Town of Carrot River

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2025

Town of Carrot River
Carrot River, Saskatchewan
December 31, 2025

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Management's Responsibility

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

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

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

Baker Tilly SK LLP, an independent firm of chartered professional accountants, is appointed by the council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the council and management to discuss their audit findings.

Mayor

Administrator

Independent Auditors' Report

To the Council
Town of Carrot River

Qualified Opinion

We have audited the consolidated financial statements of Town of Carrot River, (the municipality), which comprise the consolidated Statement of Financial Position as at December 31, 2025 and the consolidated Statements of Operations, Change in Net Financial Assets and Cash Flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Qualified Opinion

Management was unable to provide sufficient support for the valuation of aggregate inventory, including the estimated quantities and unit costs used in determining the carrying value of the inventory at the current and prior year-end dates. As a result we were unable to determine whether adjustments were necessary to aggregate inventory, or the annual surplus for the current year or prior year.

The Municipality's stock and supplies balance at December 31, 2024 was recorded at $130,562. We were unable to obtain sufficient appropriate audit evidence regarding the quantity and existence of inventory comprising this balance. Since opening inventory enters into the determination of the annual surplus or deficit for the year, we were unable to determine whether adjustments might have been necessary to the annual surplus for the current or prior year.

PS 3280 asset retirement obligations requires the municipality to recognize a liability at the reporting date for future costs that the municipality is legally obligated to incur for the retirement of a tangible capital asset. The municipality owns several buildings constructed prior to 1990 that likely contain asbestos and require remediation upon the retirement of the building. A liability has not been recognized for these costs. As insufficient information is available with regards to the extent and expected costs of the likely remediation activities, we are unable to determine the asset retirement obligation liability that would have been recognized on the current or prior year’s statement of financial position, or the impacts on expenses, surplus and accumulated surplus of the current or prior year.

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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Council is 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 a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Baker Tilly SK LLP

Baker Tilly SK LLP

Yorkton, SK
September 24, 2026

Town of Carrot River

Carrot River, Saskatchewan

Statement 1

Consolidated Statement of Financial Position as at December 31, 2025

	2025	2024 (Note 15)
Assets		
Financial Assets		
Cash and cash equivalents (note 2)	125,264	184,918
Investments (note 3)	1,856,834	1,390,942
Taxes receivable - municipal (note 4)	105,472	76,907
Other accounts receivable (note 5)	238,078	180,107
Total Financial Assets	2,325,648	1,832,874
Liabilities		
Accounts payable (note 9)	131,874	150,882
Accrued liabilities payable	2,923	2,923
Deposits	34,055	33,910
Deferred revenue (note 8)	1,960,432	1,447,028
Long-term debt (note 10)	2,135,445	2,423,434
Total Liabilities	4,264,729	4,058,177
Net Financial Assets (Debt)	(1,939,081)	(2,225,303)
Non-Financial Assets		
Tangible capital assets (schedules 6 and 7)	11,583,614	11,996,869
Stock and supplies	130,562	130,562
Endowment funds (note 12)	2,447,918	2,340,461
Assets held for sale (note 6)	115,530	137,262
Total Non-Financial Assets	14,277,624	14,605,154
Accumulated Surplus	$ 12,338,543	$ 12,379,851

Approved on behalf of the council:

Mayor

Councillor

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Carrot River

Consolidated Statement of Operations — Statement 2

For the year ended December 31, 2025

	2025 Budget (Note 1(z))	2025 Actual	2024 Actual (Note 15)
Revenues			
Tax revenue (schedule 1)	1,261,270	1,237,410	1,208,555
Other unconditional revenue (schedule 1)	264,000	280,889	263,807
Fees and charges (schedules 4 and 5)	888,260	1,389,585	998,667
Conditional grants (schedules 4 and 5)	215,320	126,281	102,727
Tangible capital asset sales - gain (loss) (schedules 4 and 5)	-	(4,702)	-
Land sales - gain (schedules 4 and 5)	75,000	36,869	-
Investment income (schedules 4 and 5)	6,500	4,491	8,452
Provincial/Federal capital grants and contributions (schedules 4 and 5)	380,150	34,944	62,710
Total Revenues	3,090,500	3,105,767	2,644,918
Expenses (schedule 3)			
General government services	400,200	581,067	502,424
Protective services	308,800	240,166	240,981
Transportation services	412,950	757,047	621,508
Environmental and public health services	191,470	279,874	268,628
Planning and development services	7,500	6,689	8,428
Recreation and cultural services	524,760	895,650	528,602
Utilities services	965,200	494,039	522,497
Total Expenses	2,810,880	3,254,532	2,693,068
Annual Surplus (Deficit) of Revenue over Expenses	279,620	(148,765)	(48,150)
Accumulated Surplus, Beginning of Year	12,379,851	12,379,851	12,087,796
Endowment contributions received	-	107,457	340,205
Accumulated Surplus, End of Year	$ 12,659,471	$ 12,338,543	$ 12,379,851

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Carrot River

Consolidated Statement of Change in Net Financial Assets — Statement 3

For the year ended December 31, 2025

	2025 Budget (Note 1(z))	2025 Actual	2024 Actual (Note 15)
Surplus (Deficit)	279,620	(148,765)	(48,150)
(Acquisition) of tangible capital assets	-	(57,245)	(89,653)
Amortization of tangible capital assets	-	465,798	461,157
Loss on the disposal of tangible capital assets	-	4,702	-
Surplus of Capital Expenses over Expenditures	-	413,255	371,504
Use (disposal) of other non-financial assets	-	21,732	1,841
Increase in Net Financial Assets	279,620	286,222	325,195
Net Financial Assets (Debt), beginning of year	(2,225,303)	(2,225,303)	(2,550,498)
Net Financial Assets (Debt), End of Year	$ (1,945,683)	$ (1,939,081)	$ (2,225,303)

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Carrot River

Consolidated Statement of Cash Flow

Statement 4

For the year ended December 31, 2025

	2025	2024 (Note 15)
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus (Deficit)	(148,765)	(48,150)
Amortization	465,798	461,157
Loss on disposal of tangible capital assets	4,702	-
	321,735	413,007
Change in Assets/Liabilities		
Taxes receivable - municipal	(28,566)	(27,744)
Other receivables	(57,971)	(15,541)
Land for resale	21,732	1,839
Accounts payable and accrued liabilities	(19,008)	33,620
Utility deposits	145	(1,340)
Deferred revenue	513,404	415,238
Cash Provided by Operating Transactions	751,471	819,079
Capital:		
Acquisition of capital assets	(57,245)	(89,654)
Investing:		
Acquisition of investment	(465,891)	(395,103)
Financing:		
Long-term debt repaid	(287,989)	(279,856)
Change in Cash and Cash Equivalents During the Year	(59,654)	54,466
Cash and cash equivalents, beginning of year	184,918	130,452
Cash and Cash Equivalents, End of Year	$ 125,264	$ 184,918

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Carrot River

Consolidated Statement of Remeasurement Gains and Losses — Statement 5

For the year ended December 31, 2025

	2025	2024 (Note 15)
Accumulated Remeasurement Gains at Beginning of Year	889,542	513,127
Unrealized Gains Attributable to:		
Equity investments measured at fair value	454,394	376,415
Accumulated Remeasurement Gains at End of Year	$ 1,343,936	$ 889,542

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

1. **Significant Accounting Policies**

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

(a) 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.

(b) Reporting entity

The consolidated financial statements consolidate the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the council for the administration of their financial affairs and resources.

Entities included in these consolidated financial statements are as follows:

Entity	**Basis of Recording**
Carrot River Medical Clinic Inc.	50% proportionate consolidation
Carrot River & District Rec Board	Full consolidation
Carrot River Fire & Rescue	50% proportionate consolidation
Cemetery Committee	50% proportionate consolidation

All inter-organizational transactions and balances have been eliminated.

(c) Collection of funds for other authorities

Collection of funds by the municipality for the school board, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation. The amounts collected are disclosed in note 4.

(d) Government transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or are 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:

(i) the transfers are authorized;
(ii) any eligibility criteria and stipulations have been met; and
(iii) a reasonable estimate of the amount can be made.

Unearned government transfer amounts received will be recorded as deferred revenue until eligibility criteria or stipulations are met.

1. **Significant Accounting Policies** - continued

(d) Government transfers - continued

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.

(e) Other (non-government transfer) contributions

Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the municipality if the amount can be reasonably estimated and collection is reasonably assured. Externally-restricted contributions are 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 to the extent that they would be paid for on the normal operations of the municipality's activities and the fair value can be reasonably estimated.

(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.

1. **Significant Accounting Policies** - continued

(k) Property tax revenue

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

(l) Financial instruments

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

Interest and dividends attributable to financial instruments are reported in the statement of operations. If there are any unrealized gains and losses, they 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 municipality's financial assets and liabilities are measured as follows:

Financial statement line item	Measurement
Cash and cash equivalents	cost or amortized cost
Investments	fair value
Other accounts receivable	cost or amortized cost
Accounts payable and accrued liabilities	cost or amortized cost
Deposit liabilities	cost or amortized cost
Long-term debt	cost or amortized cost

(m) Stock and supplies

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

1. **Significant Accounting Policies** - continued

(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. The municipality's tangible capital assets useful lives are estimated as follows:

General Assets	
Land	Indefinite
Land improvements	50 years
Buildings	10-60 years
Vehicles	10 years
Machinery and equipment	5-25 years
Infrastructure Assets	
Linear assets	25-40 years

(o) 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.

(p) 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.

(q) Capitalization of interest

The municipality does capitalize interest incurred while a tangible capital asset is under construction.

(r) Leases

All leases are recorded on the consolidated financial statement as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risks associated with the leased asset is classified as 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 present value of the minimum lease payments, excluding executory costs. Assets under capital leases are amortized on a straight-line basis over their estimated useful lives (lease term). Any other lease not meeting the before-mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

1. **Significant Accounting Policies** - continued

(s) Public private partnerships

Public private partnerships where the municipality procures infrastructure using a private sector partner are accounted for and reported as infrastructure assets on the Statement of Financial Position and are initially recognized at cost. Cost includes the gross amount of consideration given up to acquire, construct, develop or better a tangible capital asset; and all costs directly attributable to the acquisition, construction, development or betterment of the infrastructure asset. Infrastructure assets are amortized over the asset's useful life and recognized as an expense in the Statement of Operations.

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

(t) Landfill liability

The municipality does not maintain a waste disposal site.

(u) Trust funds

Funds held in trust for others, under a trust agreement or statute, are not included in the consolidated financial statements as they are not controlled by the municipality. Trust fund activities administered by the municipality are disclosed in note 12.

(v) Employee benefits plan

Contributions to the municipality's multi-employer defined benefit plans are expensed when contributions are made. Under the defined benefits plan, the municipality's obligations are limited to their contributions.

1. **Significant Accounting Policies** - continued

(w) Revenue

Revenue from transactions with no performance obligations are recognized as received or as the municipality becomes aware of, provided collection is reasonably assured.

Investment income is recognized as earned.

For revenue items with related performance obligations:

Fees and charges are transactions with performance obligations. A performance obligation is a promise to provide a distinct good or service, or services, or distinct goods or services to a payor for consideration. The municipality recognizes revenue when the performance obligations are satisfied and the payor obtains control of the asset or benefits from the service provided.

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 recognized as revenue for each performance obligation is its fair value in relation to the fair value of the contract as a whole.

For each performance obligation, the municipality must ascertain whether the obligation is satisfied over a period of time, or at a point in time. In order to do this, the characteristics of the underlying goods and/or services must be considered in order to determine when the ultimate performance obligations will be satisfied. If any of the below criteria are met, the revenue must be recognized over a period of time; otherwise, corresponding amounts are to be recognized at a point in time.

a) The payor simultaneously receives and consumes the benefits provided by the municipality's performance as they fulfill the performance obligation.
b) The municipality's performance creates or enhances an asset (for example, work in progress) that the payor controls or uses as the asset is created or enhanced.
c) The municipality's performance does not create an asset with an alternative use to itself, and the municipality has an enforceable right to payment for performance completed to date.
d) The municipality is expected to continually maintain or support the transferred good or service under the terms of the agreement.

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

Non-exchange transactions are transactions or events where there is no direct transfer of goods or services to a payor. The municipality receives an increase in economic resources for which the payor does not receive any direct goods or services in return. Revenue for non-exchange transactions is recognized when the municipality has the authority and identifies a past transaction or event that gives rise to an asset.

Revenue from product sales is recognized when the significant rewards of ownership of the products have passed to the buyer, usually on the delivery of products.

1. **Significant Accounting Policies** - continued

(x) Use of estimates

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenue and expenditures during the period.

Use of estimates 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 is 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.

The values associated with the initial recognition and impairment tests of intangible capital assets involve significant estimates and assumptions, including those with respect to future cash inflows and outflows, discount rates and asset lives.

These determinations will affect the amount of amortization expense on intangible capital assets recognized in future periods. Management assesses impairment by comparing the recoverable amount of an intangible capital asset with its carrying value. The determination of the recoverable amount involves significant estimation by management.

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

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

1. **Significant Accounting Policies** - continued

(y) 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.

(z) Budget information

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on February 18, 2025.

(aa) 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

(ab) 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, and leased tangible capital assets.

The liability associated with an asset retirement obligation is measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date to the extent that all recognition criteria are met. Asset retirement obligations are only recognized when there is a legal obligation for the municipality to incur costs in relation to a specific Tangible Capital Asset (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.

(ac) Loan guarantees

The municipality provides loan guarantees for various Carrot River 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.

1. **Significant Accounting Policies** - continued

(ad) 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:

(i) An environmental standard exists;
(ii) Contamination exceeds the environmental standard;
(iii) The municipality:
  a) Is directly responsible; or
  b) Accepts responsibility;
(iv) It is expected that future economic benefits will be given up; and
(v) A reasonable estimate of the amount can be made.

(ae) New accounting standards and amendments to standards

A new conceptual framework was issued in December 2022 with an effective date of April 1, 2026, replacing the conceptual aspects of Sections PS 1000, Financial Statement Concepts and PS 1100, Financial Statement Objectives. This revised conceptual framework is a guide for the Public Sector Accounting Board as it develops new standards or amends existing ones. The purpose of the revised framework is to guide public sector entities as they need to develop accounting policies when no other standards in the PSA Handbook specifically apply to a transaction.

A new PS 1202, Financial Statement Presentation, standard was issued in November 2023, with an effective date of April 1, 2026, to replace previous PS 1201, Financial Statement Presentation, and to incorporate other relevant aspects of previous Sections 1000 and PS 1100.

The extent of the impact on adoption of these future standards is not known at this time.

2. **Cash and Cash Equivalents**

	2025	**2024**
Cash	$ 125,264	$ 184,918

Cash and cash equivalents includes balances with banks and short-term deposits with maturities of three months or less.

	2025	2024
3. Investments		
Investment carried at fair value:		
Other portfolio investments	$ 1,856,834	$ 1,390,942
Investment Income		
Interest	4,491	8,452
Endowment	70,182	67,242
Total investment income	$ 74,673	$ 75,694
4. Taxes and Grants In Lieu Receivable		
Taxes receivable - municipal current	82,818	59,118
Taxes receivable - municipal arrears	22,654	17,789
	105,472	76,907
Less: Allowance for uncollectibles	-	-
Total municipal taxes receivable	105,472	76,907
Taxes receivable - school current	13,787	11,525
Taxes receivable - school arrears	3,702	2,029
Total school taxes receivable	17,489	13,554
Total taxes and grants in lieu receivable	122,961	90,461
Deduct taxes to be collected on behalf of other organizations	(17,489)	(13,554)
Municipal and Grants In Lieu Taxes Receivable	$ 105,472	$ 76,907
5. Other Accounts Receivable		
Federal government	77,479	11,623
Local government	7,134	5,057
Utility	99,017	86,680
Trade	64,829	72,247
Other	7,000	7,000
Less: Allowance for uncollectibles	(17,381)	(2,500)
Net Other Accounts Receivable	$ 238,078	$ 180,107

6. Assets Held for Sale

	2025	2024
Tax title property	9,353	30,387
Allowance for market value adjustment	(4,591)	(10,816)
Net tax title property	4,762	19,571
Other land	110,768	117,691
Total Assets Held for Sale	$ 115,530	$ 137,262

Tax title property has been classified as a non-financial asset as there is no active market for these assets nor are they reasonably estimated to be sold within a year.

7. Bank Indebtedness

Bank indebtedness includes an operating loan amounting to $800,000 (2024 - $800,000) and bearing interest at prime.

8. Deferred Revenue

	Balance, Beginning of Year	Plus Amount Received	Less Amount Recognized	Balance, End of Year
Canada Community Building Fund	28,853	58,936	34,944	52,845
Endowment funds	1,390,942	536,074	70,182	1,856,834
Cemetery marker fees	2,550	275	-	2,825
Other	24,683	44,886	21,641	47,928
	$ 1,447,028	$ 640,171	$ 126,767	$ 1,960,432

9. Accounts Payable

Accounts payable are comprised of the following items:

	2025	2024
Accounts payable	99,616	114,111
Due to school	(2,538)	12,934
Payroll deductions payable	10,145	1,257
Other payables	2,400	329
Interest payable	22,251	22,251
	$ 131,874	$ 150,882

10. **Long-Term Debt**

The debt limit of the municipality for 2026 is $2,119,027. 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)).

(a) Debenture debt is repayable at annual payments of $102,832.89, $88,959.85 and $74,068.12, including interest at 2.50%, 2.40% and 2.30% respectively. The debentures are due in 2029, 2031 and 2040 respectively.

Future principal and interest payments are as follows:

	Principal	Interest	2025 Total	2024 Principal
2025	-	-	-	214,927
2026	220,112	45,748	265,860	220,113
2027	225,423	40,437	265,860	225,424
2028	230,863	34,997	265,860	230,864
2029	236,434	29,426	265,860	236,434
2030	139,307	23,721	163,028	-
Thereafter	855,027	108,642	963,669	994,331
	$ 1,907,166	$ 282,971	$ 2,190,137	$ 2,122,093

(b) Bank loan is repayable at $86,292.33 annually, including interest at 4.39%. The loan is secured by a general security agreement and is due in 2028.

Future principal repayments are estimated as follows:

	Principal	Interest	2025 Total	2024 Principal
2025	-	-	-	73,063
2026	76,271	10,021	86,292	76,271
2027	79,619	6,673	86,292	79,619
2028	72,389	3,178	75,567	72,388
	$ 228,279	$ 19,872	$ 248,151	$ 301,341

11. **Employee Benefits Plans**

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

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

All contributions by employees are matched equally by the employer. The contribution rates were updated on July 1, 2018. Employee contribution rates in effect for the year are as follows:

	2025	**2024**
General members	9.00 %	9.00 %
Designated members	12.50 %	12.50 %

Contributions to the plan during the year were as follows:

	2025	2024
Benefit expense	$ 46,012	$ 46,711

As per the most recently audited consolidated financial statements dated December 31, 2024, the plan surplus is $1,511,598 (in thousands).

12. **Endowment Trusts Administered by the Municipality**

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

	2025	**2024**
Balance, beginning of year	3,731,403	2,996,096
Land rent revenue	36,274	34,790
Donations received	107,457	340,205
Gain on investments	506,004	443,656
Grants paid	(70,182)	(76,677)
Property taxes	(6,204)	(6,667)
Balance, end of year	$ 4,304,752	$ 3,731,403

Included on the statement of financial position are balances related to the endowment; non-financial assets of $2,447,918 ($2,340,461 in 2024) and financial assets of $1,856,834 ($1,390,942 in 2024).

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 taxes receivable and trade receivables.

The municipality has mitigated its exposure to credit risk on financial instruments through the ability to pursue tax enforcement under The Municipal Act.

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.

It is management's opinion that they are not exposed to any significant liquidity risk.

Market risk
Market risk is the risk that the fair value of 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.

It is management's opinion that the municipality is not exposed to any significant market risk.

14. **Subsequent Events**

Subsequent to year-end, the municipality experienced significant flooding resulting from above average snowfall and rapid snow melting. The flooding has caused damage to municipal infrastructure including roads and other assets, the financial impact of which is not yet known. Any related costs will be recognized in the period they are incurred; any related recoveries, including provincial disaster assistance, will be recognized in the year in which the eligibility criteria are met and the amounts can be reasonably determined.

15. **Correction of Prior Period Error**

Subsequent to the year ended December 31, 2025, the municipality identified an error in inventory and consolidation of the Cemetery Committee. Due to this error, the municipality's inventory, receivables and deferred revenue were understated. The prior period comparative amounts have been restated from those previously reported to correct for this error. The correction of this error has impacted the municipality's consolidated financial statements as follows:

Inventory increased by $130,562, receivables increased by $5,057, deferred revenue increased by $2,550 and accumulated surplus increased by $133,070.

In addition, the endowment fund revenue and expenses were overstated by $327,861.

Town of Carrot River

Consolidated Schedule of Taxes and Other Unconditional Revenue — Schedule 1

For the year ended December 31, 2025

	2025 Budget (Note 1(z))	2025 Actual	2024 Actual (Note 15)
Taxes			
General municipal tax levy	1,188,160	1,164,110	1,142,463
Abatements and adjustments	(21,150)	(26,617)	(27,301)
Discount on current year taxes	(43,800)	(36,033)	(43,642)
Net municipal taxes	1,123,210	1,101,460	1,071,520
Penalties on tax arrears	16,000	18,548	16,365
Total Taxes	1,139,210	1,120,008	1,087,885
Unconditional Grants			
Revenue sharing	264,000	280,889	263,807
Total Unconditional Grants	264,000	280,889	263,807
Grants In Lieu of Taxes			
Provincial			
Other	23,060	19,701	22,176
S.P.C. surcharge	71,000	69,214	70,512
Sask Energy surcharge	28,000	28,487	27,982
Total Grants In Lieu of Taxes	122,060	117,402	120,670
Total Taxes and Other Unconditional Revenue	$ 1,525,270	$ 1,518,299	$ 1,472,362

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Carrot River

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-1

For the year ended December 31, 2025

	2025 Budget (Note 1(z))	2025 Actual	2024 Actual (Note 15)
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Endowment	-	70,182	67,242
Sale of supplies	8,400	11,213	8,380
Other	71,530	25,841	11,991
Total Fees and Charges	79,930	107,236	87,613
Land sales - gain	75,000	36,869	-
Investment income	6,500	4,491	8,452
Total Other Segmented Revenue	161,430	148,596	96,065
Total Operating	161,430	148,596	96,065
Capital			
Conditional Grants			
ICIP	320,000	-	-
Total Capital	320,000	-	-
Total General Government Services	$ 481,430	$ 148,596	$ 96,065
Protective Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Fire revenue	15,000	30,920	38,000
Other	1,200	3,566	1,373
Total Fees and Charges	16,200	34,486	39,373
Tangible capital asset sales - gain (loss)	-	(4,702)	-
Total Other Segmented Revenue	16,200	29,784	39,373
Conditional Grants			
Other	115,900	-	-
Total Conditional Grants	115,900	-	-
Total Protective Services	$ 132,100	$ 29,784	$ 39,373

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Carrot River

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-2

For the year ended December 31, 2025

	2025 Budget (Note 1(z))	2025 Actual	2024 Actual (Note 15)
Transportation Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	1,900	2,325	3,635
Sale of supplies	-	200	970
Other	-	5,279	-
Total Other Segmented Revenue	1,900	7,804	4,605
Conditional Grants			
Other	600	-	750
Total Conditional Grants	600	-	750
Total Transportation Services	$ 2,500	$ 7,804	$ 5,355
Environmental and Public Health Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Waste and disposal fees	11,100	9,748	12,197
Rental revenue	-	86,640	60,418
Cemetery fees	-	6,723	11,028
Other	-	5,147	2,382
Total Other Segmented Revenue	11,100	108,258	86,025
Conditional Grants			
Local government	-	7,134	5,057
Other	22,500	28,186	29,672
Total Conditional Grants	22,500	35,320	34,729
Total Environmental and Public Health Services	$ 33,600	$ 143,578	$ 120,754
Planning and Development Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Other	-	1,313	4,886
Total Other Segmented Revenue	-	1,313	4,886
Conditional Grants			
Other	2,500	1,000	-
Total Conditional Grants	2,500	1,000	-
Total Planning and Development Services	$ 2,500	$ 2,313	$ 4,886

Town of Carrot River

Consolidated Schedule of Operating and Capital Revenue by Function Schedule 2-3

For the year ended December 31, 2025

	2025 Budget (Note 1(z))	2025 Actual	2024 Actual (Note 15)
Recreation and Cultural Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Recreation fees	161,050	164,469	159,932
Insurance proceeds	-	341,271	-
Other	-	40	-
Total Other Segmented Revenue	161,050	505,780	159,932
Conditional Grants			
Local government	45,820	45,822	40,000
Other Provincial Government	28,000	44,139	27,248
Total Conditional Grants	73,820	89,961	67,248
Total Recreation and Cultural Services	$ 234,870	$ 595,741	$ 227,180
Utility Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Water	418,400	417,306	417,082
Sewer	199,500	201,145	199,091
Other	180	6,257	60
Total Other Segmented Revenue	618,080	624,708	616,233
Total Operating	618,080	624,708	616,233
Capital			
Conditional Grants			
Canada Community-Building Fund (CCBF)	60,150	34,944	62,710
Total Capital	60,150	34,944	62,710
Total Utility Services	$ 678,230	$ 659,652	$ 678,943
Total Operating and Capital Revenue by Function	$ 1,565,230	$ 1,587,468	$ 1,172,556
Summary			
Total Other Segmented Revenue	969,760	1,426,243	1,007,119
Total Conditional Grants	215,320	126,281	102,727
Total Capital Grants and Contributions	380,150	34,944	62,710
Total Operating and Capital Revenue by Function	$ 1,565,230	$ 1,587,468	$ 1,172,556

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Carrot River

Total Expenses by Function

Schedule 3-1

For the year ended December 31, 2025

	2025 Budget (Note 1(z))	2025 Actual	2024 Actual (Note 15)
General Government Services			
Council remuneration and travel	38,100	34,627	36,513
Wages and benefits	167,600	185,460	176,903
Professional/Contractual services	138,100	198,725	134,056
Utilities	18,800	28,374	20,349
Maintenance, materials and supplies	34,600	19,945	19,505
Grants and contributions - operating	-	19,986	6,833
Amortization	-	27,020	27,020
Endowment	-	70,182	67,242
Interest	3,000	2,973	3,187
Allowance for uncollectibles	-	(6,225)	10,816
Total General Government Services	$ 400,200	$ 581,067	$ 502,424
Protective Services			
Police protection			
Professional/Contractual services	92,000	92,623	90,461
Fire protection			
Wages and benefits	136,300	49,168	56,704
Professional/Contractual services	4,500	3,832	2,224
Utilities	28,000	9,118	16,207
Maintenance, materials and supplies	48,000	40,386	27,806
Amortization	-	45,039	47,579
Total Protective Services	$ 308,800	$ 240,166	$ 240,981
Transportation Services			
Wages and benefits	165,250	169,791	146,554
Professional/Contractual services	2,400	833	2,389
Utilities	37,300	41,602	37,133
Maintenance, materials and supplies	168,000	299,168	176,985
Gravel	40,000	35,722	46,163
Amortization	-	145,767	144,310
Interest	-	64,164	67,974
Total Transportation Services	$ 412,950	$ 757,047	$ 621,508

Town of Carrot River

Total Expenses by Function

Schedule 3-2

For the year ended December 31, 2025

	2025 Budget (Note 1(z))	2025 Actual	2024 Actual (Note 15)
Environmental and Public Health Services			
Wages and benefits	650	66,367	67,305
Professional/Contractual services	167,050	173,245	166,812
Utilities	-	7,027	7,457
Maintenance, materials and supplies	23,770	19,612	20,543
Grants and contributions - operating - public health	-	7,112	-
Amortization	-	6,511	6,511
Total Environmental and Public Health Services	$ 191,470	$ 279,874	$ 268,628
Planning and Development Services			
Professional/Contractual services	5,500	5,579	5,039
Maintenance, materials and supplies	2,000	1,110	3,389
Total Planning and Development Services	$ 7,500	$ 6,689	$ 8,428
Recreation and Cultural Services			
Wages and benefits	277,140	256,392	241,484
Professional/Contractual services	24,450	19,162	20,433
Utilities	97,770	90,139	91,437
Maintenance, materials and supplies	115,400	485,057	130,494
Grants and contributions - operating	10,000	9,056	9,026
Amortization	-	35,682	35,680
Interest	-	162	-
Other	-	-	48
Total Recreation and Cultural Services	$ 524,760	$ 895,650	$ 528,602
Utility Services			
Wages and benefits	91,450	89,863	91,732
Professional/Contractual services	4,000	4,604	3,981
Utilities	79,750	74,795	79,615
Maintenance, materials and supplies	790,000	104,116	147,112
Amortization	-	205,780	200,057
Allowance for uncollectibles	-	14,881	-
Total Utility Services	$ 965,200	$ 494,039	$ 522,497
Total Expenses by Function	$ 2,810,880	$ 3,254,532	$ 2,693,068

Town of Carrot River

Consolidated Schedule of Segment Disclosure by Function

Schedule 4

For the year ended December 31, 2025

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues (schedule 2)								
Fees and charges	107,236	34,486	7,804	108,258	1,313	505,780	624,708	1,389,585
Tangible capital asset sales - gain (loss)	-	(4,702)	-	-	-	-	-	(4,702)
Land sales - gain	36,869	-	-	-	-	-	-	36,869
Investment income	4,491	-	-	-	-	-	-	4,491
Grants - conditional	-	-	-	35,320	1,000	89,961	-	126,281
Grants - capital	-	-	-	-	-	-	34,944	34,944
Total Revenues	148,596	29,784	7,804	143,578	2,313	595,741	659,652	1,587,468
Expenses (schedule 3)								
Wages and benefits	220,087	49,168	169,791	66,367	-	256,392	89,863	851,668
Professional/contractual services	198,725	96,455	833	173,245	5,579	19,162	4,604	498,603
Utilities	28,374	9,118	41,602	7,027	-	90,139	74,795	251,055
Maintenance materials and supplies	19,945	40,386	334,890	19,612	1,110	485,057	104,116	1,005,116
Grants and contributions - operating	19,986	-	-	7,112	-	9,056	-	36,154
Amortization of tangible capital assets	27,020	45,039	145,767	6,511	-	35,682	205,780	465,799
Interest	2,973	-	64,164	-	-	162	-	67,299
Allowance for uncollectibles	(6,225)	-	-	-	-	-	14,881	8,656
Other	70,182	-	-	-	-	-	-	70,182
Total Expenses	581,067	240,166	757,047	279,874	6,689	895,650	494,039	3,254,532
Surplus (Deficit) by Function	$ (432,471)	$ (210,382)	$ (749,243)	$ (136,296)	$ (4,376)	$ (299,909)	$ 165,613	(1,667,064)
Taxation and other unconditional revenue (schedule 1)								1,518,299
Net Surplus (Deficit)								$ (148,765)

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Carrot River

Consolidated Schedule of Segment Disclosure by Function

For the year ended December 31, 2024

Schedule 5

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilities Services	Total
Revenues (schedule 2)								
Fees and charges	87,613	39,373	4,605	86,025	4,886	159,932	616,233	998,667
Investment income	8,452	-	-	-	-	-	-	8,452
Grants - conditional	-	-	750	34,729	-	67,248	-	102,727
Grants - capital	-	-	-	-	-	-	62,710	62,710
Total Revenues	96,065	39,373	5,355	120,754	4,886	227,180	678,943	1,172,556
Expenses (schedule 3)								
Wages and benefits	213,416	56,704	146,554	67,305	-	241,484	91,732	817,195
Professional/contractual services	134,056	92,685	2,389	166,812	5,039	20,433	3,981	425,395
Utilities	20,349	16,207	37,133	7,457	-	91,437	79,615	252,198
Maintenance materials and supplies	19,505	27,806	223,148	20,543	3,389	130,494	147,112	571,997
Grants and contributions - operating	6,833	-	-	-	-	9,026	-	15,859
Amortization of tangible capital assets	27,020	47,579	144,310	6,511	-	35,680	200,057	461,157
Interest	3,187	-	67,974	-	-	-	-	71,161
Allowance for uncollectibles	10,816	-	-	-	-	-	-	10,816
Other	67,242	-	-	-	-	-	48	67,290
Total Expenses	502,424	240,981	621,508	268,628	8,428	528,554	522,545	2,693,068
Surplus (Deficit) by Function	$ (406,359)	$ (201,608)	$ (616,153)	$ (147,874)	$ (3,542)	$ (301,374)	$ 156,398	(1,520,512)
Taxation and other unconditional revenue (schedule 1)								1,472,362
Net Surplus (Deficit)								$ (48,150)

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Carrot River

Consolidated Schedule of Tangible Capital Assets by Object

For the year ended December 31, 2025

Schedule 6

	General Assets					Infrastruct. Assets		General/ Infrastruct.	
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Public Private Partnerships	Assets Under Constr.	Total
Asset Cost									
Opening Asset Cost	440,135	-	7,676,830	183,241	2,095,173	10,102,489	-	-	20,497,868
Additions during the year	6,923	-	-	-	22,267	-	-	28,055	57,245
Disposals and write-down during the year	-	-	-	-	(8,396)	-	-	-	(8,396)
Closing Asset Costs	447,058	-	7,676,830	183,241	2,109,044	10,102,489	-	28,055	20,546,717
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	-	-	2,088,608	151,920	1,050,144	5,210,327	-	-	8,500,999
Add: Amortization taken	-	-	173,975	9,248	80,082	202,493	-	-	465,798
Less: Accumulated amortization on disposals	-	-	-	-	3,694	-	-	-	3,694
Closing Accumulated Amortization Costs	-	-	2,262,583	161,168	1,126,532	5,412,820	-	-	8,963,103
Net Book Value	$ 447,058	$ -	$ 5,414,247	$ 22,073	$ 982,512	$ 4,689,669	$ -	$ 28,055	$ 11,583,614

Town of Carrot River

Consolidated Schedule of Tangible Capital Assets by Object

Schedule 6

For the year ended December 31, 2024

	General Assets					Infrastruct. Assets		General/ Infrastruct.	
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Public Private Partnerships	Assets Under Constr.	Total
Asset Cost									
Opening Asset Cost	440,135	-	7,676,830	183,241	2,095,173	10,012,836	-	-	20,408,215
Additions during the year	-	-	-	-	-	89,653	-	-	89,653
Closing Asset Costs	440,135	-	7,676,830	183,241	2,095,173	10,102,489	-	-	20,497,868
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	-	-	1,914,634	142,677	967,521	5,015,010	-	-	8,039,842
Add: Amortization taken	-	-	173,974	9,243	82,623	195,317	-	-	461,157
Closing Accumulated Amortization Costs	-	-	2,088,608	151,920	1,050,144	5,210,327	-	-	8,500,999
Net Book Value	$ 440,135	$ -	$ 5,588,222	$ 31,321	$ 1,045,029	$ 4,892,162	$ -	$ -	$ 11,996,869

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Carrot River

Consolidated Schedule of Tangible Capital Assets by Function

Schedule 7

For the year ended December 31, 2025

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Water & Sewer	Total
Asset Cost								
Opening Asset Cost	561,195	1,120,403	6,242,236	1,070,389	-	1,679,392	9,824,253	20,497,868
Additions during the year	-	-	-	-	-	29,190	28,055	57,245
Disposals and write-down during the year	-	(8,396)	-	-	-	-	-	(8,396)
Closing Asset Costs	561,195	1,112,007	6,242,236	1,070,389	-	1,708,582	9,852,308	20,546,717
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	308,803	559,013	2,830,783	254,274	-	958,178	3,589,948	8,500,999
Add: Amortization taken	27,020	45,039	145,767	6,511	-	35,681	205,780	465,798
Less: Accumulated amortization on disposals	-	3,694	-	-	-	-	-	3,694
Closing Accumulated Amortization Costs	335,823	600,358	2,976,550	260,785	-	993,859	3,795,728	8,963,103
Net Book Value	$ 225,372	$ 511,649	$ 3,265,686	$ 809,604	$ -	$ 714,723	$ 6,056,580	$ 11,583,614

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Carrot River

Consolidated Schedule of Tangible Capital Assets by Function

Schedule 7

For the year ended December 31, 2024

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Water & Sewer	Total
Asset Cost								
Opening Asset Cost	561,195	1,120,403	6,242,236	1,070,389	-	1,679,392	9,734,600	20,408,215
Additions during the year	-	-	-	-	-	-	89,653	89,653
Closing Asset Costs	561,195	1,120,403	6,242,236	1,070,389	-	1,679,392	9,824,253	20,497,868
Accumulated Amortization Cost								
Opening Accumulated Amortization Costs	281,783	511,434	2,686,473	247,763	-	922,498	3,389,891	8,039,842
Add: Amortization taken	27,020	47,579	144,310	6,511	-	35,680	200,057	461,157
Closing Accumulated Amortization Costs	308,803	559,013	2,830,783	254,274	-	958,178	3,589,948	8,500,999
Net Book Value	$ 252,392	$ 561,390	$ 3,411,453	$ 816,115	$ -	$ 721,214	$ 6,234,305	$ 11,996,869

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Carrot River

Consolidated Schedule of Accumulated Surplus — Schedule 8

For the year ended December 31, 2025

	2024	Changes	2025
Unappropriated Surplus	156,590	(23,499)	133,091
Appropriated Surplus			
Machinery and equipment			
Firefighting equipment	65,000	-	65,000
Capital trust reserve	103,423	-	103,423
Utility			
Waterworks	97,640	-	97,640
Utility services reserve	1,802	-	1,802
	99,442	-	99,442
Other			
Pasquia Trust	2,340,461	107,457	2,447,918
Fire department operating reserve	31,500	-	31,500
Loss on TTP	10,000	-	10,000
	2,381,961	107,457	2,489,418
Total Appropriated	2,649,826	107,457	2,757,283
Net Investments in Tangible Capital Assets			
Tangible capital assets (schedule 6 and 7)	11,996,869	(413,255)	11,583,614
Less: Related debt	2,423,434	(287,989)	2,135,445
Net Investment in Tangible Capital Assets	9,573,435	(125,266)	9,448,169
Accumulated Surplus (Deficit)	$ 12,379,851	$ (41,308)	$ 12,338,543

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Carrot River

Schedule of Mill Rates and Assessments

For the year ended December 31, 2025

Schedule 9

	Property Class						
	Agriculture	**Residential**	**Residential Condominium**	**Seasonal Residential**	**Commercial & Industrial**	**Potash Mine(s)**	**Total**
Taxable Assessment	167,310	55,556,880	-	-	10,530,735	-	66,254,925
Regional Park Assessment							-
Total Assessment							66,254,925
Mill Rate Factor(s)	2.5400	1.0000	-	-	2.5400		
Total Base/Minimum Tax (generated for each property class)	1,300	547,400	-	-	64,550		613,250
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	4,173	919,737	-	-	240,200		1,164,110

Mill Rates:	**Mills**
Average Municipal*	17.5702
Average School*	4.5900
Potash Mill Rate	-
Uniform Municipal Mill Rate	6.7600

*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).

The notes to consolidated financial statements are an integral part of these consolidated financial statements.

Town of Carrot River

Schedule of Council Remuneration

Schedule 10

For the year ended December 31, 2025

Position	Name	Remuneration	Reimbursed Costs	Total
Mayor	Carrie Neigel	7,120	-	7,120
Councillor	Donald Anthony	4,750	-	4,750
Councillor	Chris Bergen	4,700	-	4,700
Councillor	Kendall Friske	4,750	-	4,750
Councillor	Andrew Kavanagh	3,950	-	3,950
Councillor	Neal Wasko	4,400	-	4,400
Councillor	Evan Wolowski	4,350	-	4,350
		$ 34,020	$ -	$ 34,020

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