

TOWN OF KINISTINO
Financial Statements
Year Ended December 31, 2025

TOWN OF KINISTINO
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Year Ended December 31, 2025

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Management's Responsibility

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

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

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

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



Mayor



Administrator

INDEPENDENT AUDITOR'S REPORT

To the Council of Town of Kinistino

Opinion

We have audited the financial statements of Town of Kinistino (the "organization"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations, changes in accumulated surplus, changes in net financial assets (debt), remeasurement gains and losses, and cash flows for the year then ended, and notes and schedules to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

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

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

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

In preparing the financial statements, management is responsible for assessing the organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

(continues)

Independent Auditor's Report to the Council of Town of Kinistino *(continued)*

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

- Identify and assess the risks of material misstatement of the 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 organization'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 organization'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 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 organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Melfort, Saskatchewan
March 12, 2026

Ingram & Yeadon Accountants

TOWN OF KINISTINO
Consolidated Statement of Financial Position
Statement 1
As at December 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash and Cash Equivalents <i>(Note 2)</i>	\$ 792,539	\$ 1,427,883
Investments <i>(Note 3)</i>	2,011,648	1,000,000
Taxes Receivable - Municipal <i>(Note 4)</i>	59,442	29,947
Other Accounts Receivable <i>(Note 6)</i>	270,935	359,483
Assets Held for Sale <i>(Note 7)</i>	160,492	219,911
Total Financial Assets	3,295,056	3,037,224
LIABILITIES		
Accounts Payable	79,393	137,178
Accrued Landfill Costs <i>(Note 10)</i>	119,586	308,745
Deposits	42,944	49,738
Deferred Revenue <i>(Note 9)</i>	42,180	28,985
Long term debt <i>(Note 11)</i>	1,196,029	337,260
Rounding	3	(1)
Total Liabilities	1,480,135	861,905
NET FINANCIAL ASSETS	1,814,921	2,175,319
NON-FINANCIAL ASSETS		
Tangible Capital Assets <i>(Schedule 6, 7)</i>	14,879,171	13,532,252
Prepayments and Deferred Charges	2,041	6,524
Stock and Supplies	-	-
	14,881,212	13,538,776
ACCUMULATED SURPLUS (DEFICIT)	\$ 16,696,133	\$ 15,714,095
Accumulated surplus is comprised of:		
Accumulated Surplus (Deficit) excluding remeasurement gains (losses) <i>(Schedule 10)</i>	\$ 16,696,133	\$ 15,714,095
Accumulated remeasurement gains (losses) <i>(Statement 5)</i>	-	-
	\$ 16,696,133	\$ 15,714,095

CONTRACTUAL OBLIGATIONS AND COMMITMENTS *(Note 14)*

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

TOWN OF KINISTINO
Consolidated Statement of Operations
Statement 2
As at December 31, 2025

	Budget 2025	2025	2024
REVENUES			
Taxes Revenue <i>(Schedule 1)</i>	\$ 837,540	\$ 847,633	\$ 796,528
Other Unconditional Revenue <i>(Schedule 1)</i>	199,820	199,824	187,708
Fees and Charges <i>(Schedule 4, 5)</i>	707,720	884,436	726,870
Conditional Grants <i>(Schedule 4, 5)</i>	41,800	49,560	77,958
Tangible Capital Assets Sales - Gain <i>(Schedule 4, 5)</i>	-	-	(1,037)
Land Sales - Gain <i>(Schedule 4, 5)</i>	(22,720)	(47,754)	-
Investment Income <i>(Schedule 4, 5) (Note 3)</i>	60,000	83,247	76,701
Other Revenues <i>(Schedule 4, 5)</i>	373,900	766,317	29,835
Provincial/Federal Capital Grants and Contributions <i>(Schedule 4, 5)</i>	83,770	84,647	41,459
Total Revenues	2,281,830	2,867,910	1,936,022
	2,281,830	2,867,910	1,936,022
EXPENSES			
General Government Services <i>(Schedule 3)</i>	275,150	247,512	275,857
Protective Services <i>(Schedule 3)</i>	145,200	228,218	236,447
Transportation Services <i>(Schedule 3)</i>	533,250	488,902	473,501
Environment & Public Health Services <i>(Schedule 3)</i>	153,580	150,664	149,027
Planning & Development Services <i>(Schedule 3)</i>	4,000	3,448	4,588
Recreation & Cultural Services <i>(Schedule 3)</i>	331,000	309,846	120,155
Utility Services <i>(Schedule 3)</i>	471,090	457,281	707,796
Rounding	-	-	1
	1,913,270	1,885,871	1,967,372
Annual Surplus (Deficit) of Revenues over Expenses	368,560	982,039	(31,350)
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), Beginning of Year	15,714,095	15,714,094	15,745,445
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), End of Year	\$ 16,082,655	\$ 16,696,133	\$ 15,714,095

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

TOWN OF KINISTINO**Consolidated Statement of Change in Net Financial Assets****Statement 3****As at December 31, 2025**

	2025 Budget	2025	2024
Annual Surplus (Deficit) of Revenues over Expenses	\$ 368,560	\$ 982,039	\$ (31,350)
(Acquisition) of tangible capital assets	(1,947,440)	(1,866,356)	(347,144)
Amortization of tangible capital assets	519,450	519,437	307,747
Amortization of intangible capital assets	-	-	-
Proceeds on disposal of tangible capital assets	-	-	37,100
Loss (gain) on the disposal of tangible capital assets	-	-	1,037
Proceeds on disposal of intangible capital assets	-	-	-
Loss (gain) on the disposal of intangible capital assets	-	-	-
Surplus (Deficit) of capital expenses over expenditures	(1,427,990)	(1,346,919)	(1,260)
Use (Acquisition) of prepaid expense	-	4,484	(727)
Rounding	-	(2)	-
	(1,427,990)	(1,342,437)	(1,987)
Increase/Decrease in Net Financial Assets	(1,059,430)	(360,398)	(33,337)
Net Financial Assets (Debt) - Beginning of Year	-	2,175,319	2,208,656
Net Financial Assets (Debt) - End of Year	\$ (1,059,430)	\$ 1,814,921	\$ 2,175,319

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

TOWN OF KINISTINO
Consolidated Statement of Cash Flows
Statement 4
As at December 31, 2025

	2025	2024
Operating:		
Annual Surplus (Deficit) of Revenues over Expenses	\$ 982,039	\$ (31,350)
Amortization of tangible capital assets	519,437	307,747
Loss (Gain) on disposal of tangible capital assets	-	1,037
	<u>1,501,476</u>	<u>277,434</u>
Change in assets/liabilities		
Taxes Receivable - Municipal	(29,495)	5,695
Other Receivables	88,548	176,042
Assets Held for Sale	59,419	-
Accounts and Accrued Liabilities Payable	(246,944)	98,333
Deposits	(6,794)	4,500
Deferred Revenue	13,195	(5,094)
Liability for Contaminated Sites	-	(76,023)
Prepayments and Deferred Charges	4,483	(727)
Rounding	2	-
	<u>(117,586)</u>	<u>202,726</u>
Cash provided by operating transactions:	<u>1,383,890</u>	<u>480,160</u>
Capital and Investing:		
Capital:		
Acquisition of capital assets	(1,866,356)	(347,144)
Proceeds from the disposal of capital assets	-	37,100
Investing:		
Cash provided by (applied to) capital and investing:	<u>(1,866,356)</u>	<u>(310,044)</u>
Financing:		
Long-term debt issued	1,000,000	-
Long-term debt repaid	(141,230)	(49,268)
Other financing	-	-
Cash provided by (applied to) financing transactions	<u>858,770</u>	<u>(49,268)</u>
Change in Cash and Cash Equivalents	376,304	120,848
Cash and Cash Equivalents - Beginning of Year	2,427,883	2,307,035
Cash and Cash Equivalents - End of Year	\$ 2,804,187	\$ 2,427,883
Cash and cash equivalents consist of:		
Cash and Cash Equivalents	\$ 792,539	\$ 1,427,883
Term deposits	2,011,648	1,000,000
Less: restricted portion of cash and cash equivalents	-	-
	<u>\$ 2,804,187</u>	<u>\$ 2,427,883</u>

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

TOWN OF KINISTINO
Consolidated Statement of Remeasurement Gains and Losses (Statement 5)
As at December 31, 2025

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

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

TOWN OF KINISTINO
Notes to Financial Statements
As at December 31, 2025

1. **SIGNIFICANT ACCOUNTING POLICIES**

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

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

(a) Reporting Entity:

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

There are no entities consolidated in these financial statements.

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.

There are no partnerships in these financial statements.

(b) Collection of Funds for Other Authorities:

Collection of funds by the municipality for school boards, municipal hail, and conservation and development authorities are collected and remitted in accordance with relevant legislation.

(c) Government Transfer:

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

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

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

Earned government transfer amounts not received will be recorded as an amount receivable.

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

(d) Other (Non-Government Transfer) Contributions:

Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the municipality if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions are deferred until the resources are used for the purpose specified, at which time the contributions are recognized as revenue. In-kind contributions are recorded at their fair value when they are received.

(e) Revenue

For revenue items with no related performance obligations, revenue is recorded using the accrual method of accounting.

(continues)

TOWN OF KINISTINO
Notes to Financial Statements
As at December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

For revenue items with related performance obligations, revenue is recorded using the accrual method of accounting.

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

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

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

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

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

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

(f) Local Improvement Charges:

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

(g) Net Financial Assets:

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

(h) Non-financial Assets:

Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

(i) Appropriated Reserves:

Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 10.

(*continues*)

TOWN OF KINISTINO
Notes to Financial Statements
As at December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(j) Property Tax Revenue:

Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by council. 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.

(k) Financial Instruments:

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

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

Long-term debt: Long-term debt is initially recognized net of premiums, discounts, and transaction costs and is measured at amortized cost with interest expense recognized using the effective interest rate method.

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

Measurement of Financial Instruments:

The municipalities financial assets and liabilities are measured as follows:

Cash & Cash Equivalents	= Cost and amortized cost
Investments	= Fair value and cost/amortized cost
Other Accounts Receivable	= Cost and amortized cost
Long term receivables	= Amortized cost
Debt Charges Recoverable	= Amortized cost
Bank Indebtedness	= Amortized cost
Accounts payable and accrued liabilities	= Cost
Deposit liabilities	= Cost
Long-Term Debt	= Amortized cost
Derivative Assets and Liabilities	= Fair value

(l) Inventory

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

(m) Tangible Capital Assets:

All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant deflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The cost of these tangible capital assets less any residual value are amortized over the estimated useful life of the asset, using the straight-line method. Tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use. The municipality's tangible capital asset useful lives are estimated as follows:

General Assets

Land: useful life = indefinite

(*continues*)

TOWN OF KINISTINO
Notes to Financial Statements
As at December 31, 2025

1. **SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Land Improvements:	useful life = 5 to 20 years
Buildings:	useful life = 10 to 50 years
Vehicles:	useful life = 5 to 10 years
Machinery and Equipment:	useful life = 5 to 20 years

Infrastructure Assets

Water and Sewer:	useful life = 50 years
Road Network Assets:	useful life = 15 to 40 years

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

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

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

Leases: All leases are recorded on the consolidated financial statements as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risk associated with the leased asset is classified as a capital lease and recorded as 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. Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

(n) **Public Private Partnerships**

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

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

The municipality has not entered into any Public Private Partnerships.

(o) **Trust funds**

Funds held in trust for others, under a trust agreement or statue, are not included in the consolidated financial statements as they are not controlled by the municipality.

There are no trust funds administered by the municipality.

(continues)

TOWN OF KINISTINO
Notes to Financial Statements
As at December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(p) 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.

(q) Liability for Contaminated Sites

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

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

(r) Measurement uncertainty:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

Measurement uncertainty impacts the following financial statement areas:

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

The measurement of materials and supplies are based on estimates of volume and quality.

The 'Opening Asset costs' of tangible capital assets have been estimated where actual costs were not available.

Amortization is based on the estimated useful lives of tangible capital assets.

The liability associated with asset retirement obligations are measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date, the discount rate, and inflation.

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

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

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

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.

(continues)

TOWN OF KINISTINO
Notes to Financial Statements
As at December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(s) Basis of Segmentation/Segment Report:

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

The segments (functions) are as follows:

General Government: Provides for the administration of the municipality.

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

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

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

Planning and Development: Provides for neighbourhood development and sustainability.

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

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

(t) Budget Information:

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on June 12, 2025.

(u) Assets Held for Sale:

The municipality is committed to selling the asset, the asset is in a condition to be sold, the asset is publicly seen to be for sale, there is an active market for the asset, there is a plan in place for selling the asset, and the sale is reasonably anticipated to be completed within one year of the financial statement date.

(v) Asset Retirement Obligation:

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

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

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates.

At remediation, the municipality derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the statement of operations.

(*continues*)

TOWN OF KINISTINO
Notes to Financial Statements
As at December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(w) Loan Guarantees:

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

The municipality has not provided any loan guarantees during this reporting period.

(x) New Accounting Policies Adopted During the Year:

PS 3400, Revenue, a new standard establishing guidance on how to account for and report on revenue. The standard provides a framework for recognizing, measuring and reporting revenues that arise from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payer. This section may be applied retroactively or prospectively.

PSG-8, Purchased Intangibles, provides guidance on accounting for and reporting on purchased intangible capital assets. It provides clarity on the recognition criteria, along with instances of assets that would not meet the definition of such. Application may be made either retroactively or prospectively in accordance with PS 2120 Accounting Changes.

PS 3160, Public private partnerships, a new standard establishing guidance on how to account for and report on partnerships between public and private sector entities. Specifically those in which the entity in the public sector procures infrastructure in conjunction with a private sector entity. In these scenarios the private sector entity must have obligations to design, build, acquire or improve existing infrastructure. Furthermore they must also finance the transaction past the point in which the asset is initially ready for use along with operating and/or maintaining such on an ongoing basis. The standard may be applied either retroactively (with or without prior period restatement) or prospectively.

Prospective application: During the year, the municipality will adhere to the above accounting policies. The municipality now accounts for revenue using accrual method prospectively. Purchased intangibles and public private partnerships will be accounted for prospectively in accordance with the new standards.

2. CASH AND CASH EQUIVALENTS

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	<u>\$ 792,539</u>	<u>\$ 1,427,883</u>

Cash and cash equivalents includes balances with banks and short-term deposits with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

TOWN OF KINISTINO
Notes to Financial Statements
As at December 31, 2025

3. INVESTMENTS

	<u>2025</u>	<u>2024</u>
<u>Investments carried at cost</u>		
Term deposits	<u>\$ 2,011,648</u>	<u>\$ 1,000,000</u>

The Municipality holds term deposits at 3.55% maturing in March 2026. The accrued interest on these terms is represented in Note 6 Accounts Receivable.

<u>Investment Income</u>		
Interest	<u>\$ 83,247</u>	<u>\$ 76,701</u>

Unrealized gains on equity investments carried at fair value of [\$nil (Prior - \$nil)] have been recognized in the statement of remeasurement gains and losses.

4. TAXES RECEIVABLE - MUNICIPAL

	<u>2025</u>	<u>2024</u>
<u>Municipal</u>		
Current	\$ 54,409	\$ 28,131
Arrears	<u>8,032</u>	<u>4,816</u>
	<u>62,441</u>	<u>32,947</u>
Less Allowance for Uncollectible	<u>(3,000)</u>	<u>(3,000)</u>
Total municipal taxes receivable	<u>\$ 59,441</u>	<u>\$ 29,947</u>

5. TAXES RECEIVABLE - OTHER

	<u>2025</u>	<u>2024</u>
<u>School</u>		
Current	447	3,526
Arrears	<u>1,211</u>	<u>830</u>
Total taxes to be collected on behalf of School Divisions	<u>1,658</u>	<u>4,356</u>
<u>Other</u>		
Total taxes and grants in lieu receivable to be collected on behalf of other organizations	<u>\$ 1,658</u>	<u>\$ 4,356</u>

6. OTHER ACCOUNTS RECEIVABLE

	<u>2025</u>	<u>2024</u>
Federal Government	\$ 55,280	\$ 26,032
Provincial Government	107,945	235,820
Local Government	34,775	75
Utility	6,878	11,113
Trade	8,945	20,104
Other - Accrued interest receivable	<u>57,676</u>	<u>66,902</u>
Subtotal	<u>271,499</u>	<u>360,046</u>
Less: Allowance for Uncollectible	<u>(564)</u>	<u>(564)</u>
Net Other Accounts Receivable	<u>\$ 270,935</u>	<u>\$ 359,482</u>

TOWN OF KINISTINO
Notes to Financial Statements
As at December 31, 2025

7. ASSETS HELD FOR SALE

	<u>2025</u>	<u>2024</u>
Tax Title Property	\$ 27,187	\$ 39,163
Allowance for market value adjustment	(27,187)	(39,163)
Net Tax Title Property	-	-
Other Land	<u>160,492</u>	<u>219,911</u>
Net Other Land	<u>160,492</u>	<u>219,911</u>
Total Assets Held for Sale	<u>\$ 160,492</u>	<u>\$ 219,911</u>

8. BANK INDEBTEDNESS

Credit Arrangements

The municipality has available an operating line of credit in the amount of \$100,000 and bearing interest at prime plus 0.5%. Prime was 4.45% on December 31, 2025. The municipality did not utilize the available overdraft in 2025.

9. DEFERRED REVENUE

	<u>2025</u>	<u>2024</u>
Prepaid taxes	\$ 24,896	\$ 12,790
Prepaid utilities	7,454	3,999
Other deferred revenue	<u>9,831</u>	<u>12,196</u>
Total deferred revenue	<u>\$ 42,181</u>	<u>\$ 28,985</u>

10. LIABILITY FOR CONTAMINATED SITES

The municipality recognizes and estimates a liability of \$119,586 (\$308,745 in 2024) for remediation of the Town of Kinistino Landfill using costing from ICIP grant. The nature of the liability includes the cost of remediation of the landfill and post clean up. The estimated liability is based on a engineering report conducted in conjunction with the ICIP grant application. The ICIP grant was approved and the closure must be completed by March 31, 2026. A request for an extension was applied for in 2026.

Landfill closure and post-closure care requirements have been defined in accordance with the Environmental Act and include final covering and landscaping of the landfill, pumping of ground, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending into the next fiscal year using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability and would be recognized prospectively, as a change in estimate.

TOWN OF KINISTINO
Notes to Financial Statements
As at December 31, 2025

11. LONG TERM DEBT

a) The debt limit of the municipality is \$1,405,120. 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)).

	<u>2025</u>	<u>2024</u>
Debenture bearing interest at 3.25% per annum, repayable in annual blended payments of \$34,389. The loan matures on December 01, 2036 and is secured by borrowing resolution and assignment of taxes.	\$ 313,831	\$ 337,260
Term loan bearing interest at 4.19% per annum, repayable in annual blended payments of \$124,460. The loan matures on December 31, 2034 and is secured by borrowing resolution and assignment of taxes.	<u>882,198</u>	-
	<u>\$ 1,196,029</u>	<u>\$ 337,260</u>

Principal repayment terms are approximately:

2026	\$ 111,686
2027	116,138
2028	120,689
2029	125,584
2030	130,595
Thereafter	<u>591,337</u>
	<u>\$ 1,196,029</u>

12. PENSION PLAN

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality's pension expense in 2025 was \$24,702. 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 employees of the municipality contribute 9% (2024 - 9%) of their wages to the plan, and the municipality matches all employee contributions. Total current service contributions by the municipality to the MEPP in 2025 were \$24,702 (2024 - \$22,038). Total current service contributions by the employees of the municipality to the MEPP in 2025 were \$24,702 (2024 - \$22,038).

Based on the latest information available (December 31, 2024) MEPP had a surplus in net assets available for benefits of \$4,059,044 and a reported a surplus of \$1,519,648; the municipalities portion of this is not readily determinable.

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

13. COMPARATIVE FIGURES

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

TOWN OF KINISTINO
Notes to Financial Statements
As at December 31, 2025

14. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The municipality has committed to the following:

The municipality has committed to donating \$2,395 per year from 2017 - 2036 to the Melfort Wellness Centre.

The municipality has committed to donating \$560 per year from 2020 - 2029 to the Melfort Heliport.

The municipality has entered into municipal fire service agreements with the Rural Municipality of Kinistino #429, the Rural Municipality of Invergordon #430, the Village of Weldon and the James Smith Cree Nation.

The municipality been approved for the ICIP grant for \$285,987 for the closure of the landfill; this project will be completed by March 31, 2026. A request for an extension was applied for in 2026.

Summary of annual commitments:

2026	\$	2,956
2027		2,956
2028		2,956
2029		2,956
2030		2,395
Thereafter		14,371
	\$	<u>28,590</u>

15. RISK MANAGEMENT

The municipality is exposed to various risks through its financial assets and liabilities. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2025.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through interest rates on term deposits.

The municipality holds an available line of credit at prime plus 0.5%. Prime rate was 5.45% at January 1, 2025 and was 4.45% at December 31, 2025. The municipality did not utilize this line of credit during the year.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

TOWN OF KINISTINO
Notes to Financial Statements
As at December 31, 2025

16. ICIP GRANT

Investing in Canada Infrastructure Program grant for the landfill project that will extend over multiple fiscal years. The grant receivable is included in Provincial Grant Receivable in Note 6.

	<u>2025</u>	<u>2024</u>
<u>Landfill project</u>		
Opening Receivable	\$ 226,401	\$ 282,150
ICIP submitted funding	-	-
ICIP disbursements received	<u>(126,913)</u>	<u>(55,749)</u>
Subtotal	99,488	226,401
Adjustment: none for 2025	<u>-</u>	<u>-</u>
Landfill project receivable	<u>99,488</u>	<u>226,401</u>

Investing in Canada Infrastructure Program grant for the lagoon project that will extend over multiple fiscal years. The grant receivable is included in Provincial Grant Receivable in Note 6.

<u>Civic Centre project</u>		
Opening Receivable	-	214,124
ICIP submitted funding	-	-
ICIP disbursements received	<u>-</u>	<u>(214,124)</u>
Subtotal	-	-
Adjustment: none for 2025	<u>-</u>	<u>-</u>
Lagoon project receivable	<u>-</u>	<u>-</u>
Total	<u>\$ 99,488</u>	<u>\$ 226,401</u>

Total ICIP revenue reported in 2025 statement of income and expenses \$nil.
Total ICIP Government Funding received in 2025 \$126,913.

TOWN OF KINISTINO**Schedule of Taxes and Other Unconditional Revenue****(Schedule 1)****As at December 31, 2025**

	Budget 2025	2025	2024
TAXES			
General municipal tax levy	724,870	733,902	691,027
Abatements and adjustments	(4,600)	(5,397)	(9,212)
Discounts on current year taxes	(1,550)	(2,908)	(2,963)
Net municipal taxes	718,720	725,597	678,852
Penalties on tax arrears	4,500	5,983	5,094
Total Taxes	723,220	731,580	683,946
UNCONDITIONAL GRANTS			
Revenue sharing	199,820	199,824	187,708
GRANTS IN LIEU OF TAXES			
Federal			
Federal GIL	2,190	2,197	1,938
Provincial			
SaskEnergy Surcharge	15,000	19,579	18,986
SaskTel	1,190	1,189	1,038
Local/Other			
Housing Authority	57,440	54,054	51,402
Other Government Transfers			
S.P.C. Surcharge	38,500	39,034	39,218
Total Grants in Lieu of Taxes	114,320	116,053	112,582
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE			
	\$ 1,037,360	\$ 1,047,457	\$ 984,236

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

TOWN OF KINISTINO

Schedule of Operating and Capital Revenue by Function

(Schedule 2)

As at December 31, 2025

	Budget 2025	2025	2024
GENERAL GOVERNMENT			
Operating			
- Sale of supplies	1,000	2,011	1,085
- Other F&C: permits, rent, tax certificates	3,900	3,098	8,482
- Land sales - gain (loss)	(22,720)	(47,754)	-
- Investment income	60,000	83,247	76,701
- Other: TE collections, etc	161,000	6,849	944
- Conditional grant: Other: SaskHeritage, SGI	-	-	35,783
Capital			
Total General Government Services	203,180	47,451	122,995
PROTECTIVE SERVICES			
Operating			
- Other F&C: fire calls, permits, RCMP fines	105,700	254,664	84,975
- Other: Wildfire expense reimbursement	-	382,146	-
- Conditional grant: Local government	27,200	34,700	27,200
Capital			
- Local government	42,840	42,844	-
Total Protective Services	175,740	714,354	112,175
TRANSPORTATION SERVICES			
Operating			
- Custom work	-	-	603
- Sale of supplies	2,500	2,965	3,754
- Other F&C: Equipment rentals	720	1,020	765
- Conditional grant: RIRG (CTP)	600	600	600
Capital			
- Canada Community-Building Fund (CCBF)	40,930	41,803	41,459
Total Transportation Services	44,750	46,388	47,181
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
- Other F&C: CIB, landfill fees, licenses	9,500	15,020	13,127
- Conditional grant: Other: MMSW	14,000	14,260	14,375
Capital			
Total Environmental and Public Health Services	23,500	29,280	27,502

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

TOWN OF KINISTINO

Schedule of Operating and Capital Revenue by Function (continued)

(Schedule 2)

As at December 31, 2025

	Budget 2025	2025	2024
PLANNING AND DEVELOPMENT SERVICES			
Operating			
- Other F&C: building permits	3,500	4,013	4,489
Capital			
Total Planning and Development Services	3,500	4,013	4,489
RECREATION AND CULTURAL SERVICES			
Operating			
- Other F&C: rental fees, user fees	\$ 86,800	\$ 80,629	\$ 104,846
- Other: donations, fundraising	212,000	376,366	27,224
Capital			
Total Recreation and Cultural Services	\$ 298,800	\$ 456,995	\$ 132,070
UTILITY SERVICES			
Operating			
- Water charges	\$ 360,100	\$ 381,904	\$ 368,200
- Sewer charges	85,000	88,367	87,226
- Other F&C: infrastructure levy	47,000	48,005	47,091
- Other F&C: Late payment fees	2,000	2,740	2,227
- TCA sales - gain (loss)	-	-	(1,037)
- Other: Beatty water review	900	956	1,667
Capital			
Total Utility Services	\$ 495,000	\$ 521,972	\$ 505,374
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 1,244,470	\$ 1,820,453	\$ 951,875
SUMMARY			
Total Other Segmented Revenues	\$ 1,118,900	\$ 1,686,246	\$ 832,368
Total Conditional Grants	41,800	49,560	77,958
Total Capital Grants and Contributions	83,770	84,647	41,459
Rounding	-	-	-
TOTAL REVENUE BY FUNCTION	\$ 1,244,470	\$ 1,820,453	\$ 951,785

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

TOWN OF KINISTINO

Total Expenses by Function

(Schedule 3)

As at December 31, 2025

	Budget 2025	2025	2024
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	16,500	14,550	15,243
Wages and benefits	113,000	109,101	98,759
Professional/Contractual services	109,350	92,739	90,188
Utilities	18,000	15,731	16,619
Maintenance, materials and supplies	6,100	6,453	4,273
Grants and contributions - operating	4,000	6,256	31,636
Other:	8,200	2,682	19,139
Total General Government Services	275,150	247,512	275,857
PROTECTIVE SERVICES			
Police protection			
Professional/Contractual services	40,000	40,644	39,695
Fire protection			
Wages and benefits	30,000	20,850	-
Professional/Contractual services	32,590	126,607	151,810
Utilities	5,700	3,811	5,081
Maintenance, materials and supplies	12,530	11,927	27,508
Amortization of Tangible Capital Assets	24,380	24,379	12,353
Total Protective Services	145,200	228,218	236,447
TRANSPORTATION SERVICES			
Wages and benefits	109,520	110,865	102,149
Professional/Contractual services	131,960	96,571	83,399
Utilities	28,900	27,049	27,251
Maintenance, materials and supplies	43,410	32,916	55,149
Gravel	8,380	10,420	8,378
Amortization of Tangible Capital Assets	211,080	211,081	197,175
Total Transportation Services	533,250	488,902	473,501
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	50,000	50,962	46,892
Professional/Contractual services	82,100	74,190	77,136
Maintenance, materials and supplies	3,480	2,045	4,876
Grants and contributions - operating	-	-	-
Grants and contributions - capital	-	-	-
Other:	18,000	23,467	20,123
Total Environmental and Public Health Services	153,580	150,664	149,027

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

TOWN OF KINISTINO**Total Expenses by Function (continued)****(Schedule 3)****As at December 31, 2025**

	Budget 2025	2025	2024
PLANNING AND DEVELOPMENT SERVICES			
Professional/Contractual services	4,000	3,448	3,703
Interest	-	-	885
Total Planning and Development Services	4,000	3,448	4,588
RECREATION AND CULTURAL SERVICES			
Professional/Contractual services	56,300	34,668	36,399
Utilities	63,900	58,547	60,423
Maintenance, materials and supplies	3,000	2,193	1,801
Grants and contributions - operating	15,350	15,335	14,845
Amortization of Tangible Capital Assets	192,450	192,445	6,687
Interest	-	6,658	-
Total Recreation and Cultural Services	331,000	309,846	120,155
UTILITY SERVICES			
Wages and benefits	74,160	73,550	68,602
Professional/Contractual services	50,650	33,847	297,892
Utilities	214,800	216,123	211,768
Maintenance, materials and supplies	27,980	30,503	25,577
Amortization of Tangible Capital Assets	91,540	91,532	91,532
Interest	11,960	11,726	12,425
	471,090	457,281	707,796
Total Utility Services	471,090	457,281	707,796
TOTAL EXPENSES BY FUNCTION	\$ 1,913,270	\$ 1,885,870	\$ 1,967,371

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

Consolidated Schedule of Segment Disclosure by Function

As at December 31, 2025

(Schedule 4)

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total 2025
Revenues (Schedule 2)								
Fees and Charges	\$ 5,108	\$ 254,664	\$ 3,985	\$ 15,020	\$ 4,013	\$ 80,630	\$ 521,017	\$ 884,437
Land Sales - Gain	(47,754)	-	-	-	-	-	-	(47,754)
Investment Income	83,247	-	-	-	-	-	-	83,247
Other Revenues	6,849	382,146	-	-	-	376,366	956	766,317
Grants - Conditional	-	34,700	600	14,260	-	-	-	49,560
Grants - Capital	-	42,844	41,803	-	-	-	-	84,647
Total Revenues	47,450	714,354	46,388	29,280	4,013	456,996	521,973	1,820,454
Expenses (Schedule 3)								
Wages and benefits	123,651	20,850	110,865	50,962	-	-	73,550	379,878
Professional/Contractual services	92,739	167,251	96,571	74,190	3,448	34,668	33,847	502,714
Utilities	15,731	3,811	27,049	-	-	58,547	216,123	321,261
Maintenance, materials and supplies	6,454	11,927	43,336	2,045	-	2,193	30,503	96,458
Grants and contributions	6,256	-	-	-	-	15,335	-	21,591
Amortization of Tangible Capital Assets	-	24,379	211,081	-	-	192,445	91,532	519,437
Interest	-	-	-	-	-	6,658	11,726	18,384
Other	2,682	-	-	23,467	-	-	-	26,149
Total Expenses	247,513	228,218	488,902	150,664	3,448	309,846	457,281	1,885,872
Surplus (Deficit) by Function	\$ (200,063)	\$ 486,136	\$ (442,514)	\$ (121,384)	\$ 565	\$ 147,150	\$ 64,692	\$ (65,418)
								2025
Surplus (Deficit) by Function			\$ (65,418)					
Taxes and other unconditional revenue (Schedule 1)			1,047,457					
Rounding			-					
Net Surplus (Deficit)			\$ 982,039					

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

Consolidated Schedule of Segment Disclosure by Function

As at December 31, 2024

(Schedule 5)

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total 2024
Revenues (Schedule 2)								
Fees and Charges	\$ 9,567	\$ 84,975	\$ 5,123	\$ 13,127	\$ 4,489	\$ 104,846	\$ 504,745	\$ 726,872
Tangible Capital Assets Sales - Gain	-	-	-	-	-	-	(1,037)	(1,037)
Investment Income	76,701	-	-	-	-	-	-	76,701
Other Revenues	944	-	-	-	-	27,224	1,667	29,835
Grants - Conditional	35,783	27,200	600	14,375	-	-	-	77,958
Grants - Capital	-	-	41,459	-	-	-	-	41,459
Total Revenues	122,995	112,175	47,182	27,502	4,489	132,070	505,375	951,788
Expenses (Schedule 3)								
Wages and benefits	114,002	-	102,149	46,892	-	-	68,602	331,645
Professional/Contractual services	90,188	191,504	83,399	77,136	3,703	36,399	297,892	780,221
Utilities	16,619	5,081	27,251	-	-	60,423	211,768	321,142
Maintenance, materials and supplies	4,274	27,508	63,527	4,877	-	1,802	25,578	127,566
Grants and contributions	31,636	-	-	-	-	14,845	-	46,481
Amortization of Tangible Capital Assets	-	12,353	197,175	-	-	6,687	91,532	307,747
Interest	-	-	-	-	885	-	12,425	13,310
Other	19,139	-	-	20,123	-	-	-	39,262
Total Expenses	275,858	236,446	473,501	149,028	4,588	120,156	707,797	1,967,374
Surplus (Deficit) by Function	\$ (152,863)	\$ (124,271)	\$ (426,319)	\$ (121,526)	\$ (99)	\$ 11,914	\$ (202,422)	\$ (1,015,586)
								2024
Surplus (Deficit) by Function			\$ (1,015,586)					
Taxes and other unconditional revenue (Schedule 1)			984,236					
Rounding			-					
Net Surplus (Deficit)			\$ (31,350)					

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

TOWN OF KINISTINO
Consolidated Schedule of Tangible Capital Assets by Object
As at December 31, 2025

(Schedule 6)

	General Assets		Infrastructure Assets			General/Infrastructure Assets Under Construction		Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Assets Under Construction	
Asset cost								
Opening Asset costs	\$ 36,603	\$ -	\$ 10,903,860	\$ 287,637	\$ 1,208,698	\$ 5,514,720	\$ 37,348	\$ 17,988,866
Additions during the year	-	-	-	8,904	235,865	263,454	1,358,133	1,866,356
Disposals and write-downs during the year	-	-	-	-	-	-	-	-
Transfers (from) assets under construction	-	-	327,760	-	-	-	(327,760)	-
Rounding	-	-	-	-	-	-	-	(85,837)
Closing Asset Costs	36,603	-	11,231,620	296,541	1,444,563	5,778,174	1,067,721	19,855,222
Accumulated Amortization Cost								
Opening Accumulated Amortization costs	-	-	865,868	41,323	283,808	3,265,615	-	4,456,614
Add: Amortization taken	-	-	225,005	19,895	93,077	181,460	-	519,437
Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	(47,700)
Rounding	-	-	-	-	-	-	-	-
Closing Accumulated Amortization	-	-	1,090,873	61,218	376,885	3,447,075	-	4,976,051
Net Book Value	\$ 36,603	\$ -	\$ 10,140,747	\$ 235,323	\$ 1,067,678	\$ 2,331,099	\$ 1,067,721	\$ 14,879,171

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

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

Consolidated Schedule of Tangible Capital Assets by Function

(Schedule 7)

As at December 31, 2025

	General Government 2025	Protective Services 2025	Transportation Services 2025	Environmental & Public Health 2025	Planning & Development 2025	Recreation & Culture 2025	Water & Sewer 2025	Total 2025	Total 2024
Asset cost									
Opening Asset costs	\$ 708	\$ 339,456	\$ 5,247,672	\$ 27,285	\$ -	\$ 7,814,397	\$ 4,559,348	\$ 17,988,866	\$ 17,727,559
Additions during the year	-	8,904	499,319	-	-	1,067,721	290,412	1,866,356	347,144
Disposals and write-downs during the year	-	-	-	-	-	-	-	-	(85,837)
Rounding	-	-	-	-	-	-	-	-	-
Closing Asset Costs	708	348,360	5,746,991	27,285	-	8,882,118	4,849,760	19,855,222	17,988,866
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	-	109,019	3,112,619	27,285	-	19,163	1,188,528	4,456,614	4,196,567
Less: Accumulated amortization on disposals	-	24,379	211,081	-	-	192,445	91,532	519,437	307,747
Rounding	-	-	-	-	-	-	-	-	(47,700)
Closing Accumulated Amortization Costs	-	133,398	3,323,700	27,285	-	211,608	1,280,060	4,976,051	4,456,614
Net Book Value	\$ 708	\$ 214,962	\$ 2,423,291	\$ -	\$ -	\$ 8,670,510	\$ 3,569,700	\$ 14,879,171	\$ 13,532,252

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

TOWN OF KINISTINO

Consolidated Schedule of Intangible Capital Assets by Object

(Schedule 8)

As at December 31, 2025

	Total 2025	Total 2024
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SCHEDULE 8 IS NOT RELEVANT FOR THIS MUNICIPALITY.

TOWN OF KINISTINO

Consolidated Schedule of Intangible Capital Assets by Function

(Schedule 9)

As at December 31, 2025

	2025	2024
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SCHEDULE 9 IS NOT RELEVANT FOR THIS MUNICIPALITY.

TOWN OF KINISTINO

Consolidated Schedule of Accumulated Surplus

(Schedule 10)

As at December 31, 2025

	2024	Changes	2025
UNAPPROPRIATED SURPLUS	\$ 709,087	\$ 83,618	\$ 792,704
APPROPRIATED RESERVES			
Future Expenditure/Capital	401,400	-	401,400
Public Reserve	10,690	-	10,690
Utility	1,056,561	48,004	1,104,565
CCBF (New Deal Gas Tax)	2,878	62,268	65,146
Fire Department	238,487	300,000	538,487
Landfill	100,000	-	100,000
Total Appropriated	1,810,016	410,272	2,220,288
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets <i>(Schedule 6, 7)</i>	13,532,252	1,346,919	14,879,171
Intangible capital assets <i>(Schedule 8, 9)</i>	-	-	-
Less: Related debt	(337,260)	(858,770)	(1,196,030)
Net Investment in Tangible Capital Assets	13,194,992	488,149	13,683,141
Accumulated Surplus (Deficit)			
excluding remeasurement gains (losses)	\$ 15,714,095	\$ 982,039	\$ 16,696,133

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

TOWN OF KINISTINO
Schedule of Mill Rates and Assessments
As at December 31, 2025

(Schedule 11)

	PROPERTY CLASS							Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)		
Taxable Assessment	312,335	20,406,880	-	-	10,133,615	-	-	30,852,830
Regional Park Assessment	-	-	-	-	-	-	-	-
Total Assessment	312,335	20,406,880	-	-	10,133,615	-	-	30,852,830
Mill Rate Factors:								
Agriculture = 5.00								
Residential = 1.30								
Commercial = 3.90								
Total Base/Minimum Tax								
(generated for each property class)								
Ad valorem and special levies	8,902	345,000	-	-	5,550	-	-	350,550
Total Municipal Tax Levy	8,902	151,215	-	-	223,235	-	-	383,352
(include base and/or minimum tax and special levies)								
	8,902	496,215	-	-	228,785	-	-	733,902

MILL RATES:

- Average Municipal * = 23.7872 mills
- Average School * = 4.9273 mills
- Potash Mill Rate = n/a
- Uniform Municipal Mill Rate = 5.7 mills

* Average Mill Rates (multiply the total tax levy for each taxing authority by 1000 and divide by the total assessment for the taxing authority).

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

TOWN OF KINISTINO
Schedule of Council Remuneration
As at December 31, 2025

(Schedule 12)

	Remuneration	Reimbursed Costs	Total
Mayor - Mark Powalinsky	4,550	61	4,611
Councillor - Gina Klamot	1,950	-	1,950
Councillor - Steven Jack	1,300	-	1,300
Councillor - Andrew Helm	1,650	-	1,650
Councillor - Brennan Smith	1,500	389	1,889
Councillor - Jadie Porter	1,500	-	1,500
Councillor - Shawn Vereschagin	1,650	-	1,650
Total	14,100	450	14,550

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

TOWN OF KINISTINO
Schedule of Restructuring
As at December 31, 2025

(Schedule 13)

	Total 2025
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SCHEDULE 13 IS NOT RELEVANT TO THIS MUNICIPALITY.