

## Management's Responsibility

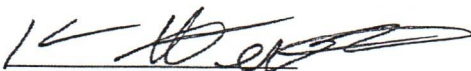
To the Ratepayers of Rural Municipality of Progress No. 351

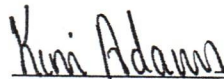
The municipality's management is responsible for the preparation and presentation of the accompanying financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles and methods,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

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

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

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

  
Reeve

  
Administrator



## INDEPENDENT AUDITORS' REPORT

To the Council of  
Rural Municipality of Progress No. 351  
Luseland, Saskatchewan

### ***Qualified Opinion***

We have audited the accompanying financial statements of the Rural Municipality of Progress No. 351, which comprise the statement of financial position as at December 31, 2025, 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, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Rural Municipality of Progress No. 351 as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Qualified Opinion***

The municipality has an interests in the Luseland & District Fire Protection Board and the Luseland Building Committee which are government partnerships. The municipality has not recorded in its financial statements these interests using the proportionate consolidation method, which constitutes a departure from Canadian Public Sector Accounting Standards. The effect on the financial statements of the failure to consolidate these interests has not been determined for the 2025 and 2024 years. Our report on the fiscal 2024 financial statements was qualified in this regard.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Rural Municipality of Progress No. 351 in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 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 Rural Municipality of Progress No. 351's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

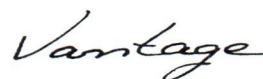
### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

The logo for Vantage Chartered Professional Accountants, featuring the word "Vantage" in a stylized, cursive script font.

Chartered Professional Accountants

North Battleford, Saskatchewan  
April 8, 2026

Rural Municipality of Progress No. 351  
Statement of Financial Position  
As at December 31, 2025

Statement 1

	2025	2024
<b>FINANCIAL ASSETS</b>		
Cash and Cash Equivalents (Note 2)	2,154,338	2,528,481
Investments (Note 3)	6,263,498	5,132,912
Taxes Receivable - Municipal (Note 4)	318,780	348,592
Other Accounts Receivable (Note 5)	140,296	255,843
Assets Held for Sale (Note 6)	542	542
Long-Term Receivable (Note 7)	76,568	70,395
Debt Charges Recoverable		
Derivative Assets		
Other		
<b>Total Financial Assets</b>	<b>8,954,022</b>	<b>8,336,765</b>
<b>LIABILITIES</b>		
Bank Indebtedness		
Accounts Payable	300,907	96,805
Accrued Liabilities Payable	28,327	55,675
Derivative Liabilities		
Deposits		
Deferred Revenue		
Asset Retirement Obligation		
Liability for Contaminated Sites		
Other Liabilities (Note 8)	81,882	78,446
Long-Term Debt (Note 9)	721,288	1,410,197
Lease Obligations		
<b>Total Liabilities</b>	<b>1,132,404</b>	<b>1,641,123</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>7,821,618</b>	<b>6,695,642</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Schedule 6, 7)	21,276,739	21,093,053
Prepayments and Deferred Charges	201	71,812
Stock and Supplies	2,576,130	2,057,586
Other		
<b>Total Non-Financial Assets</b>	<b>23,853,070</b>	<b>23,222,451</b>
<b>ACCUMULATED SURPLUS (DEFICIT)</b>	<b>31,674,688</b>	<b>29,918,093</b>
Accumulated Surplus (Deficit) is comprised of:		
Accumulated Surplus (Deficit) excluding remeasurement gains (losses) (Schedule 8)	31,674,688	29,918,093

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

Rural Municipality of Progress No. 351  
Statement of Cash Flow  
For the year ended December 31, 2025

Statement 4

	2025	2024
<b>Cash provided by (used for) the following activities</b>		
<b>Operating:</b>		
<b>Annual Surplus (Deficit) of Revenues over Expenses</b>	1,756,595	1,657,985
Amortization	1,226,207	1,088,563
Loss (gain) on disposal of tangible capital assets	139,219	(45,405)
	3,122,021	2,701,143
<b>Change in assets/liabilities</b>		
Taxes Receivable - Municipal	29,812	13,546
Other Receivables	109,374	(143,771)
Assets Held for Sale		
Other Financial Assets		
Accounts and Accrued Liabilities Payable	176,754	(7,865)
Derivative Liabilities <i>[if applicable]</i>		
Deposits		
Deferred Revenue		
Asset Retirement Obligation		
Liability for Contaminated Sites		
Other Liabilities	3,436	3,292
Stock and Supplies	(518,544)	(7,821)
Prepayments and Deferred Charges	71,611	(71,326)
Other (Specify)		
<b>Cash provided by operating transactions</b>	<b>2,994,464</b>	<b>2,487,198</b>
<b>Capital:</b>		
Acquisition of capital assets	(1,639,112)	(2,348,498)
Proceeds from the disposal of capital assets	90,000	445,000
<b>Cash applied to capital transactions</b>	<b>(1,549,112)</b>	<b>(1,903,498)</b>
<b>Investing:</b>		
Decrease (increase) in restricted cash or cash equivalents		
Proceeds from disposal of investments		
Decrease (increase) in investments	(1,130,586)	(3,043,054)
<b>Cash provided by (applied to) investing transactions</b>	<b>(1,130,586)</b>	<b>(3,043,054)</b>
<b>Financing:</b>		
Debt charges recovered		
Long-term debt issued		
Long-term debt repaid	(688,909)	(657,984)
Other financing		
<b>Cash provided by (applied to) financing transactions</b>	<b>(688,909)</b>	<b>(657,984)</b>
<b>Change in Cash and Cash Equivalents during the year</b>	<b>(374,143)</b>	<b>(3,117,338)</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>2,528,481</b>	<b>5,645,819</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>2,154,338</b>	<b>2,528,481</b>
<b>Cash and cash equivalents is made up of:</b>		
Cash (Note 2)	387,385	191,723
Restricted portion of cash and cash equivalents (Note 2)	1,766,953	2,336,758
Temporary bank indebtedness	2,154,338	2,528,481

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

Rural Municipality of Progress No. 351  
Notes to the Financial Statements  
For the year ended December 31, 2025

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.

**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 do not contain the following partnerships:

Luseland Building Committee - 50% interest  
Luseland & District Fire Protection Board - 20% partnership interest  
Committee to Construct the Luseland Fire Hall - 33.3% partnership interest

- 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.
- e) **Revenue:** 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.

- f) **Deferred Revenue:** Fees and charges: Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.
- g) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- h) **Net Financial Assets:** Net Financial Assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.
- i) **Non-financial Assets:** Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.
- j) **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.
- k) **Property Tax Revenue:** Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by council. 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.

1. Significant Accounting Policies - continued

- l) **Financial Instruments:** Derivative and equity instruments that are quoted in an active market are carried at fair value. All other financial instruments are measured at cost/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.

Measurement of Financial Instruments:

The municipalities financial assets and liabilities are measured as follows:

<u>Financial Statement line item</u>	<u>Measurement</u>
Cash and 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

- m) **Inventories:** Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials, and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.
- n) **Tangible Capital Assets:** All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant 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>
<b>General Assets</b>	
Land	Indefinite
Land Improvements	5 to 20 Yrs.
Buildings	10 to 50 Yrs.
<b>Vehicles and Equipment</b>	
Vehicles	5 to 10 Yrs.
Machinery and Equipment	5 to 10 Yrs.
Leased Capital Assets	Lease term
<b>Infrastructure Assets</b>	
<b>Infrastructure Assets</b>	
Water and Sewer	30 to 75 yrs.
Road Network Assets	31 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 leases and recorded as tangible capital assets. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. Assets under capital leases are amortized on a *straight line* basis, over their estimated useful lives. Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

Rural Municipality of Progress No. 351  
Notes to the Financial Statements  
For the year ended December 31, 2025

1. Significant Accounting Policies - continued

- 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.
- 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 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.

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.

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.

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

The segments (functions) are as follows:

  - General Government: Provides for the administration of the municipality.
  - Protective Services: Comprised of expenses for Police and Fire protection.
  - Transportation Services: Responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.
  - Environmental and Public Health: The environmental segment provides waste disposal and other environmental services. The public health segment provides for expenses related to public health services in the municipality.
  - Planning and Development: Provides for neighbourhood development and sustainability.
  - Recreation and Culture: Provides for community services through the provision of recreation and leisure services.
  - Utility Services: Provides for delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.
- t) **Budget Information:** Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on July 9, 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.

1. Significant Accounting Policies - continued

- 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 are 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.

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

- x) **New Accounting Policies Adopted During the Year:**

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 applies to fiscal years beginning on or after April 1, 2023.

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. The standard is mandatory for fiscal years beginning on or after April 1, 2023. Earlier adoption is permitted. The standard may be adopted retroactively or prospectively.

PSG-8, Purchased intangibles, provides guidance on accounting for and reporting on purchased intangibles. It provides clarity on the recognition criteria, along with instances of assets that would not meet the definition of such. The standard may be adopted retroactively or prospectively.

Rural Municipality of Progress No. 351

Notes to the Financial Statements

For the year ended December 31, 2025

2. Cash and Cash Equivalents

	2025	2024
Cash	387,385	191,723
Short-term investments		
Restricted cash	1,766,953	2,336,758
<b>Total Cash and Cash Equivalents</b>	<b>2,154,338</b>	<b>2,528,481</b>

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
<b>Investments carried at amortized cost:</b>		
Short-term notes and deposits	6,252,803	5,122,217
Credit union equity	5	5
Co-op equity	10,690	10,690
<b>Total Investments</b>	<b>6,263,498</b>	<b>5,132,912</b>

Term deposits have effective interest rates of 3.00% to 4.20% (Prior - 4.00% - 4.35%) with maturity dates from March 2026 to August 2027.

4. Taxes Receivable - Municipal

	2025	2024
Municipal - Current	306,067	333,901
- Arrears	95,823	91,720
	401,890	425,621
- Less allowance for uncollectible	(83,110)	(77,029)
<b>Total municipal taxes receivable</b>	<b>318,780</b>	<b>348,592</b>
School - Current	90,938	95,564
- Arrears	27,793	27,477
<b>Total taxes to be collected on behalf of School Divisions</b>	<b>118,731</b>	<b>123,041</b>
Other - Local improvement		
<b>Total taxes and grants in lieu receivable or to be collected on behalf of other organizations</b>	<b>437,511</b>	<b>471,633</b>
<b>Deduct taxes to be collected on behalf of other organizations</b>	<b>(118,731)</b>	<b>(123,041)</b>
<b>Total Taxes Receivable - Municipal</b>	<b>318,780</b>	<b>348,592</b>

5. Other Accounts Receivable

	2025	2024
Federal Government	57,201	73,209
Provincial Government		
Local Government		
Utility		
Trade	10,067	97,628
Other	73,028	85,006
<b>Total Other Accounts Receivable</b>	<b>140,296</b>	<b>255,843</b>
Less: Allowance for Uncollectible		
<b>Net Other Accounts Receivable</b>	<b>140,296</b>	<b>255,843</b>

Rural Municipality of Progress No. 351  
Notes to the Financial Statements  
For the year ended December 31, 2025

6. Assets Held for Sale	2025	2024
Tax title property	542	542
Allowance for market value adjustment		
Net Tax Title Property	542	542
Other land		
Allowance for market value adjustment		
Net Other Land		
Other		
<b>Total Assets Held for Sale</b>	<b>542</b>	<b>542</b>

7. Long-Term Receivable	2025	2024
Sask Assoc. of Rural Municipalities - Self Insurance Fund	57,294	51,121
Luseland building committee	19,274	19,274
<b>Total Long-Term Receivables</b>	<b>76,568</b>	<b>70,395</b>

8. Other Liabilities	2025	2024
Balance, beginning of the year	78,446	75,154
Liabilities incurred		
Liabilities settled		
Accretion expense	3,436	3,292
Changes in estimated cash flows		
<b>Estimated Total Liability</b>	<b>81,882</b>	<b>78,446</b>

On November 28, 2022, the municipality leased a parcel of land in order to form a gravel pit that has an estimated useful life of 6 years. The municipality is required to reclaim the gravel pit at the end of its useful life. In accordance with PS 3280, Asset Retirement Obligations, the municipality recognized an Asset Retirement Obligation in the amount of \$72,000. This balance was derived from an estimated undiscounted future remediation expenditure of \$97,200, expected to be incurred in 2029. The associated discount rate applied was 4.38%.

9. Long-Term Debt

a) The debt limit of the municipality is \$5,394,455. 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)).

b) Debenture debt is repayable to Municipal Financing Corporation. Annual payments are \$755,188 including interest at 4.7%. The debenture is due March 2026.

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Year Total	Prior Year Principal
2026	721,288	33,901	755,189	688,909
2027				721,288
2028				
2029				
Thereafter				
<b>Balance</b>	<b>721,288</b>	<b>33,901</b>	<b>755,189</b>	<b>1,410,197</b>

**Rural Municipality of Progress No. 351**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2025**

**10. 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.

**11. 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 \$52,674 (2024 - 55,795). 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.

2024 is the most current actuarial valuation report available for MEPP. At December 31, 2024, the MEPP disclosed an actuarial surplus of \$819,117,000.

**12. Comparative Figures**

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

**13. Risk Management**

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

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge their responsibilities with respect to the financial instrument, and in so doing, cause a loss for the other party. The financial instruments that potentially subject the municipality to credit risk consist of the allowance for doubtful taxes receivable which administration monitors and reports to council as well as working with legal council on collections.

Liquidity Risk

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.

Market Risk

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

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The financial instruments that potentially subject the municipality to interest rate risk consist of any potential debt as well as short term investments.

Rural Municipality of Progress No. 351  
Notes to the Financial Statements  
For the year ended December 31, 2025

**14. Contractual Obligations and Commitments**

The municipality has entered into multiple-year contracts for the use of a gravel pit that includes a base fee commitment. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Significant contractual obligations and commitments of the municipality include:

Contractual Obligations and Commitments Type <sup>1</sup>	Describe Nature Time and Extent	2025	2026	2027	2028	2029	Thereafter	No Fixed Maturity Date	Current Year Total	Prior Year Total
Lease	Base gravel lease commitment	7,291							7,291	14,582
<b>Total</b>		<b>7,291</b>							<b>7,291</b>	<b>14,582</b>

Rural Municipality of Progress No. 351  
 Schedule of Taxes and Other Unconditional Revenue  
 For the year ended December 31, 2025

Schedule 1

	2025 Budget	2025	2024
<b>TAXES</b>			
General municipal tax levy	5,563,314	5,563,313	5,403,701
Abatements and adjustments			
Discount on current year taxes	(333,799)	(306,230)	(296,464)
<b>Net Municipal Taxes</b>	<b>5,229,515</b>	<b>5,257,083</b>	<b>5,107,237</b>
Potash tax share			
Trailer license fees			
Penalties on tax arrears	(26,588)	(33,939)	26,038
Special tax levy			
Other			
<b>Total Taxes</b>	<b>5,202,927</b>	<b>5,223,144</b>	<b>5,133,275</b>
<b>UNCONDITIONAL GRANTS</b>			
Revenue Sharing (Organized Hamlet)	184,293	184,293	171,275
Safe Restart			
Other			
<b>Total Unconditional Grants</b>	<b>184,293</b>	<b>184,293</b>	<b>171,275</b>
<b>GRANTS IN LIEU OF TAXES</b>			
Federal			
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
Central Services			
SaskTel			
Other			
Local/Other			
Housing Authority			
C.P.R. Mainline			
Treaty Land Entitlement	347	359	347
Other			
Other Government Transfers			
S.P.C. Surcharge			
Sask Energy Surcharge			
Other			
<b>Total Grants in Lieu of Taxes</b>	<b>347</b>	<b>359</b>	<b>347</b>
<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<b>5,387,567</b>	<b>5,407,796</b>	<b>5,304,897</b>

Rural Municipality of Progress No. 351  
 Schedule of Operating and Capital Revenue by Function  
 For the year ended December 31, 2025

Schedule 2 - 1

	2025 Budget	2025	2024
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work			
- Sales of supplies	500	582	728
- Other (Rentals, licenses and permits)	18,968	23,711	15,301
Total Fees and Charges	19,468	24,293	16,029
- Tangible capital asset sales - gain (loss)			
- Land sales - gain			
- Investment income	206,238	199,547	208,911
- Commissions			
- Other (Insurance proceeds, donations)			
Total Other Segmented Revenue	225,706	223,840	224,940
Conditional Grants			
- Student Employment			
- MEEP			
- Other			
Total Conditional Grants			
<b>Total Operating</b>	225,706	223,840	224,940
<b>Capital</b>			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- Provincial Disaster Assistance			
- MEEP			
- Other			
<b>Total Capital</b>			
<b>Restructuring Revenue</b>			
<b>Total General Government Services</b>	225,706	223,840	224,940

**PROTECTIVE SERVICES**

**Operating**

Other Segmented Revenue			
Fees and Charges			
- Other (Policing, fire fees and fire hall rental)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other (Donations)			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Local government			
- MEEP			
- Other			
Total Conditional Grants			
<b>Total Operating</b>			

**Capital**

Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- Provincial Disaster Assistance			
- Local government			
- MEEP			
- Other			
<b>Total Capital</b>			
<b>Restructuring Revenue</b>			
<b>Total Protective Services</b>			

Rural Municipality of Progress No. 351  
 Schedule of Operating and Capital Revenue by Function  
 For the year ended December 31, 2025

Schedule 2 - 2

	2025 Budget	2025	2024
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work	6,500	4,618	12,938
- Sales of supplies	23,500	11,396	18,219
- Road Maintenance and Restoration Agreements	5,800	5,023	20,899
- Frontage			
- Other	5,000	22,768	
Total Fees and Charges	40,800	43,805	52,056
- Tangible capital asset sales - gain (loss)	90,000	(139,219)	45,405
- Other			
Total Other Segmented Revenue	130,800	(95,414)	97,461
Conditional Grants			
- RIRG (CTP)			
- Student Employment			
- MEEP			
- Other			
Total Conditional Grants			
<b>Total Operating</b>	<b>130,800</b>	<b>(95,414)</b>	<b>97,461</b>
<b>Capital</b>			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP	16,165	16,510	16,685
- RIRG (CTP, Bridge and Large Culvert, Road Const.)			
- Provincial Disaster Assistance			
- MEEP			
- Other			
<b>Total Capital</b>	<b>16,165</b>	<b>16,510</b>	<b>16,685</b>
<b>Restructuring Revenue</b>			
<b>Total Transportation Services</b>	<b>146,965</b>	<b>(78,904)</b>	<b>114,146</b>

**ENVIRONMENTAL AND PUBLIC HEALTH SERVICES**

<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	1,500	1,559	2,599
- Other (Cemetery, handivan)			
- Other (Medical clinic)			
Total Fees and Charges	1,500	1,559	2,599
- Tangible capital asset sales - gain (loss)			
- Other (Cemetery donations)			
Total Other Segmented Revenue	1,500	1,559	2,599
Conditional Grants			
- Student Employment			
- TAPD			
- Local government			
- MEEP			
- Other (Pest and weed control)	4,173	180	19,257
Total Conditional Grants	4,173	180	19,257
<b>Total Operating</b>	<b>5,673</b>	<b>1,739</b>	<b>21,856</b>
<b>Capital</b>			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- TAPD			
- Provincial Disaster Assistance			
- MEEP			
- Other			
<b>Total Capital</b>			
<b>Restructuring Revenue</b>			
<b>Total Environmental and Public Health Services</b>	<b>5,673</b>	<b>1,739</b>	<b>21,856</b>

Rural Municipality of Progress No. 351  
 Schedule of Operating and Capital Revenue by Function  
 For the year ended December 31, 2025

Schedule 2 - 3

	2025 Budget	2025	2024
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges			
- Other			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- MEEP			
- Other			
Total Conditional Grants			
<b>Total Operating</b>			
<b>Capital</b>			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- Provincial Disaster Assistance			
- MEEP			
- Other			
<b>Total Capital</b>			
<b>Restructuring Revenue</b>			
<b>Total Planning and Development Services</b>			

<b>RECREATION AND CULTURAL SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Other (Skating rink fees and arena advertising)			
Total Fees and Charges			
- Tangible capital asset sales - gain (loss)			
- Other			
Total Other Segmented Revenue			
Conditional Grants			
- Student Employment			
- Local government			
- MEEP			
- Other (Recreation grants)			
Total Conditional Grants			
<b>Total Operating</b>			
<b>Capital</b>			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- Local government			
- Provincial Disaster Assistance			
- MEEP			
- Other (Credit union parking lot grant)			
<b>Total Capital</b>			
<b>Restructuring Revenue</b>			
<b>Total Recreation and Cultural Services</b>			

Rural Municipality of Progress No. 351  
 Schedule of Operating and Capital Revenue by Function  
 For the year ended December 31, 2025

Schedule 2 - 4

	2025 Budget	2025	2024
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Water	8,000	7,972	7,623
- Sewer			
- Other (Interest)			
Total Fees and Charges	8,000	7,972	7,623
- Tangible capital asset sales - gain (loss)			
- Other			
Total Other Segmented Revenue	8,000	7,972	7,623
Conditional Grants			
- Student Employment			
- MEEP			
- Other			
Total Conditional Grants			
<b>Total Operating</b>	<b>8,000</b>	<b>7,972</b>	<b>7,623</b>
<b>Capital</b>			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- New Building Canada Fund (SCF, NRP)			
- Clean Water and Wastewater Fund			
- Provincial Disaster Assistance			
- MEEP			
- Other (Community well grant)			
<b>Total Capital</b>			
<b>Restructuring Revenue</b>			
<b>Total Utility Services</b>	<b>8,000</b>	<b>7,972</b>	<b>7,623</b>
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>386,344</b>	<b>154,647</b>	<b>368,565</b>

**SUMMARY**

Total Other Segmented Revenue	366,006	137,957	332,623
Total Conditional Grants	4,173	180	19,257
Total Capital Grants and Contributions	16,165	16,510	16,685
Restructuring Revenue			
<b>TOTAL REVENUE BY FUNCTION</b>	<b>386,344</b>	<b>154,647</b>	<b>368,565</b>

Rural Municipality of Progress No. 351  
**Total Expenses by Function**  
 For the year ended December 31, 2025

Schedule 3 - 1

	2025 Budget	2025	2024
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	87,508	71,014	54,382
Wages and benefits	216,148	196,666	194,820
Professional/Contractual services	87,124	77,142	63,372
Utilities	3,300	2,954	2,961
Maintenance, materials and supplies	36,100	28,885	26,369
Grants and contributions - operating	3,000	2,428	2,513
- capital			
Amortization			
Accretion of asset retirement obligation			
Interest	688,909		
Allowance for uncollectible	(65,000)	6,081	(11,253)
Other (Community events)			
<b>General Government Services</b>	<b>1,057,089</b>	<b>385,170</b>	<b>333,164</b>
<b>Restructuring</b>			
<b>Total General Government Services</b>	<b>1,057,089</b>	<b>385,170</b>	<b>333,164</b>

**PROTECTIVE SERVICES**

**Police protection**

Wages and benefits			
Professional/Contractual services	16,100	16,052	15,677
Utilities			
Maintenance, material and supplies			
Accretion of asset retirement obligation			
Grants and contributions - operating			
- capital			
Other			

**Fire protection**

Wages and benefits			
Professional/Contractual services	913,174	530	2,620
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating	31,135	38,779	39,937
- capital			
Amortization			
Interest			
Accretion of asset retirement obligation			
Other			

<b>Protective Services</b>	<b>960,409</b>	<b>55,361</b>	<b>58,234</b>
<b>Restructuring</b>			
<b>Total Protective Services</b>	<b>960,409</b>	<b>55,361</b>	<b>58,234</b>

**TRANSPORTATION SERVICES**

Council remuneration and travel	6,000	5,665	4,455
Wages and benefits	630,468	568,283	644,078
Professional/Contractual services	1,152,128	315,249	359,345
Utilities	19,700	17,567	18,760
Maintenance, materials and supplies	562,900	286,717	502,340
Gravel	1,205,000	682,203	726,750
Grants and contributions - operating			
- capital			
Amortization	1,086,429	1,218,554	1,080,910
Interest	66,279	38,932	69,282
Accretion of asset retirement obligation			
Other (Capital projects)			

<b>Transportation Services</b>	<b>4,728,904</b>	<b>3,133,170</b>	<b>3,405,920</b>
<b>Restructuring</b>			
<b>Total Transportation Services</b>	<b>4,728,904</b>	<b>3,133,170</b>	<b>3,405,920</b>

Rural Municipality of Progress No. 351  
 Total Expenses by Function  
 For the year ended December 31, 2025

Schedule 3 - 2

	2025 Budget	2025	2024
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Wages and benefits			
Professional/Contractual services	65,100	53,467	50,989
Utilities			
Maintenance, materials and supplies	54,300	57,482	44,301
Grants and contributions - operating			
o Waste disposal			
o Public Health	8,081	8,081	18,109
- capital			
o Waste disposal			
o Public Health			
Amortization			
Interest			
Accretion of asset retirement obligation			
Other (Nursing home deficit)	18,000	19,500	21,000
<b>Environmental and Public Health Services</b>	<b>145,481</b>	<b>138,530</b>	<b>134,399</b>
<b>Restructuring</b>			
<b>Total Environmental and Public Health Services</b>	<b>145,481</b>	<b>138,530</b>	<b>134,399</b>

<b>PLANNING AND DEVELOPMENT SERVICES</b>			
Wages and benefits			
Professional/Contractual services	7,400	21,447	3,202
Grants and contributions - operating			
- capital			
Amortization			
Interest			
Accretion of asset retirement obligation			
Other			
<b>Planning and Development Services</b>	<b>7,400</b>	<b>21,447</b>	<b>3,202</b>
<b>Restructuring</b>			
<b>Total Planning and Development Services</b>	<b>7,400</b>	<b>21,447</b>	<b>3,202</b>

<b>RECREATION AND CULTURAL SERVICES</b>			
Wages and benefits			
Professional/Contractual services	8,687	8,693	8,106
Utilities			
Maintenance, materials and supplies			
Grants and contributions - operating	50,500	50,500	60,600
- capital			
Amortization			
Interest			
Accretion of asset retirement obligation			
Allowance for uncollectible			
Other			
<b>Recreation and Cultural Services</b>	<b>59,187</b>	<b>59,193</b>	<b>68,706</b>
<b>Restructuring</b>			
<b>Total Recreation and Cultural Services</b>	<b>59,187</b>	<b>59,193</b>	<b>68,706</b>

Rural Municipality of Progress No. 351  
 Total Expenses by Function  
 For the year ended December 31, 2025

Schedule 3 - 3

	2025 Budget	2025	2024
<b>UTILITY SERVICES</b>			
Wages and benefits			
Professional/Contractual services	200	176	
Utilities	5,650	5,148	4,199
Maintenance, materials and supplies			
Grants and contributions - operating			
- capital			
Amortization		7,653	7,653
Interest			
Accretion of asset retirement obligation			
Allowance for uncollectible			
Other			
<b>Utility Services</b>	<b>5,850</b>	<b>12,977</b>	<b>11,852</b>
<b>Restructuring</b>			
<b>Total Utility Services</b>	<b>5,850</b>	<b>12,977</b>	<b>11,852</b>
 <b>TOTAL EXPENSES BY FUNCTION</b>	 <b>6,964,320</b>	 <b>3,805,848</b>	 <b>4,015,477</b>

Rural Municipality of Progress No. 351  
 Schedule of Segment Disclosure by Function  
 For the year ended December 31, 2025

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and Charges	24,293		43,805	1,559			7,972	77,629
Tangible Capital Asset Sales - Gain			(139,219)					(139,219)
Land Sales - Gain								
Investment Income	199,547							199,547
Commissions								
Other Revenues				180				180
Grants - Conditional			16,510					16,510
- Capital								
Restructurings								
<b>Total Revenues</b>	<b>223,840</b>		<b>(78,904)</b>	<b>1,739</b>			<b>7,972</b>	<b>154,647</b>
<b>Expenses (Schedule 3)</b>								
Wages and Benefits	267,680		573,948					841,628
Professional/Contractual Services	77,142	16,582	315,249	53,467	21,447	8,693	176	492,756
Utilities	2,954		17,567				5,148	25,669
Maintenance Materials and Supplies	28,885		968,920	57,482				1,055,287
Grants and Contributions	2,428	38,779		8,081		50,500		99,788
Amortization			1,218,554				7,653	1,226,207
Interest			38,932					38,932
Accretion of Asset Retirement Obligation								
Allowance for Uncollectible	6,081							6,081
Restructurings								
Other				19,500				19,500
<b>Total Expenses</b>	<b>385,170</b>	<b>55,361</b>	<b>3,133,170</b>	<b>138,530</b>	<b>21,447</b>	<b>59,193</b>	<b>12,977</b>	<b>3,805,848</b>
<b>Surplus (Deficit) by Function</b>	<b>(161,330)</b>	<b>(55,361)</b>	<b>(3,212,074)</b>	<b>(136,791)</b>	<b>(21,447)</b>	<b>(59,193)</b>	<b>(5,005)</b>	<b>(3,651,201)</b>
Taxes and other unconditional revenue (Schedule 1)								5,407,796
<b>Net Surplus (Deficit)</b>								<b>1,756,595</b>



Rural Municipality of Progress No. 351  
 Schedule of Tangible Capital Assets by Object  
 For the year ended December 31, 2025

Schedule 6

	2025						2024	
	Land	Land Improvements	Buildings	Vehicles	Machinery and Equipment	Infrastructure Assets	General/Infrastructure Assets Under Construction	Total
<b>Asset Cost</b>								
Opening Asset Costs	50,001		175,561	102,414	3,819,016	26,577,163	18,213	29,157,536
Additions during the year			19,390		584,489	783,711	251,522	2,348,498
Disposals and write-downs during the year					(382,032)			(763,666)
Transfers (from) assets under construction								
Transfer of Capital Assets related to restructuring (Schedule 11)								
<b>Closing Asset Costs</b>	<b>50,001</b>		<b>194,951</b>	<b>102,414</b>	<b>4,021,473</b>	<b>27,360,874</b>	<b>269,735</b>	<b>30,742,368</b>
<b>Accumulated Amortization Cost</b>								
Opening Accumulated Amortization Costs			138,012	46,184	1,430,594	8,034,525		9,649,315
Add: Amortization taken			8,489	7,227	504,884	705,607		1,226,207
Less: Accumulated amortization on disposals					(152,813)			(152,813)
Transfer of Capital Assets related to restructuring (Schedule 11)								
<b>Closing Accumulated Amortization</b>			<b>146,501</b>	<b>53,411</b>	<b>1,782,665</b>	<b>8,740,132</b>		<b>10,722,709</b>
<b>Net Book Value</b>	<b>50,001</b>		<b>48,450</b>	<b>49,003</b>	<b>2,238,808</b>	<b>18,620,742</b>	<b>269,735</b>	<b>21,093,053</b>

1. Total contributed/donated assets received in 2025 Nil

2. List of assets recognized at nominal value in 2025 are:

- Infrastructure Assets Nil
- Vehicles Nil
- Machinery and Equipment Nil
- 3. Amount of interest capitalized in Schedule 6 Nil

Rural Municipality of Progress No. 351  
 Schedule of Tangible Capital Assets by Function  
 For the year ended December 31, 2025

Schedule 7

	2025						2024	
	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Water and Sewer	Total
<b>Asset Cost</b>								
Opening Asset Costs			30,436,246				306,122	29,157,536
Additions during the year			1,639,112					2,348,498
Disposals and write-downs during the year			(382,032)				(382,032)	(763,666)
Transfer of Capital Assets related to restructuring (Schedule 11)								
<b>Closing Asset Costs</b>			<b>31,693,326</b>				<b>306,122</b>	<b>30,742,368</b>
<b>Accumulated</b>								
Opening Accumulated Amortization Costs			9,607,860				41,455	8,924,823
Add: Amortization taken			1,218,554				7,653	1,088,563
Less: Accumulated amortization on disposals			(152,813)				(152,813)	(364,071)
Transfer of Capital Assets related to restructuring (Schedule 11)								
<b>Closing Accumulated Amortization Costs</b>			<b>10,673,601</b>				<b>49,108</b>	<b>9,649,315</b>
<b>Net Book Value</b>			<b>21,019,725</b>				<b>257,014</b>	<b>21,093,053</b>

Rural Municipality of Progress No. 351  
 Schedule of Accumulated Surplus  
 For the year ended December 31, 2025

Schedule 8

	2024	Changes	2025
<b>UNAPPROPRIATED SURPLUS</b>	<b>7,898,479</b>	<b>1,410,342</b>	<b>9,308,821</b>
<b>APPROPRIATED RESERVES</b>			
Machinery and Equipment			
Other (Road plans)	52,726	(49,482)	3,244
Other (Building committee)	29,795	11,054	40,849
Other (Fire board)	171,496	(144,476)	27,020
Other (Infrastructure)	839,056	(312,669)	526,387
Other (Capital purchases)	655,942	(82,094)	573,848
Other (Special savings)	458,708		458,708
Other (Gravel pit reclaim savings)	88,349	30,898	119,247
Other (Health and wellness)	40,686	20,427	61,113
<b>Total Appropriated</b>	<b>2,336,758</b>	<b>(526,342)</b>	<b>1,810,416</b>
<b>NET INVESTMENT IN TANGIBLE CAPITAL ASSETS</b>			
Tangible capital assets (Schedule 6, 7)	21,093,053	183,686	21,276,739
Less: Related debt	(1,410,197)	688,909	(721,288)
<b>Net Investment in Tangible Capital Assets</b>	<b>19,682,856</b>	<b>872,595</b>	<b>20,555,451</b>
<b>Accumulated Surplus (Deficit) excluding remeasurement gains (losses)</b>	<b>29,918,093</b>	<b>1,756,595</b>	<b>31,674,688</b>

Rural Municipality of Progress No. 351  
 Schedule of Mill Rates and Assessments  
 For the year ended December 31, 2025

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial and Industrial	Potash Mine(s)	
<b>Taxable Assessment</b>	186,109,690	6,257,345			186,041,735		378,408,770
<b>Regional Park Assessment</b>							
<b>Total Assessment</b>							378,408,770
<b>Mill Rate Factor(s)</b>	0.5270	0.7560			2.7700		
<b>Total Base/Minimum Tax</b> (generated for each property class)							
<b>Total Municipal Tax Levy</b> (include base and/or minimum tax and special levies)	882,718	42,575			4,638,020		5,563,313

**MILL RATES:**

	MILLS
Average Municipal*	14.7019
Average School*	4.2623
Potash Mill Rate	
Uniform Municipal Mill Rate	9.0000

\* 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 Progress No. 351  
 Schedule of Council Remuneration  
 For the year ended December 31, 2025

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Kim Herbst	17,160	5,088	22,248
Councillor	Lyall Knorr	7,120	570	7,690
Councillor	Darren Gottfried	5,665	1,465	7,130
Councillor	Ian Fischer	6,670	3,222	9,892
Councillor	Trent Eurich	8,300	957	9,257
Councillor	Ryley Magnus	3,600	502	4,102
Councillor	Jason Thrun	6,800	1,170	7,970
<b>Total</b>		<b>55,315</b>	<b>12,974</b>	<b>68,289</b>