

Annual Consolidated Financial Statements
And Supporting Schedules

Rural Municipality of Mervin No. 499
For The Year Ended December 31, 2025

Management's Responsibility

The municipality's management is responsible for the preparation and presentation of the accompanying consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgments and estimates by management is required.

In discharging its responsibilities for the integrity and fair presentation of the consolidated financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

The Council is composed of elected officials who are not employees of the municipality. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the municipality's external auditors.

BDO Canada LLP, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.


Reeve

May 26, 2026


Administrator



Tel: (306) 668-5900
Fax: (306) 652-1315
www.bdo.ca

BDO Canada LLP
Scotia Centre, 123 2nd Avenue South, 10th Floor
Saskatoon, Saskatchewan
S7K 7E6

Independent Auditor's Report

To the Council of the Rural Municipality of Mervin No. 499

Opinion

We have audited the consolidated financial statements of the Rural Municipality of Mervin No. 499 and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of operations, the consolidated statement of change in net financial assets and the consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated results of operations, its consolidated measurement gains and losses, its consolidated change in net financial assets, and its consolidated cash flows for the year then ended in accordance with *Canadian public sector accounting standards*.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group 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.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of schedules 2-1 to 2-4, 3-1 to 3-3, 7, and 9-11 of the Group's consolidated financial statements.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Group'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 Group'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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

BDO Canada LLP

Chartered Professional Accountants

Saskatoon, Saskatchewan
May 27, 2026

Rural Municipality of Mervin No. 499
Consolidated Statement of Financial Position
As at December 31, 2025

Statement 1

	2025	2024
FINANCIAL ASSETS		
Cash and Cash Equivalents (Note 2)	9,926,949	6,984,169
Investments (Note 3)	7,251,317	8,553,649
Taxes Receivable - Municipal (Note 4)	444,319	435,133
Other Accounts Receivable (Note 5)	151,724	523,394
Long-Term Receivable (Note 7)	276,680	246,818
Debt Charges Recoverable (Note 8)	-	-
Derivative Assets (Note 9)	-	-
Total Financial Assets	18,050,990	16,743,163
LIABILITIES		
Bank Indebtedness (Note 10)	-	-
Accounts Payable	58,797	347,805
Accrued Liabilities Payable	130,329	113,737
Derivative Liabilities (Note 9)	-	-
Deposits	-	-
Deferred Revenue (Note 11)	210,105	68,025
Asset Retirement Obligation (Note 12)	257,925	257,925
Liability for Contaminated Sites (Note 13)	-	-
Other Liabilities	-	-
Long-Term Debt (Note 14)	-	-
Lease Obligations (Note 15)	-	-
Total Liabilities	657,156	787,492
NET FINANCIAL ASSETS (DEBT)	17,393,833	15,955,671
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6)	27,658,771	28,280,203
Assets Held for Sale (Note 6)	34,020	40,102
Prepayments and Deferred Charges	7,643	9,636
Stock and Supplies	841,061	587,261
Other (Note 16)	-	-
Total Non-Financial Assets	28,541,495	28,917,202
ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)	45,935,328	44,872,873

Contingent Liabilities (Note 17)
Contractual Obligations and Commitments (Note 24)

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

Rural Municipality of Mervin No. 499
Consolidated Statement of Operations
As at December 31, 2025

Statement 2

	2025 Budget	2025	2024
REVENUES			
Taxes Revenue (Schedule 1)	7,288,040	7,255,897	6,727,950
Other Unconditional Revenue (Schedule 1)	691,560	702,431	641,451
Fees and Charges (Schedule 4, 5)	309,390	1,420,389	1,238,101
Conditional Grants (Schedule 4, 5)	14,340	116,268	57,006
Tangible Capital Asset Sales - Gain/(Loss) (Schedule 4, 5)	(35,000)	(155,945)	(24,126)
Land Sales - Gain/(Loss) (Schedule 4, 5)	-	(5,032)	(10,136)
Investment Income (Note 3) (Schedule 4, 5)	158,000	563,606	544,463
Commissions (Schedule 4, 5)	-	-	-
Restructurings (Schedule 4,5)	-	-	-
Other Revenues (Schedule 4, 5)	405,740	383,496	710,576
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	658,000	49,804	60,584
Total Revenues	9,490,070	10,330,914	9,945,868
EXPENSES			
General Government Services	2,377,863	1,931,390	2,051,895
Protective Services	748,951	983,192	649,818
Transportation Services	6,931,140	4,538,463	4,448,403
Environmental and Public Health Services	449,143	1,177,643	832,486
Planning and Development Services	295,600	186,440	253,379
Recreation and Cultural Services	107,263	114,162	90,231
Utility Services	226,452	337,169	338,331
Restructurings	-	-	-
Total Expenses	11,136,411	9,268,458	8,664,543
Annual Surplus (Deficit) of Revenues over Expenses	(1,646,341)	1,062,456	1,281,325
Accumulated Surplus (Deficit), Beginning of Year	44,872,873	44,872,873	43,591,548
Accumulated Surplus (Deficit), End of Year	43,226,532	45,935,328	44,872,873

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

Rural Municipality of Mervin No. 499
Consolidated 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	(1,646,341)	1,062,456	1,281,325
(Acquisition) of tangible capital assets	(295,700)	(1,682,940)	(1,968,054)
Amortization of tangible capital assets	1,646,341	1,646,341	1,611,657
Proceeds on disposal of tangible capital assets	-	502,086	283,757
Loss (gain) on the disposal of tangible capital assets	-	155,945	24,126
Loss (gain) on the disposal of assets held for sale		6,082	-
Surplus (Deficit) of capital expenses over expenditures	1,350,641	627,514	(48,514)
(Acquisition) of supplies inventories	-	(519,505)	(144,676)
(Acquisition) of prepaid expense	-	(7,643)	(9,636)
Consumption of supplies inventory	-	265,704	471,005
Use of prepaid expense	-	9,636	7,299
Surplus (Deficit) of expenses of other non-financial over expenditures	-	(251,807)	323,992
Increase/Decrease in Net Financial Assets	(295,700)	1,438,163	1,556,803
Net Financial Assets - Beginning of Year	15,955,670	15,955,670	14,398,867
Net Financial Assets - End of Year	15,659,970	17,393,833	15,955,670

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

Rural Municipality of Mervin No. 499
Consolidated 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	1,062,456	1,281,325
Amortization	1,646,341	1,611,657
Loss (gain) on disposal of tangible capital assets	155,945	24,126
	2,864,742	2,917,108
Change in assets/liabilities		
Taxes Receivable - Municipal	(9,187)	26,968
Other Receivables	371,670	(370,018)
Assets Held for Sale	6,082	12,434
Other Financial Assets	(29,863)	(13,794)
Accounts and Accrued Liabilities Payable	(272,416)	87,135
Derivative Liabilities	-	-
Deposits	-	-
Deferred Revenue	142,080	68,025
Asset Retirement Obligation	-	-
Liability for Contaminated Sites	-	-
Other Liabilities	-	-
Stock and Supplies	(253,800)	366,431
Prepayments and Deferred Charges	1,993	(2,337)
Other	-	-
Cash provided by operating transactions	2,821,302	3,091,952
Capital:		
Acquisition of capital assets	(1,682,940)	(1,968,054)
Proceeds from the disposal of capital assets	502,086	283,757
Cash applied to capital transactions	(1,180,854)	(1,684,297)
Investing:		
Decrease (increase) in restricted cash or cash equivalents	-	-
Proceeds from disposal of investments	-	-
Decrease (increase) in investments	1,302,332	(3,952,738)
Cash provided by (applied to) investing transactions	1,302,332	(3,952,738)
Financing:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	-	-
Other financing	-	-
Cash provided by (applied to) financing transactions	-	-
Change in Cash and Cash Equivalents	2,942,780	(2,545,083)
Cash and Cash Equivalents - Beginning of Year	6,984,169	9,529,252
Cash and Cash Equivalents - End of Year	9,926,949	6,984,169

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

Rural Municipality of Mervin No. 499
Notes to the Consolidated Financial Statements
As at December 31, 2025

1. Significant Accounting Policies

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

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

- a) **Reporting Entity:** The consolidated financial statements consolidate the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources. Entities included in these consolidated financial statements are as follows:

Entity

Sunset View Public Utility Board

Clover Lake Public Utility Board

Crystal Bay Sunset Public Utility Board

All inter-organizational transactions and balances have been eliminated.

Partnerships: A partnership represents a contractual arrangement between the municipality and a party or parties outside the reporting entity. The partners have significant, clearly defined common goals, make a financial investment in the partnership, share control of decision making, and share, on an equitable basis, the significant risks and benefits associated with the operations of the partnership. These consolidated financial statements contain the following partnerships:

Town of Turtleford and R.M. of Mervin Fire Association (consolidated 50%) - proportionate consolidation

All inter-organizational transactions and balances have been eliminated.

- 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.

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.

Rural Municipality of Mervin No. 499
Notes to the Consolidated Financial Statements
As at December 31, 2025

1. Significant Accounting Policies - continued

- e) **Revenue** - Revenue from transactions with no performance obligations is recognized as revenue when the associated act occurs.

For Revenue items with related performance obligations:

Contracts are recorded as revenue as the service or contract activity is performed, provided that at the time of performance ultimate collection is reasonably assured. If payment is not received at the time the service or contract activity is performed, accounts receivable will be recorded.

When a single transaction requires the delivery of more than one performance obligation, the revenue recognition criteria are applied to the separately identifiable performance obligations. A performance obligation is considered to be separately identified if the product or service 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 fulfil 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 of time, determinants vary but often include percentage complete.

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.

Rural Municipality of Mervin No. 499
Notes to the Consolidated Financial Statements
As at December 31, 2025

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.

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

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

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

- k) **Measurement of Financial Instruments:**

The municipalities financial assets and liabilities are measured as follows:

<u>Financial Statement line item</u>	<u>Measurement</u>
Cash & Cash Equivalents	Cost and amortized cost
Investments	Fair value and cost/amortized cost
Other Accounts Receivable	Cost and amortized cost
Long term receivables	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
Derivative Assets and Liabilities	Fair Value

- 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.

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

<u>Asset</u>	<u>Useful Life</u>
General Assets	
Land	Indefinite
Land Improvements	5 to 20 Yrs
Buildings	10 to 50 Yrs
Vehicles & Equipment	
Vehicles	5 to 10 Yrs
Machinery and Equipment	5 to 10 Yrs
Leased capital assets	Lease term
Infrastructure Assets	
Infrastructure Assets	30 to 75 Yrs
Water & Sewer	30 to 75 Yrs
Road Network Assets	30 to 75 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 lease and recorded as tangible capital assets. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. Assets under capital leases are amortized on a straight line basis, over their estimated useful lives of the 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 Municipality of Mervin No. 499
Notes to the Consolidated Financial Statements
As at December 31, 2025

1. Significant Accounting Policies - continued

- n) **Public Private Partnerships:** Public private partnerships where the municipality procures infrastructure using a private sector partner are accounted for and reported as infrastructure assets on the Statement of Financial Position and are initially recognized at cost. 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 assets useful life and recognized as an expense in the 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 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, buildings, 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.

- o) **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.
- p) **Employee Benefit Plans:** Contributions to the municipality's multiemployer defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.
- q) **Liability for Contaminated Sites:** Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:
- a) an environmental standard exists;
 - b) contamination exceeds the environmental standard;
 - c) the municipality:
 - i. is directly responsible; or
 - ii. accepts responsibility;
 - d) it is expected that future economic benefits will be given up; and
 - e) a reasonable estimate of the amount can be made.
- r) **Measurement Uncertainty:** The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period.

Measurement uncertainty impacts the following financial statement areas:

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided. 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 to ultimately remediate the liability at the financial statement date, the discount rate and inflation.

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.

Rural Municipality of Mervin No. 499
Notes to the Consolidated Financial Statements
As at December 31, 2025

1. Significant Accounting Policies - continued

- s) **Basis of Segmentation/Segment Report:** The municipality follows the Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the purpose of specific borrowings.

The segments (functions) are as follows:

General Government: Provides for the administration of the municipality.

Protective Services: Comprised of expenses for Police and Fire protection.

Transportation Services: Responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

Environmental and Public Health: The environmental segment provides waste disposal and other environmental services. The public health segment provides for expenses related to public health services in the municipality.

Planning and Development: Provides for neighbourhood development and sustainability.

Recreation and Culture: Provides for community services through the provision of recreation and leisure services.

Utility Services: Provides for delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

- t) **Budget Information:** Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on April 8, 2025.

- u) **Assets Held for Sale:** the municipality is committed to selling the asset, the asset is in a condition to be sold, the asset is publicly seen to be for sale, there is an active market for the asset, there is a plan in place for selling the asset and the sale is reasonably anticipated to be completed within one year of the financial statement date.

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

- w) **Loan Guarantees:** The municipality does not currently provide loan guarantees for any organizations, which are not consolidated as part of the municipality's Statements. As the guarantees represent potential financial commitments for the municipality, these amounts are considered as contingent liabilities and not formally recognized as liabilities until the municipality considers it likely for the borrower to default on its obligation and the amount of the liability can be estimated. The municipality monitors the status of the organizations, loans, and lines of credit annually and in the event that payment by the municipality is likely to occur, a provision will be recognized in the Statements.

Rural Municipality of Mervin No. 499
Notes to the Consolidated Financial Statements
As at December 31, 2025

2. Cash and Cash Equivalents

	2025	2024
Cash	9,926,949	6,984,169
Short-term investments - amortized cost	-	-
Restricted Cash	-	-
Total Cash and Cash Equivalents	9,926,949	6,984,169

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 amortized cost:		
Term notes and deposits	7,251,317	8,553,649
Total investments	7,251,317	8,553,649

Term deposits have an effective interest rate of 5.25% (Prior - 3.45%) and mature between February 2025 and February 2026.

	2025	2024
Investment Income		
Interest	563,606	544,463
Dividends	5,786	16,780
Realized gains (losses) previously recognized in the statement of remeasurement	-	-
Realized gains (losses) on disposal	-	-
Impairment charges	-	-
Net settlement on Derivative Financial Instruments	-	-
Total investment income	569,392	561,243

Rural Municipality of Mervin No. 499
Notes to the Consolidated Financial Statements
As at December 31, 2025

4. Taxes Receivable - Municipal

	2025	2024
Municipal - Current	406,345	326,937
- Arrears	133,262	189,172
	539,607	516,109
- Less Allowance for Uncollectible	(98,544)	(84,332)
Total municipal taxes receivable	441,064	431,777
School - Current	176,653	203,882
- Arrears	43,836	53,342
Total school taxes receivable	220,489	257,224
Other - Regional Park	3,225	4,474
	-	5,144
	3,225	9,619
Total taxes and grants in lieu receivable	664,777	698,619
Deduct taxes receivable to be collected on behalf of other organizations	(220,458)	(263,486)
Total Taxes Receivable - Municipal	444,319	435,133

5. Other Accounts Receivable

	2025	2024
Federal Government	44,085	(2,307)
Provincial Government	-	-
Trade	107,639	181,537
Accrued Interest	-	-
Other	-	344,164
Total Other Accounts Receivable	151,724	523,394
Less: Allowance for Uncollectible	-	-
Net Other Accounts Receivable	151,724	523,394

6. Assets Held for Sale

	2025	2024
Tax Title Property	37,761	43,851
Allowance for market value adjustment	(3,741)	(3,749)
Net Tax Title Property	34,020	40,102
Other Land	-	-
Allowance for market value adjustment	-	-
Net Other Land	-	-
Total Assets Held for Sale	34,020	40,102

7. Long-Term Receivable

	2025	2024
Sask Assoc. of Rural Municipalities - Self Insurance Fund	196,228	166,364
Co-op equity	80,453	80,453
Total Long-Term Receivable	276,680	246,818

8. Debt Charges Recoverable

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

The municipality has undertaken no projects.

Rural Municipality of Mervin No. 499
Notes to the Consolidated Financial Statements
As at December 31, 2025

9. Financial Instruments - Fair Value Disclosures

	Fair value hierarchy level	2025		2024	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets carried at fair value	Level 1 / 2 / 3				
Equity instruments quoted in an active market		-	-	-	-
Portfolio investments		-	-	-	-
Derivative assets		-	-	-	-
Total financial assets carried at fair value		-	-	-	-

	Fair value hierarchy level	2025		2024	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial liabilities carried at fair value	Level 1 / 2 / 3				
Derivative liability		-	-	-	-
Total financial liabilities carried at fair value		-	-	-	-

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

Financial instruments are classified as level 1, 2 or 3 for the purposes of describing the basis of the inputs used to measure the fair values of financial instruments in the fair value measurement category, as described below:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets / liabilities;

Level 2 - Inputs other than those in Level 1, that are either directly or indirectly observable for the assets or liabilities; and

Level 3 - Inputs that are not based on observable market data (unobservable inputs).

There were no significant transfers between Fair Value Hierarchy Levels during the period.

10. Bank Indebtedness

Credit Arrangements

At December 31, 2024, the Municipality had a line of credit totaling \$1,000,000 (2024 - \$1,000,000), none of which were drawn. The line of credit has an interest rate of 4.2% (2024 - 5.4%).

11. Deferred Revenue

	2024	Externally Restricted Inflows	Revenue Earned	2025
Canada Community-Building Fund	55,275	112,202	-	167,477
Turtleford Fire Association	12,500	15,000	(12,500)	15,000
Deferred tax payments	-	27,628	-	27,628
Other	250	-	(250)	-
Total Deferred Revenue	68,025	154,830	(12,750)	210,105

Rural Municipality of Mervin No. 499
Notes to the Consolidated Financial Statements
As at December 31, 2025

12. Asset Retirement Obligation

	2025	2024
Opening balance	257,925	202,216
Accretion expense	-	55,709
Revision in estimate		-
Environmental Liabilities	257,925	257,925

Landfill

Landfill closure and post-closure care requirements have been defined in accordance with The Environmental Management and Protection Act and include final capping and landscaping of the landfill, pumping of ground water, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a 28-year period using the best information available to management. Future events may result in significant changes to the estimated total expense and timing of the expense being incurred. These would be recognized prospectively, as a change in estimate, when applicable.

In 2025, the Municipality has accrued an overall liability for environmental matters in the amount of \$275,883 (2024 – \$257,925), which represents management's best estimate of this liability. Estimated total obligation represents the sum of the discounted future cash flows for closure and post-closure care activities discounted at the Municipalities' average long-term borrowing rate of 4.45% (2024 – 4.45%). The total undiscounted costs are estimated to be \$707,382 (2024 – \$722,307) and are to begin to be incurred in 2052, with a 28 year post closure period. During the year the Municipality conducted an engineering survey that identified the current Dry landfill cell had a remaining useful life until 2052. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

13. Liability for Contaminated Sites

The municipality has no liabilities for contaminated sites.

14. Long-Term Debt

a) The debt limit of the municipality is \$9,188,044. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the *Municipalities Act* section 161(1)).

15. Budgeted Information

The unaudited budgeted information is presented on a basis consistent with that use for actual results, except for the following adjustments.

Budget surplus per statement of operations	(1,646,341)
Less:	
Amortization	1,646,341
Approved budget surplus	<u>(0)</u>

Rural Municipality of Mervin No. 499
Notes to the Consolidated Financial Statements
As at December 31, 2025

16. Other Non-financial Assets

	2025	2024
<i>None</i>	-	-

17. Contingent Liabilities

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

18. Pension Plan

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The 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.

Employees Contribution	9%
Employers Contribution	9%

Total current service contributions by the municipality to the MEPP in 2025 were \$161,775 (2024 - \$195,965). Total current service contributions by the employees of the municipality to the MEPP in 2024 were \$161,775 (2024 - \$195,965).

At December 31, 2024, the MEPP had total assets of \$4,090,806,000 (2023 - \$3,602,822,000) and disclosed a surplus of \$1,519,648,000 (2023 - \$1,161,337,000).

19. Comparative Figures

Prior year comparative figures have been presented 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:

	Current Year Total	Prior Year Total
Balance - Beginning of Year	-	-
Revenue	-	-
Interest revenue	-	-
Expenditure	-	-
Balance - End of Year	-	-

21. Related Parties

The consolidated financial statements include transactions with related parties. The municipality is related to *all entities reported in Note 1 a)*. Note 26 describes transactions with Government Partnerships.

Transactions with these related parties are recorded at their transaction price in the normal course of operations and are settled on normal trade terms.

22. Contingent Assets

The municipality no contingent asset for which the probability of *future event that would result in the asset* occurring is likely.
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. Significant contractual rights of the municipality are as follows:

Contractual Rights Type	Describe Nature Time and Extent	2026	2027	2028	2029	Thereafter	No Fixed Maturity Date	Current Year Total	Prior Year Total
Contractual Rights 1								-	
Contractual Rights 2								-	
Total		Year Ended	-	-		-	-	-	

24. Contractual Obligations and Commitments

The municipality enters into gravel pit and stockpile agreements, in which the municipality commits to paying a minimum amount rent for the rights to mine and stock pile gravel on leased properties. Additionally in the lease agreements the municipality commits to restoring the property to agreed upon standards at the end of the lease agreement. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Significant known contractual obligations and commitments of the municipality include:

Contractual Obligations and Commitments Type	Describe Nature Time and Extent	2026	2027	2028	2029	Thereafter	Fixed Maturity Date	Current Year Total	Prior Year Total
Commitments 1									
Commitments 2									
Total		-	-	-	-	-		-	-

25. Risk Management

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

Liquidity risk

Liquidity risk is the risk the Municipality will encounter difficulty in meeting financial obligations as they fall due. Liquidity risk is the risk that the entity 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 financial instruments that potentially subject the municipality to liquidity risk consist of accounts payable, and long-term debt.

The following table outlines the maturity analysis of certain non-derivative and derivative financial liabilities as at December 31:

	Total	2026	2027	2028	Post 2028
Accounts payable	58,797	58,797	-	-	-
	58,797	58,797	-	-	-

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 cash and cash equivalents, other accounts receivables and long term receivables. The municipalities' cash is maintained at major financial institutions; therefore, the Municipality considers the risk of non-performance of these instruments to be remote. The municipalities' financial assets, including receivables, are not exposed to significant credit risk due to the nature of the receivables being primarily comprised of amounts due from government funders with a strong ability to pay.

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

	2025
Cash and Cash Equivalents (Note 2)	9,926,949
Investments (Note 3)	7,251,317
Other Accounts Receivable (Note 5)	151,724
Long-Term Receivable (Note 7)	276,680
Maximum credit risk exposure	17,606,670

At December 31 the following were past due but not impaired:

	30 days	60 days	90 days	Over 120
Cash and Cash Equivalents (Note 2)	-	-	-	-
Investments (Note 3)	-	-	-	-
Other Accounts Receivable (Note 5)	-	-	-	-
Long-Term Receivable (Note 7)	-	-	-	-
Net total	-	-	-	-

Market risk

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

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The municipalities is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed interest instruments subject the enterprise to fair value risk, while floating rate instruments subject it to cash flow risk. As at December 31, 2024, the Municipalities exposure to interest rate risk is as follows:

Bank indebtedness refer to note 10
Long-term debt refer to note 14

As the financial transactions for the year only resulted from fixed rate financial instruments the municipality has no sensitivity to interest rate changes.

Rural Municipality of Mervin No. 499
Notes to the Consolidated Financial Statements
As at December 31, 2025

26. Government Partnerships
a) Town of Turtleford and R.M. of Mervin No. 499 Fire Association

The municipality has entered into an agreement representing a government partnership with the Town of Turtleford regarding the "Town of Turtleford and R.M. of Mervin No. 499 Fire Association." The mandate of the agreement is to provide fire suppression services for the benefit of the residents of the Rural Municipality of Mervin No. 499 and the associated municipality. The partnership is reported on a proportionate consolidation basis with the municipality's share being 50%.

During the year, the municipality paid \$212,114 in fees to the organization (2024 - \$159,856). The transactions were measured at the exchange amount.

The following schedule details balances and transactions of the Town of Turtleford and R.M. of Mervin No. 499 Fire Association government partnership.

	2025		2024	
	Total	Municipality's Portion	Total	Municipality's Portion
FINANCIAL ASSETS	420,028	210,014	332,861	166,431
LIABILITIES	42,338	21,169	34,684	17,342
NET FINANCIAL ASSETS	377,690	188,845	298,177	149,089
NON-FINANCIAL ASSETS	277,107	138,554	273,601	136,801
ACCUMULATED SURPLUS	654,797	327,399	571,778	285,889
REVENUE	363,680	181,840	290,562	145,281
EXPENSES	280,661	140,331	258,421	129,211
EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	83,019	41,510	32,141	16,071

Rural Municipality of Mervin No. 499
Schedule of Taxes and Other Unconditional Revenue
As at December 31, 2025

Schedule 1

	2025 Budget	2025	2024
TAXES			
General municipal tax levy	7,871,540	7,890,535	7,299,134
Abatements and adjustments	(450,000)	(502,823)	(448,714)
Discount on current year taxes	(177,000)	(188,353)	(177,297)
Net Municipal Taxes	7,244,540	7,199,359	6,673,123
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	24,000	28,666	33,514
Special tax levy	-	-	-
Other (Specify)	-	-	-
Total Taxes	7,268,540	7,228,025	6,706,637
UNCONDITIONAL GRANTS			
Revenue Sharing	539,400	702,431	641,451
(Organized Hamlet)	152,160	-	-
Safe Restart	-	-	-
Other (Specify)	-	-	-
Total Unconditional Grants	691,560	702,431	641,451
GRANTS IN LIEU OF TAXES			
Federal	-	-	-
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
TransGas	-	-	-
Central Services	-	-	-
SaskTel	9,500	13,898	9,681
Other (Specify)	-	-	-
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	10,000	13,974	11,632
Other (Specify)	-	-	-
Other Government Transfers			
S.P.C. Surcharge	-	-	-
Sask Energy Surcharge	-	-	-
Other (Specify)	-	-	-
Total Grants in Lieu of Taxes	19,500	27,872	21,313
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	7,979,600	7,958,328	7,369,401

Rural Municipality of Mervin No. 499
Schedule of Operating and Capital Revenue by Function
As at December 31, 2025
(Unaudited)

Schedule 2 - 1

	2025 Budget	2025	2024
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	750	641	1,776
- Sales of supplies	3,000	3,338	4,227
- Other (Specify)	-	-	-
Total Fees and Charges	3,750	3,980	6,003
- Tangible capital asset sales - gain (loss)	(35,000)	(155,945)	(24,126)
- Land sales - gain	-	(5,032)	(10,136)
- Investment income	158,000	563,606	544,463
- Commission			
- Other (Specify)	405,740	383,496	725,210
Total Other Segmented Revenue	532,490	790,104	1,241,413
Conditional Grants			
- Student Employment	4,000	4,200	3,920
- MEEP			
- Other (Specify)	5,840	25,882	30,842
Total Conditional Grants	9,840	30,082	34,762
Total Operating	542,330	820,186	1,276,175
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP	500,000	-	-
- Provincial Disaster Assistance			
- MEEP			
- Other (Specify)			
Total Capital	500,000	-	-
Restructuring Revenue (Specify, if any)			
Total General Government Services	1,042,330	820,186	1,276,175

PROTECTIVE SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges	-	-	-
- Other (Specify)	-	100,592	130,732
Total Fees and Charges	-	100,592	130,732
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	-	100,592	130,732
Conditional Grants			
- Student Employment			
- Local government			
- MEEP			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating	-	100,592	130,732
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	-	100,592	130,732

Rural Municipality of Mervin No. 499
Schedule of Operating and Capital Revenue by Function
As at December 31, 2025
(Unaudited)

Schedule 2 - 2

TRANSPORTATION SERVICES

Operating

	2025 Budget	2025	2024
Other Segmented Revenue			
Fees and Charges			
- Custom work	30,000	205,145	31,398
- Sales of supplies	40,500	26,608	43,841
- Road Maintenance and Restoration Agreements			
- Frontage			
- Other (Specify)			
Total Fees and Charges	70,500	231,753	75,239
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	70,500	231,753	75,239
Conditional Grants			
- Student Employment			
- MEEP			
- Other (SGI radar sign)	-	83,654	17,529
Total Conditional Grants	-	83,654	17,529
Total Operating	70,500	315,407	92,768

Capital

Conditional Grants			
- Canada Community-Building Fund (CCBF)	109,000	-	39,973
- ICIP	-	-	
- RIRG	-	-	-
- Provincial Disaster Assistance			
- MEEP			
- Other (Sask Water)	49,000	49,804	20,611
Total Capital	158,000	49,804	60,584
Restructuring Revenue (Specify, if any)			
Total Transportation Services	228,500	365,211	153,352

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	-	-	13,441
- Other (Specify)	61,000	621,248	620,204
Total Fees and Charges	61,000	621,248	633,645
- Tangible capital asset sales - gain (loss)			
- Other (Expense Recovery)	-	-	(14,634)
Total Other Segmented Revenue	61,000	621,248	619,011
Conditional Grants			
- Student Employment			
- TAPD			
- Local government			
- MEEP			
- Other (Specify)	4,500	2,532	4,715
Total Conditional Grants	4,500	2,532	4,715
Total Operating	65,500	623,780	623,726

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	65,500	623,780	623,726

Rural Municipality of Mervin No. 499
Schedule of Operating and Capital Revenue by Function
As at December 31, 2025
(Unaudited)

Schedule 2 - 3

	2025 Budget	2025	2024
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges	20,000	125,924	75,753
- Other (Specify)	6,440	18,060	31,820
Total Fees and Charges	26,440	143,984	107,573
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	26,440	143,984	107,573
Conditional Grants			
- Student Employment			
- MEEP			
- Other (Specify)			
Total Conditional Grants	-	-	-
Total Operating For The Year Ended December 31, 2025	26,440	143,984	107,573
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	26,440	143,984	107,573

RECREATION AND CULTURAL SERVICES

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

Rural Municipality of Mervin No. 499
Schedule of Operating and Capital Revenue by Function
As at December 31, 2022
(Unaudited)

Schedule 2 - 4

	2025 Budget	2025	2024
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	147,700	116,503	114,751
- Sewer			
- Other (Specify)	-	202,330	170,158
Total Fees and Charges	147,700	318,833	284,909
- Tangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	147,700	318,833	284,909
Conditional Grants			
- Student Employment			
- MEEP			
- Other (Specify)			
Total For The Year Ended December 31, 2025	-	-	-
Total Operating	147,700	318,833	284,909
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	147,700	318,833	284,909
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	1,510,470	2,372,586	2,576,467

SUMMARY

Total Other Segmented Revenue	838,130	2,206,514	2,458,877
Total Conditional Grants	14,340	116,268	57,006
Total Capital Grants and Contributions	658,000	49,804	60,584
Restructuring Revenue	-	-	-
TOTAL REVENUE BY FUNCTION	1,510,470	2,372,586	2,576,467

Rural Municipality of Mervin No. 499

Total Expenses by Function

As at December 31, 2025

(Unaudited)

Schedule 3 - 1

	2025 Budget	2025	2024
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	107,000	125,552	101,621
Wages and benefits	674,000	566,560	564,571
Professional/Contractual services	410,350	382,526	532,344
Utilities	17,700	15,910	16,495
Maintenance, materials and supplies	988,620	710,474	664,573
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	17,393	17,393	14,543
Interest	-	-	-
Accretion of asset retirement obligation	-	-	-
Allowance for uncollectible	-	-	-
Other (Specify)	162,800	112,976	157,749
General Government \$ Rural Municipality of Mervin No. 499	2,377,863	1,931,390	2,051,895
Restructuring (Specify, if any)			
Total General Government Services	2,377,863	1,931,390	2,051,895

PROTECTIVE SERVICES

Police protection

Wages and benefits	265,700	283,629	129,958
Professional/Contractual services	109,000	109,291	106,743
Utilities	20,100	10,852	19,332
Maintenance, material and supplies	45,550	13,547	26,212
Accretion of asset retirement obligation	-	-	-
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization	40,099	40,099	38,677
Other (Specify)			

Fire protection

Wages and benefits			
Professional/Contractual services	250,500	507,772	299,487
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating			
- capital			
Amortization	18,002	18,002	29,409
Interest			
Accretion of asset retirement obligation			
Other (Specify)			

Protective Services	748,951	983,192	649,818
Restructuring (Specify, if any)			
Total Protective Services	748,951	983,192	649,818

TRANSPORTATION SERVICES

Wages and benefits	1,480,500	1,358,527	1,278,691
Professional/Contractual Services	223,200	666,516	165,586
Utilities	32,500	30,973	27,586
Maintenance, materials, and supplies	3,252,500	717,658	1,097,636
Gravel	550,000	372,348	514,421
Grants and contributions - operating			
- capital			
Amortization	1,392,440	1,392,440	1,364,483
Interest			
Accretion of asset retirement obligation			
Other (Specify)	-	-	-

Transportation Services	6,931,140	4,538,463	4,448,403
Restructuring (Specify, if any)			
Total Transportation Services	6,931,140	4,538,463	4,448,403

Rural Municipality of Mervin No. 499

Total Expenses by Function

As at December 31, 2025

(Unaudited)

Schedule 3 - 2

	2025 Budget	2025	2024
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	34,340	575,027	578,766.48
Professional/Contractual services	359,000	364,441	201,024
Utilities	5,000	2,379	4,667
Maintenance, materials and supplies	7,500	-	6,234
Grants and contributions - operating	11,110	203,602	9,602
○ Waste disposal			
○ Public Health			
- capital			
○ Waste disposal			
○ Public Health			
Amortization	32,193	32,193	32,193
Interest			
Accretion of asset retirement obligation			
Other (Specify)			
Environmental and Public Health Services	449,143	1,177,643	832,486
Restructuring (Specify, if any)			
Total Environmental and Public Health Services	449,143	1,177,643	832,486

PLANNING AND DEVELOPMENT SERVICES

Wages and benefits	104,100	109,599	92,058
Professional/Contractual Services	189,200	75,002	159,303
Grants and contributions - operating	2,300	1,839	2,019
- capital			
Amortization			
Interest			
Accretion of asset retirement obligation			
Other (Specify)			
Planning and Development Services	295,600	186,440	253,379
Restructuring (Specify, if any)			
Total Planning and Development Services	295,600	186,440	253,379

RECREATION AND CULTURAL SERVICES

Wages and benefits			
Professional/Contractual services	23,700	23,665	23,665
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating	30,100	37,034	30,074
- capital			
Amortization	53,463	53,463	36,492
Interest			
Accretion of asset retirement obligation			
Allowance for uncollectible			
Other (Specify)			
Recreation and Cultural Services	107,263	114,162	90,231
Restructuring (Specify, if any)			
Total Recreation and Cultural Services	107,263	114,162	90,231

Rural Municipality of Mervin No. 499**Total Expenses by Function****As at December 31, 2023**

Schedule 3 - 3

(Unaudited)

	2025 Budget	2025	2024
UTILITY SERVICES			
Wages and benefits			
Professional/Contractual services			
Utilities			
Maintenance, materials and supplies	133,700	244,417	242,061
Grants and contributions - operating - capital			
Amortization	92,752	92,752	95,860
Interest			
Accretion of asset retirement obligation			
Allowance for Uncollectible			
Other (Specify)	-	-	410
Utility Services	226,452	337,169	338,331
Restructuring (Specify Rural Municipality of Mervin No. 499)			
Total Utility Services	226,452	337,169	338,331
TOTAL EXPENSES BY FUNCTION			
	11,136,411	9,268,458	8,664,543

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues								
Fees and Charges	3,980	100,592	231,753	621,248	143,984	-	318,833	1,420,389
Tangible Capital Asset Sales - Gain	(155,945)	-	-	-	-	-	-	(155,945)
Land Sales - Gain	(5,032)	-	-	-	-	-	-	(5,032)
Investment Income	563,606	-	-	-	-	-	-	563,606
Commission	-	-	-	-	-	-	-	-
Other Revenues	383,496	-	-	-	-	-	-	383,496
Grants - Conditional	30,082	-	83,654	2,532	-	-	-	116,268
- Capital	-	-	49,804	-	-	-	-	49,804
Restructurings	-	-	-	-	-	-	-	-
Total Revenues	820,186	100,592	365,211	623,780	143,984	-	318,833	2,372,586
Expenses								
Wages & Benefits	692,112	283,629	1,358,527	575,027	109,599	-	-	3,018,894
Professional/ Contractual Services	382,526	617,062	666,516	364,441	75,002	23,665	-	2,129,212
Utilities	15,910	10,852	30,973	2,379	-	-	-	60,114
Maintenance Materials and Supplies	710,474	13,547	1,090,007	-	-	-	244,417	2,058,445
Grants and Contributions	-	-	-	203,602	1,839	37,034	-	242,475
Amortization	17,393	58,101	1,392,440	32,193	-	53,463	92,752	1,646,341
Interest	-	-	-	-	-	-	-	-
Accretion of asset retirement obligation	-	-	-	-	-	-	-	-
Allowance for Uncollectible	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
Other	112,976	-	-	-	-	-	-	112,976
Total Expenses	1,931,390	983,192	4,538,463	1,177,643	186,440	114,162	337,169	9,268,458
Surplus (Deficit) by Function	(1,111,204)	(882,600)	(4,173,252)	(553,862)	(42,455)	(114,162)	(18,336)	(6,895,872)

Taxes and other unconditional revenue (Schedule 1)

7,958,328

Net Surplus (Deficit)

1,062,456

Rural Municipality of Mervin No. 499
Consolidated 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								
Fees and Charges	6,003	130,732	75,239	633,645	107,573	-	284,909	1,238,101
Tangible Capital Asset Sales - Gain	(24,126)	-	-	-	-	-	-	(24,126)
Land Sales - Gain	(10,136)	-	-	-	-	-	-	(10,136)
Investment Income	544,463	-	-	-	-	-	-	544,463
Commissions	-	-	-	-	-	-	-	-
Other Revenues	725,210	-	-	(14,634)	-	-	-	710,576
Grants - Conditional	34,762	-	17,529	4,715	-	-	-	57,006
- Capital	-	-	60,584	-	-	-	-	60,584
Restructurings	-	-	-	-	-	-	-	-
Total Revenues	1,276,175	130,732	153,352	623,726	107,573	-	284,909	2,576,467
Expenses								
Wages & Benefits	666,191	129,958	1,278,691	578,766	92,058	-	-	2,745,664
Professional/ Contractual Services	532,344	406,230	165,586	201,024	159,303	23,665	-	1,488,151
Utilities	16,495	19,332	27,586	4,667	-	-	-	68,080
Maintenance Materials and Supplies	664,573	26,212	1,612,057	6,234	-	-	242,061	2,551,137
Grants and Contributions	-	-	-	9,602	2,019	30,074	-	41,695
Amortization	14,543	68,086	1,364,483	32,193	-	36,492	95,860	1,611,657
Interest	-	-	-	-	-	-	-	-
Accretion of asset retirement obligation	-	-	-	-	-	-	-	-
Allowance for Uncollectible	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
Other	157,749	-	-	-	-	-	410	158,159
Total Expenses	2,051,895	649,818	4,448,403	832,486	253,379	90,231	338,331	8,664,543
Surplus (Deficit) by Function	(775,720)	(519,086)	(4,295,051)	(208,760)	(145,806)	(90,231)	(53,422)	(6,088,076)

Taxes and other unconditional revenue (Schedule 1)

7,369,401

Net Surplus (Deficit)

1,281,325

		2025						2024		
	General Assets						Infrastructure Assets	General/ Infrastructure Assets Under Construction	Total	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets				
Assets	Asset cost									
	Opening Asset costs	232,219	8,703	4,342,107	1,163,671	6,101,085	47,018,097	184,618	59,050,499	57,591,362
	Additions during the year	-	-	14,073	-	1,378,727	284,032	6,108	1,682,940	1,968,054
	Disposals and write-downs during the year	-	-	(108,264)	(252,787)	(512,765)	-	(90,603)	(964,419)	(508,917)
	Transfers (from) assets under construction								-	-
	Transfer of Capital Assets related to restructuring								-	-
Closing Asset Costs		232,219	8,703	4,247,916	910,884	6,967,046	47,302,129	100,123	59,769,020	59,050,499
Amortization	Accumulated Amortization Cost									
	Opening Accumulated Amortization Costs	-	1,740	1,121,115	683,883	2,000,143	26,963,414		30,770,296	29,359,563
	Add: Amortization taken		580	101,966	55,211	357,315	1,131,268		1,646,341	1,611,657
	Less: Accumulated amortization on disposals		-	(37,486)	(84,135)	(184,767)	-		(306,387)	(200,924)
	Transfer of Capital Assets related to restructuring								-	-
	Closing Accumulated	-	2,320	1,185,595	654,960	2,172,692	28,094,682	-	32,110,249	30,770,296
Net Book Value		232,219	6,383	3,062,320	255,924	4,794,355	19,207,447	100,123	27,658,771	28,280,203

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

Rural Municipality of Mervin No. 499
Consolidated Schedule of Tangible Capital Assets by Function
As at December 31, 2025
(Unaudited)

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	861,931	2,271,850	49,799,399	775,721	-	868,040	4,473,559	59,050,499	57,591,362
	Additions during the year	132,295	29,399	1,298,033			180,791	42,422	1,682,940	1,968,054
	Disposals and write-downs during the year		-	(963,588)				(831)	(964,419)	-
	Transfer of Capital Assets related to restructuring								-	-
Closing Asset Costs		994,226	2,301,249	50,133,844	775,721	-	1,048,831	4,515,150	59,769,020	59,559,416
Amortization	Accumulated									
	Opening Accumulated Amortization Costs	355,084	627,872	27,224,207	314,057	-	356,897	1,892,179	30,770,296	29,359,563
	Add: Amortization taken	17,393	58,101	1,392,440	32,193	-	53,463	92,752	1,646,341	1,611,657
	Less: Accumulated amortization on disposals			(305,572)				(815)	(306,387)	(200,924)
	Transfer of Capital Assets related to restructuring								-	-
Closing Accumulated Amortization Costs		372,477	685,973	28,311,075	346,250	-	410,360	1,984,116	32,110,250	30,770,296
Net Book Value		621,749	1,615,276	21,822,769	429,471	-	638,471	2,531,034	27,658,770	28,789,120

Rural Municipality of Mervin No. 499
Consolidated Schedule of Accumulated Surplus
As at December 31, 2025

Schedule 8

	2024	Changes	2025
UNAPPROPRIATED SURPLUS	2,374,500	1,264,324	3,638,824
APPROPRIATED RESERVES			
Machinery and Equipment	6,909,761	-	6,909,761
Public Reserve	-	-	-
Capital Trust	106,872	-	106,872
Turtleford & RM Fire Assoc. - Reserve	152,499	37,148	189,647
SWDFA - Reserve	61,029	(61,029)	-
NSMHH - Reserve	-	-	-
Sunset View PUB - Reserve	48,751	80,231	128,982
Clover Lake PUB - Reserve	6,546	1,025	7,571
Crystal Bay Sunset PUB - Reserve	216,075	125,775	341,850
Other	4,657,624	106,711	4,764,335
Total Appropriated	12,159,157	289,861	12,449,018
ORGANIZED HAMLETS (add lines if required)			
Organized Hamlets	1,902,643	106,519	2,009,162
Un-Organized Hamlets	156,370	23,184	179,554
Total Organized Hamlets	2,059,013	129,703	2,188,716
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	28,280,203	(621,432)	27,658,771
Less: Related debt	-	-	-
Net Investment in Tangible Capital Assets	28,280,203	(621,432)	27,658,771
Total Accumulated Surplus	44,872,873	1,062,456	45,935,329

Rural Municipality of Mervin No. 499
Schedule of Mill Rates and Assessments
As at December 31, 2025
(Unaudited)

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	210,646,400	165,359,944	-	331,696,580	110,264,175	-	817,967,099
Regional Park Assessment							-
Total Assessment							817,967,099
Mill Rate Factor(s)	0.3300	0.3300	-	0.3300	2.7000		
Total Base/Minimum Tax (generated for each property class)	472,400	1,096,825	-	-	1,207,250		2,776,475
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	1,139,700	1,668,190	-	1,017,467	4,065,178		7,890,535

MILL RATES:	MILLS
Average Municipal*	9.65
Average School*	3.85
Potash Mill Rate	-
Uniform Municipal Mill Rate	9.60

* 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 Municipality of Mervin No. 499
Schedule of Council Remuneration
As at December 31, 2025
(Unaudited)

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Gerry Ritz	22,772	9,400	32,172
Councillor	James Range	6,471	1,257	7,728
Councillor	Gordon Spencer	8,433	1,638	10,071
Councillor	Robin Blais	8,373	2,262	10,635
Councillor	Ken Hergott	20,291	7,914	28,205
Councillor	Lane Nedelec	9,887	2,320	12,207
Councillor	Victor Hamm	12,398	4,547	16,945
Total		88,625	29,338	117,963

Rural Municipality of Mervin No. 499
Schedule of Restructuring
As at December 31, 2025
(Unaudited)

Schedule 11

2025

Carrying Amount of Assets and Liabilities Transferred/Received at Restructuring Date:	
Cash and Temporary Investments	-
Taxes Receivable - Municipal	-
Other Accounts Receivable	-
Assets Held for Sale	-
Long-Term Investments	-
Debt Charges Recoverable	-
Bank Indebtedness	-
Accounts Payable	-
Accrued Liabilities Payable	-
Deposits	-
Deferred Revenue	-
Accrued Landfill Costs	-
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)	-