JANKE LLP
PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Reeve and Council of the
RM of Connaught No. 457

Opinion

We have audited the financial statements of RM of Connaught No. 457, (the Municipality) which comprise of the Statement of Financial Position as at December 31, 2025, and the Statements of Operations, Change in Net Financial Assets, and Cash Flow for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2025, and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

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 Auditor's Responsibilities for the Audit of the 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards (PSAS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional

- 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.

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

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

Janke LLP

Tisdale, Saskatchewan

June 24, 2026

Chartered Professional Accountants

JANKE LLP
PROFESSIONAL ACCOUNTANTS

Municipality of **RM of Connaught**
Statement 1: Statement of Financial Position
As at December 31, 2025

Statement 1

	2025	2024
FINANCIAL ASSETS		
Cash and Cash Equivalents (Note 2)	2,365,715	1,892,082
Investments (Note 3)	-	-
Taxes Receivable - Municipal (Note 4)	153,402	162,867
Other Accounts Receivable (Note 5)	75,477	96,327
Assets Held for Sale (Note 6)	2,803	2,803
Long-Term Receivable (Note 7)	17,092	8,375
Debt Charges Recoverable (Note 8)	-	-
Derivative Assets *[if applicable]* (Note 9)	-	-
Other (Specify)	-	-
Total Financial Assets	**2,614,489**	**2,162,454**
LIABILITIES		
Bank Indebtedness (Note 10)	-	-
Accounts Payable	456,482	246,096
Accrued Liabilities Payable	-	-
Derivative Liabilities *[if applicable]* (Note 9)	-	-
Deposits	-	-
Deferred Revenue (Note 11)	-	-
Asset Retirement Obligation (Note 12)	-	-
Liability for Contaminated Sites (Note 13)	-	-
Infrastructure Liability *[if applicable]* (Note 27)	-	-
Other Liabilities	-	-
Long-Term Debt (Note 14)	154,106	289,966
Lease Obligations (Note 15)	-	-
Total Liabilities	**610,588**	**536,062**
NET FINANCIAL ASSETS (DEBT)	**2,003,901**	**1,626,392**
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	9,810,210	9,364,987
Prepayments and Deferred Charges	71	12,230
Stock and Supplies	331,668	225,696
Other (Note 16)	-	-
Total Non-Financial Assets	**10,141,949**	**9,602,913**
ACCUMULATED SURPLUS (DEFICIT)	**12,145,850**	**11,229,305**

Unrecognized Assets (Note 1 m)
Contingent Assets (Note 22)
Contractual Rights (Note 23)
Contingent Liabilities (Note 17)
Contractual Obligations and Commitments (Note 24)

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

Municipality of **RM of Connaught**
Statement 2: Statement of Operations
As at December 31, 2025

Statement 2

	2025 Budget	2025	2024
REVENUES			
Tax Revenue (Schedule 1)	3,351,946	3,094,372	2,614,182
Other Unconditional Revenue (Schedule 1)	320,453	320,488	301,879
Fees and Charges (Note 28 (*if applicable)* , Schedule 4, 5)	6,160	38,788	11,217
Conditional Grants (Note 28 *(if applicable)* , Schedule 4, 5)	7,013	9,028	9,967
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	4,250	(111,037)	-
Land Sales - Gain (Schedule 4, 5)	-	-	-
Investment Income (Note 3) (Schedule 4, 5)	18,000	12,881	23,341
Commissions (Schedule 4, 5)	-	-	-
Other Revenues (Schedule 4, 5)	-	-	-
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	42,874	31,677	729,620
Total Revenues	**3,750,696**	**3,396,197**	**3,690,206**
EXPENSES			
General Government Services (Schedule 3)	287,110	259,900	236,556
Protective Services (Schedule 3)	70,287	76,696	71,851
Transportation Services (Schedule 3)	3,058,991	2,096,616	2,218,934
Environmental and Public Health Services (Schedule 3)	44,800	29,390	42,138
Planning and Development Services (Schedule 3)	-	3,572	3,500
Recreation and Cultural Services (Schedule 3)	16,403	13,478	12,648
Utility Services (Schedule 3)	-	-	-
Total Expenses	**3,477,591**	**2,479,652**	**2,585,627**
Annual Surplus (Deficit) of Revenues over Expenses	**273,105**	**916,545**	**1,104,579**
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), Beginning of Year	11,229,305	11,229,305	10,124,726
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), End of Year	**11,502,410**	**12,145,850**	**11,229,305**

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

Municipality of RM of Connaught
Statement 3: Statement of Change in Net Financial Assets
As at December 31, 2025

Statement 3

	2025 Budget	2025	2024
Annual Surplus (Deficit) of Revenues over Expenses	273,105	916,545	1,104,579
(Acquisition) of tangible capital assets	(1,000,000)	(1,428,578)	(1,628,321)
Amortization of tangible capital assets	848,327	871,568	848,326
Proceeds on disposal of tangible capital assets	-	750	-
Loss (gain) on the disposal of tangible capital assets	-	111,037	
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (Deficit) of capital expenses over expenditures	**(151,673)**	**(445,223)**	**(779,995)**
(Acquisition) of supplies inventories	-	(463,788)	(347,176)
(Acquisition) of prepaid expense	-	-	(12,054)
Consumption of supplies inventory	-	357,816	341,232
Use of prepaid expense	-	12,159	203
Surplus (Deficit) of expenses of other non-financial over expenditures	**-**	**(93,813)**	**(17,795)**
Unrealized remeasurement gains (losses)	-	-	-
Increase/Decrease in Net Financial Assets	**121,432**	**377,509**	**306,789**
Net Financial Assets (Debt) - Beginning of Year	1,626,392	1,626,392	1,319,603
Net Financial Assets (Debt) - End of Year	**1,747,824**	**2,003,901**	**1,626,392**

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

Municipality of **RM of Connaught**
Statement 4: Statement of Cash Flow
As at December 31, 2025

Statement 4

	2025	2024
Cash provided by (used for) the following activities		
Operating:		
Annual Surplus (Deficit) of Revenues over Expenses	916,545	1,104,579
Amortization of tangible capital assets	871,568	848,327
Amortization of intangible capital assets	-	-
Loss (gain) on disposal of tangible capital assets	111,037	-
Loss (gain) on disposal of intangible capital assets	-	-
	1,899,150	1,952,906
Change in assets/liabilities		
Taxes Receivable - Municipal	9,465	(128,699)
Other Receivables	12,133	24,422
Assets Held for Sale	-	(2,490)
Other Financial Assets	-	-
Accounts and Accrued Liabilities Payable	210,386	176,281
Derivative Liabilities *[if applicable]*	-	-
Deposits	-	-
Deferred Revenue	-	-
Asset Retirement Obligation	-	-
Liability for Contaminated Sites	-	-
Infrastructure Liability *[if applicable]*	-	-
Other Liabilities	-	-
Stock and Supplies	(105,972)	(5,945)
Prepayments and Deferred Charges	12,159	(11,850)
Other (Specify)	-	-
Cash provided by operating transactions	**2,037,321**	**2,004,625**
Capital:		
Acquisition of capital assets	(1,428,578)	(1,628,321)
Proceeds from the disposal of capital assets	750	-
Cash applied to capital transactions	**(1,427,828)**	**(1,628,321)**
Investing:		
Decrease (increase) in restricted cash or cash equivalents	-	-
Proceeds on disposal of investments	-	-
Decrease (increase) in investments	-	-
Cash provided by (applied to) investing transactions	**-**	**-**
Financing:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	(135,860)	(225,147)
Other financing	-	-
Cash provided by (applied to) financing transactions	**(135,860)**	**(225,147)**
Change in Cash and Cash Equivalents	**473,633**	**151,157**
Cash and Cash Equivalents	1,892,082	1,740,925
Cash and Cash Equivalents - End of Year	**2,365,715**	**1,892,082**
Cash and cash equivalents is made up of:		
Cash and cash equivalents (Note 2)	2,365,715	1,892,082
Less: restricted portion of cash and cash equivalents (Note 2)	(694,043)	(694,043)
Temporary bank indebtedness	-	-
	1,671,672	**1,198,039**

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

1. Significant Accounting Policies

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

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

a) **Reporting Entity:** The financial statements consolidate the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources. No other entities are included in these financial statements.

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

b) **Collection of funds for other authorities:** Collection of funds by the municipality for school boards, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.

c) **Government Transfers:** Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occur, providing:

a) the transfers are authorized
b) any eligibility criteria and stipulations have been met; and
c) reasonable estimates of the amounts can be made.

Unearned government transfer amounts received will be recorded as deferred revenue until eligibility criteria or stipulations are met.
Earned government transfer amounts not received will be recorded as an amount receivable.
Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

d) **Other (Non-Government Transfer) Contributions:** Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the municipality if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions are deferred until the resources are used for the purpose specified, at which time the contributions are recognized as revenue. In-kind contributions are recorded at their fair value when they are received.

1. Significant Accounting Policies - continued

e) **Deferred Revenue -** Fees and charges: Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.

f) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.

g) **Net Financial Assets:** Net Financial Assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.

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

i) **Appropriated Reserves:** Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 8.

1. Significant Accounting Policies - continued

j) **Property Tax Revenue:** Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by council following the guidance of the Government of Saskatchewan. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.

k) **Financial Instruments:** Derivative and equity instruments (or other portfolio investments) that are quoted in an active market are carried at fair value. All other financial instruments are measured at cost/amortized cost; financial assets measured at amortized cost are recognized initially net of transaction costs with interest income recognized using the effective interest rate method. Impairment losses are recognized in the statement of operations when there is an other than temporary decline in value.

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

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

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

Measurement of Financial Instruments:
The municipalities financial assets and liabilities are measured as follows:

Financial Statement line item	Measurement
Cash & Cash Equivalents	Cost
Investments	Cost
Other Accounts Receivable	Cost
Long term receivable	Cost
Bank Indebtedness	Cost
Accounts payable and accrued liabilities	Cost
Long-Term Debt	Amortized Cost

l) **Inventories:** Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.

1. Significant Accounting Policies - continued

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

Asset	***Useful Life***
General Assets	
Land	Indefinite
Land Improvements	5 to 75 Yrs
Buildings	15 to 40 Yrs
Vehicles & Equipment	
Vehicles	10 Yrs
Machinery and Equipment	3 to 10 Yrs
Leased capital assets	Lease term
Infrastructure Assets	
Infrastructure Assets	20 to 40 Yrs
Water & Sewer	40 Yrs
Road Network Assets	20 to 40 Yrs

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

Works of Art and Other Unrecognized Assets: Assets that have a historical or cultural significance, which include works of art, monuments and other cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with this property cannot be made.

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

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

1. Significant Accounting Policies - continued

n) **Trust Funds:** Funds held in trust for others, under a trust agreement or statute, are not included in the consolidated financial statements as they are not controlled by the municipality. Trust fund activities administered by the municipality are disclosed in Note 20.

o) **Employee Benefit Plans:** Contributions to the municipality's multiemployer defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.

p) **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.

Municipality of **RM of Connaught**

Notes to the Consolidated Financial Statements

As at December 31, 2025

1. Significant Accounting Policies - continued

q) **Measurement Uncertainty:** The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period.

Measurement uncertainty impacts the following financial statement areas:

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

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

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

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

The liability associated with asset retirement obligations are measured with reference to the best estimate of the amount required

Measurement financial instruments at fair value and recognition and measurement of impairment of financial instruments requires the use of significant management estimates.

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

1. Significant Accounting Policies - continued

r) **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.

s) **Budget Information**: Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on June 18, 2025.

t) **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.

u) **Asset Retirement Obligation:** Asset Retirement Obligations represent the legal obligations associated with the retirement of a tangible capital asset that result from its acquisition, construction, development, or normal use. The tangible assets include but not limited to assets in productive use, assets no longer in productive use, leased tangible capital assets.

The liability associated with an asset retirement obligation is measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date to the extent that all recognition criteria are met. Asset retirement obligations are only recognized when there is a legal obligation for the municipality to incur costs in relation to a specific TCA, when the past transaction or event causing the liability has already occurred, when economic benefits will need to be given up in order to remediate the liability and when a reasonable estimate of such amount can be made. The best estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date. Where cash flows are expected over future periods, the liability is recognized using a present value technique.

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates.

At remediation, the municipality derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the statement of operations.

v) **Loan Guarantees:** The municipality does not provide any loan guarantees to other organizations.

1. Significant Accounting Policies - continued

v) **New Accounting Policies Adopted During the Year:**

PS 3400, Revenue, a new standard establishing guidance on how to account for and report on revenue. The standard provides a framework for recognizing, measuring and reporting revenues that arise from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payer. This section may be applied retroactively or prospectively.

PSG-8, Purchased intangibles, provides guidance on accounting for and reporting on purchased intangible capital assets. It provides clarity on the recognition criteria, along with instances of assets that would not meet the definition of such. Application may be made either retroactively or prospectively in accordance with PS 2120 Accounting Changes.

PS 3160, Public private partnerships, a new standard establishing guidance on how to account for and report on partnerships between public and private sector entities. Specifically those in which the entity in the public sector procures infrastructure in conjunction with a private sector entity. In these scenarios the private sector entity must have obligations to design, build, acquire or improve existing infrastructure. Furthermore they must also finance the transaction past the point in which the asset is initially ready for use along with operating and/or maintaining such on an ongoing basis. The standard may be applied either retroactively (with or without prior period restatement) or prospectively.

Municipality of **RM of Connaught**

Notes to the Financial Statements

As at December 31, 2025

2. Cash and Cash Equivalents

	2025	2024
Cash	1,671,672	1,198,039
Short-term investments - amortized cost	-	-
Restricted Cash	694,043	694,043
Total Cash and Cash Equivalents	**2,365,715**	1,892,082

Cash and cash equivalents includes balances with banks and short-term deposits with maturities of three months or less. [Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.]

3. Investments

	2025	2024
Investments carried at fair value:		
	-	-
None	-	-
	-	-
Investments carried at amortized cost:		
None	-	-
	-	-
Total investments	**-**	**-**

Municipality of **RM of Connaught**

Notes to the Financial Statements

As at December 31, 2025

4. Taxes Receivable - Municipal

		2025	2024
Municipal	- Current	145,121	158,204
	- Arrears	8,281	4,663
		153,402	**162,867**
	- Less Allowance for Uncollectible	-	-
Total municipal taxes receivable		**153,402**	**162,867**
School	-Current	22,485	13,867
	-Arrears	4,277	2,214
Total taxes to be collected on behalf of School Divisions		**26,762**	**16,081**
Other		6,655	3,821
Total taxes and grants in lieu receivable or to be collected on behalf of other organizations		**186,819**	**182,769**
Deduct taxes to be collected on behalf of other organizations		(33,417)	(19,902)
Total Taxes Receivable - Municipal		**153,402**	**162,867**

5. Other Accounts Receivable

Federal Government	75,477	96,327
Provincial Government	-	-
Local Government	-	-
Utility	-	-
Trade	-	-
Other (Specify)	-	-
Total Other Accounts Receivable	**75,477**	**96,327**
Less: Allowance for Uncollectible	-	-
Net Other Accounts Receivable	**75,477**	**96,327**

Municipality of **RM of Connaught**
Notes to the Financial Statements
As at December 31, 2025

6. Assets Held for Sale

	2025	2024
Tax Title Property	4,327	4,327
Allowance for market value adjustment	(1,524)	(1,524)
Net Tax Title Property	**2,803**	**2,803**
Other Land	-	-
Allowance for market value adjustment	-	-
Net Other Land	**-**	**-**
Other (Describe)	-	-
Total Assets Held for Sale	**2,803**	**2,803**

7. Long-Term Receivable

	2025	2024
Sask Assoc. of Rural Municipalities - Self Insurance Fund	8,772	-
Equity - Credit Union	900	900
Equity - Co-op	7,420	7,475
Total Long-Term Receivables	**17,092**	**8,375**

8. Debt Charges Recoverable

	2025	2024
Current debt charges recoverable	-	-
Non-current debt charges recoverable	-	-
Total Debt Charges Recoverable	**-**	**-**

The municipality has no future debt charges recoverable.

9. Financial Instruments - Fair Value Disclosures

For those instruments measured at cost / amortized cost the carrying value approximates the fair value.

The municipality has no financial instruments carried a fair market value.

Municipality of **<u>RM of Connaught</u>**

Notes to the Financial Statements

As at December 31, 2025

10. Bank Indebtedness

Credit Arrangements

At December 31, 2025, the Municipality had an authorized overdraft limit of $750,000 (2024 - $750,000), none of which were drawn (2024 - none).

11. Deferred Revenue

	2024	Externally Restricted Inflows	Revenue Earned	**2025**
None	-	-	-	-
	-	-	-	-
	-	-	-	-
Total Deferred Revenue	**-**	**-**	**-**	**-**

Municipality of **<u>RM of Connaught</u>**

Notes to the Financial Statements

As at December 31, 2025

12. Asset Retirement Obligation

	2025	2024
Balance, beginning of the year	-	-
Liabilities incurred	-	-
Liabilities settled	-	-
Accretion expense	-	-
Changes in estimated cash flows	-	-
Estimated total liability	**-**	**-**

Landfill

Landfill closure and post-closure care requirements have been defined in accordance with The Environmental Management and Protection Act and include final covering and landscaping of the landfill, pumping of ground water, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The municipality does not operate a landfill for which it would incur closure and post-closure care costs.

Asbestos

The municipality is not aware of any building it owns containing asbestos. If a building owned by the municipality does conatin asbestos, the municipality may be legally required to perform abatement activities upon renovation or demolition of this asset. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed.

Municipality of **<u>RM of Connaught</u>**

Notes to the Financial Statements

As at December 31, 2025

13. Liability for Contaminated Sites

No liabilities for contaminated sites have been recorded in these financial statements. The municipality is not aware of any circumstances given rise to a liability for contaminated sites.

14. Long-Term Debt

a) The debt limit of the municipality is $3,141,553. 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)).

Bank loans are repayable in semi-annual payments of $79,737, icluding interest at 6.84% per annum. The bank loan is secured by a grader with a net book value of $374,694.

Future principal repayments are estimated as follows:

Year	Principal	Interest	Current Year Total	Prior Year Total
2026	154,106	5,642	159,748	159,748
2027	-	-	-	-
2028	-	-	-	-
2029	-	-	-	-
2030	-	-	-	-
Thereafter	-	-	-	-
Balance	**154,106**	**5,642**	**159,748**	**159,748**

Municipality of **RM of Connaught**
Notes to the Financial Statements
As at December 31, 2025

15. Lease Obligations

The municipality has no capital lease obligations.

16. Other Non-financial Assets	**2025**	2024
None	-	-

17. Contingent Liabilities

The municipality has not indentified any contingent liabilities.

Municipality of **<u>RM of Connaught</u>**

Notes to the Financial Statements

As at December 31, 2025

18. Pension Plan

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality's pension expense in 2025 was $35,078. 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 the MEPP in 2025 were *$35,078* (2024 - *$37,085*). Total current service contributions by the employees of the municipality to the MEPP in 2025 were *$35,078* (2024 - *$37,085*).

At the time of the municipality's audit the mosr recent MEPP actuarial valuation was at December 31, 2024 when the MEPP disclosed an actuarial surplus of $819,117,000.

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

19. Comparative Figures

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

20. Trusts Administered by the Municipality

A summary of trust fund activity by the municipality during the year is as follows:

[Description of Trust i.e. Cemetery]

	Current Year Total	Prior Year Total
Balance - Beginning of Year	-	-
Revenue (*Specify*)	-	-
Interest revenue	-	-
Expenditure (*Specify*)	-	-
Balance - End of Year	-	-

21. Related Parties

The financial statements include transactions with related parties.

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

22. Contingent Assets

Contingent assets are not recorded in the financial statements.

23. Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in an asset and revenue in the future. The municipality has no significant contractual rights.

24. Contractual Obligations and Commitments

The municipality has no significant contractual obligations and commitments.

26. Risk Management

Through its financial assets and liabilities, the municipality is exposed to various risks.

It is managements opinion that the municipality is not exposed to significant credit, interest, exchange, and liquidity risks arising from these financial instruments.

Credit Risk
Credit risk is the risk that one party to a financial instrument will fail to discharge their responsibilities with respect to the financial instrument, and in so doing, cause a loss for the other party. The financial instruments that potentially subject the municipality to credit risk consist of accounts receivable.

The municipalities maximum exposure to credit risk as at December 31 is as follows:	**2025**
Taxes Receivable	153,402
Other Receivables	75,477
Maximum credit risk exposure	**228,879**

Municipality of **RM of Connaught**

Schedule 1: Schedule of Taxes and Other Unconditional Revenue

As at December 31, 2025

Schedule 1

		2025 Budget	**2025**	2024
TAXES				
	General municipal tax levy	3,498,946	3,516,708	2,612,453
	Abatements and adjustments	(150,000)	(426,824)	-
	Discount on current year taxes	-	-	-
	Net Municipal Taxes	**3,348,946**	**3,089,884**	**2,612,453**
	Potash tax share	-	-	-
	Trailer license fees	-	-	-
	Penalties on tax arrears	3,000	4,488	1,729
	Special tax levy	-	-	-
	Other (*Specify*)	-	-	-
Total Taxes		**3,351,946**	**3,094,372**	**2,614,182**
UNCONDITIONAL GRANTS				
	Revenue Sharing	320,453	320,488	301,879
	(Organized Hamlet)	-	-	-
	Safe Restart	-	-	-
	Other (*Specify*)	-	-	-
Total Unconditional Grants		**320,453**	**320,488**	**301,879**
GRANTS IN LIEU OF TAXES				
Federal		-	-	-
Provincial				
	S.P.C. Electrical	-	-	-
	SaskEnergy Gas	-	-	-
	TransGas	-	-	-
	Central Services	-	-	-
	SaskTel	-	-	-
	Other (*Specify*)	-	-	-
Local/Other				
	Housing Authority	-	-	-
	C.P.R. Mainline	-	-	-
	Treaty Land Entitlement	-	-	-
	Other (*Specify*)	-	-	-
Other Government Transfers				
	S.P.C. Surcharge	-	-	-
	Sask Energy Surcharge	-	-	-
	Other (*Specify*)	-	-	-
Total Grants in Lieu of Taxes		**-**	**-**	**-**
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE		**3,672,399**	**3,414,860**	**2,916,061**

Municipality of **RM of Connaught**

Schedule 2: Schedule of Operating and Capital Revenue by Function

As at December 31, 2025

Schedule 2 - 1

	2025 Budget	2025	2024
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	-	-	-
- Sales of supplies	200	884	-
- Other (Tax certificates, other office services)	5,560	11,234	6,439
Total Fees and Charges	**5,760**	**12,118**	**6,439**
- Tangible capital asset sales - gain (loss)	-	-	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Land sales - gain	-	-	-
- Investment income	18,000	12,881	23,341
- Commissions	-	-	-
- Other (*Specify*)	-	-	-
Total Other Segmented Revenue	**23,760**	**24,999**	**29,780**
Conditional Grants			
- Student Employment	-	-	-
- MEEP	-	-	-
- Other (*Specify*)	-	-	-
Total Conditional Grants	**-**	**-**	**-**
Total Operating	**23,760**	**24,999**	**29,780**
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- ICIP	-	-	-
- Provincial Disaster Assistance	-	-	-
- MEEP	-	-	-
- Other (*Specify*)	-	-	-
Total Capital	**-**	**-**	**-**
Restructuring Revenue (*Specify, if any*)	-	-	-
Total General Government Services	**23,760**	**24,999**	**29,780**

	2025 Budget	2025	2024
PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (*Specify*)	-	17,096	1,965
Total Fees and Charges	**-**	**17,096**	**1,965**
- Tangible capital asset sales - gain (loss)	-	-	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Other (*Specify*)	-	-	-
Total Other Segmented Revenue	-	17,096	1,965
Conditional Grants			
- Student Employment	-	-	-
- Local government	-	-	-
- MEEP	-	-	-
- Other (*Specify*)	-	-	-
Total Conditional Grants	**-**	**-**	**-**
Total Operating	**-**	**17,096**	**1,965**
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- ICIP	-	-	-
- Provincial Disaster Assistance	-	-	-
- Local government	-	-	-
- MEEP	-	-	-
- Other (*Specify*)	-	-	-
Total Capital	**-**	**-**	**-**
Restructuring Revenue (*Specify, if any*)	-	-	-
Total Protective Services	-	17,096	1,965

Municipality of **RM of Connaught**
Schedule 2: Schedule of Operating and Capital Revenue by Function
As at December 31, 2025

Schedule 2 - 2

	2025 Budget	2025	2024
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	250	5,912	2,170
- Sales of supplies	-	-	493
- Road Maintenance and Restoration Agreements	-	-	-
- Frontage	-	-	-
- Other (*Specify*)	-	-	-
Total Fees and Charges	**250**	**5,912**	**2,663**
- Tangible capital asset sales - gain (loss)	4,250	(111,037)	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Other (*Specify*)	-	-	-
Total Other Segmented Revenue	**4,500**	**(105,125)**	**2,663**
Conditional Grants			
- RIRG (CTP)	-	-	-
- Student Employment	-	1,370	1,960
- MEEP	-	-	-
- Other (*Specify*)	-	-	-
Total Conditional Grants	**-**	**1,370**	**1,960**
Total Operating	**4,500**	**(103,755)**	**4,623**
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	42,874	31,677	34,874
- ICIP	-	-	-
- RIRG (CTP, Bridge and Large Culvert, Road Const.)	-	-	694,746
- Provincial Disaster Assistance	-	-	-
- MEEP	-	-	-
- Other (*Specify*)	-	-	-
Total Capital	**42,874**	**31,677**	**729,620**
Restructuring Revenue (*Specify, if any*)	-	-	-
Total Transportation Services	**47,374**	**(72,078)**	**734,243**
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	-	-	-
- Other (Sale of products, donations)	150	440	150
Total Fees and Charges	**150**	**440**	**150**
- Tangible capital asset sales - gain (loss)	-	-	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Other (*Specify*)	-	-	-
Total Other Segmented Revenue	**150**	**440**	**150**
Conditional Grants			
- Student Employment	-	-	-
- TAPD	-	-	-
- Local government	-	-	-
- MEEP	-	-	-
- Other - Pest Control	3,110	3,755	4,104
Total Conditional Grants	**3,110**	**3,755**	**4,104**
Total Operating	**3,260**	**4,195**	**4,254**
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- ICIP	-	-	-
- TAPD	-	-	-
- Provincial Disaster Assistance	-	-	-
- MEEP	-	-	-
- Other (*Specify*)	-	-	-
Total Capital	**-**	**-**	**-**
Restructuring Revenue (*Specify, if any*)	-	-	-
Total Environmental and Public Health Services	**3,260**	**4,195**	**4,254**

Municipality of **RM of Connaught**
Schedule 2: Schedule of Operating and Capital Revenue by Function
As at December 31, 2025

Schedule 2 - 3

	2025 Budget	2025	2024
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges	-	3,222	-
- Other (*Specify*)	-	-	-
Total Fees and Charges	**-**	**3,222**	**-**
- Tangible capital asset sales - gain (loss)	-	-	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Other (*Specify*)	-	-	-
Total Other Segmented Revenue	**-**	**3,222**	**-**
Conditional Grants			
- Student Employment	-	-	-
- MEEP	-	-	-
- Other (*Specify*)	-	-	-
Total Conditional Grants	**-**	**-**	**-**
Total Operating	**-**	**3,222**	**-**
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- ICIP	-	-	-
- Provincial Disaster Assistance	-	-	-
- MEEP	-	-	-
- Other (*Specify*)	-	-	-
Total Capital	**-**	**-**	**-**
Restructuring Revenue (*Specify, if any*)	-	-	-
Total Planning and Development Services	**-**	**3,222**	**-**

RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Other (*Specify*)	-	-	-
Total Fees and Charges	**-**	**-**	**-**
- Tangible capital asset sales - gain (loss)	-	-	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Other (*Specify*)	-	-	-
Total Other Segmented Revenue	**-**	**-**	**-**
Conditional Grants			
- Student Employment	-	-	-
- Local government	-	-	-
- MEEP	-	-	-
- Other - Sask Lotteries, etc.	3,903	3,903	3,903
Total Conditional Grants	**3,903**	**3,903**	**3,903**
Total Operating	**3,903**	**3,903**	**3,903**
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- ICIP	-	-	-
- Local government	-	-	-
- Provincial Disaster Assistance	-	-	-
- MEEP	-	-	-
- Other (*Specify*)	-	-	-
Total Capital	**-**	**-**	**-**
Restructuring Revenue (*Specify, if any*)	-	-	-
Total Recreation and Cultural Services	**3,903**	**3,903**	**3,903**

Municipality of **RM of Connaught**
Schedule 2: Schedule of Operating and Capital Revenue by Function
As at December 31, 2025

Schedule 2 - 4

	2025 Budget	2025	2024
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	-	-	-
- Sewer	-	-	-
- Other (*Specify*)	-	-	-
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Other (*Specify*)	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment	-	-	-
- MEEP	-	-	-
- Other (*Specify*)	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- ICIP	-	-	-
- New Building Canada Fund (SCF, NRP)	-	-	-
- Clean Water and Wastewater Fund	-	-	-
- Provincial Disaster Assistance	-	-	-
- MEEP	-	-	-
- Other (*Specify*)	-	-	-
Total Capital	-	-	-
Restructuring Revenue (*Specify, if any*)	-	-	-
Total Utility Services	-	-	-
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	**78,297**	**(18,663)**	**774,145**

SUMMARY

Total Other Segmented Revenue	28,410	(59,368)	34,558
Total Conditional Grants	7,013	9,028	9,967
Total Capital Grants and Contributions	42,874	31,677	729,620
Restructuring Revenue	-	-	-
TOTAL REVENUE BY FUNCTION	**78,297**	**(18,663)**	**774,145**

Municipality of **RM of Connaught**

Schedule 3: Total Expenses by Function

As at December 31, 2025 Schedule 3 - 1

		2025 Budget	**2025**	2024
GENERAL GOVERNMENT SERVICES				
Council remuneration and travel		22,500	36,662	28,512
Wages and benefits		104,576	107,679	101,677
Professional/Contractual services		119,813	80,609	76,463
Utilities		6,100	5,928	5,849
Maintenance, materials and supplies		26,950	21,851	16,884
Grants and contributions	- operating	-	-	-
	- capital	-	-	-
Amortization of Tangible Capital Assets		7,171	7,171	7,171
Accretion of asset retirement obligation		-	-	-
Interest		-	-	-
Allowance for uncollectible		-	-	-
Other (*Specify*)		-	-	-
General Government Services		**287,110**	**259,900**	**236,556**
Restructuring *(Specify, if any)*		-	-	-
Total General Government Services		**287,110**	**259,900**	**236,556**
PROTECTIVE SERVICES				
Police protection				
Wages and benefits		-	-	-
Professional/Contractual services		30,000	29,741	29,046
Utilities		-	-	-
Maintenance, material and supplies		-	-	-
Amortization of Tangible Capital Assets		-	-	-
Accretion of asset retirement obligation		-	-	-
Grants and contributions	- operating	-	-	-
	- capital	-	-	-
Other (*Specify*)		-	-	-
Fire protection				
Wages and benefits		-	-	-
Professional/Contractual services		24,587	27,954	27,105
Utilities		-	-	-
Maintenance, material and supplies		-	3,013	-
Grants and contributions	- operating	-	-	-
	- capital	15,700	15,988	15,700
Amortization of Tangible Capital Assets		-	-	-
Interest		-	-	-
Accretion of asset retirement obligation		-	-	-
Other (*Specify*)		-	-	-
Protective Services		**70,287**	**76,696**	**71,851**
Restructuring *(Specify, if any)*		-	-	-
Total Protective Services		**70,287**	**76,696**	**71,851**
TRANSPORTATION SERVICES				
Wages and benefits		483,675	375,220	418,122
Professional/Contractual Services		144,800	12,133	12,729
Utilities		15,755	12,427	15,625
Maintenance, materials, and supplies		1,021,030	390,248	441,224
Gravel		539,575	418,577	462,903
Grants and contributions	- operating	-	-	-
	- capital	-	-	-
Amortization of Tangible Capital Assets		841,156	864,397	841,156
Interest		13,000	23,614	27,175
Accretion of asset retirement obligation		-	-	-
Other (*Specify*)		-	-	-
Transportation Services		**3,058,991**	**2,096,616**	**2,218,934**
Restructuring *(Specify, if any)*		-	-	-
Total Transportation Services		**3,058,991**	**2,096,616**	**2,218,934**

Municipality of **RM of Connaught**

Schedule 3: Total Expenses by Function

As at December 31, 2025

Schedule 3 - 2

		2025 Budget	**2025**	2024
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES				
Wages and benefits		-	-	-
Professional/Contractual services		37,800	23,052	38,587
Utilities		-	-	-
Maintenance, materials and supplies		4,500	3,838	3,551
Grants and contributions	- operating			
	○ Waste disposal	-	-	-
	○ Public Health	2,500	2,500	-
	- capital			
	○ Waste disposal	-	-	-
	○ Public Health	-	-	-
Amortization of Tangible Capital Assets		-	-	-
Interest		-	-	-
Accretion of asset retirement obligation		-	-	-
Other (*Specify*)		-	-	-
Environmental and Public Health Services		**44,800**	**29,390**	**42,138**
Restructuring (Specify, if any)		-	-	-
Total Environmental and Public Health Services		**44,800**	**29,390**	**42,138**
PLANNING AND DEVELOPMENT SERVICES				
Wages and benefits		-	-	-
Professional/Contractual Services		-	3,572	3,500
Grants and contributions	- operating	-	-	-
	- capital	-	-	-
Amortization of Tangible Capital Assets		-	-	-
Interest		-	-	-
Accretion of asset retirement obligation		-	-	-
Other (*Specify*)		-	-	-
Planning and Development Services		**-**	**3,572**	**3,500**
Restructuring (Specify, if any)		-	-	-
Total Planning and Development Services		**-**	**3,572**	**3,500**
RECREATION AND CULTURAL SERVICES				
Wages and benefits		-	-	-
Professional/Contractual services		12,500	13,478	12,648
Utilities		-	-	-
Maintenance, materials and supplies		-	-	-
Grants and contributions	- operating	3,903	-	-
	- capital	-	-	-
Amortization of Tangible Capital Assets		-	-	-
Interest		-	-	-
Accretion of asset retirement obligation		-	-	-
Allowance for uncollectible		-	-	-
Other (*Specify*)		-	-	-
Recreation and Cultural Services		**16,403**	**13,478**	**12,648**
Restructuring (Specify, if any)		-	-	-
Total Recreation and Cultural Services		**16,403**	**13,478**	**12,648**

Municipality of **RM of Connaught**

Schedule 3: Total Expenses by Function

As at December 31, 2025 Schedule 3 - 3

		2025 Budget	2025	2024
UTILITY SERVICES				
Wages and benefits		-	-	-
Professional/Contractual services		-	-	-
Utilities		-	-	-
Maintenance, materials and supplies		-	-	-
Grants and contributions	- operating	-	-	-
	- capital	-	-	-
Amortization of Tangible Capital Assets		-	-	-
Interest		-	-	-
Accretion of asset retirement obligation		-	-	-
Allowance for Uncollectible		-	-	-
Other (*Specify*)		-	-	-
Utility Services		**-**	**-**	**-**
Restructuring (Specify, if any)		-	-	-
Total Utility Services		**-**	**-**	**-**
TOTAL EXPENSES BY FUNCTION		**3,477,591**	**2,479,652**	**2,585,627**

Municipality of **RM of Connaught**
Schedule 4: Schedule of Segment Disclosure by Function
As at December 31, 2025

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	12,118	17,096	5,912	440	3,222	-	-	38,788
Tangible Capital Asset Sales - Gain	-	-	(111,037)	-	-	-	-	(111,037)
Land Sales - Gain	-							-
Investment Income	12,881							12,881
Commissions	-							-
Other Revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	1,370	3,755	-	3,903	-	9,028
- Capital	-	-	31,677	-	-	-	-	31,677
Total Revenues	**24,999**	**17,096**	**(72,078)**	**4,195**	**3,222**	**3,903**	**-**	**(18,663)**
Expenses (Schedule 3)								
Wages & Benefits	144,341	-	375,220	-	-	-	-	519,561
Professional/ Contractual Services	80,609	57,695	12,133	23,052	3,572	13,478	-	190,539
Utilities	5,928	-	12,427	-		-	-	18,355
Maintenance Materials and Supplies	21,851	3,013	808,825	3,838		-	-	837,527
Grants and Contributions	-	15,988	-	2,500	-	-	-	18,488
Amortization of Tangible Capital Assets	7,171	-	864,397	-	-	-	-	871,568
Interest	-	-	23,614	-	-	-	-	23,614
Accretion of asset retirement obligation	-	-	-	-	-	-	-	-
Allowance for Uncollectible	-					-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenses	**259,900**	**76,696**	**2,096,616**	**29,390**	**3,572**	**13,478**	**-**	**2,479,652**
Surplus (Deficit) by Function	**(234,901)**	**(59,600)**	**(2,168,694)**	**(25,195)**	**(350)**	**(9,575)**	**-**	**(2,498,315)**
Taxes and other unconditional revenue (Schedule 1)								3,414,860
Net Surplus (Deficit)								916,545

Municipality of **RM of Connaught**
Schedule 5: Schedule of Segment Disclosure by Function
As at December 31, 2024

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	6,439	1,965	2,663	150	-	-	-	11,217
Tangible Capital Asset Sales - Gain	-	-	-	-	-	-	-	-
Land Sales - Gain	-							-
Investment Income	23,341							23,341
Commissions	-							-
Other Revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	1,960	4,104	-	3,903	-	9,967
- Capital	-	-	729,620	-	-	-	-	729,620
Restructurings	-	-	-	-	-	-	-	-
Total Revenues	**29,780**	**1,965**	**734,243**	**4,254**	**-**	**3,903**	**-**	**774,145**
Expenses (Schedule 3)								
Wages & Benefits	130,189	-	418,122	-	-	-	-	548,311
Professional/ Contractual Services	76,463	56,151	12,729	38,587	3,500	12,648	-	200,078
Utilities	5,849	-	15,625	-		-	-	21,474
Maintenance Materials and Supplies	16,884	-	904,127	3,551		-	-	924,562
Grants and Contributions	-	15,700	-	-	-	-	-	15,700
Amortization of Tangible Capital Assets	7,171	-	841,156	-	-	-	-	848,327
Interest	-	-	27,175	-	-	-	-	27,175
Accretion of asset retirement obligation	-	-	-	-	-	-	-	-
Allowance for Uncollectible	-					-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenses	**236,556**	**71,851**	**2,218,934**	**42,138**	**3,500**	**12,648**	**-**	**2,585,627**
Surplus (Deficit) by Function	**(206,776)**	**(69,886)**	**(1,484,691)**	**(37,884)**	**(3,500)**	**(8,745)**	**-**	**(1,811,482)**
Taxes and other unconditional revenue (Schedule 1)								2,916,061
Net Surplus (Deficit)								**1,104,579**

Municipality of **RM of Connaught**
Schedule 6: Schedule of Tangible Capital Assets by Object
As at December 31, 2025

	2025									2024
	General Assets					**Infrastructure Assets**		**General/ Infrastructure**		
	Land	**Land Improvements**	**Buildings**	**Vehicles**	**Machinery & Equipment**	**Linear assets**	**Public Private Partnerships**	**Assets Under Construction**	**Total**	Total
Assets										
Asset cost										
Opening Asset costs	39,249	9,369	520,429	98,393	1,954,109	20,797,217	-	86,864	23,505,630	21,877,309
Additions during the year	-	-	-	-	1,234	1,427,344	-	-	1,428,578	1,628,321
Disposals and write-downs during the year	-	-	-	-	-	(186,311)	-	-	(186,311)	-
Transfers (from) assets under construction	-	-	-	-	-	86,864	-	(86,864)	-	-
Closing Asset Costs	**39,249**	**9,369**	**520,429**	**98,393**	**1,955,343**	**22,125,114**	**-**	**-**	**24,747,897**	**23,505,630**
Amortization										
Accumulated Amortization Cost										
Opening Accumulated Amortization Costs	-	9,369	238,807	63,297	973,571	12,855,599	-	-	14,140,643	13,292,317
Add: Amortization taken	-	-	13,011	5,014	204,391	649,152	-	-	871,568	848,326
Less: Accumulated amortization on disposals	-	-	-	-	-	(74,524)	-	-	(74,524)	-
Closing Accumulating Amortization Costs	**-**	**9,369**	**251,818**	**68,311**	**1,177,962**	**13,430,227**	**-**	**-**	**14,937,687**	**14,140,643**
Net Book Value	**39,249**	**-**	**268,611**	**30,082**	**777,381**	**8,694,887**	**-**	**-**	**9,810,210**	**9,364,987**

Municipality of **RM of Connaught**
Schedule 7: Schedule of Tangible Capital Assets by Function
As at December 31, 2025

Schedule 7

		2025								2024
		General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
Assets	**Asset cost**									
	Opening Asset costs	328,240	-	23,177,390	-	-	-	-	23,505,630	21,877,309
	Additions during the year	1,234	-	1,427,344	-	-	-	-	1,428,578	1,628,321
	Disposals and write-downs during the year	-	-	(186,311)	-	-	-	-	(186,311)	-
	Closing Asset Costs	**329,474**	**-**	**24,418,423**	**-**	**-**	**-**	**-**	**24,747,897**	**23,505,630**
Amortization	**Accumulated Amortization Cost**									
	Opening Accumulated Amortization Costs	144,772	-	13,995,871	-	-	-	-	14,140,643	13,292,317
	Add: Amortization taken	7,171	-	864,397	-	-	-	-	871,568	848,326
	Less: Accumulated amortization on disposals	-	-	(74,524)	-	-	-	-	(74,524)	-
	Closing Accumulated Amortization Costs	**151,943**	**-**	**14,785,744**	**-**	**-**	**-**	**-**	**14,937,687**	**14,140,643**
	Net Book Value	**177,531**	**-**	**9,632,679**	**-**	**-**	**-**	**-**	**9,810,210**	**9,364,987**

Municipality of RM of Connaught
Schedule 10: Schedule of Accumulated Surplus
As at December 31, 2025

Schedule 8

		2024	Changes	2025
UNAPPROPRIATED SURPLUS		**1,460,241**	**335,462**	**1,795,703**
APPROPRIATED RESERVES				
	Machinery and Equipment	35,000	-	35,000
	Public Reserve	5,990	-	5,990
	Capital Trust	592,740	-	592,740
	Utility	-	-	-
	Other - Health Care	60,313	-	60,313
Total Appropriated		**694,043**	**-**	**694,043**
NET INVESTMENT IN CAPITAL ASSETS				
	Tangible capital assets **(Schedule 6, 7)**	9,364,987	445,223	9,810,210
	Less: Related debt	(289,966)	135,860	(154,106)
Net Investment in Capital Assets		**9,075,021**	**581,083**	**9,656,104**
Accumulated Surplus (Deficit) excluding remeasurement gains (losses)		**11,229,305**	**916,545**	**12,145,850**

Municipality of **RM of Connaught**
Schedule 11: Schedule of Mill Rates and Assessments
As at December 31, 2025

Schedule 9

	PROPERTY CLASS						
	Agriculture	**Residential**	**Residential Condominium**	**Seasonal Residential**	**Commercial & Industrial**	**Potash Mine(s)**	**Total**
Taxable Assessment	254,852,020	10,877,660	-	-	12,858,290	-	278,587,970
Regional Park Assessment							-
Total Assessment							278,587,970
Mill Rate Factor(s)	0.93	0.67	-	-	2.30		
Total Base/Minimum Tax (generated for each property class)	227,700	-	-	-	-		227,700
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	2,810,103	80,832	-	-	608,011		3,498,946

MILL RATES:	**MILLS**
Average Municipal*	12.56
Average School*	1.69
Potash Mill Rate	-
Uniform Municipal Mill Rate	11.00

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

Municipality of **RM of Connaught**
Schedule 12: Schedule of Council Remuneration
As at December 31, 2025

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	**Lloyd Seymour**	3,811	-	3,811
Councillor	Denis Marchildon	2,500	-	2,500
Councillor	Dale Poggemiller	3,400	-	3,400
Councillor	Quentin Thibault	2,950	-	2,950
Councillor	Guy Chabot	3,638	-	3,638
Councillor	Lyndon Wrigley	2,500	-	2,500
Councillor	Kurtis Barber	2,250	-	2,250
Total		**21,049**	**-**	**21,049**