

**RURAL MUNICIPALITY OF SHELLBROOK #493**

**CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended December 31, 2025**

# **RURAL MUNICIPALITY OF SHELLBROOK #493**

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**For the year ended December 31, 2025**

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## STATEMENT OF RESPONSIBILITY

To the Ratepayers of the Rural Municipality of Shellbrook #493:

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 consolidated financial 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 are required.

In discharging its responsibilities for the integrity and fairness 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 fulfills these responsibilities by reviewing the financial information prepared by administration and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the Municipality's external auditors.

Sensus Chartered Professional Accountants Ltd., as the Municipality's appointed external auditors, have audited the consolidated financial statements. The Auditor's Report is addressed to Council and appears on the following page. The external auditors have full and free access to, and meet periodically and separately with, both the Council and administration to discuss their audit findings.

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Reeve

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Administrator

## INDEPENDENT AUDITOR'S REPORT

To the Reeve and Council of:  
Rural Municipality of Shellbrook #493  
Shellbrook, Saskatchewan

### Qualified Opinion

We have audited the consolidated financial statements of the Rural Municipality of Shellbrook #493, which comprise the consolidated statement of financial position as at December 31, 2025, the consolidated statement of operations, the consolidated statement of changes in net financial assets, the consolidated statement of cash flows, the consolidated statement of remeasurement gains (losses) for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis of Qualified Opinion paragraphs, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Rural Municipality of Shellbrook #493 as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Qualified Opinion

The Public Sector Accounting Board has introduced section PS 3280 which is a standard establishing guidance on the accounting and reporting on the retirement of tangible capital assets controlled by the Rural Municipality of Shellbrook #493. The Rural Municipality of Shellbrook #493 has not provided a reasonable estimate for the asset retirement costs associated with their landfills or buildings containing asbestos and lead paint or piping, to determine the asset retirement obligation. As such, we have qualified our audit opinion due to the departure from Canadian public sector accounting standards. The effects of this departure on the financial statements for the year ended December 31, 2025 and December 31, 2024, have not been determined, as there is insufficient information available to do so.

The Rural Municipality of Shellbrook #493 has a consolidated entity as noted in the significant accounting policies note, whereby the Rural Municipality of Shellbrook #493's pro-rata share of each of the assets, liabilities, revenues, expenses and surplus are combined on a line-by-line basis in the consolidated financial statements of the Rural Municipality of Shellbrook #493. The financial statements of the Sturgeon Lake Regional Park Authority was not subject to audit in 2025 and information to support the completeness, existence, accuracy, and valuation of the financial data in accordance with Canadian public sector accounting standards. Accordingly, we were not able to determine whether any adjustments might be necessary to the financial data of the Sturgeon Lake Regional Park Authority.

Our opinion on the financial statements for the year ended December 31, 2024 was qualified as Sturgeon Lake Regional Park Authority derives some of its revenue from the general public in the form of fundraising activities, camping fees, park passes, rentals, boat launch fees, store and restaurant sales, the completeness of which was not susceptible of satisfactory audit verification. Accordingly, the verification of those revenues were limited to the amounts recorded in the records of Sturgeon Lake Regional Park Authority and we were not able to determine whether any adjustments might have been necessary to revenue, annual deficit, or net financial assets and accumulated surplus.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Rural Municipality of Shellbrook #493 in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we 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.

### Other Matters

Our audit opinion does not extend to the budgeted figures presented by Council.

### 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 Rural Municipality of Shellbrook #493'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 Rural Municipality of Shellbrook #493 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Rural Municipality of Shellbrook #493's financial reporting process.

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

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

As part of an audit in accordance with Canadian auditing standards, we exercise our 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 Rural Municipality of Shellbrook #493'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 Rural Municipality of Shellbrook #493's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Rural Municipality of Shellbrook #493 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the directions, supervision and performance 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.

Yorkton, Saskatchewan  
May 6, 2026

  
Chartered Professional Accountants Ltd.

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**STATEMENT 1 - CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2025**

|                                                                          | 2025                 | 2024                 |
|--------------------------------------------------------------------------|----------------------|----------------------|
| <b>FINANCIAL ASSETS</b>                                                  |                      |                      |
| Cash (Note 2)                                                            | \$ 1,956,912         | \$ 1,367,964         |
| Taxes receivable - municipal (Note 3)                                    | 247,598              | 294,269              |
| Other accounts receivable (Note 4)                                       | 214,971              | 195,260              |
| Long-term receivables (Note 5)                                           | 152,331              | 131,520              |
| <b>TOTAL FINANCIAL ASSETS</b>                                            | <b>2,571,812</b>     | <b>1,989,013</b>     |
| <b>LIABILITIES</b>                                                       |                      |                      |
| Accounts payable and accrued liabilities                                 | 348,097              | 122,230              |
| Deferred revenue (Note 6)                                                | 401,408              | 334,461              |
| <b>TOTAL LIABILITIES</b>                                                 | <b>749,505</b>       | <b>456,691</b>       |
| <b>NET FINANCIAL ASSETS</b>                                              | <b>1,822,307</b>     | <b>1,532,322</b>     |
| <b>NON-FINANCIAL ASSETS</b>                                              |                      |                      |
| Tangible capital assets (Schedules 6 and 7)                              | 22,495,172           | 23,167,210           |
| Inventories                                                              | 627,252              | 514,452              |
| Prepaid expenses                                                         | 6,830                | 5,345                |
| <b>TOTAL NON-FINANCIAL ASSETS</b>                                        | <b>23,129,254</b>    | <b>23,687,007</b>    |
| <b>ACCUMULATED SURPLUS</b>                                               | <b>\$ 24,951,561</b> | <b>\$ 25,219,329</b> |
| Accumulated surplus is comprised of:                                     |                      |                      |
| Accumulated surplus excluding remeasurement gains (losses) (Schedule 10) | \$ 24,951,561        | \$ 25,219,329        |
| Accumulated remeasurement gains (losses) (Statement 5)                   |                      |                      |
|                                                                          | <b>\$ 24,951,561</b> | <b>\$ 25,219,329</b> |
| <b>CONTINGENCIES (Note 8)</b>                                            |                      |                      |

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**STATEMENT 2 - CONSOLIDATED STATEMENT OF OPERATIONS**  
**For the year ended December 31, 2025**

|                                                                                          | <b>2025<br/>Budget<br/>Unaudited<br/>(Note 1)</b> | <b>2025<br/>Actual</b> | <b>2024<br/>Actual</b> |
|------------------------------------------------------------------------------------------|---------------------------------------------------|------------------------|------------------------|
| <b>REVENUE</b>                                                                           |                                                   |                        |                        |
| Taxes revenue (Schedule 1)                                                               | \$ 2,145,773                                      | \$ 2,384,552           | \$ 2,250,299           |
| Other unconditional revenue (Schedule 1)                                                 | 746,709                                           | 746,781                | 691,282                |
| Fees and charges (Schedules 4 and 5)                                                     | 168,580                                           | 453,677                | 392,868                |
| Conditional grants (Schedules 4 and 5)                                                   | 22,369                                            | 25,294                 | 23,096                 |
| Tangible capital asset sales - gain (loss) (Schedules 4 and 5)                           | 122,000                                           | 73,753                 | (71,989)               |
| Investment income (Schedules 4 and 5)                                                    | 35,000                                            | 35,607                 | 41,343                 |
| Commissions (Schedules 4 and 5)                                                          | 1,300                                             | 1,362                  | 1,353                  |
| Other revenues (Schedules 4 and 5)                                                       | 2,000                                             | 8,539                  | 8,728                  |
| Provincial/Federal capital grants and contributions<br>(Schedules 4 and 5)               | 273,348                                           | 151,215                | 699,452                |
|                                                                                          | <b>3,517,079</b>                                  | <b>3,880,780</b>       | <b>4,036,432</b>       |
| <b>EXPENSES</b>                                                                          |                                                   |                        |                        |
| General government services (Schedule 3)                                                 | 524,658                                           | 499,322                | 468,131                |
| Protective services (Schedule 3)                                                         | 161,768                                           | 166,816                | 143,232                |
| Transportation services (Schedule 3)                                                     | 3,092,125                                         | 2,944,196              | 3,082,708              |
| Environmental and public health services (Schedule 3)                                    | 70,710                                            | 75,518                 | 72,122                 |
| Planning and development services (Schedule 3)                                           | 5,000                                             | 5,813                  | 12,771                 |
| Recreation and cultural services (Schedule 3)                                            | 132,190                                           | 449,709                | 372,858                |
| Utility services (Schedule 3)                                                            | 7,500                                             | 7,174                  | 7,023                  |
|                                                                                          | <b>3,993,951</b>                                  | <b>4,148,548</b>       | <b>4,158,845</b>       |
| <b>ANNUAL DEFICIT</b>                                                                    | <b>(476,872)</b>                                  | <b>(267,768)</b>       | <b>(122,413)</b>       |
| <b>ACCUMULATED SURPLUS EXCLUDING<br/>REMEASUREMENT GAINS (LOSSES), BEGINNING OF YEAR</b> | <b>25,219,329</b>                                 | <b>25,219,329</b>      | <b>25,341,742</b>      |
| <b>ACCUMULATED SURPLUS EXCLUDING<br/>REMEASUREMENT GAINS (LOSSES), END OF YEAR</b>       | <b>\$ 24,742,457</b>                              | <b>\$ 24,951,561</b>   | <b>\$ 25,219,329</b>   |

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**STATEMENT 3 - CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**For the year ended December 31, 2025**

|                                                | <b>2025<br/>Budget<br/>Unaudited<br/>(Note 1)</b> | <b>2025<br/>Actual</b> | <b>2024<br/>Actual</b> |
|------------------------------------------------|---------------------------------------------------|------------------------|------------------------|
| <b>ANNUAL DEFICIT</b>                          | <b>\$ (476,872)</b>                               | <b>\$ (267,768)</b>    | <b>\$ (122,413)</b>    |
| Acquisition of tangible capital assets         | (542,378)                                         | (996,090)              | (1,251,864)            |
| Amortization of tangible capital assets        | 1,215,085                                         | 1,215,085              | 1,192,426              |
| (Gain) loss on sale of tangible capital assets |                                                   | (73,753)               | 71,989                 |
| Proceeds on sale of tangible capital assets    |                                                   | 526,796                | 221,259                |
| Increase in inventories                        |                                                   | (112,800)              | (34,999)               |
| Decrease (increase) in prepaid expenses        |                                                   | (1,485)                | 37                     |
|                                                | <b>672,707</b>                                    | <b>557,753</b>         | <b>198,848</b>         |
| <b>CHANGE IN NET FINANCIAL ASSETS</b>          | <b>\$ 195,835</b>                                 | <b>289,985</b>         | <b>76,435</b>          |
| <b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b> |                                                   | <b>1,532,322</b>       | <b>1,455,887</b>       |
| <b>NET FINANCIAL ASSETS, END OF YEAR</b>       |                                                   | <b>\$ 1,822,307</b>    | <b>\$ 1,532,322</b>    |



**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**STATEMENT 4 - CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the year ended December 31, 2025**

|                                                       | 2025         | 2024         |
|-------------------------------------------------------|--------------|--------------|
| <b>OPERATING TRANSACTIONS</b>                         |              |              |
| Annual deficit                                        | \$ (267,768) | \$ (122,413) |
| Changes in non-cash items:                            |              |              |
| Taxes receivable - municipal                          | 46,671       | (47,231)     |
| Other accounts receivable                             | (19,711)     | (38,116)     |
| Inventories                                           | (112,800)    | (34,999)     |
| Prepaid expenses                                      | (1,485)      | 37           |
| Accounts payable and accrued liabilities              | 225,867      | (254,282)    |
| Deferred revenue                                      | 66,947       | (227,413)    |
| (Gain) loss on sale of tangible capital assets        | (73,753)     | 71,989       |
| Amortization of tangible capital assets               | 1,215,085    | 1,192,426    |
| Cash provided by operating transactions               | 1,079,053    | 539,998      |
| <b>CAPITAL TRANSACTIONS</b>                           |              |              |
| Proceeds from the disposal of tangible capital assets | 526,796      | 221,259      |
| Acquisition of tangible capital assets                | (996,090)    | (1,251,864)  |
| Cash applied to capital transactions                  | (469,294)    | (1,030,605)  |
| <b>INVESTING TRANSACTIONS</b>                         |              |              |
| Decrease (increase) in long-term receivables          | (20,811)     | (11,812)     |
| Cash applied to investing transactions                | (20,811)     | (11,812)     |
| <b>CHANGE IN CASH</b>                                 | 588,948      | (502,419)    |
| <b>CASH, BEGINNING OF YEAR</b>                        | 1,367,964    | 1,870,383    |
| <b>CASH, END OF YEAR</b>                              | \$ 1,956,912 | \$ 1,367,964 |

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# **RURAL MUNICIPALITY OF SHELLBROOK #493**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended December 31, 2025**

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### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the Municipality are 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 are as follows:

#### **Basis of Accounting**

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue as they become available and measurable; 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.

#### **Reporting Entity**

The consolidated financial statements consolidates 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 Council for the administration of their financial affairs and resources. These consolidated financial statements include the following entities:

Sturgeon Lake Regional Park Authority

All inter-organizational transactions and balances have been eliminated.

#### **Partnerships**

A partnership represents a contractual arrangement between the Municipality and a party or parties outside the reporting entity. The partners have significant, clearly defined common goals, make a financial investment in the partnership, share control of decision making, and share, on an equitable basis, the significant risks and benefits associated with the operations of the partnership. These consolidated financial statements do not contain any partnerships.

#### **Collection of Funds for Other Authorities**

Collection of funds by the Municipality for the school board, municipal hall, and conservation and development authorities are collected and remitted in accordance with relevant legislation. The amounts collected are disclosed in Note 3.

#### **Government Transfers**

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

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

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government Transfers (Continued)**

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

**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.

**Revenue**

**Revenue from Transactions with No Performance Obligations:**

Revenue is recognized for the following sources of revenue from transactions with no performance obligations:

- Tax revenue: Tax revenue is recognized when the underlying tax event occurs, which is typically when the tax is assessed or becomes due, regardless of when payment is received. These are generally recurring in nature.
- Other unconditional revenue: Unconditional revenue is recognized when it is earned and no further obligations are required. This may include certain grants or contributions that do not require a specific performance or future condition. This is considered non-recurring or recurring, depending on the nature of the revenue source.
- Fees and charges: Fees and charges for services are recognized when the service is rendered or when the related activity is performed. These are generally recurring in nature.
- Investment income: Investment income is recognized when earned. Interest income is recognized as it accrues, based on the effective interest rate method, while dividend income is recognized when the right to receive payment is established. Investment income is generally considered a recurring revenue stream, as it is earned periodically from ongoing investments.

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue from Transactions with Related Performance Obligations:**

Revenue is recognized for the following sources of revenue where related performance obligations exist:

- Tangible capital asset gains (losses): Gains or losses from the sale or disposal of tangible capital assets are recognized when the asset is transferred to the buyer, and the related risks and rewards of ownership have been transferred. These are typically considered non-recurring revenue streams.
- Land sale gains (losses): Revenue from land sales are recognized when the transaction is completed and ownership is transferred to the purchaser. This may involve a performance obligation related to the delivery of the property and revenue is recognized when the transfer occurs. These are typically considered non-recurring revenue streams.

When a single transaction requires the delivery of more than one performance obligation, the revenue recognition criteria are applied to the separately identifiable performance obligations. A performance obligation is considered to be separately identified if the product or service delivered has stand-alone value to that customer and the fair value associated with the product or service can be measured reliably. The amount recognized as revenue for each performance obligation is its fair value in relation to the fair value of the contract as a whole.

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

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

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

**Deferred Revenue**

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.

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Local Improvement Charges**

Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.

**Net Financial Assets**

Net financial assets at the end of the 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.

**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.

**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.

**Property Tax Revenue**

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

**Financial Instruments**

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

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

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial Instruments (Continued)**

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.

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:

| <u>Financial statement line item</u>     | <u>Measurement</u>                 |
|------------------------------------------|------------------------------------|
| Cash and cash equivalents                | Cost and amortized cost            |
| Investments                              | Fair value and cost/amortized cost |
| Other accounts receivable                | Cost and amortized cost            |
| Long-term receivables                    | Amortized cost                     |
| Debt charges recoverable                 | Amortized cost                     |
| Bank indebtedness                        | Amortized cost                     |
| Accounts payable and accrued liabilities | Cost                               |
| Deposit liabilities                      | Cost                               |
| Long-term debt                           | Amortized cost                     |
| Derivative assets and liabilities        | Fair value                         |

**Inventories**

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

**Tangible Capital Assets**

All tangible capital asset acquisitions or betterment 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 inflation 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 costs 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 tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The Municipality's tangible capital asset useful lives are estimated as follows:

| <u>Asset</u>          | <u>Useful Life</u> |
|-----------------------|--------------------|
| <b>General Assets</b> |                    |
| Land                  | Indefinite         |
| Land improvements     | 5 to 20 years      |
| Buildings             | 10 to 50 years     |

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Tangible Capital Assets (Continued)**

| <u>Asset</u>                 | <u>Useful Life</u> |
|------------------------------|--------------------|
| Vehicles and equipment       |                    |
| Vehicles                     | 5 to 10 years      |
| Machinery and equipment      | 5 to 10 years      |
| Leased capital assets        | Lease term         |
| <b>Infrastructure Assets</b> |                    |
| Infrastructure assets        | 30 to 75 years     |
| Water & sewer                | 40 years           |
| Road network assets          | 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 consolidated financial statements as either a capital or operating lease. Any lease that transfers the majority of 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 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.

**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 consolidated statement of financial position and are initially recognized at cost. Cost includes the gross amount of consideration given up to acquire, construct, develop or better a tangible capital asset; and all costs directly attributable to the acquisition, construction, development or betterment of the infrastructure asset. Infrastructure assets are amortized over the assets useful life and recognized as an expense in the consolidated statement of operations.



**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Public Private Partnerships (Continued)**

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 consolidated 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.

These consolidated financial statements do not include any public private partnerships.

**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.

**Employee Benefit Plans**

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

**Liability for Contaminated Sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) the Municipality:
  - i. is directly responsible; or
  - ii. accepts responsibility;
- d) it is expected that future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Uncertainty**

The preparation of the 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.

Measurement uncertainty impacts the following financial statement areas:

- Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.
- The measurement of materials and supplies are based on estimates of volume and quality.
- The 'Opening Asset costs' of tangible capital assets have been estimated where actual costs were not available.
- Amortization is based on the estimated useful lives of tangible capital assets and intangible capital assets.
- The liability associated with asset retirement obligations are measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date, the discount rate, and inflation.
- Measurement financial instruments at fair value and recognition and measurement of impairment of financial instruments requires the use of significant management estimates.

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

**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 administration of the Municipality.

**Protective services:** Is comprised of expenses for police and fire protection.

**Transportation services:** Is responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Segmentation/Segment Report (Continued)**

**Environmental and public health:** Environmental segment provides waste disposal and other environmental services and 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 provision of recreation and leisure services.

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

**Budget Information**

The budget is prepared on a revenue and expenditures basis. For comparative purposes, the Municipality has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget was approved by Council on July 2, 2025.

**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.

**Asset Retirement Obligations**

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

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

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Asset Retirement Obligations (Continued)**

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 consolidated statement of operations.

**Loan Guarantees**

The Municipality has not provided loan guarantees for any organizations.

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 organization(s), 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 consolidated financial statements.

**2. CASH**

The Municipality banks with Affinity Credit Union Ltd. where they have an authorized overdraft limit of \$500,000 (2024 - \$500,000) at an interest rate of 4.45% (2024 - 5.45%) (unauthorized overdraft interest rate of 25.00% (2024 - 25.00%)).

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2025

**3. TAXES RECEIVABLE - MUNICIPAL**

|                                                               |           | 2025       | 2024       |
|---------------------------------------------------------------|-----------|------------|------------|
| Municipal                                                     | - Current | \$ 158,505 | \$ 191,711 |
|                                                               | - Arrears | 89,093     | 102,558    |
| Total municipal taxes receivable                              |           | 247,598    | 294,269    |
| School                                                        | - Current | 54,237     | 60,518     |
|                                                               | - Arrears | 24,907     | 30,032     |
| Total taxes to be collected on behalf of School Divisions     |           | 79,144     | 90,550     |
| Municipal hail                                                |           | 8,796      | 7,671      |
| Total taxes and grants-in-lieu receivable                     |           | 335,538    | 392,490    |
| Deduct taxes to be collected on behalf of other organizations |           | (87,940)   | (98,221)   |
| Total taxes receivable - municipal                            |           | \$ 247,598 | \$ 294,269 |

**4. OTHER ACCOUNTS RECEIVABLE**

|                                                                  |  | 2025       | 2024       |
|------------------------------------------------------------------|--|------------|------------|
| Provincial government                                            |  | \$ 85,124  | \$ 87,999  |
| Federal government                                               |  | 55,167     | 54,645     |
| Organizations and individuals                                    |  | 41,183     | 33,528     |
| Sturgeon Lake Regional Park Authority - consolidated receivables |  | 33,497     | 19,088     |
| Total other accounts receivable                                  |  | \$ 214,971 | \$ 195,260 |

**5. LONG-TERM RECEIVABLES**

|                                                                        |  | 2025       | 2024       |
|------------------------------------------------------------------------|--|------------|------------|
| Saskatchewan Association of Rural Municipalities - Self-Insurance Fund |  | \$ 152,331 | \$ 131,520 |

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2025

**6. DEFERRED REVENUE**

|                                  | 2024              | Restricted<br>inflows | Revenue<br>earned | 2025              |
|----------------------------------|-------------------|-----------------------|-------------------|-------------------|
| Canada Community - Building Fund | \$ 334,461        | \$ 104,048            | \$ (37,101)       | \$ 401,408        |
| Total deferred revenue           | <u>\$ 334,461</u> |                       |                   | <u>\$ 401,408</u> |

**7. LONG-TERM DEBT**

The debt limit of the Municipality is \$2,274,266. 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)).

**8. CONTINGENCIES**

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.

**9. PENSION PLAN**

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 benefits. The Municipality's pension expense in 2025 was \$74,322 (2024 - \$73,410). 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. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook Section PS 3250.

Total current service contributions by the Municipality to the MEPP in 2025 were \$74,322 (2024 - \$73,410). Total current service contributions by the employees of the Municipality to the MEPP in 2025 were \$74,322 (2024 - \$73,410).

As of the audit report date, the December 31, 2025 MEPP actuarial deficiency/surplus has not yet been released. As of December 31, 2024, the actuarial valuation of the financial position of the plan shows MEPP is 126.4 percent funded, with an actuarial surplus of \$819,117,000.

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

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

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**10. RISK MANAGEMENT**

Through its financial assets and liabilities, the Municipality is exposed to various risks as outlined below.

**Price risk**

Price risk associated with investments in shares is the risk that their fair value will fluctuate because of changes in market prices. It is management's opinion the Municipality is not exposed to price risks arising from these financial instruments due to the Municipality not holding any investments in shares.

**Credit risk**

The Municipality is exposed to credit risk resulting from the possibility that counterparties may default on their financial obligations. Credit risk is primarily associated with accounts receivable, which total \$462,569 as at year-end.

The composition of receivables is as follows:

- Provincial receivable: \$85,124
- Federal receivable: \$23,100
- Property taxes receivable: \$247,598
- Organizations and individuals receivable: \$41,183
- GST receivable: \$32,067
- Sturgeon Lake Regional Park Authority receivables: \$33,497

Credit risk related to taxes arises from transactions with residents and ratepayers. The risk is mitigated by the Municipality's authority to pursue tax recovery measures under applicable legislation in cases of non-payment.

Receivables from the Canada Revenue Agency (CRA), provincial and federal governments are considered low risk due to the creditworthiness of these counterparties.

The credit risk for receivables from organizations and individuals is mitigated through ongoing monitoring, timely invoicing, and active collection efforts. Due to the diversity of individual counterparties, the exposure to significant loss in this category is considered low.

Receivables from a consolidated entity (Sturgeon Lake Regional Park Authority) represents a receivable for the specific organization itself, consolidated into the Municipality's financial statements. As the amount does not arise from transactions with an external party, it does not contribute to the Municipality's overall credit risk exposure.

At year-end, \$112,193 of total receivables are considered past due (i.e., greater than 30 days outstanding). The Municipality monitors receivables on an ongoing basis and establishes allowances as necessary based on historical collection patterns and specific account assessments.

**Liquidity risk**

Liquidity risk is the risk that the Municipality will encounter difficulty in meeting financial obligations as they fall due. The Municipality undertakes regular cash flow analyses to ensure there are sufficient cash resources to meet all obligations.

Trade accounts payable and accrued liabilities are generally paid within 30 days.

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

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**10. RISK MANAGEMENT (CONTINUED)**

Interest rate risk

Interest rate risk is the risk that the future cash flows or fair value of a financial instrument will fluctuate due to changes in market interest rates. It is management's opinion the Municipality is not exposed to interest rate risks arising from these financial instruments due to the Municipality not holding any cash equivalents, investments or long-term debt.



**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**SCHEDULE 1 - SCHEDULE OF TAXES AND OTHER UNCONDITIONAL REVENUES**  
For the year ended December 31, 2025

|                                                    | 2025<br>Budget<br>Unaudited<br>(Note 1) | 2025<br>Actual      | 2024<br>Actual      |
|----------------------------------------------------|-----------------------------------------|---------------------|---------------------|
| <b>TAXES</b>                                       |                                         |                     |                     |
| General municipal tax levy                         | \$ 2,177,273                            | \$ 2,167,810        | \$ 2,173,484        |
| Abatements and adjustments                         | (1,500)                                 | (9,272)             | 2,729               |
| Discount on current year taxes                     | (95,000)                                | (102,195)           | (104,279)           |
| <b>Net Municipal Taxes</b>                         | <b>2,080,773</b>                        | <b>2,056,343</b>    | 2,071,934           |
| Penalties on tax arrears                           | 12,500                                  | 13,016              | 12,962              |
| Special tax levies                                 | 52,500                                  | 188,507             | 32,434              |
| Sturgeon Lake Regional Park Authority              |                                         | 126,686             | 132,969             |
| <b>Total Taxes</b>                                 | <b>2,145,773</b>                        | <b>2,384,552</b>    | 2,250,299           |
| <b>UNCONDITIONAL GRANTS</b>                        |                                         |                     |                     |
| Revenue Sharing                                    | 742,019                                 | 742,095             | 686,595             |
| <b>Total Unconditional Grants</b>                  | <b>742,019</b>                          | <b>742,095</b>      | 686,595             |
| <b>GRANTS-IN-LIEU OF TAXES</b>                     |                                         |                     |                     |
| Provincial                                         |                                         |                     |                     |
| Transgas                                           | 680                                     | 680                 | 680                 |
| Local/Other                                        |                                         |                     |                     |
| Treaty Land Entitlement                            | 4,010                                   | 4,006               | 4,007               |
| <b>Total Grants-in-Lieu of Taxes</b>               | <b>4,690</b>                            | <b>4,686</b>        | 4,687               |
| <b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b> | <b>\$ 2,892,482</b>                     | <b>\$ 3,131,333</b> | <b>\$ 2,941,581</b> |

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION**  
For the year ended December 31, 2025

|                                              | 2025<br>Budget<br>Unaudited<br>(Note 1) | 2025<br>Actual | 2024<br>Actual |
|----------------------------------------------|-----------------------------------------|----------------|----------------|
| <b>GENERAL GOVERNMENT SERVICES</b>           |                                         |                |                |
| <b>Operating</b>                             |                                         |                |                |
| Other Segmented Revenue                      |                                         |                |                |
| Fees and Charges                             |                                         |                |                |
| - Sales of supplies                          | \$ 20,530                               | \$ 7,314       | \$ 3,968       |
| - Tax enforcement and reimbursed costs       | 3,250                                   | 1,225          | 5,215          |
| Total Fees and Charges                       | 23,780                                  | 8,539          | 9,183          |
| - Tangible capital asset sales - gain (loss) |                                         | 10,958         |                |
| - Investment income                          | 35,000                                  | 35,607         | 41,343         |
| - Commissions                                | 1,300                                   | 1,362          | 1,353          |
| - Dedicated lands                            | 2,000                                   | 8,539          | 2,228          |
| Total Other Segmented Revenue                | 62,080                                  | 65,005         | 54,107         |
| <b>Total Operating</b>                       | 62,080                                  | 65,005         | 54,107         |
| <b>Total General Government Services</b>     | 62,080                                  | 65,005         | 54,107         |
| <b>PROTECTIVE SERVICES</b>                   |                                         |                |                |
| <b>Operating</b>                             |                                         |                |                |
| Other Segmented Revenue                      |                                         |                |                |
| Fees and Charges                             |                                         |                |                |
| - Fire fees                                  | 40,200                                  | 42,362         | 35,218         |
| - Police fines                               | 500                                     | 802            | 1,337          |
| Total Fees and Charges                       | 40,700                                  | 43,164         | 36,555         |
| - Tangible capital asset sales - gain (loss) | 122,000                                 |                | 2,634          |
| Total Other Segmented Revenue                | 162,700                                 | 43,164         | 39,189         |
| <b>Total Operating</b>                       | 162,700                                 | 43,164         | 39,189         |
| <b>Total Protective Services</b>             | 162,700                                 | 43,164         | 39,189         |

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION**  
For the year ended December 31, 2025

|                                                                | 2025<br>Budget<br>Unaudited<br>(Note 1) | 2025<br>Actual | 2024<br>Actual |
|----------------------------------------------------------------|-----------------------------------------|----------------|----------------|
| <b>TRANSPORTATION SERVICES</b>                                 |                                         |                |                |
| <b>Operating</b>                                               |                                         |                |                |
| Other Segmented Revenue                                        |                                         |                |                |
| Fees and Charges                                               |                                         |                |                |
| - Custom work                                                  | \$ 20,200                               | \$ 27,444      | \$ 19,645      |
| - Sales of supplies                                            | 60,050                                  | 54,357         | 69,118         |
| - Road Maintenance and Restoration Agreements                  | 1,500                                   | 953            | 1,441          |
| Total Fees and Charges                                         | 81,750                                  | 82,754         | 90,204         |
| - Tangible capital asset sales - gain (loss)                   |                                         | 62,795         | (74,542)       |
| Total Other Segmented Revenue                                  | 81,750                                  | 145,549        | 15,662         |
| <b>Total Operating</b>                                         | <b>81,750</b>                           | <b>145,549</b> | <b>15,662</b>  |
| <b>Capital</b>                                                 |                                         |                |                |
| Conditional Grants                                             |                                         |                |                |
| - Canada Community - Building Fund (CCBF)                      | 106,964                                 | 37,101         | 343,371        |
| - Rural Integrated Roads for Growth (RIRG)                     | 149,412                                 | 114,114        | 343,116        |
| - Saskatchewan Ministry of Highways and Infrastructure         | 16,972                                  |                | 12,965         |
| <b>Total Capital</b>                                           | <b>273,348</b>                          | <b>151,215</b> | <b>699,452</b> |
| <b>Total Transportation Services</b>                           | <b>355,098</b>                          | <b>296,764</b> | <b>715,114</b> |
| <b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>                |                                         |                |                |
| <b>Operating</b>                                               |                                         |                |                |
| Other Segmented Revenue                                        |                                         |                |                |
| Fees and Charges                                               |                                         |                |                |
| - Sale of supplies                                             |                                         | 1,049          | 400            |
| Total Fees and Charges                                         |                                         | 1,049          | 400            |
| - Donations                                                    |                                         |                | 6,500          |
| Total Other Segmented Revenue                                  |                                         | 1,049          | 6,900          |
| Conditional Grants                                             |                                         |                |                |
| - Provincial Rat Control Program and<br>Beaver Control Program | 9,800                                   | 11,958         | 10,527         |
| Total Conditional Grants                                       | 9,800                                   | 11,958         | 10,527         |
| <b>Total Operating</b>                                         | <b>9,800</b>                            | <b>13,007</b>  | <b>17,427</b>  |
| <b>Total Environmental and Public Health Services</b>          | <b>9,800</b>                            | <b>13,007</b>  | <b>17,427</b>  |

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION**  
For the year ended December 31, 2025

|                                                | 2025<br>Budget<br>Unaudited<br>(Note 1) | 2025<br>Actual | 2024<br>Actual |
|------------------------------------------------|-----------------------------------------|----------------|----------------|
| <b>PLANNING AND DEVELOPMENT SERVICES</b>       |                                         |                |                |
| <b>Operating</b>                               |                                         |                |                |
| Other Segmented Revenue                        |                                         |                |                |
| Fees and Charges                               |                                         |                |                |
| - Licenses and building permits                | \$ 16,350                               | \$ 46,035      | \$ 8,752       |
| Total Fees and Charges                         | 16,350                                  | 46,035         | 8,752          |
| Total Other Segmented Revenue                  | 16,350                                  | 46,035         | 8,752          |
| <b>Total Operating</b>                         | <b>16,350</b>                           | <b>46,035</b>  | <b>8,752</b>   |
| <b>Total Planning and Development Services</b> | <b>16,350</b>                           | <b>46,035</b>  | <b>8,752</b>   |
| <b>RECREATION AND CULTURAL SERVICES</b>        |                                         |                |                |
| <b>Operating</b>                               |                                         |                |                |
| Other Segmented Revenue                        |                                         |                |                |
| Fees and Charges                               |                                         |                |                |
| - Sturgeon Lake Regional Park Authority        |                                         | 264,463        | 241,960        |
| Total Fees and Charges                         |                                         | 264,463        | 241,960        |
| - Tangible capital asset sales - gain (loss)   |                                         |                | (81)           |
| Total Other Segmented Revenue                  |                                         | 264,463        | 241,879        |
| Conditional Grants                             |                                         |                |                |
| - Sask Lotteries                               | 12,569                                  | 13,336         | 12,569         |
| Total Conditional Grants                       | 12,569                                  | 13,336         | 12,569         |
| <b>Total Operating</b>                         | <b>12,569</b>                           | <b>277,799</b> | <b>254,448</b> |
| <b>Total Recreation and Cultural Services</b>  | <b>12,569</b>                           | <b>277,799</b> | <b>254,448</b> |

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**SCHEDULE 2 - SCHEDULE OF OPERATING AND CAPITAL REVENUE BY FUNCTION**  
**For the year ended December 31, 2025**

|                                                        | 2025<br>Budget<br>Unaudited<br>(Note 1) | 2025<br>Actual    | 2024<br>Actual      |
|--------------------------------------------------------|-----------------------------------------|-------------------|---------------------|
| <b>UTILITY SERVICES</b>                                |                                         |                   |                     |
| <b>Operating</b>                                       |                                         |                   |                     |
| Other Segmented Revenue                                |                                         |                   |                     |
| Fees and Charges                                       |                                         |                   |                     |
| - Bulk water fees                                      | \$ 6,000                                | \$ 7,673          | \$ 5,814            |
| Total Fees and Charges                                 | 6,000                                   | 7,673             | 5,814               |
| Total Other Segmented Revenue                          | 6,000                                   | 7,673             | 5,814               |
| <b>Total Operating</b>                                 | 6,000                                   | 7,673             | 5,814               |
| <b>Total Utility Services</b>                          | 6,000                                   | 7,673             | 5,814               |
| <b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b> | <b>\$ 624,597</b>                       | <b>\$ 749,447</b> | <b>\$ 1,094,851</b> |
| <b>SUMMARY</b>                                         |                                         |                   |                     |
| Total Other Segmented Revenue                          | \$ 328,880                              | \$ 572,938        | \$ 372,303          |
| Total Conditional Grants                               | 22,369                                  | 25,294            | 23,096              |
| Total Capital Grants and Contributions                 | 273,348                                 | 151,215           | 699,452             |
| <b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b> | <b>\$ 624,597</b>                       | <b>\$ 749,447</b> | <b>\$ 1,094,851</b> |

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION**  
**For the year ended December 31, 2025**

|                                                       | 2025<br>Budget<br>Unaudited<br>(Note 1) | 2025<br>Actual   | 2024<br>Actual   |
|-------------------------------------------------------|-----------------------------------------|------------------|------------------|
| <b>GENERAL GOVERNMENT SERVICES</b>                    |                                         |                  |                  |
| Council remuneration and travel                       | \$ 63,000                               | \$ 36,462        | \$ 57,283        |
| Wages and benefits                                    | 287,625                                 | 273,046          | 250,461          |
| Professional/Contractual services                     | 86,262                                  | 84,664           | 82,193           |
| Utilities                                             | 11,650                                  | 11,144           | 12,113           |
| Maintenance, materials, and supplies                  | 63,500                                  | 81,606           | 53,939           |
| Amortization of tangible capital assets               | 10,321                                  | 10,321           | 10,009           |
| Interest                                              | 2,300                                   | 2,079            | 2,133            |
| <b>Total General Government Services</b>              | <b>524,658</b>                          | <b>499,322</b>   | <b>468,131</b>   |
| <b>PROTECTIVE SERVICES</b>                            |                                         |                  |                  |
| <b>Police protection</b>                              |                                         |                  |                  |
| Professional/Contractual services                     | 99,662                                  | 98,927           | 96,690           |
| <b>Fire protection</b>                                |                                         |                  |                  |
| Wages and benefits                                    | 21,000                                  | 27,749           | 18,295           |
| Professional/Contractual services                     | 9,000                                   | 3,913            | 2,993            |
| Maintenance, materials, and supplies                  | 24,000                                  | 28,121           | 19,963           |
| Amortization of tangible capital assets               | 8,106                                   | 8,106            | 5,291            |
| <b>Total Protective Services</b>                      | <b>161,768</b>                          | <b>166,816</b>   | <b>143,232</b>   |
| <b>TRANSPORTATION SERVICES</b>                        |                                         |                  |                  |
| Wages and benefits                                    | 747,217                                 | 753,637          | 787,058          |
| Professional/Contractual services                     | 66,300                                  | 64,237           | 92,048           |
| Utilities                                             | 26,600                                  | 24,782           | 24,937           |
| Maintenance, materials, and supplies                  | 677,000                                 | 635,312          | 622,166          |
| Gravel                                                | 402,878                                 | 294,098          | 402,999          |
| Amortization of tangible capital assets               | 1,172,130                               | 1,172,130        | 1,153,500        |
| <b>Total Transportation Services</b>                  | <b>3,092,125</b>                        | <b>2,944,196</b> | <b>3,082,708</b> |
| <b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>       |                                         |                  |                  |
| Professional/Contractual services                     | 39,810                                  | 59,365           | 56,245           |
| Maintenance, materials, and supplies                  | 30,900                                  | 16,153           | 15,877           |
| <b>Total Environmental and Public Health Services</b> | <b>70,710</b>                           | <b>75,518</b>    | <b>72,122</b>    |

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**SCHEDULE 3 - SCHEDULE OF EXPENSES BY FUNCTION**  
For the year ended December 31, 2025

|                                                | 2025<br>Budget<br>Unaudited<br>(Note 1) | 2025<br>Actual      | 2024<br>Actual      |
|------------------------------------------------|-----------------------------------------|---------------------|---------------------|
| <b>PLANNING AND DEVELOPMENT SERVICES</b>       |                                         |                     |                     |
| Professional/Contractual services              | \$ 5,000                                | \$ 5,813            | \$ 12,771           |
| <b>Total Planning and Development Services</b> | <b>5,000</b>                            | <b>5,813</b>        | <b>12,771</b>       |
| <b>RECREATION AND CULTURAL SERVICES</b>        |                                         |                     |                     |
| Maintenance, materials, and supplies           | 16,000                                  | 12,705              | 14,860              |
| Grants and contributions                       |                                         |                     |                     |
| - Operating                                    | 91,662                                  | 93,720              | 41,638              |
| Amortization of tangible capital assets        | 24,528                                  | 24,528              | 23,626              |
| Sturgeon Lake Regional Park Authority          |                                         | 318,756             | 292,734             |
| <b>Total Recreation and Cultural Services</b>  | <b>132,190</b>                          | <b>449,709</b>      | <b>372,858</b>      |
| <b>UTILITY SERVICES</b>                        |                                         |                     |                     |
| Maintenance, materials, and supplies           | 7,500                                   | 7,174               | 7,023               |
| <b>Total Utility Services</b>                  | <b>7,500</b>                            | <b>7,174</b>        | <b>7,023</b>        |
| <b>TOTAL EXPENSES BY FUNCTION</b>              | <b>\$ 3,993,951</b>                     | <b>\$ 4,148,548</b> | <b>\$ 4,158,845</b> |

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**SCHEDULE 4 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION**  
**For the year ended December 31, 2025**

|                                                       | General Government | Protective Services | Transportation Services | Environmental & Public Health | Planning and Development | Recreation and Culture | Utility Services | Total               |
|-------------------------------------------------------|--------------------|---------------------|-------------------------|-------------------------------|--------------------------|------------------------|------------------|---------------------|
| <b>Revenues (Schedule 2)</b>                          |                    |                     |                         |                               |                          |                        |                  |                     |
| Fees and Charges                                      | \$ 8,539           | \$ 43,164           | \$ 82,754               | \$ 1,049                      | \$ 46,035                | \$ 264,463             | \$ 7,673         | \$ 453,677          |
| Tangible Capital Asset Sale - Gain (Loss)             | 10,958             |                     | 62,795                  |                               |                          |                        |                  | 73,753              |
| Intangible Capital Asset Sale - Gain (Loss)           |                    |                     |                         |                               |                          |                        |                  |                     |
| Land Sales - Gain (Loss)                              |                    |                     |                         |                               |                          |                        |                  |                     |
| Investment Income                                     | 35,607             |                     |                         |                               |                          |                        |                  | 35,607              |
| Commissions                                           | 1,362              |                     |                         |                               |                          |                        |                  | 1,362               |
| Other Revenues                                        | 8,539              |                     |                         | 11,958                        |                          | 13,336                 |                  | 8,539               |
| Grants - Conditional                                  |                    |                     |                         |                               |                          |                        |                  | 25,294              |
| - Capital                                             |                    |                     | 151,215                 |                               |                          |                        |                  | 151,215             |
| <b>Total revenues</b>                                 | <b>65,005</b>      | <b>43,164</b>       | <b>296,764</b>          | <b>13,007</b>                 | <b>46,035</b>            | <b>277,799</b>         | <b>7,673</b>     | <b>749,447</b>      |
| <b>Expenses (Schedule 3)</b>                          |                    |                     |                         |                               |                          |                        |                  |                     |
| Wages & Benefits                                      | 309,508            | 27,749              | 753,637                 |                               |                          |                        |                  | 1,090,894           |
| Professional/Contractual Services                     | 84,664             | 102,840             | 64,237                  | 59,365                        | 5,813                    |                        |                  | 316,919             |
| Utilities                                             | 11,144             |                     | 24,782                  |                               |                          |                        |                  | 35,926              |
| Maintenance, Materials, Supplies                      | 81,606             | 28,121              | 929,410                 | 16,153                        |                          | 12,705                 | 7,174            | 1,075,169           |
| Grants and Contributions                              |                    |                     |                         |                               |                          | 93,720                 |                  | 93,720              |
| Amortization of Tangible Capital Assets               |                    |                     |                         |                               |                          | 24,528                 |                  | 24,528              |
| Amortization of Intangible Capital Assets             | 10,321             | 8,106               | 1,172,130               |                               |                          |                        |                  | 1,215,085           |
| Interest                                              | 2,079              |                     |                         |                               |                          |                        |                  | 2,079               |
| Accretion of asset retirement obligation              |                    |                     |                         |                               |                          |                        |                  |                     |
| Allowance for Uncollectibles                          |                    |                     |                         |                               |                          |                        |                  |                     |
| Other                                                 |                    |                     |                         |                               |                          | 318,756                |                  | 318,756             |
| <b>Total expenses</b>                                 | <b>499,322</b>     | <b>166,816</b>      | <b>2,944,196</b>        | <b>75,518</b>                 | <b>5,813</b>             | <b>449,709</b>         | <b>7,174</b>     | <b>4,148,548</b>    |
| <b>Surplus (Deficit) by Function</b>                  | <b>(434,317)</b>   | <b>(123,652)</b>    | <b>(2,647,432)</b>      | <b>(62,511)</b>               | <b>40,222</b>            | <b>(171,910)</b>       | <b>499</b>       | <b>(3,399,101)</b>  |
| Taxation and other unconditional revenue (Schedule 1) |                    |                     |                         |                               |                          |                        |                  |                     |
|                                                       |                    |                     |                         |                               |                          |                        |                  | 3,131,333           |
| <b>Net Surplus (Deficit)</b>                          |                    |                     |                         |                               |                          |                        |                  | <b>\$ (267,768)</b> |



**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**SCHEDULE 5 - SCHEDULE OF SEGMENT DISCLOSURE BY FUNCTION**  
**For the year ended December 31, 2024**

|                                                       | General<br>Government | Protective<br>Services | Transportation<br>Services | Environmental<br>& Public Health | Planning and<br>Development | Recreation and<br>Culture | Utility Services | Total               |
|-------------------------------------------------------|-----------------------|------------------------|----------------------------|----------------------------------|-----------------------------|---------------------------|------------------|---------------------|
| <b>Revenues (Schedule 2)</b>                          |                       |                        |                            |                                  |                             |                           |                  |                     |
| Fees and Charges                                      | \$ 9,183              | \$ 36,555              | \$ 90,204                  | \$ 400                           | \$ 8,752                    | \$ 241,960                | \$ 5,814         | \$ 392,868          |
| Tangible Capital Asset Sale - Gain (Loss)             |                       | 2,634                  | (74,542)                   |                                  |                             | (81)                      |                  | (71,989)            |
| Intangible Capital Asset Sale - Gain (Loss)           |                       |                        |                            |                                  |                             |                           |                  |                     |
| Land Sales - Gain (Loss)                              |                       |                        |                            |                                  |                             |                           |                  |                     |
| Investment Income                                     | 41,343                |                        |                            |                                  |                             |                           |                  | 41,343              |
| Commissions                                           | 1,353                 |                        |                            |                                  |                             |                           |                  | 1,353               |
| Other Revenues                                        | 2,228                 |                        |                            | 6,500                            |                             |                           |                  | 8,728               |
| Grants - Conditional                                  |                       |                        |                            | 10,527                           |                             | 12,569                    |                  | 23,096              |
| - Capital                                             |                       |                        | 699,452                    |                                  |                             |                           |                  | 699,452             |
| <b>Total revenues</b>                                 | <b>54,107</b>         | <b>39,189</b>          | <b>715,114</b>             | <b>17,427</b>                    | <b>8,752</b>                | <b>254,448</b>            | <b>5,814</b>     | <b>1,094,851</b>    |
| <b>Expenses (Schedule 3)</b>                          |                       |                        |                            |                                  |                             |                           |                  |                     |
| Wages & Benefits                                      | 307,744               | 18,295                 | 787,058                    |                                  |                             |                           |                  | 1,113,097           |
| Professional/Contractual Services                     | 82,193                | 99,683                 | 92,048                     | 56,245                           | 12,771                      |                           |                  | 342,940             |
| Utilities                                             | 12,113                |                        | 24,937                     |                                  |                             |                           |                  | 37,050              |
| Maintenance, Materials, Supplies                      | 53,939                | 19,963                 | 1,025,165                  | 15,877                           |                             | 14,860                    | 7,023            | 1,136,827           |
| Grants and Contributions                              |                       |                        |                            |                                  |                             | 41,638                    |                  | 41,638              |
| Amortization of Tangible Capital Assets               | 10,009                |                        |                            |                                  |                             | 23,626                    |                  | 1,192,426           |
| Amortization of Intangible Capital Assets             |                       | 5,291                  | 1,153,500                  |                                  |                             |                           |                  |                     |
| Interest                                              | 2,133                 |                        |                            |                                  |                             |                           |                  | 2,133               |
| Accretion of asset retirement obligation              |                       |                        |                            |                                  |                             |                           |                  |                     |
| Allowance for Uncollectibles                          |                       |                        |                            |                                  |                             |                           |                  |                     |
| Other                                                 |                       |                        |                            |                                  |                             |                           |                  |                     |
| <b>Total expenses</b>                                 | <b>488,131</b>        | <b>143,232</b>         | <b>3,082,708</b>           | <b>72,122</b>                    | <b>12,771</b>               | <b>292,734</b>            | <b>7,023</b>     | <b>292,734</b>      |
|                                                       |                       |                        |                            |                                  |                             | <b>372,858</b>            |                  | <b>4,158,845</b>    |
| <b>Surplus (Deficit) by Function</b>                  | <b>(414,024)</b>      | <b>(104,043)</b>       | <b>(2,367,594)</b>         | <b>(54,695)</b>                  | <b>(4,019)</b>              | <b>(118,410)</b>          | <b>(1,209)</b>   | <b>(3,063,994)</b>  |
| Taxation and other unconditional revenue (Schedule 1) |                       |                        |                            |                                  |                             |                           |                  |                     |
|                                                       |                       |                        |                            |                                  |                             |                           |                  | 2,941,581           |
| <b>Net Surplus (Deficit)</b>                          |                       |                        |                            |                                  |                             |                           |                  | <b>\$ (122,413)</b> |

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**SCHEDULE 6 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY OBJECT**  
**For the year ended December 31, 2025**

| Cost                             | General Assets |                   |            |           |                       | Infrastructure Assets | General/<br>Infrastructure | Totals                    |              |
|----------------------------------|----------------|-------------------|------------|-----------|-----------------------|-----------------------|----------------------------|---------------------------|--------------|
|                                  | Land           | Land Improvements | Buildings  | Vehicles  | Machinery & Equipment |                       |                            | Assets Under Construction | 2024         |
| Opening costs                    | \$ 333,192     | \$ 17,635         | \$ 854,681 | \$ 19,375 | \$ 3,991,913          | \$ 34,368,978         | \$                         | \$ 39,585,774             | \$38,773,388 |
| Additions during the year        | 5,000          |                   |            |           | 990,090               |                       |                            | 1,000                     | 1,251,364    |
| Disposals and write downs        |                |                   |            |           | (594,600)             |                       |                            |                           | (439,478)    |
| Closing costs                    | 338,192        | 17,635            | 854,681    | 19,375    | 4,387,403             | 34,368,978            |                            | 1,000                     | 39,585,774   |
| <b>Accumulated Amortization</b>  |                |                   |            |           |                       |                       |                            |                           |              |
| Opening accumulated amortization |                | 4,555             | 507,339    | 3,466     | 1,791,730             | 14,111,474            |                            | 16,418,564                | 15,372,368   |
| Amortization                     |                | 1,763             | 20,537     | 1,738     | 307,073               | 883,974               |                            | 1,215,085                 | 1,192,426    |
| Disposals and write downs        |                |                   |            |           | (141,557)             |                       |                            | (141,557)                 | (146,230)    |
| Closing accumulated amortization |                | 6,318             | 527,876    | 5,204     | 1,957,246             | 14,995,448            |                            | 17,492,092                | 16,418,564   |
| Net Book Value                   | \$ 338,192     | \$ 11,317         | \$ 326,805 | \$ 14,171 | \$ 2,430,157          | \$ 19,373,530         | \$                         | \$ 22,495,172             | \$23,167,210 |

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**SCHEDULE 7 - SCHEDULE OF TANGIBLE CAPITAL ASSETS BY FUNCTION**  
**For the year ended December 31, 2025**

| Cost                             | Environmental & Public Health |                     |                         |                        |                      |               | Totals       |               |  |
|----------------------------------|-------------------------------|---------------------|-------------------------|------------------------|----------------------|---------------|--------------|---------------|--|
|                                  | General Government            | Protective Services | Transportation Services | Planning & Development | Recreation & Culture | Water & Sewer | 2025         | 2024          |  |
| Opening costs                    | \$ 601,015                    | \$ 52,912           | \$ 38,142,049           | \$ 7                   | \$ 789,791           | \$            | \$39,585,774 | \$ 38,773,388 |  |
| Additions during the year        |                               | 84,450              | 899,942                 |                        | 11,698               |               | 996,090      | 1,251,864     |  |
| Disposals and write downs        |                               |                     | (591,170)               |                        | (3,430)              |               | (594,600)    | (439,478)     |  |
| Closing costs                    | 601,015                       | 137,362             | 38,450,821              | 7                      | 798,059              |               | 39,987,264   | 39,585,774    |  |
| <b>Accumulated Amortization</b>  |                               |                     |                         |                        |                      |               |              |               |  |
| Opening accumulated amortization | 138,030                       | 17,841              | 15,681,520              |                        | 581,173              |               | 16,418,564   | 15,372,368    |  |
| Amortization                     | 10,321                        | 8,106               | 1,172,130               |                        | 24,528               |               | 1,215,085    | 1,192,426     |  |
| Disposals and write downs        |                               |                     | (138,127)               |                        | (3,430)              |               | (141,557)    | (146,230)     |  |
| Closing accumulated amortization | 148,351                       | 25,947              | 16,715,523              |                        | 602,271              |               | 17,492,092   | 16,418,564    |  |
| Net Book Value                   | \$ 452,664                    | \$ 111,415          | \$ 21,735,298           | \$ 7                   | \$ 195,788           | \$            | \$22,495,172 | \$ 23,167,210 |  |

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**SCHEDULE 8 - SCHEDULE OF INTANGIBLE CAPITAL ASSETS BY OBJECT**  
**For the year ended December 31, 2025**

|                                          | General Assets |     |     |     |     | Asset Category |                           | Totals |      |
|------------------------------------------|----------------|-----|-----|-----|-----|----------------|---------------------------|--------|------|
|                                          | TBD            | TBD | TBD | TBD | TBD | TBD            | Assets Under Construction | 2025   | 2024 |
| <b>Cost</b>                              |                |     |     |     |     |                |                           |        |      |
| Opening costs                            | \$             | \$  | \$  | \$  | \$  | \$             | \$                        | \$     | \$   |
| Additions during the year                |                |     |     |     |     |                |                           |        |      |
| Disposals and write downs                |                |     |     |     |     |                |                           |        |      |
| Transfers from assets under construction |                |     |     |     |     |                |                           |        |      |
| Closing costs                            |                |     |     |     |     |                |                           |        |      |
| <b>Accumulated Amortization</b>          |                |     |     |     |     |                |                           |        |      |
| Opening accumulated amortization         |                |     |     |     |     |                |                           |        |      |
| Amortization                             |                |     |     |     |     |                |                           |        |      |
| Disposals and write downs                |                |     |     |     |     |                |                           |        |      |
| Closing accumulated amortization         |                |     |     |     |     |                |                           |        |      |
| Net Book Value                           | \$             | \$  | \$  | \$  | \$  | \$             | \$                        | \$     | \$   |

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**SCHEDULE 9 - SCHEDULE OF INTANGIBLE CAPITAL ASSETS BY FUNCTION**  
**For the year ended December 31, 2025**

| Cost                             | General<br>Government | Protective<br>Services | Transportation<br>Services | Environmental<br>& Public<br>Health | Planning &<br>Development | Recreation &<br>Culture | Water &<br>Sewer | Totals |      |
|----------------------------------|-----------------------|------------------------|----------------------------|-------------------------------------|---------------------------|-------------------------|------------------|--------|------|
|                                  |                       |                        |                            |                                     |                           |                         |                  | 2025   | 2024 |
| Opening costs                    | \$                    | \$                     | \$                         | \$                                  | \$                        | \$                      | \$               | \$     | \$   |
| Additions during the year        |                       |                        |                            |                                     |                           |                         |                  |        |      |
| Disposals and write downs        |                       |                        |                            |                                     |                           |                         |                  |        |      |
| Closing costs                    |                       |                        |                            |                                     |                           |                         |                  |        |      |
| <b>Accumulated Amortization</b>  |                       |                        |                            |                                     |                           |                         |                  |        |      |
| Opening accumulated amortization |                       |                        |                            |                                     |                           |                         |                  |        |      |
| Amortization                     |                       |                        |                            |                                     |                           |                         |                  |        |      |
| Disposals and write downs        |                       |                        |                            |                                     |                           |                         |                  |        |      |
| Closing accumulated amortization |                       |                        |                            |                                     |                           |                         |                  |        |      |
| Net Book Value                   | \$                    | \$                     | \$                         | \$                                  | \$                        | \$                      | \$               | \$     | \$   |

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**SCHEDULE 10 - SCHEDULE OF ACCUMULATED SURPLUS**  
**For the year ended December 31, 2025**

|                                                                       | 2024                 | Changes             | 2025                 |
|-----------------------------------------------------------------------|----------------------|---------------------|----------------------|
| <b>UNAPPROPRIATED SURPLUS</b>                                         | \$ 1,086,930         | \$ 289,961          | \$ 1,376,891         |
| <b>APPROPRIATED RESERVES</b>                                          |                      |                     |                      |
| General Reserve                                                       | 655,509              | 80,000              | 735,509              |
| Dedicated Lands Reserve                                               | 27,582               | 477                 | 28,059               |
| Heredin Creek Reserve                                                 | 25,085               | 1,932               | 27,017               |
| <b>Total appropriated reserves</b>                                    | <b>708,176</b>       | <b>82,409</b>       | <b>790,585</b>       |
| <b>ORGANIZED HAMLETS</b>                                              |                      |                     |                      |
| Holbein                                                               | 147,257              | 20,861              | 168,118              |
| Crutwell                                                              | 109,756              | 11,039              | 120,795              |
| <b>Total Organized Hamlets</b>                                        | <b>257,013</b>       | <b>31,900</b>       | <b>288,913</b>       |
| <b>NET INVESTMENT IN CAPITAL ASSETS</b>                               |                      |                     |                      |
| Tangible capital assets (Schedule 6,7)                                | 23,167,210           | (672,038)           | 22,495,172           |
| Intangible capital assets (Schedule 8,9)                              |                      |                     |                      |
| <b>Net investment in capital assets</b>                               | <b>23,167,210</b>    | <b>(672,038)</b>    | <b>22,495,172</b>    |
| <b>ACCUMULATED SURPLUS excluding<br/>remeasurement gains (losses)</b> | <b>\$ 25,219,329</b> | <b>\$ (267,768)</b> | <b>\$ 24,951,561</b> |

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**SCHEDULE 11 - SCHEDULE OF MILL RATES AND ASSESSMENTS**  
For the year ended December 31, 2025

|                          | PROPERTY CLASS |             |                         |                      |                         |                | Total       |
|--------------------------|----------------|-------------|-------------------------|----------------------|-------------------------|----------------|-------------|
|                          | Agriculture    | Residential | Residential Condominium | Seasonal Residential | Commercial & Industrial | Potash Mine(s) |             |
| Taxable assessment       | 228,182,250    | 78,517,935  |                         |                      | 2,927,740               |                | 309,627,925 |
| Regional Park Assessment |                |             |                         |                      |                         |                | 7,318,128   |
| Total Assessment         |                |             |                         |                      |                         |                | 316,946,053 |
| Mill Rate Factor(s)      | 1.09           | 1.64        |                         |                      | 3.10                    |                |             |
| Total Base/Minimum Tax   | 37,750         | 69,450      |                         |                      | 850                     |                | 108,050     |
| Total Municipal Tax Levy | 1,416,667      | 701,098     |                         |                      | 50,045                  |                | 2,167,810   |

| MILL RATES:                 |  | MILLS  |
|-----------------------------|--|--------|
| Average Municipal           |  | 6.8397 |
| Average School              |  | 1.9856 |
| Potash Mill Rate            |  |        |
| Uniform Municipal Mill Rate |  | 5.6000 |

**RURAL MUNICIPALITY OF SHELLBROOK #493**  
**SCHEDULE 12 - SCHEDULE OF COUNCIL REMUNERATION**  
**For the year ended December 31, 2025**

| <u>Position - Name</u>   | <u>Remuneration</u> | <u>Reimbursed<br/>Costs</u> | <u>Total</u>  |
|--------------------------|---------------------|-----------------------------|---------------|
| Reeve - Christine Strube | \$ 8,006            | \$ 3,550                    | 11,556        |
| Councilor - Jay Ferster  | 6,844               | 925                         | 7,769         |
| Councilor - Ivan Ten Bos | 4,318               | 1,350                       | 5,668         |
| Councilor - Kevin Bruce  | 3,656               | 705                         | 4,361         |
| Councilor - Levi Moore   | 2,494               | 95                          | 2,589         |
| Councilor - Tasha Cyr    | 2,128               |                             | 2,128         |
|                          | <u>\$ 27,446</u>    | <u>\$ 6,625</u>             | <u>34,071</u> |