RURAL MUNICIPALITY OF ARM RIVER NO. 252
Consolidated Financial Statements
December 31, 2025

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Management's Responsibility

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 policies 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 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 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.

Dudley & Company LLP, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the financial statements and report directly to them; their report is attached to the financial statements. The external auditors have full and free access to both the Council and management to communicate their audit findings.

Council

Administration

INDEPENDENT AUDITORS' REPORT

To the Reeve and Councillors
Rural Municipality of Arm River No. 252

Opinion

We have audited the consolidated financial statements of the **RURAL MUNICIPALITY OF ARM RIVER NO. 252**, which comprise the consolidated statement of financial position as at December 31, 2025 and the consolidated statements of operations, changes in net financial assets and cash flows 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 financial position of the municipality 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 Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to dissolve 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect 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 over-ride of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Dudley & Company LLP
Chartered Professional Accountants

Regina, Saskatchewan
February 11, 2026

RURAL MUNICIPALITY OF ARM RIVER NO. 252
Statement of Consolidated Financial Position
As at December 31, 2025

Statement 1

	2025	2024
FINANCIAL ASSETS		
Cash & Cash Equivalents (Note 2)	$ 833,583	$ 1,304,706
Investments	-	-
Taxes Receivable - Municipal (Note 3)	14,259	20,493
Other Accounts Receivable (Note 4)	339,157	31,195
Assets Held for Sale	-	-
Long-Term Receivable (Note 6)	54,276	48,349
Other Long-Term Investments (Note 5)	1,570,694	1,572,438
Debt Charges Recoverable	-	-
Derivative Assets	-	-
Total Financial Assets	2,811,969	2,977,181
LIABILITIES		
Bank Indebtedness	-	-
Accounts Payable (Note 8)	192,841	92,588
Accrued Liabilities Payable	-	-
Derivative Liabilities	-	-
Deposits	-	-
Deferred Revenue	-	-
Asset Retirement Obligation	-	-
Liability for Contaminated Sites	-	-
Infrastructure Liability	-	-
Long-Term Debt (Note 9)	-	-
Lease Obligations	-	-
Total Liabilities	192,841	92,588
NET FINANCIAL ASSETS	2,619,128	2,884,593
Non-Financial Assets		
Tangible Capital Assets (Schedules 6, 7)	5,109,315	4,610,702
Intangible Capital Assets (Schedules 8, 9)	-	-
Prepayment and Deferred Charges	200,069	150,000
Stock and Supplies	444,772	66,125
Other (Note 10)	-	-
Total Non-Financial Assets	5,754,156	4,826,827
Accumulated Surplus (Deficit) (Schedule 8)	$ 8,373,284	$ 7,711,420

The accompanying notes form an integral part of these financial statements.

RURAL MUNICIPALITY OF ARM RIVER NO. 252
Statement of Consolidated Operations
For the year ended December 31, 2025

Statement 2

		2025 Budget	2025	2024
Revenues				
Tax Revenue	(Schedule 1)	$ 1,390,803	$ 1,377,417	$ 1,304,817
Other Unconditional Revenue	(Schedule 1)	295,085	295,512	277,886
Fees and Charges	(Schedule 4, 5)	45,300	36,325	31,444
Conditional Grants	(Schedule 4, 5)	33,530	32,857	33,584
Tangible Capital Assets - Gain(Loss)	(Schedule 4, 5)	-	9,010	(11,627)
Intangible Capital Assets - Gain(Loss)	(Schedule 4, 5)	-	-	-
Land Sales - Gain	(Schedule 4, 5)	-	-	884
Investment Income and Commissions	(Schedule 4, 5)	80,000	105,164	125,633
Other Revenues	(Schedule 4, 5)	1,000	44,589	31,634
Restructurings	(Schedule 4, 5)	-	-	-
Provincial/Federal Capital Grants	(Schedule 4, 5)	336,408	317,651	24,313
Total Revenues		2,182,126	2,218,525	1,818,568
Expenses				
General Government Services	(Schedule 3)	292,040	261,950	258,709
Protective Services	(Schedule 3)	21,550	17,835	21,850
Transportation Services	(Schedule 3)	1,512,560	1,211,008	1,085,394
Environmental and Public Health Services	(Schedule 3)	34,325	33,485	35,929
Planning and Development Services	(Schedule 3)	6,000	1,614	2,599
Recreation and Cultural Services	(Schedule 3)	28,165	27,662	27,324
Utility Services	(Schedule 3)	7,341	3,107	4,075
Total Expenses		1,901,981	1,556,661	1,435,880
Surplus (Deficit) of Revenues over Expenses		280,145	661,864	382,688
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), Beginning of Year		7,711,420	7,711,420	7,328,732
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), End of Year		$ 7,991,565	$ 8,373,284	$ 7,711,420

The accompanying notes form an integral part of these financial statements.

RURAL MUNICIPALITY OF ARM RIVER NO. 252
Statement of Changes in Consolidated Net Financial Assets
For the year ended December 31, 2025

Statement 3

	2025 Budget	2025	2024
Annual Surplus (Deficit)	$ 280,145	$ 661,864	$ 382,688
(Acquisition) of tangible capital assets	(798,000)	(753,959)	(542,558)
(Acquisition) of intangible capital assets	-	-	-
Amortization of tangible capital assets	247,511	255,346	242,271
Amortization of intangible capital assets	-	-	-
Proceeds of disposal of tangible capital assets	-	9,010	100,000
Proceeds of disposal of intangible capital assets	-	-	-
Loss (gain) on disposal of tangible capital assets	-	(9,010)	11,627
Loss (gain) on disposal of intangible capital assets	-	-	-
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (Deficit) of capital expenses over expenditures	(550,489)	(498,613)	(188,660)
(Acquisition) of supplies inventories	-	(378,647)	-
(Acquisition) of prepaid expense	-	(50,069)	(50,000)
(Increase) to other non-financial assets	-	-	-
Consumption of supplies inventory	-	-	127,686
Use of prepaid expense	-	-	-
Decrease to other non-financial assets	-	-	-
Surplus (Deficit) of other non-financial expenses over expenditures	-	(428,716)	77,686
Unrealized remeasurement gains (losses)	-	-	-
Increase/Decrease in Net Financial Assets	(270,344)	(265,465)	271,714
Net Financial Assets - Beginning of Year	2,884,593	2,884,593	2,612,879
Net Financial Assets - End of Year	$ 2,614,249	$ 2,619,128	$ 2,884,593

The accompanying notes form an integral part of these financial statements.

RURAL MUNICIPALITY OF ARM RIVER NO. 252

Statement of Consolidated Cash Flows

For the year ended December 31, 2025

Statement 4

	2025	2024
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	$ 661,864	$ 382,688
Amortization	255,346	242,271
Loss (gain) on disposal of tangible capital assets	(9,010)	11,627
Loss (gain) on disposal of intangible capital assets	-	-
	908,200	636,586
Changes in assets / liabilities		
Taxes Receivable - Municipal	6,234	(3,344)
Other Receivables	(307,962)	78,333
Assets Held for Sale	-	-
Accounts and Accrued Liabilities Payable	100,253	20,368
Derivative Liabilities	-	-
Deposits	-	-
Deferred Revenue	-	(560)
Other Liabilities	-	-
Asset Retirement Obligation	-	-
Liability for Contaminated Sites	-	-
Long-Term Receivable	(5,927)	(4,949)
Stock and Supplies for Use	(378,647)	127,686
Prepayments and Deferred Charges	(50,069)	(50,000)
Other Non-Financial Assets	-	-
Net cash from (used for) operations	272,082	804,120
Capital:		
Cash Used to Acquire Tangible Capital Assets	(753,959)	(542,558)
Proceeds on Sale of Tangible Capital Assets	9,010	100,000
Net cash from (used for) capital	(744,949)	(442,558)
Investing:		
Proceeds on Disposal (Acquisition) of Investments	1,744	32,017
Other Investments	-	-
Net cash from (used for) investing	1,744	32,017
Financing:		
Debt Charges Recovered	-	-
Long-Term Debt Issued	-	-
Long-Term Debt Repaid	-	-
Other Financing	-	-
Net cash from (used for) financing	-	-
Increase (Decrease) in cash resources	(471,123)	393,579
Cash and Cash Equivalents - Beginning of Year	1,304,706	911,127
Cash and Cash Equivalents - End of Year	$ 833,583	$ 1,304,706

The accompanying notes form an integral part of these financial statements.

RURAL MUNICIPALITY OF ARM RIVER NO. 252

Statement of Consolidated Remeasurement Gains and Losses

As at December 31, 2025

Statement 5

	2025	2024
Accumulated remeasurement gains (losses) at the beginning of the year:	$ -	$ -
Unrealized gains (losses) attributable to (Note 3):		
Derivatives	-	-
Equity investments measured at fair value	-	-
Foreign exchange	-	-
	-	-
Amounts reclassified to the Statement of Operations (Note 3):		
Derivatives	-	-
Equity investments measured at fair value	-	-
Reversal of net remeasurements of portfolio investments	-	-
Foreign exchange	-	-
	-	-
Net remeasurement gains (losses) for the year	-	-
Accumulated remeasurement gains (losses) at end of year	$ -	$ -

The accompanying notes form an integral part of these financial statements.

1. SUMMARY OF 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 report 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.

A partnership represents a contractual arrangement between the municipality and a party 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 operation of the partnership.

(b) Collection of Funds for Other Authorities:
Collection of funds by the municipality for the school board and municipal hail 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 either expenses or revenues in the period that the events giving rise to the transfer occur, providing:

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

Unearned government transfer amounts received 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.

(e) Revenue:
Revenues from transactions with no performance obligations (such as fines and penalties, for example) are recognized when the municipality has the authority to claim or retain an inflow of economic resources and has identified a past transaction or event that gives rise to an asset. For each transaction with no performance obligation, the municipality recognizes revenue at its realizable value. These revenue streams are typically non-recurring in nature.

Revenues from transactions with performance obligations (such as fees for the provision of services and the sale of goods) which are enforceable promises to provide specific goods or services to the specific payor in return for promised consideration, are recognized when (or as) the municipality satisfies a performance obligation and control of the benefits associated with the goods and services have been passed to the payor. For each performance obligation, the municipality determines whether the performance obligation is satisfied over a period of time (such as the provision of often recurring items like utility or similar services, certain rentals, etc) or at a point in time (such as a non-recurring sale of supplies, custom work orders, etc). The municipality then also considers the effects of multiple performance obligations, variable consideration, the existence of significant concessionary terms and non-cash considerations when determining the consideration to be received.

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

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

(h) Non-Financial Assets:
Tangible capital and other non-financial assets are accounted for as assets by the municipality because they can be used to provide municipal services in future periods. These assets do not normally provide resources to discharge the liabilities of the municipality 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 10.

(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. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions from other taxing authorities operate as a flow through and are excluded from municipal revenue.

(k) Investments:
Portfolio investments are valued in accordance with the policy noted on financial instruments, less any provision for other than temporary impairment. Investments with terms longer than one year have been classified as other long-term investments concurrent with the nature of the investment.

(l) Financial Instruments:

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

The municipality has elected to measure other specific instruments at fair value, to correspond with how they are evaluated and managed. As follows:

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.

When investment income and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as liabilities until the external restrictions are satisfied.

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 municipality's financial assets and liabilities are measured as follows:

Financial Statement Line Item	Measurement
Cash and cash equivalents	Cost
Investments	Fair value
Other accounts receivable	Amortized cost
Long term receivables	Amortized cost
Bank indebtedness	Cost
Accounts payable and accrued liabilities	Amortized cost
Deposit liabilities	Cost
Long term debt	Amortized cost

(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 and net realizable value. Cost is determined by the actual cost. Net realizable value is the estimated selling price in the ordinary course of business.

(n) Liability for Contaminated Sites:

Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic, 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 of 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.

(o) 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; these, and the tangible capital assets that are recognized at a nominal value, are disclosed on Schedule 6. The cost of tangible capital assets less any estimated residual value are amortized over the asset's estimated useful life using the straight-line method of amortization. The municipality's tangible capital asset useful lives are estimated as follows:

Assets	Useful Life
General Assets	
Land	Indefinite
Land Improvements	15 years
Buildings	40 years
Vehicles and Equipment	
Vehicles	10 years
Machinery and Equipment	10 to 20 years
Other Furniture and Equipment	5 to 10 years
Infrastructure Assets	
Infrastructure Assets	
Water and Sewer	40 years
Road Network Assets	15 to 40 years

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

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

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

Leases: All leases are recorded on the 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 a tangible capital asset. 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 lease are amortized on a straight line basis, over their estimated useful lives (or over their lease term if the asset ownership isn't passing, or likely to pass, to the municipality at the end of its term). Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

(p) 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 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.

(q) Employee Benefit Plans:

Contributions to the municipality's defined benefit plans are expensed when contributions are due and payable. Under the defined benefit multiemployer plans, the municipality's obligations are limited to their contributions.

(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 revenues and expenses during the period.

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 stock and supplies inventories are based on estimates of volume and quality.

The "Opening Assets 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.

Measurement financial instruments at the 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: The General Government segment provides for the administration of the municipality.

Protective Services: The Protective Services segment is comprised of items for Police and Fire protection.

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

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

Planning and Development: The Planning and Development segment provides for neighbourhood development and sustainability.

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

Utility Services: The Utility Services segment provides for delivery of water.

(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 3, 2025.

2. Cash and Cash Equivalents

	2025	2024
Affinity Credit Union - operating	$ 819,356	$ 1,290,720
Affinity Credit Union - savings	14,172	13,931
Petty cash	50	50
Affinity Credit Union - member share	5	5
Total Cash and Cash Equivalents	$ 833,583	$ 1,304,706

Cash and cash equivalents include balances with banks, redeemable term deposits, and marketable securities and other short-term investments with maturities of three months or less.

3. Taxes Receivable

		2025	2024
Municipal	- Current	$ 9,777	$ 16,339
	- Arrears	4,482	4,154
		14,259	20,493
	- Less Allowance for Uncollectables	-	-
Total Municipal Taxes Receivable		14,259	20,493
School	- Current	2,949	4,526
	- Arrears	744	522
Total School Taxes Receivable		3,693	5,048
Other		591	601
Total Taxes Receivable		18,543	26,142
Deduct taxes to be collected on behalf of other organizations		(4,284)	(5,649)
Total Taxes Receivable - Municipal		$ 14,259	$ 20,493

4. Other Accounts Receivable

	2025	2024
Trade receivables	$ 769	$ 2,538
Provincial government	312,197	16,452
GST receivable	26,191	11,805
Local government	-	400
Total Other Accounts Receivable	339,157	31,195
Less Allowance for Uncollectables	-	-
Net Other Accounts Receivable	$ 339,157	$ 31,195

5. Other Long-Term Investments	2025	2024
ACU term #34 @ 3.00%, matures September 2025	-	97,205
ACU term #35 @ 3.00%, matures September 2025	-	62,550
ACU term #40 @ 4.60%, matures August 2025	-	101,712
ACU term #42 @ 3.00%, matures September 2025	-	50,390
ACU term #43 @ 5.00%, matures September 2026	303,822	303,822
ACU term #44 @ 5.35%, matures November 2025	-	201,173
ACU term #45 @ 5.35%, matures November 2025	-	44,835
ACU term #46 @ 5.20%, matures December 2027	258,552	258,552
ACU term #47 @ 5.15%, matures December 2028	250,388	250,388
ACU term #48 @ 3.25%, matures December 2027	100,107	100,176
ACU term #49 @ 3.05%, matures August 2025	-	101,135
ACU term #51 @ 3.4%, matures September 2026	201,844	-
ACU term #52 @ 3.4%, matures September 2026	159,810	-
ACU term #53 @ 3.4%, matures November 2028	200,745	-
ACU term #54 @ 3.4%, matures November 2028	94,926	-
Davidson Co-operative Ltd. - Equity	500	500
Total Other Long-Term Investments	$ 1,570,694	$ 1,572,438

Affinity Credit Union (ACU) term deposits are shown at acquisition cost plus accrued interest. All interest rates are per annum.

6. Long-Term Receivables	2025	2024
SARM Liability Insurance	$ 54,276	$ 48,349
Total Long-Term Receivables	$ 54,276	$ 48,349

The long term investments in the Saskatchewan Association of Rural Municipalities - Self Insurance Fund represents the balances receivable should the municipality decide to leave the self-insurance program and includes upfront contributions to the plan, additional premium payments, allocations of investment income on the funds on deposit, self-insurance claims paid and other claims and administration costs. The municipality has the ability to withdraw from the plan with notice. Beyond the return of the municipality's fund balance, it has no further claim to the residual net assets of SARM.

7. Credit Arrangements

At December 31, 2025, the municipality had lines of credit totaling $500,000, none of which where drawn. The following has been collateralized in connection with this line of credit:

- General security agreement,

8. Accounts Payable	2025	2024
Trade payables	$ 4,063	$ 16,436
Gravel royalties	131,528	23,415
Due to local government	15,714	4,829
Municipal hail collections payable	19,385	31,597
School taxes collections payable	22,151	16,137
PST payable	-	174
Total Accounts Payable	$ 192,841	$ 92,588

9. Long-Term Debt

The debt limit of the municipality is $1,362,109. 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)).

10. Other Non-Financial Assets	2025	2024
Municipal share of tax title property, net of full allowance of $34,565	$ -	$ -
Total Other Non-Financial Assets	$ -	$ -

11. 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.

12. 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. Employees and employers each make plan contributions of 9% of salary (subject to an annually adjusted maximum pensionable earnings amount). The municipality's pension expense in 2025 was $25,382 (2024 - $21,622). 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.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. Any actuarially determined deficiency is the responsibility of the participating employers and employees, which could affect future contribution rates and/or benefits. Contributions to MEPP are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. As a result, individual employers are not able to identify their share of the underlying assets and liabilities, and the net pension assets or liabilities for the plan are not recognized in these financial statements. Rather, the plan is accounted for as a defined contribution plan where the contributions are expensed when made.

The most recent available information reports, in total, plan assets of $4,090,806,000, plan liabilities, including pension obligations, of $2,571,158,000, and a resulting surplus of $1,519,648,000.

13. Comparative Figures

Certain of the prior year's comparative figures have been reclassified to conform to the current year's manner of presentation.

14. Related Parties

The financial statements include transactions with related parties. The municipality is related to key management personnel (council and senior management) and their close family members. Transactions with these related parties are in the normal course of operations and are settled on normal trade terms.

15. Contractual Obligations and Commitments

The municipality has entered into a contract to buy 100,000 cubic yards of gravel for a total consideration of $300,000, payable in 6 annual payments of $50,000 each starting January 31, 2022. As of December 31, 2025, the municipality has paid 4 instalments, leaving a balance of $100,000. These amounts will be added to gravel inventory cost once the gravel is extracted and crushed. The total amount paid to date is included in prepaid expenses as no gravel had been extracted as of year end and thus no gravel was available for use.

Year	Future royalties payable
2026	$ 50,000
2027	50,000
2028	-
2029	-
2030	-
Thereafter	-
Total Contractual Obligations and Commitments	$ 100,000

16. Risk Management

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

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge their responsibilities with respect to the financial instrument, and in doing so, cause a loss for the other party. The municipality is exposed to credit risk on the accounts receivable. The municipality does not have significant exposure to any individual creditor.

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 is comprised of three types of risk: interest rate risk, currency risk, and price risk.

Interest Rate Risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The municipality is not exposed to significant interest rate risk of its monetary current assets and current liabilities due to their short term maturity.

RURAL MUNICIPALITY OF ARM RIVER NO. 252

Schedule of Consolidated Taxes and Other Unconditional Revenue

For the year ended December 31, 2025

Schedule 1

	2025 Budget	2025	2024
TAXES			
General municipal tax levy	$ 1,433,803	$ 1,433,803	$ 1,361,749
Abatements and adjustments	-	-	-
Discount on current year taxes	(50,000)	(61,091)	(58,861)
Net Municipal Taxes	1,383,803	1,372,712	1,302,888
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	2,000	1,375	1,395
Special tax levy	-	-	-
Other - Tax enforcement costs	5,000	3,330	534
Total Taxes	1,390,803	1,377,417	1,304,817
UNCONDITIONAL GRANTS			
Revenue Sharing	295,000	295,452	277,802
Organized Hamlet	-	-	-
Other -	-	-	-
Total Unconditional Grants	295,000	295,452	277,802
GRANTS IN LIEU OF TAXES			
Federal	-	-	-
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
TransGas	-	-	-
Central Services	-	-	-
SaskTel	85	60	84
Other -	-	-	-
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other -	-	-	-
Other Government Transfers			
S.P.C. Surcharge	-	-	-
SaskEnergy Surcharge	-	-	-
Other -	-	-	-
Total Grants in Lieu of Taxes	85	60	84
TOTAL OTHER UNCONDITIONAL REVENUE	295,085	295,512	277,886
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	$ 1,685,888	$ 1,672,929	$ 1,582,703

RURAL MUNICIPALITY OF ARM RIVER NO. 252

Schedule of Consolidated Operating and Capital Revenue by Function

For the year ended December 31, 2025

Schedule 2-1

	2025 Budget	2025	2024
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	$ 300	$ 3,411	$ 597
- Sales of supplies	1,000	463	552
- Other - Rent	20,000	21,203	18,049
Total Fees and Charges	21,300	25,077	19,198
- Tangible capital asset sales - gain (loss)	-	-	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Land sales - gain	-	-	884
- Investment income and commissions	80,000	105,164	125,633
- Other - Allowance recovery	-	-	-
Total Other Segmented Revenue	101,300	130,241	145,715
Conditional Grants			
- Student Employment	-	-	-
- Other -	-	-	-
Total Conditional Grants	-	-	-
Total Operating	101,300	130,241	145,715
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- ICIP	-	-	-
- Provincial Disaster Assistance	-	-	-
- MEEP	-	-	-
- Other -	-	-	-
Total Capital	-	-	-
Restructuring Revenues/Expenses	-	-	-
Total General Government Services	$ 101,300	$ 130,241	$ 145,715

PROTECTIVE SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Other - Fire calls	$ -	$ -	$ 400
Total Fees and Charges	-	-	400
- Tangible capital asset sales - gain (loss)	-	-	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Other -	-	-	-
Total Other Segmented Revenue	-	-	400
Conditional Grants			
- Student Employment	-	-	-
- Local Government	-	-	-
- Other -	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	400
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- ICIP	-	-	-
- Local Government	-	-	-
- Provincial Disaster Assistance	-	-	-
- MEEP	-	-	-
- Other -	-	-	-
Total Capital	-	-	-
Restructuring Revenues/Expenses	-	-	-
Total Protective Services	$ -	$ -	$ 400

RURAL MUNICIPALITY OF ARM RIVER NO. 252

Schedule of Consolidated Operating and Capital Revenue by Function

For the year ended December 31, 2025

Schedule 2-2

	2025 Budget	2025	2024
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	$ 2,500	$ 272	$ 409
- Sales of supplies	10,000	2,940	2,565
- Road maintenance, restoration agreements	6,000	2,458	3,384
- Frontage	-	-	-
- Other - Gravel extraction permits	500	141	694
Total Fees and Charges	19,000	5,811	7,052
- Tangible capital asset sales - gain (loss)	-	9,010	(11,627)
- Intangible capital asset sales - gain (loss)	-	-	-
- Other - Rebates, DBP proceeds, Insurance proceeds	-	44,239	31,039
Total Other Segmented Revenue	19,000	59,060	26,464
Conditional Grants			
- RIRG (CTP)	30,030	30,030	30,030
- Student Employment	-	-	-
- Other -	-	-	-
Total Conditional Grants	30,030	30,030	30,030
Total Operating	49,030	89,090	56,494
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	16,408	16,073	15,894
- ICIP	-	-	-
- RIRG (CTP, Bridge/ Large Culvert, Rd Const)	320,000	301,578	8,419
- Provincial Disaster Assistance	-	-	-
- Other -	-	-	-
Total Capital	336,408	317,651	24,313
Restructuring Revenues/Expenses	-	-	-
Total Transportation Services	$ 385,438	$ 406,741	$ 80,807
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and disposal fees	$ -	$ -	$ -
- Other - Oil recovery center	5,000	5,012	4,794
Total Fees and Charges	5,000	5,012	4,794
- Tangible capital asset sales - gain (loss)	-	-	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Other - Cemetery donation	1,000	350	595
Total Other Segmented Revenue	6,000	5,362	5,389
Conditional Grants			
- Recycling	-	-	-
- Pest Control	3,500	2,827	3,554
- Local Government	-	-	-
- Other -	-	-	-
Total Conditional Grants	3,500	2,827	3,554
Total Operating	9,500	8,189	8,943
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other -	-	-	-
Total Capital	-	-	-
Restructuring Revenues/Expenses	-	-	-
Total Environmental and Public Health Services	$ 9,500	$ 8,189	$ 8,943

RURAL MUNICIPALITY OF ARM RIVER NO. 252

Schedule of Consolidated Operating and Capital Revenue by Function

For the year ended December 31, 2025

Schedule 2-3

	2025 Budget	2025	2024
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and development charges	$ -	$ 425	$ -
- Other -	-	-	-
Total Fees and Charges	-	425	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Other -	-	-	-
Total Other Segmented Revenue	-	425	-
Conditional Grants			
- Student Employment	-	-	-
- MEEP	-	-	-
- Other -	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	425	-
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- ICIP	-	-	-
- Provincial Disaster Assistance	-	-	-
- MEEP	-	-	-
- Other -	-	-	-
Total Capital	-	-	-
Restructuring Revenues/Expenses	-	-	-
Total Planning and Development Services	$ -	$ 425	$ -
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Other - Recreation fees	$ -	$ -	$ -
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Other -	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Canada Day	-	-	-
- Local Government	-	-	-
- Donations	-	-	-
- MEEP	-	-	-
- Other -	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- Canada Community Building Fund (CCBF)	-	-	-
- ICIP	-	-	-
- Local Government	-	-	-
- Provincial Disaster Assistance	-	-	-
- MEEP	-	-	-
- Other - Community Initiative Fund	-	-	-
Total Capital	-	-	-
Restructuring Revenues/Expenses	-	-	-
Total Recreation and Cultural Services	$ -	$ -	$ -

RURAL MUNICIPALITY OF ARM RIVER NO. 252

Schedule of Consolidated Operating and Capital Revenue by Function

For the year ended December 31, 2025

Schedule 2-4

	2025 Budget	2025	2024
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	$ -	$ -	$ -
- Sewer	-	-	-
- Other -	-	-	-
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Other -	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment	-	-	-
- MEEP	-	-	-
- Other -	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- ICIP	-	-	-
- New Building Canada Fund (SCF, NRP)	-	-	-
- Clean Water and Wastewater Fund	-	-	-
- Provincial Disaster Assistance	-	-	-
- MEEP	-	-	-
- Other -	-	-	-
Total Capital	-	-	-
Restructuring Revenues/Expenses	-	-	-
Total Utility Services	$ -	$ -	$ -

TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	$ 496,238	$ 545,596	$ 235,865

SUMMARY

Total Other Segmented Revenue	$ 126,300	$ 195,088	$ 177,968
Total Conditional Grants	33,530	32,857	33,584
Total Capital Grants and Contributions	336,408	317,651	24,313
Restructuring Revenue	-	-	-
TOTAL REVENUE BY FUNCTION	$ 496,238	$ 545,596	$ 235,865

RURAL MUNICIPALITY OF ARM RIVER NO. 252

Schedule of Consolidated Total Expenses by Function

For the year ended December 31, 2025

Schedule 3-1

	2025 Budget	2025	2024
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	$ 101,300	$ 99,270	$ 87,823
Wages and benefits	80,773	80,624	94,275
Professional/Contractual services	43,717	33,733	36,609
Utilities	5,500	4,388	4,833
Maintenance, materials, and supplies	17,700	15,447	10,336
Grants and contributions - operating	50	50	50
- capital	-	-	-
Amortization of tangible capital assets	3,800	3,228	3,228
Amortization of intangible capital assets	-	-	-
Interest	-	-	-
Accretion of asset retirement obligations	-	-	-
Allowance for uncollectables	4,200	-	-
Other - Rural Service Center	35,000	25,210	21,555
Total General Government Services	$ 292,040	$ 261,950	$ 258,709
PROTECTIVE SERVICES			
Police Protection			
Wages and benefits	$ -	$ -	$ -
Professional/Contractual services	15,500	15,628	15,263
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions - operating	-	-	-
- capital	-	-	-
Other -	-	-	-
Fire Protection			
Wages and benefits	-	-	-
Professional/Contractual services	550	942	516
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions - operating	5,500	1,265	6,071
- capital	-	-	-
Amortization of tangible capital assets	-	-	-
Amortization of intangible capital assets	-	-	-
Interest	-	-	-
Accretion of asset retirement obligation	-	-	-
Other -	-	-	-
Total Protective Services	$ 21,550	$ 17,835	$ 21,850
TRANSPORTATION SERVICES			
Wages and benefits	$ 300,000	$ 281,900	$ 241,014
Council remuneration and travel	-	-	-
Professional/Contractual services	416,350	290,208	291,104
Utilities	18,700	13,521	13,549
Maintenance, materials, and supplies	290,000	213,183	178,419
Gravel	245,765	162,043	124,230
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization of tangible capital assets	241,745	250,153	237,078
Amortization of intangible capital assets	-	-	-
Interest	-	-	-
Accretion of asset retirement obligation	-	-	-
Other -	-	-	-
Total Transportation Services	$ 1,512,560	$ 1,211,008	$ 1,085,394

RURAL MUNICIPALITY OF ARM RIVER NO. 252

Schedule of Consolidated Total Expenses by Function

For the year ended December 31, 2025

Schedule 3-2

	2025 Budget	2025	2024
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	$ 400	$ 425	$ 600
Professional/Contractual services	18,500	19,542	20,891
Utilities	-	-	-
Maintenance, materials, and supplies	12,500	9,393	6,063
Grants and contributions - operating	-	-	-
- Waste disposal	-	-	-
- Public health	1,800	3,000	7,250
- capital	-	-	-
- Waste disposal	-	-	-
- Public health	-	-	-
Amortization of tangible capital assets	1,125	1,125	1,125
Amortization of intangible capital assets	-	-	-
Interest	-	-	-
Accretion of asset retirement obligation	-	-	-
Other -	-	-	-
Total Environmental and Public Health Services	$ 34,325	$ 33,485	$ 35,929
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	$ -	$ -	$ -
Professional/Contractual services	-	1,614	325
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization of tangible capital assets	-	-	-
Amortization of intangible capital assets	-	-	-
Interest	-	-	-
Accretion of asset retirement obligation	-	-	-
Other - Supplies	6,000	-	2,274
Total Planning and Development Services	$ 6,000	$ 1,614	$ 2,599
RECREATION AND CULTURAL SERVICES			
Wages and benefits	$ -	$ -	$ -
Professional/Contractual services	4,945	4,443	4,474
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions - operating	23,220	23,219	22,850
- capital	-	-	-
Amortization of tangible capital assets	-	-	-
Amortization of intangible capital assets	-	-	-
Interest	-	-	-
Accretion of asset retirement obligation	-	-	-
Allowance for uncollectables	-	-	-
Other -	-	-	-
Total Recreation and Cultural Services	$ 28,165	$ 27,662	$ 27,324

RURAL MUNICIPALITY OF ARM RIVER NO. 252

Schedule of Consolidated Total Expenses by Function

For the year ended December 31, 2025

Schedule 3-3

	2025 Budget	2025	2024
UTILITY SERVICES			
Wages and benefits	$ -	$ -	$ -
Professional/Contractual services	-	-	-
Utilities	3,500	2,181	3,235
Maintenance, materials, and supplies	3,000	86	-
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization of tangible capital assets	841	840	840
Amortization of intangible capital assets	-	-	-
Interest	-	-	-
Accretion of asset retirement obligation	-	-	-
Allowance for uncollectables	-	-	-
Other -	-	-	-
Total Utility Services	$ 7,341	$ 3,107	$ 4,075
TOTAL EXPENSES BY FUNCTION	$ 1,901,981	$ 1,556,661	$ 1,435,880

RURAL MUNICIPALITY OF ARM RIVER NO. 252

Schedule of Consolidated Segment Disclosure by Function

For the year ended December 31, 2025

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	$ 25,077	$ -	$ 5,811	$ 5,012	$ 425	$ -	$ -	$ 36,325
Tangible Capital Asset Sales - Gain(Loss)	-	-	9,010	-	-	-	-	9,010
Investment Income and Commissions	105,164	-	-	-	-	-	-	105,164
Other Revenues	-	-	44,239	350	-	-	-	44,589
Grants - Conditional	-	-	30,030	2,827	-	-	-	32,857
- Capital	-	-	317,651	-	-	-	-	317,651
Total Revenues	130,241	-	406,741	8,189	425	-	-	545,596
Expenses (Schedule 3)								
Wages and Benefits	179,894	-	281,900	425	-	-	-	462,219
Professional / Contractual Services	33,733	16,570	290,208	19,542	1,614	4,443	-	366,110
Utilities	4,388	-	13,521	-	-	-	2,181	20,090
Maintenance, Materials, and Supplies	15,447	-	375,226	9,393	-	-	86	400,152
Grants and Contributions	50	1,265	-	3,000	-	23,219	-	27,534
Amortization of Tangible Capital Assets	3,228	-	250,153	1,125	-	-	840	255,346
Other	25,210	-	-	-	-	-	-	25,210
Total Expenses	261,950	17,835	1,211,008	33,485	1,614	27,662	3,107	1,556,661
Surplus (Deficit) by Function	$ (131,709)	$ (17,835)	$ (804,267)	$ (25,296)	$ (1,189)	$ (27,662)	$ (3,107)	$ (1,011,065)

Taxation and Other Unconditional Revenue (Schedule 1)	$ 1,672,929
Net Surplus (Deficit)	$ 661,864

DUDLEY & COMPANY LLP

RURAL MUNICIPALITY OF ARM RIVER NO. 252

Schedule of Consolidated Segment Disclosure by Function

For the year ended December 31, 2024

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	$ 19,198	$ 400	$ 7,052	$ 4,794	$ -	$ -	$ -	$ 31,444
Tangible Capital Asset Sales - Gain(Loss)	-	-	(11,627)	-	-	-	-	(11,627)
Land Sales - Gain	884	-	-	-	-	-	-	884
Investment Income and Commissions	125,633	-	-	-	-	-	-	125,633
Other Revenues	-	-	31,039	595	-	-	-	31,634
Grants - Conditional	-	-	30,030	3,554	-	-	-	33,584
- Capital	-	-	24,313	-	-	-	-	24,313
Total Revenues	145,715	400	80,807	8,943	-	-	-	235,865
Expenses (Schedule 3)								
Wages and Benefits	182,098	-	241,014	600	-	-	-	423,712
Professional / Contractual Services	36,609	15,779	291,104	20,891	325	4,474	-	369,182
Utilities	4,833	-	13,549	-	-	-	3,235	21,617
Maintenance, Materials, and Supplies	10,336	-	302,649	6,063	-	-	-	319,048
Grants and Contributions	50	6,071	-	7,250	-	22,850	-	36,221
Amortization of Tangible Capital Assets	3,228	-	237,078	1,125	-	-	840	242,271
Other	21,555	-	-	-	2,274	-	-	23,829
Total Expenses	258,709	21,850	1,085,394	35,929	2,599	27,324	4,075	1,435,880
Surplus (Deficit) by Function	$ (112,994)	$ (21,450)	$ (1,004,587)	$ (26,986)	$ (2,599)	$ (27,324)	$ (4,075)	$ (1,200,015)

Taxation and Other Unconditional Revenue (Schedule 1)	$ 1,582,703
Net Surplus (Deficit)	$ 382,688

DUDLEY & COMPANY LLP

RURAL MUNICIPALITY OF ARM RIVER NO. 252

Schedule of Consolidated Tangible Capital Assets by Object

For the year ended December 31, 2025

Schedule 6

	2025								2024
	General Assets					Infrastructure Assets		General / Infrastructure			
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Public Private Partnerships	Assets Under Construction	Total	Total
Asset Cost										
Opening Asset Costs	$ 13,411	$ -	$ 350,359	$ 107,958	$ 1,944,798	$ 6,414,485	$ -	$ 16,838	$ 8,847,849	$ 8,553,351
Additions during the year	-	-	-	-	150,804	581,628	-	21,527	753,959	542,558
Disposals and write downs during the year	-	-	-	-	(23,524)	-	-	-	(23,524)	(248,060)
Transfers (from) assets under construction	-	-	-	-	-	16,838	-	(16,838)	-	-
Closing Asset Costs	$ 13,411	$ -	$ 350,359	$ 107,958	$ 2,072,078	$ 7,012,951	$ -	$ 21,527	$ 9,578,284	$ 8,847,849
Accumulated Amortization										
Opening Accum. Amort. Cost	$ -	$ -	$ 183,661	$ 62,205	$ 558,807	$ 3,432,474	$ -	$ -	$ 4,237,147	$ 4,131,309
Add: Amortization taken	-	-	5,902	6,252	110,024	133,168	-	-	255,346	242,271
Less: Accum. Amort. on Disposals	-	-	-	-	(23,524)	-	-	-	(23,524)	(136,433)
Closing Accumulated Amort.	$ -	$ -	$ 189,563	$ 68,457	$ 645,307	$ 3,565,642	$ -	$ -	$ 4,468,969	$ 4,237,147
Net Book Value	$ 13,411	$ -	$ 160,796	$ 39,501	$ 1,426,771	$ 3,447,309	$ -	$ 21,527	$ 5,109,315	$ 4,610,702

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

DUDLEY & COMPANY LLP

RURAL MUNICIPALITY OF ARM RIVER NO. 252

Schedule of Consolidated Tangible Capital Assets by Function

For the year ended December 31, 2025

Schedule 7

	2025								2024
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
Asset Cost									
Opening Asset Costs	$ 84,016	$ -	$ 8,640,998	$ 71,873	$ -	$ -	$ 50,962	$ 8,847,849	$ 8,553,351
Additions during the year	-	-	753,959	-	-	-	-	753,959	542,558
Disposals and write-downs during the year	-	-	(23,524)	-	-	-	-	(23,524)	(248,060)
Closing Asset Costs	$ 84,016	$ -	$ 9,371,433	$ 71,873	$ -	$ -	$ 50,962	$ 9,578,284	$ 8,847,849
Accumulated Amortization									
Opening Accum. Amort. Costs	$ 72,412	$ -	$ 4,093,121	$ 33,708	$ -	$ -	$ 37,906	$ 4,237,147	$ 4,131,309
Add: Amortization taken	3,228	-	250,153	1,125	-	-	840	255,346	242,271
Less: Accum. Amort. on Disposals	-	-	(23,524)	-	-	-	-	(23,524)	(136,433)
Closing Accumulated Amortization	$ 75,640	$ -	$ 4,319,750	$ 34,833	$ -	$ -	$ 38,746	$ 4,468,969	$ 4,237,147
Net Book Value	$ 8,376	$ -	$ 5,051,683	$ 37,040	$ -	$ -	$ 12,216	$ 5,109,315	$ 4,610,702

RURAL MUNICIPALITY OF ARM RIVER NO. 252
Schedule of Consolidated Intangible Capital Assets by Object
For the year ended December 31, 2025

Schedule 8

	2025								2024
	General Intangible Assets								
	Patents	Trademarks	Copyrights	Customer Relationships	Goodwill	Other	Intangibles under development	Total	Total
Asset Cost									
Opening Asset Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additions during the year	-	-	-	-	-	-	-	-	-
Disposals and write downs during the year	-	-	-	-	-	-	-	-	-
Transfers (from) assets under development	-	-	-	-	-	-	-	-	-
Closing Asset Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accumulated Amortization									
Opening Accum. Amort. Cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Add: Amortization taken	-	-	-	-	-	-	-	-	-
Less: Accum. Amort. on Disposals	-	-	-	-	-	-	-	-	-
Closing Accumulated Amort.	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Book Value	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

RURAL MUNICIPALITY OF ARM RIVER NO. 252
Schedule of Consolidated Intangible Capital Assets by Function
For the year ended December 31, 2025

Schedule 9

	2025								2024
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
Asset Cost									
Opening Asset Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additions during the year	-	-	-	-	-	-	-	-	-
Disposals and write-downs during the year	-	-	-	-	-	-	-	-	-
Closing Asset Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accumulated Amortization									
Opening Accum. Amort. Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Add: Amortization taken	-	-	-	-	-	-	-	-	-
Less: Accum. Amort. on Disposals	-	-	-	-	-	-	-	-	-
Closing Accumulated Amortization	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Book Value	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

RURAL MUNICIPALITY OF ARM RIVER NO. 252

Schedule of Consolidated Accumulated Surplus

For the year ended December 31, 2025

Schedule 10

	2024	Changes	2025
UNAPPROPRIATED SURPLUS	$ 1,529,683	$ 163,251	$ 1,692,934
APPROPRIATED RESERVES			
Machinery and Equipment	225,000	-	225,000
Public Reserve	665	-	665
Other - Office	150,000	-	150,000
Other - Roads	723,250	-	723,250
Other - Pavement	100,000	-	100,000
Other - Future uncollectable	25,000	-	25,000
Other - Waste management	15,000	-	15,000
Other - Doctor recruitment	15,000	-	15,000
Other - Fire truck	93,120	-	93,120
Other - Recreation/Economic development	24,000	-	24,000
Other - Gravel pre-buy	200,000	-	200,000
Total Appropriated	1,571,035	-	1,571,035
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible Capital Assets (Schedule 6, 7)	4,610,702	498,613	5,109,315
Intangible Capital Assets (Schedule 8, 9)	-	-	-
Net Investment in Tangible Capital Assets	4,610,702	498,613	5,109,315
OTHER	-	-	-
Total Accumulated Surplus	$ 7,711,420	$ 661,864	$ 8,373,284

RURAL MUNICIPALITY OF ARM RIVER NO. 252
Schedule of Consolidated Mill Rates and Assessments
For the year ended December 31, 2025

Schedule 11

	PROPERTY CLASS						
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	Total
Taxable Assessment	$ 154,624,560	$ 3,548,580	$ -	$ -	$ 15,621,215	$ -	$ 173,794,355
Regional Park Assessment							-
Total Assessment							173,794,355
Mill Rate Factor(s)	1.000	1.000	-	-	1.000		
Total Base/Minimum Tax	-	-	-	-	-		-
Total Municipal Tax Levy	$ 1,275,652	$ 29,276	$ -	$ -	$ 128,875		$ 1,433,803

MILL RATES:	MILLS
Average Municipal*	8.250
Average School*	1.612
Potash Mill Rate	-
Uniform Municipal Mill Rate	8.250

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

RURAL MUNICIPALITY OF ARM RIVER NO. 252
Schedule of Consolidated Council Remuneration
For the year ended December 31, 2025

Schedule 12

Name	Remuneration	Reimbursed Costs	Total
Wayne Obrigewitsch	$ 18,130	$ 2,096	$ 20,226
David Gregor	10,590	1,207	11,797
Allan McNabb	10,090	862	10,952
Brian Schmidt	10,220	2,038	12,258
Blaine Smith	12,620	2,367	14,987
Brian Vibert	9,250	1,399	10,649
Kris Williams	11,490	669	12,159
Total	$ 82,390	$ 10,638	$ 93,028