTAL REVENUE BY FUNCTION	<u>\$ 133,696</u>	<u>151,487</u>	<u>337,869</u>

RURAL MUNICIPAL OF MCCRANEY NO. 282

CONSOLIDATED SCHEDULE OF EXPENSES BY FUNCTION

Year ended December 31, 2025
with comparative figures for 2024

	<u>2025</u> <u>Budget</u>	<u>2025</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 23,584	22,974	21,316
Wages and benefits	82,500	86,602	87,834
Professional/Contractual services	37,507	36,918	33,826
Utilities	5,100	4,035	6,362
Maintenance, materials and supplies	13,200	8,876	7,277
Grants and contributions -operating	-	-	-
-capital	-	-	-
Amortization of tangible capital assets	2,825	2,825	2,825
Accretion of asset retirement obligation	-	-	-
Interest	300	189	221
Allowance for uncollectible	-	-	-
General Government Services	<u>165,016</u>	<u>162,419</u>	<u>159,661</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total General Government Services	<u>165,016</u>	<u>162,419</u>	<u>159,661</u>
PROTECTIVE SERVICES			
Police protection			
Wages and benefits	-	-	-
Professional/Contractual services	17,188	17,548	17,152
Utilities	-	-	-
Maintenance, materials and supplies	-	-	-
Grants and contributions -operating	-	-	-
-capital	-	-	-
Amortization of tangible capital assets	-	-	-
Accretion of asset retirement obligation	-	-	-
Interest	-	-	-
Other	-	-	-
Fire protection			
Wages and benefits	-	-	-
Professional/Contractual services	7,700	87,675	7,675
Utilities	-	-	-
Maintenance, materials and supplies	-	-	-
Grants and contributions -operating	-	-	-
-capital	-	15,000	-
Amortization of tangible capital assets	-	-	-
Accretion of asset retirement obligation	-	-	-
Interest	-	-	-
Other	-	-	-
Protective Services	<u>24,888</u>	<u>120,223</u>	<u>24,827</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Protective Services	<u>24,888</u>	<u>120,223</u>	<u>24,827</u>

RURAL MUNICIPAL OF MCCRANEY NO. 282

CONSOLIDATED SCHEDULE OF EXPENSES BY FUNCTION

Year ended December 31, 2025
with comparative figures for 2024

	<u>2025</u> <u>Budget</u>	<u>2025</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
TRANSPORTATION SERVICES			
Council remuneration and travel	\$ 14,500	6,632	8,044
Wages and benefits	385,500	360,331	290,840
Professional/Contractual services	25,900	21,229	10,977
Utilities	6,500	6,423	6,312
Maintenance, materials and supplies	297,000	256,936	204,118
Gravel	275,300	375,000	183,557
Grants and contributions -operating	-	-	-
-capital	-	-	-
Amortization of tangible capital assets	157,000	153,256	173,376
Accretion of asset retirement obligation	-	-	-
Interest	-	-	-
Other	-	-	-
Transportation Services	<u>1,161,700</u>	<u>1,179,807</u>	<u>877,224</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Transportation Services	<u>1,161,700</u>	<u>1,179,807</u>	<u>877,224</u>
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	14,400	13,311	12,278
Utilities	-	-	-
Maintenance, materials and supplies	6,000	2,653	284
Grants and contributions -operating	-	-	-
Waste disposal	-	-	-
Public Health	-	-	-
-capital	-	-	-
Waste disposal	-	-	-
Public Health	-	-	-
Amortization of tangible capital assets	-	-	-
Accretion of asset retirement obligation	-	-	-
Interest	-	-	-
Other	-	-	-
Environmental and Public Health Services	<u>20,400</u>	<u>15,964</u>	<u>12,562</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Environmental and Public Health Services	<u>20,400</u>	<u>15,964</u>	<u>12,562</u>
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	-	-	-
Grants and contributions -operating	-	-	-
-capital	-	-	-
Amortization of tangible capital assets	-	-	-
Accretion of asset retirement obligation	-	-	-
Interest	-	-	-
Other	-	-	-
Planning and Development Services	<u>-</u>	<u>-</u>	<u>-</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Planning and Development Services	<u>-</u>	<u>-</u>	<u>-</u>

RURAL MUNICIPAL OF MCCRANEY NO. 282

CONSOLIDATED SCHEDULE OF EXPENSES BY FUNCTION

Year ended December 31, 2025
with comparative figures for 2024

	<u>2025</u> <u>Budget</u>	<u>2025</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
RECREATION AND CULTURAL SERVICES			
Wages and benefits	\$ 220	-	-
Professional/Contractual services	-	-	-
Utilities	-	-	-
Maintenance, materials and supplies	-	-	-
Grants and contributions	10,475	10,477	10,449
-operating	-	-	-
-capital	-	-	-
Amortization of tangible capital assets	-	-	-
Accretion of asset retirement obligation	-	-	-
Interest	-	-	-
Allowance for uncollectible	-	-	-
Other	-	-	-
Recreation and Cultural Services	<u>10,695</u>	<u>10,477</u>	<u>10,449</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Recreation and Cultural Services	<u>10,695</u>	<u>10,477</u>	<u>10,449</u>
 UTILITY SERVICES			
Wages and benefits	-	-	-
Professional/Contractual services	-	-	-
Utilities	900	671	726
Maintenance, materials and supplies	5,000	875	155
Grants and contributions	-	-	-
-operating	-	-	-
-capital	-	-	-
Amortization of tangible capital assets	1,500	2,278	2,278
Accretion of asset retirement obligation	-	-	-
Interest	-	-	-
Allowance for uncollectible	-	-	-
Other	-	-	-
Utility Services	<u>7,400</u>	<u>3,824</u>	<u>3,159</u>
Restructuring	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Services	<u>7,400</u>	<u>3,824</u>	<u>3,159</u>
 TOTAL EXPENDITURES BY FUNCTION	 <u>\$ 1,390,099</u>	 <u>1,492,714</u>	 <u>1,087,882</u>

RURAL MUNICIPAL OF MCCRANEY NO. 282

Schedule 4

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2025

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 3,359	-	24,926	-	-	-	-	28,285
Tangible Capital Asset Sales - Gain (Loss)	-	-	10,213	-	-	-	-	10,213
Land Sales - Gain (Loss)	-	-	-	-	-	-	-	-
Investment Income	54,119	-	-	-	-	-	-	54,119
Commissions	1,130	-	-	-	-	-	-	1,130
Other Revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	37,843	2,453	-	-	-	40,296
- Capital	17,444	-	-	-	-	-	-	17,444
Restructurings	-	-	-	-	-	-	-	-
Total Revenues	<u>76,052</u>	<u>-</u>	<u>72,982</u>	<u>2,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,487</u>
Expenses (Schedule 3)								
Wages & Benefits	109,576	-	366,963	-	-	-	-	476,539
Professional/Contractual Services	36,918	105,223	21,229	13,311	-	-	-	176,681
Utilities	4,035	-	6,423	-	-	-	671	11,129
Maintenance, Materials and Supplies	8,876	-	631,936	2,653	-	-	875	644,340
Grants and Contributions	-	15,000	-	-	-	10,477	-	25,477
Amortization of Tangible Capital Assets	2,825	-	153,256	-	-	-	2,278	158,359
Accretion of Asset Retirement Obligation	-	-	-	-	-	-	-	-
Interest	189	-	-	-	-	-	-	189
Allowance for Uncollectible	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
Total Expenses	<u>162,419</u>	<u>120,223</u>	<u>1,179,807</u>	<u>15,964</u>	<u>-</u>	<u>10,477</u>	<u>3,824</u>	<u>1,492,714</u>
Surplus (Deficit) by Function	(86,367)	(120,223)	(1,106,825)	(13,511)	-	(10,477)	(3,824)	(1,341,227)
Taxation and other unconditional revenue (Schedule 1)								<u>1,473,630</u>
Net Surplus (Deficit)								<u>\$ 132,403</u>

RURAL MUNICIPAL OF MCCRANEY NO. 282

Schedule 5

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION

Year ended December 31, 2024

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 4,591	-	157,472	-	-	-	-	162,063
Tangible Capital Asset Sales - Gain (Loss)	-	-	33,227	-	-	-	-	33,227
Land Sales - Gain (Loss)	-	-	-	-	-	-	-	-
Investment Income	46,472	-	-	-	-	-	-	46,472
Commissions	1,077	-	-	-	-	-	-	1,077
Other Revenues	-	-	25,000	-	-	-	-	25,000
Grants - Conditional	-	-	37,843	3,745	-	-	-	41,588
- Capital	28,442	-	-	-	-	-	-	28,442
Restructurings	-	-	-	-	-	-	-	-
Total Revenues	<u>80,582</u>	<u>-</u>	<u>253,542</u>	<u>3,745</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>337,869</u>
Expenses (Schedule 3)								
Wages & Benefits	109,150	-	298,884	-	-	-	-	408,034
Professional/Contractual Services	33,826	24,827	10,977	12,278	-	-	-	81,908
Utilities	6,362	-	6,312	-	-	-	726	13,400
Maintenance, Materials and Supplies	7,277	-	387,675	284	-	-	155	395,391
Grants and Contributions	-	-	-	-	-	10,449	-	10,449
Amortization of Tangible Capital Assets	2,825	-	173,376	-	-	-	2,278	178,479
Accretion of Asset Retirement Obligation	-	-	-	-	-	-	-	-
Interest	221	-	-	-	-	-	-	221
Allowance for Uncollectible	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
Total Expenses	<u>159,661</u>	<u>24,827</u>	<u>877,224</u>	<u>12,562</u>	<u>-</u>	<u>10,449</u>	<u>3,159</u>	<u>1,087,882</u>
Surplus (Deficit) by Function	(79,079)	(24,827)	(623,682)	(8,817)	-	(10,449)	(3,159)	(750,013)
Taxation and other unconditional revenue (Schedule 1)								<u>1,410,911</u>
Net Surplus (Deficit)								<u>\$ 660,898</u>

RURAL MUNICIPAL OF MCCRANEY NO. 282

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT

Year ended December 31, 2025
with comparative figures for 2024

	2025								2024	
	General Assets					Infrastructure Assets		General / Infrastructure	Total	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Public Partnerships	Private Assets Under Construction		
Asset Costs										
Opening asset costs	\$ 60	-	211,951	73,498	2,017,388	2,962,645	-	-	5,265,542	5,143,172
Additions during the year	-	-	-	40,014	623,112	-	-	-	663,126	163,870
Disposals and write-downs during the year	-	-	-	-	(360,859)	-	-	-	(360,859)	(41,500)
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-	-
Transfer of assets related to restructuring (Schedule 13)	-	-	-	-	-	-	-	-	-	-
Closing Assets Costs	<u>60</u>	<u>-</u>	<u>211,951</u>	<u>113,512</u>	<u>2,279,641</u>	<u>2,962,645</u>	<u>-</u>	<u>-</u>	<u>5,567,809</u>	<u>5,265,542</u>
Accumulated Amortization Costs										
Opening accumulated amortization costs	-	-	151,199	65,602	594,911	2,415,878	-	-	3,227,590	3,090,611
Add: Amortization taken	-	-	4,239	3,948	96,739	53,433	-	-	158,359	178,479
Less: Accumulated amortization on disposals	-	-	-	-	(72,172)	-	-	-	(72,172)	(41,500)
Transfer of assets related to restructuring (Schedule 13)	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Amortization Costs	<u>-</u>	<u>-</u>	<u>155,438</u>	<u>69,550</u>	<u>619,478</u>	<u>2,469,311</u>	<u>-</u>	<u>-</u>	<u>3,313,777</u>	<u>3,227,590</u>
Net Book Value	<u>\$ 60</u>	<u>-</u>	<u>56,513</u>	<u>43,962</u>	<u>1,660,163</u>	<u>493,334</u>	<u>-</u>	<u>-</u>	<u>2,254,032</u>	<u>2,037,952</u>
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 2025:			\$ -							

RURAL MUNICIPAL OF MCCRANEY NO. 282

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION

Year ended December 31, 2025
with comparative figures for 2024

	2025							2024	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
Asset Costs									
Opening asset costs	\$ 141,260	-	5,057,522	-	-	-	66,760	5,265,542	5,143,172
Additions during the year	-	-	663,126	-	-	-	-	663,126	163,870
Disposals and write-downs during the year	-	-	(360,859)	-	-	-	-	(360,859)	(41,500)
Transfer of assets related to restructuring (Schedule 13)	-	-	-	-	-	-	-	-	-
Closing Asset Costs	141,260	-	5,359,789	-	-	-	66,760	5,567,809	5,265,542
Accumulated Amortization Costs									
Opening accumulated amortization costs	90,406	-	3,114,463	-	-	-	22,721	3,227,590	3,090,611
Add: Amortization taken	2,825	-	153,256	-	-	-	2,278	158,359	178,479
Less: Accumulated amortization on disposals	-	-	(72,172)	-	-	-	-	(72,172)	(41,500)
Transfer of assets related to restructuring (Schedule 13)	-	-	-	-	-	-	-	-	-
Closing Accumulated Amortization Costs	93,231	-	3,195,547	-	-	-	24,999	3,313,777	3,227,590
Net Book Value	\$ 48,029	-	2,164,242	-	-	-	41,761	2,254,032	2,037,952

RURAL MUNICIPAL OF MCCRANEY NO. 282

CONSOLIDATED SCHEDULE OF INTANGIBLE CAPITAL ASSETS BY OBJECT

Year ended December 31, 2025
with comparative figures for 2024

	2025					2024			
	General Assets					Other	Assets Under Construction	Total	Total
	TBD	TBD	TBD	TBD	TBD	TBD			
Asset Costs									
Opening asset costs	\$ -	-	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-	-	-
Disposals and write-downs during the year	-	-	-	-	-	-	-	-	-
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-
Transfer of assets related to restructuring (Schedule 13)	-	-	-	-	-	-	-	-	-
Closing Asset Costs	-	-	-	-	-	-	-	-	-
Accumulated Amortization Costs									
Opening accumulated amortization costs	-	-	-	-	-	-	-	-	-
Add: Amortization taken	-	-	-	-	-	-	-	-	-
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	-	-
Transfer of assets related to restructuring (Schedule 13)	-	-	-	-	-	-	-	-	-
Closing Accumulated Amortization Costs	-	-	-	-	-	-	-	-	-
Net Book Value	\$ -	-	-	-	-	-	-	-	-
1. Total contributed/donated assets received in 2025:			\$ -						
2. List of assets recognized at nominal value in 2025 are:			\$ -						
3. Amount of interest capitalized in 2025:			\$ -						

RURAL MUNICIPAL OF MCCRANEY NO. 282

CONSOLIDATED SCHEDULE OF INTANGIBLE CAPITAL ASSETS BY FUNCTION

Year ended December 31, 2025
with comparative figures for 2024

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

RURAL MUNICIPAL OF MCCRANEY NO. 282
CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS
Year ended December 31, 2025

	<u>2024</u>	<u>Changes</u>	<u>2025</u>
UNAPPROPRIATED SURPLUS	\$ <u>2,447,468</u>	<u>(83,677)</u>	<u>2,363,791</u>
APPROPRIATED RESERVES			
Machinery and Equipment	-	-	-
Municipal Reserve	1,000	-	1,000
Capital Trust	-	-	-
Utility	-	-	-
Medical Prof. Recruitment Fund	<u>2,700</u>	<u>-</u>	<u>2,700</u>
Total Appropriated	<u>3,700</u>	<u>-</u>	<u>3,700</u>
NET INVESTMENT IN CAPITAL ASSETS			
Tangible capital assets (Schedule 6, 7)	2,037,952	216,080	2,254,032
Intangible capital assets (Schedule 8, 9)	-	-	-
Less: Related debt	<u>-</u>	<u>-</u>	<u>-</u>
Net Investment in Capital Assets	<u>2,037,952</u>	<u>216,080</u>	<u>2,254,032</u>
Accumulated Surplus (Deficit) excluding remeasurement gains (losses)	\$ <u>4,489,120</u>	<u>132,403</u>	<u>4,621,523</u>

RURAL MUNICIPAL OF MCCRANEY NO. 282
CONSOLIDATED SCHEDULE OF MILL RATES AND ASSESSMENTS
Year ended December 31, 2025

	PROPERTY CLASS						Total
	<u>Agriculture</u>	<u>Residential</u>	<u>Residential Condominium</u>	<u>Seasonal Residential</u>	<u>Commercial & Industrial</u>	<u>Potash Mine(s)</u>	
Taxable Assessment	\$ 191,471,190	4,598,455	-	-	1,501,610	-	197,571,255
Regional Park Assessment							-
Total Assessment							<u>197,571,255</u>
Mill Rate Factor(s)	1.0000	1.0000	1.0000	1.0000	1.0000		
Total Base/Minimum Tax (generated for each property class)	-	-	-	-	-		-
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	\$ <u>1,167,974</u>	<u>28,051</u>	<u>-</u>	<u>-</u>	<u>9,160</u>		<u>1,205,185</u>

MILL RATES:**MILLS**

Average Municipal*	6.100
Average School*	1.185
Potash Mill Rate	-
Uniform Municipal Mill Rate	6.100

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

RURAL MUNICIPAL OF MCCRANEY NO. 282
CONSOLIDATED SCHEDULE OF COUNCIL REMUNERATION
Year ended December 31, 2025

Position	Name	<u>Remuneration</u>	<u>Reimbursed Costs</u>	<u>Total</u>
Reeve	Barkley Prpick	\$ 3,800	1,492	5,292
Councilor	Stacy Oliver	2,500	642	3,142
Councilor	Logan Kadlec	2,500	712	3,212
Councilor	Michael Prpick	3,300	396	3,696
Councilor	Dean Evans	3,200	862	4,062
Councilor	Scot Westman	3,900	1,037	4,937
Councilor	Velon Herback	2,700	256	2,956
Total		<u>\$ 21,900</u>	<u>5,397</u>	<u>27,297</u>

RURAL MUNICIPAL OF MCCRANEY NO. 282**CONSOLIDATED SCHEDULE OF RESTRUCTURING****Year ended December 31, 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	-
Bank Indebtedness	-
Accounts Payable	-
Accrued Liabilities Payable	-
Deposits	-
Deferred Revenue	-
Asset Retirement Obligation	-
Liability for Contaminated Sites	-
Other Liabilities	-
Long-Term Debt	-
Lease Obligations	-
Tangible Capital Assets	-
Prepayments and Deferred Charges	-
Stock and Supplies	-
Other	-
Total Net Carrying Amount Received (Transferred)	\$ <u>-</u>