

VILLAGE OF MORTLACH
Consolidated Financial Statements
December 31, 2025

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Management's Responsibility

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

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

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

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


Council


Administration

INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors
Village of Mortlach

Qualified Opinion

We have audited the consolidated financial statements of the **VILLAGE OF MORTLACH**, which comprise the consolidated statement of financial position as at December 31, 2025 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Qualified Opinion

Municipalities are required by section 3280 of the CPA Canada Public Sector Accounting Handbook to account for and report a liability for asset retirement obligations associated with their tangible capital assets, including closure and post-closure care of any solid waste landfill sites and asbestos removal from village owned buildings. No such liabilities have been estimated and accounted for in the financial statements and the unrecorded liability may be material in amount. Our audit opinion on the financial statements for the year ended December 31, 2024 was modified because of the effects of this departure from Canadian Public Accounting Standards.

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to dissolve the municipality or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditors' Report (continued)

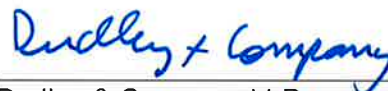
Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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



Dudley & Company LLP
Chartered Professional Accountants

Regina, Saskatchewan
May 26, 2026

VILLAGE OF MORTLACH
Statement of Consolidated Financial Position
As at December 31, 2025

Statement 1

	2025	2024
FINANCIAL ASSETS		
Cash & Cash Equivalents (Note 2)	\$ 174,069	\$ 337,054
Investments (Note 3)	150,000	-
Taxes Receivable - Municipal (Note 4)	51,472	43,534
Other Accounts Receivable (Note 5)	27,020	28,197
Assets Held for Sale	-	-
Long-Term Receivable	-	-
Other Long-Term Investments (Note 6)	314,571	314,571
Debt Charges Recoverable	-	-
Derivative Assets	-	-
Total Financial Assets	717,132	723,356
LIABILITIES		
Bank Indebtedness	-	-
Accounts Payable (Note 7)	35,954	46,594
Accrued Liabilities Payable	-	-
Derivative Liabilities	-	-
Deposits	-	-
Deferred Revenue (Note 8)	42,747	1,127
Asset Retirement Obligation	-	-
Liability for Contaminated Sites	-	-
Infrastructure Liability	-	-
Long-Term Debt (Note 9)	228,839	307,851
Lease Obligations	-	-
Total Liabilities	307,540	355,572
NET FINANCIAL ASSETS	409,592	367,784
Non-Financial Assets		
Tangible Capital Assets (Schedules 6, 7)	489,882	395,436
Intangible Capital Assets (Schedules 8, 9)	-	-
Prepayment and Deferred Charges	40,017	4,185
Stock and Supplies	-	-
Other (Note 10)	37,978	55,467
Total Non-Financial Assets	567,877	455,088
Accumulated Surplus (Deficit) (Schedule 10)	\$ 977,469	\$ 822,872
Accumulated surplus (deficit) is comprised of:		
Accumulated surplus (deficit) excluding remeasurement gains (losses)	\$ 977,469	\$ 822,872
Accumulated remeasurement gains (losses) (Statement 5)	\$ -	\$ -

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

VILLAGE OF MORTLACH
Statement of Consolidated Operations
For the year ended December 31, 2025

Statement 2

		2025 Budget	2025	2024
Revenues				
Tax Revenue	(Schedule 1)	\$ 332,450	\$ 251,286	\$ 240,789
Other Unconditional Revenue	(Schedule 1)	106,010	104,794	99,065
Fees and Charges	(Schedule 4, 5)	267,650	269,048	277,797
Conditional Grants	(Schedule 4, 5)	18,490	21,386	11,994
Tangible Capital Assets - Gain(Loss)	(Schedule 4, 5)	-	3,815	-
Intangible Capital Assets - Gain(Loss)	(Schedule 4, 5)	-	-	-
Land Sales - Gain	(Schedule 4, 5)	30,000	41,479	71,217
Investment Income and Commissions	(Schedule 4, 5)	17,300	9,702	17,299
Other Revenues	(Schedule 4, 5)	21,800	20,771	22,356
Restructurings	(Schedule 4, 5)	-	-	-
Provincial/Federal Capital Grants	(Schedule 4, 5)	51,080	157,894	59,777
Total Revenues		844,780	880,175	800,294
Expenses				
General Government Services	(Schedule 3)	180,550	179,553	169,557
Protective Services	(Schedule 3)	28,690	28,172	31,784
Transportation Services	(Schedule 3)	139,500	110,452	133,434
Environmental and Public Health Services	(Schedule 3)	56,500	53,063	51,747
Planning and Development Services	(Schedule 3)	2,000	8,748	26,421
Recreation and Cultural Services	(Schedule 3)	35,580	126,095	70,219
Utility Services	(Schedule 3)	272,240	219,495	288,032
Total Expenses		715,060	725,578	771,194
Surplus (Deficit) of Revenues over Expenses		129,720	154,597	29,100
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), Beginning of Year		822,872	822,872	793,772
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), End of Year		\$ 952,592	\$ 977,469	\$ 822,872

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

VILLAGE OF MORTLACH
Statement of Consolidated Changes in Net Financial Assets
For the year ended December 31, 2025

Statement 3

	2025 Budget	2025	2024
Annual Surplus (Deficit)	\$ 129,720	\$ 154,597	\$ 29,100
(Acquisition) of tangible capital assets	-	(130,231)	(24,585)
(Acquisition) of intangible capital assets	-	-	-
Amortization of tangible capital assets	17,900	23,701	25,004
Amortization of intangible capital assets	-	-	-
Proceeds of disposal of tangible capital assets	-	15,899	-
Proceeds of disposal of intangible capital assets	-	-	-
Loss (gain) on disposal of tangible capital assets	-	(3,815)	-
Loss (gain) on disposal of intangible capital assets	-	-	-
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (Deficit) of capital expenses over expenditures	17,900	(94,446)	419
(Acquisition) of supplies inventories	-	-	-
(Acquisition) of prepaid expense	-	(35,832)	(2,067)
(Increase) to other non-financial assets	-	-	-
Consumption of supplies inventory	-	-	-
Use of prepaid expense	-	-	-
Decrease to other non-financial assets	-	17,489	1,323
Surplus (Deficit) of other non-financial expenses over expenditures	-	(18,343)	(744)
Unrealized remeasurement gains (losses)	-	-	-
Increase/Decrease in Net Financial Assets	147,620	41,808	28,775
Net Financial Assets - Beginning of Year	367,784	367,784	339,009
Net Financial Assets - End of Year	\$ 515,404	\$ 409,592	\$ 367,784

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

VILLAGE OF MORTLACH
Statement of Consolidated Cash Flows
For the year ended December 31, 2025

Statement 4

	2025	2024
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	\$ 154,597	\$ 29,100
Amortization	23,701	25,004
Loss (gain) on disposal of tangible capital assets	(3,815)	-
Loss (gain) on disposal of intangible capital assets	-	-
	174,483	54,104
Changes in assets / liabilities		
Taxes Receivable - Municipal	(7,938)	7,587
Other Receivables	1,177	10,799
Assets Held for Sale	-	-
Accounts and Accrued Liabilities Payable	(10,640)	(2,279)
Derivative Liabilities	-	-
Deposits	-	-
Deferred Revenue	41,620	(1,997)
Other Liabilities	-	-
Asset Retirement Obligation	-	-
Liability for Contaminated Sites	-	-
Long-Term Receivable	-	-
Stock and Supplies for Use	-	-
Prepayments and Deferred Charges	(35,832)	(2,067)
Other Non-Financial Assets	17,489	1,323
Net cash from (used for) operations	180,359	67,470
Capital:		
Cash Used to Acquire Tangible Capital Assets	(130,231)	(24,585)
Proceeds on Sale of Tangible Capital Assets	15,899	-
Net cash from (used for) capital	(114,332)	(24,585)
Investing:		
Proceeds on Disposal (Acquisition) of Investments	(150,000)	-
Other Investments	-	-
Net cash from (used for) investing	(150,000)	-
Financing:		
Debt Charges Recovered	-	-
Long-Term Debt Issued	-	-
Long-Term Debt Repaid	(79,012)	(75,965)
Other Financing	-	-
Net cash from (used for) financing	(79,012)	(75,965)
Increase (Decrease) in cash resources	(162,985)	(33,080)
Cash and Cash Equivalents - Beginning of Year	337,054	370,134
Cash and Cash Equivalents - End of Year	\$ 174,069	\$ 337,054

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

VILLAGE OF MORTLACH
Statement of Consolidated Remeasurement Gains and Losses
As at December 31, 2025

Statement 5

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

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

VILLAGE OF MORTLACH
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Significant aspects of the accounting policies adopted by the municipality are as follows:

Basis of Accounting:

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

(a) Reporting Entity:

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

A partnership represents a contractual arrangement between the municipality and a party outside the reporting entity. The partners have significant, clearly defined common goals, make a financial investment in the partnership, share control of decision making, and share, on an equitable basis, the significant risks and benefits associated with the operation of the partnership.

(b) Collection of Funds for Other Authorities:

Collection of funds by the municipality for the school board are collected and remitted in accordance with relevant legislation.

(c) Government Transfers:

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

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

Unearned government transfer amounts received will be recorded as deferred revenue.

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

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

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

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

VILLAGE OF MORTLACH
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

(e) Revenue:

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

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

(f) Deferred Revenue:

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

(g) Net Financial Assets:

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

(h) Non-Financial Assets:

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

(i) Appropriated Reserves:

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

(j) Property Tax Revenue:

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

(k) Investments:

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

VILLAGE OF MORTLACH
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

(l) Financial Instruments:

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

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

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

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

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

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

Measurement of Financial Instruments:

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

<u>Financial Statement Line Item</u>	<u>Measurement</u>
Cash and cash equivalents	Cost
Investments	Cost
Other accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long term debt	Amortized cost

(m) Inventories:

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

(n) Assets Held for Sale:

Assets held for sale are recognized as a financial asset when the municipality is committed to selling the asset, the asset is in a condition to be sold, the asset can be publicly seen to be for sale, there is a 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. Assets held for sale that don't meet all of the above criteria are instead recognized as non-financial assets.

VILLAGE OF MORTLACH
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

(o) Liability for Contaminated Sites:

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

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

VILLAGE OF MORTLACH
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

(p) Tangible Capital Assets:

All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant deflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution; these, and the tangible capital assets that are recognized at a nominal value, are disclosed on Schedule 6. The cost of tangible capital assets less any estimated residual value are amortized over the asset's estimated useful life using the straight-line method of amortization. The municipality's tangible capital asset useful lives are estimated as follows:

<u>Assets</u>	<u>Useful Life</u>
General Assets	
Land	Indefinite
Land Improvements	15 years
Buildings	40 years
Vehicles and Equipment	
Vehicles	10 years
Machinery and Equipment	5 to 20 years
Infrastructure Assets	
Infrastructure Assets	15 to 50 years
Water and Sewer	50 years
Road Network Assets	15 to 40 years

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

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

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

Leases: All leases are recorded on the financial statements as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risk associated with the leased asset is classified as a capital lease and recorded as a tangible capital asset. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. Assets under capital lease are amortized on a straight line basis, over their estimated useful lives (or over their lease term if the asset ownership isn't passing, or likely to pass, to the municipality at the end of its term). Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

VILLAGE OF MORTLACH
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

(q) Asset Retirement Obligation:

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

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

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

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

(r) Trust Funds:

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

(s) Employee Benefit Plans:

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

VILLAGE OF MORTLACH
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

(t) Measurement Uncertainty:

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

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

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

The "Opening Assets Costs" of tangible capital assets have been estimated where actual costs were not available.

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.

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

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

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

VILLAGE OF MORTLACH
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

(u) Basis of Segmentation / Segment Report:

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

The segments (functions) are as follows:

General Government: The General Government segment provides for the administration of the municipality.

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

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

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

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

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

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

(v) Budget Information:

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on June 10, 2025.

VILLAGE OF MORTLACH
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

2. Cash and Cash Equivalents

	2025	2024
Cash	\$ 174,069	\$ 337,054
Total Cash and Cash Equivalents	\$ 174,069	\$ 337,054

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

3. Investments

	2025	2024
Investments carried at amortized cost:		
Short term notes and deposits	\$ 150,000	\$ -
Total Investments	\$ 150,000	\$ -

Short term notes and deposits have effective interest rates of 2.75% (2024 - \$nil) and mature in less than one year.

Investment Income

	2025	2024
Interest	\$ 9,702	\$ 17,299
Total Investment Income	\$ 9,702	\$ 17,299

4. Taxes Receivable

	2025	2024
Municipal - Current	\$ 47,038	\$ 44,347
- Arrears	19,730	18,231
	66,768	62,578
- Less Allowance for Uncollectables	(15,296)	(19,044)
Total Municipal Taxes Receivable	51,472	43,534

School - Current	6,992	6,316
- Arrears	1,114	2,877
Total School Taxes Receivable	8,106	9,193

Other	-	-
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Total Taxes Receivable	59,578	52,727
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Deduct taxes to be collected on behalf of other organizations	(8,106)	(9,193)
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Total Taxes Receivable - Municipal	\$ 51,472	\$ 43,534
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VILLAGE OF MORTLACH
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

5. Other Accounts Receivable	2025	2024
Trade receivables	\$ 392	\$ 301
Provincial government	6,080	2,300
GST receivable	-	878
Utility accounts receivable	21,062	25,718
Accrued interest	486	-
Total Other Accounts Receivable	28,020	29,197
Less Allowance for Uncollectables	(1,000)	(1,000)
Net Other Accounts Receivable	\$ 27,020	\$ 28,197

6. Other Long-Term Investments	2025	2024
Caron/Mortlach Regional Public Utility Board Capital Equity	\$ 314,571	\$ 314,571
Total Other Long-Term Investments	\$ 314,571	\$ 314,571

7. Accounts Payable	2025	2024
Trade payables	\$ 32,807	\$ 42,232
Accrued interest	2,987	4,322
School collections	160	40
Total Accounts Payable	\$ 35,954	\$ 46,594

8. Deferred Revenue	2025	2024
Prepaid utility fees	\$ -	\$ 1,127
Prepaid taxes	6,533	-
Moose Jaw Coop - Pavilion grant	36,214	-
Total Deferred Revenue	\$ 42,747	\$ 1,127

VILLAGE OF MORTLACH
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

9. Long-Term Debt

a) The debt limit of the municipality is \$509,195. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the Municipalities Act Section 161(1)).

b) Debenture debt is repayable in five annual instalments of \$47,039, including interest at 3.90%. Debenture matures on August 24, 2027. Debenture was acquired for the purpose of covering current water and sewer repairs.

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Total	Prior Year Principal
2025	\$ -	\$ -	\$ -	\$ 41,939
2026	43,574	3,465	47,039	43,574
2027	45,274	1,765	47,039	45,274
2028	-	-	-	-
2029	-	-	-	-
2030	-	-	-	-
Thereafter	-	-	-	-
Balance	\$ 88,848	\$ 5,230	\$ 94,078	\$ 130,787

c) Bank Loans and other Non-Debenture long-term debt: Funding agreement due to Caron/Mortlach Regional Public Utility Board for the pumphouse investment. The funding agreement is payable in monthly instalments of \$2,319 including interest at 3.95%. The liability matures in 2029 with the final payment being made on December 15, 2029.

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Total	Prior Year Principal
2025	\$ -	\$ -	\$ -	\$ 23,266
2026	24,202	3,626	27,828	24,202
2027	25,175	2,653	27,828	25,175
2028	26,188	1,640	27,828	26,188
2029	27,240	588	27,828	27,240
2030	-	-	-	-
Thereafter	-	-	-	-
Balance	\$ 102,805	\$ 8,507	\$ 111,312	\$ 126,071

VILLAGE OF MORTLACH
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

d) Bank Loans and other Non-Debenture long-term debt: Loan for purchase of 2022 Deutz Fahr 5080D Keyline Tractor w/Loader. Semiannual instalments of \$7,921 including interest at 4.24%. The loan matures on January 15, 2028.

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Total	Prior Year Principal
2025	\$ -	\$ -	\$ -	\$ 13,807
2026	14,404	1,438	15,842	14,404
2027	15,027	815	15,842	15,027
2028	7,755	166	7,921	7,755
2029	-	-	-	-
2030	-	-	-	-
Thereafter	-	-	-	-
Balance	\$ 37,186	\$ 2,419	\$ 39,605	\$ 50,993

10. Other Non-Financial Assets

	2025	2024
Municipal share of tax title property, net of partial allowance of \$35,720	\$ 37,978	\$ 55,467
Land for resale		
Total Other Non-Financial Assets	\$ 37,978	\$ 55,467

11. Pension Plan

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. Employees and employers each make plan contributions of 9% of salary (subject to an annually adjusted maximum pensionable earnings amount). The municipality's pension expense in 2025 was \$5,289 (2024 - \$4,462). The benefits accrued to the municipality's employees from MEPP are calculated using the following: pensionable years of service, highest average salary, and the plan accrual rate.

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

The most recent available information reports, in total, plan assets of \$4,385,912,000, plan liabilities, including pension obligations, of \$2,749,572,000, and a resulting surplus of \$1,636,340,000.

VILLAGE OF MORTLACH
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

12. Trusts Administered by the Municipality

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

Hamon Moore Scholarship Fund	2025	2024
Balance - Beginning of Year	\$ -	\$ 2,159
Revenue - Donation	68,951	-
Expenditure - scholarship	-	(2,159)
Balance - End of Year	\$ 68,951	\$ -

13. Related Parties

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

14. Risk Management

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

Credit Risk

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

Liquidity Risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting financial obligations as they fall due. The municipality undertakes regular cash flow analyses to ensure that there are sufficient cash resources to meet all obligations. The municipality does not feel that it has any financial instruments subject to liquidity risk.

Market Risk

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

Interest Rate Risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The municipality is exposed to interest rate price risk on its long term debt that has a fixed interest rate. The interest rate and maturity date of the debt is disclosed in Note 9.

Currency Risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in currency fluctuations. The municipality does not feel that it has any financial instruments subject to currency risk as the majority of its transactions are in Canadian currency.

Other Price Risk

Other price risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in fair value of equity instruments. The municipality does not have any financial instruments that are affected by other price risk.

VILLAGE OF MORTLACH
Schedule of Consolidated Taxes and Other Unconditional Revenue
For the year ended December 31, 2025

Schedule 1

	2025 Budget	2025	2024
TAXES			
General municipal tax levy	\$ 332,250	\$ 255,080	\$ 240,432
Abatements and adjustments	830	(4,094)	(1,731)
Discount on current year taxes	(8,630)	(9,033)	(8,625)
Net Municipal Taxes	324,450	241,953	230,076
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	8,000	9,333	10,713
Special tax levy	-	-	-
Other -	-	-	-
Total Taxes	332,450	251,286	240,789
UNCONDITIONAL GRANTS			
Revenue Sharing	82,800	82,795	77,848
Organized Hamlet	-	-	-
Other -	-	-	-
Total Unconditional Grants	82,800	82,795	77,848
GRANTS IN LIEU OF TAXES			
Federal	-	-	-
Provincial	-	-	-
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
TransGas	-	-	-
Central Services	-	-	-
SaskTel	880	875	883
Other -	-	-	-
Local/Other	-	-	-
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other -	-	-	-
Other Government Transfers	-	-	-
S.P.C. Surcharge	15,330	13,854	14,194
SaskEnergy Surcharge	7,000	7,270	6,140
Other -	-	-	-
Total Grants in Lieu of Taxes	23,210	21,999	21,217
TOTAL OTHER UNCONDITIONAL REVENUE	106,010	104,794	99,065
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 438,460	\$ 356,080	\$ 339,854

VILLAGE OF MORTLACH
Schedule of Consolidated Operating and Capital Revenue by Function
For the year ended December 31, 2025

Schedule 2-1

	2025 Budget	2025	2024
GENERAL GOVERNMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 8,300	\$ 18,159	\$ 12,483
- Sales of supplies	-	974	1,565
- Other - Licences and permits	5,990	5,129	6,119
Total Fees and Charges	14,290	24,262	20,167
- Tangible capital asset sales - gain (loss)	-	-	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Land sales - gain	30,000	41,479	71,217
- Investment income and commissions	17,300	9,702	17,299
- Other - Post office	20,000	19,121	20,556
Total Other Segmented Revenue	81,590	94,564	129,239
Conditional Grants			
- Student Employment	-	-	-
- Other - Post office grant	4,000	4,000	-
Total Conditional Grants	4,000	4,000	-
Total Operating	85,590	98,564	129,239
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- ICIP	-	-	-
- Provincial Disaster Assistance	-	-	-
- MEEP	-	-	-
- Other -	-	-	-
Total Capital	-	-	-
Restructuring Revenues/Expenses	-	-	-
Total General Government Services	\$ 85,590	\$ 98,564	\$ 129,239

PROTECTIVE SERVICES

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

VILLAGE OF MORTLACH
Schedule of Consolidated Operating and Capital Revenue by Function
For the year ended December 31, 2025

Schedule 2-2

	2025 Budget	2025	2024
TRANSPORTATION SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Custom work	\$ 2,600	\$ 7,253	\$ 7,749
- Sales of supplies	100	240	63
- Road maintenance, restoration agreements	-	-	-
- Frontage	-	-	-
- Other -	-	-	-
Total Fees and Charges	2,700	7,493	7,812
- Tangible capital asset sales - gain (loss)	-	3,815	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Other -	-	-	-
Total Other Segmented Revenue	2,700	11,308	7,812
Conditional Grants			
- RIRG (CTP)	-	-	-
- Student Employment	-	-	-
- Other -	-	-	-
Total Conditional Grants	-	-	-
Total Operating	2,700	11,308	7,812
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- ICIP	-	-	-
- RIRG (CTP, Bridge/ Large Culvert, Rd Const)	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other - SGI Traffic	-	60,796	14,241
Total Capital	-	60,796	14,241
Restructuring Revenues/Expenses	-	-	-
Total Transportation Services	\$ 2,700	\$ 72,104	\$ 22,053

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and disposal fees	\$ -	\$ -	\$ -
- Other - Cemetery fees	500	-	200
Total Fees and Charges	500	-	200
- Tangible capital asset sales - gain (loss)	-	-	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Other -	-	-	-
Total Other Segmented Revenue	500	-	200
Conditional Grants			
- Recycling	7,310	7,308	7,308
- Pest Control	-	-	-
- Local Government	-	-	-
- Other - Friends of the environment	-	2,892	-
Total Conditional Grants	7,310	10,200	7,308
Total Operating	7,810	10,200	7,508
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- TAPD	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other -	-	-	-
Total Capital	-	-	-
Restructuring Revenues/Expenses	-	-	-
Total Environmental and Public Health Services	\$ 7,810	\$ 10,200	\$ 7,508

VILLAGE OF MORTLACH
Schedule of Consolidated Operating and Capital Revenue by Function
For the year ended December 31, 2025

Schedule 2-3

	2025 Budget	2025	2024
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and development charges	\$ 2,200	\$ 7,018	\$ 803
- Other -	-	-	-
Total Fees and Charges	2,200	7,018	803
- Tangible capital asset sales - gain (loss)	-	-	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Other -	-	-	-
Total Other Segmented Revenue	2,200	7,018	803
Conditional Grants			
- Student Employment	-	-	-
- MEEP	-	-	-
- Other -	-	-	-
Total Conditional Grants	-	-	-
Total Operating	2,200	7,018	803
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- ICIP	-	-	-
- Provincial Disaster Assistance	-	-	-
- MEEP	-	-	-
- Other -	-	-	-
Total Capital	-	-	-
Restructuring Revenues/Expenses	-	-	-
Total Planning and Development Services	\$ 2,200	\$ 7,018	\$ 803
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Other - Recreation fees	\$ 7,660	\$ 10,023	\$ 8,644
Total Fees and Charges	7,660	10,023	8,644
- Tangible capital asset sales - gain (loss)	-	-	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Other - Rentals	1,800	1,650	1,800
Total Other Segmented Revenue	9,460	11,673	10,444
Conditional Grants			
- Canada Day	-	-	-
- Local Government	7,180	7,186	4,686
- Donations	-	-	-
- MEEP	-	-	-
- Other -	-	-	-
Total Conditional Grants	7,180	7,186	4,686
Total Operating	16,640	18,859	15,130
Capital			
Conditional Grants			
- Canada Community Building Fund (CCBF)	-	-	-
- ICIP	-	-	-
- Local Government	34,350	80,028	28,801
- Provincial Disaster Assistance	-	-	-
- MEEP	-	-	-
- Other - Community Initiative Fund	-	-	-
Total Capital	34,350	80,028	28,801
Restructuring Revenues/Expenses	-	-	-
Total Recreation and Cultural Services	\$ 50,990	\$ 98,887	\$ 43,931

VILLAGE OF MORTLACH
Schedule of Consolidated Operating and Capital Revenue by Function
For the year ended December 31, 2025

Schedule 2-4

	2025 Budget	2025	2024
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	\$ 186,600	\$ 165,956	\$ 186,493
- Sewer	23,000	22,926	22,974
- Other - Infrastructure	30,700	31,370	30,704
Total Fees and Charges	240,300	220,252	240,171
- Tangible capital asset sales - gain (loss)	-	-	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Other -	-	-	-
Total Other Segmented Revenue	240,300	220,252	240,171
Conditional Grants			
- Student Employment	-	-	-
- MEEP	-	-	-
- Other -	-	-	-
Total Conditional Grants	-	-	-
Total Operating	240,300	220,252	240,171
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	16,730	17,070	16,735
- ICIP	-	-	-
- New Building Canada Fund (SCF, NRP)	-	-	-
- Clean Water and Wastewater Fund	-	-	-
- Provincial Disaster Assistance	-	-	-
- MEEP	-	-	-
- Other -	-	-	-
Total Capital	16,730	17,070	16,735
Restructuring Revenues/Expenses	-	-	-
Total Utility Services	\$ 257,030	\$ 237,322	\$ 256,906

TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 406,320	\$ 524,095	\$ 460,440
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SUMMARY

Total Other Segmented Revenue	\$ 336,750	\$ 344,815	\$ 388,669
Total Conditional Grants	18,490	21,386	11,994
Total Capital Grants and Contributions	51,080	157,894	59,777
Restructuring Revenue	-	-	-

TOTAL REVENUE BY FUNCTION	\$ 406,320	\$ 524,095	\$ 460,440
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VILLAGE OF MORTLACH
Schedule of Consolidated Total Expenses by Function
For the year ended December 31, 2025

Schedule 3-1

	2025 Budget	2025	2024
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	\$ 16,160	\$ 12,935	\$ 9,866
Wages and benefits	81,800	84,404	77,598
Professional/Contractual services	66,790	65,100	59,137
Utilities	6,400	5,812	6,537
Maintenance, materials, and supplies	5,400	5,077	5,452
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization of tangible capital assets	4,000	5,240	5,240
Amortization of intangible capital assets	-	-	-
Interest	-	19	-
Accretion of asset retirement obligations	-	-	-
Allowance for uncollectables	-	966	5,727
Other -	-	-	-
Total General Government Services	\$ 180,550	\$ 179,553	\$ 169,557

PROTECTIVE SERVICES

Police Protection

Wages and benefits	\$ -	\$ -	\$ -
Professional/Contractual services	16,210	16,597	16,209
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions - operating	-	-	-
- capital	-	-	-
Other -	-	-	-

Fire Protection

Wages and benefits	-	-	-
Professional/Contractual services	10,580	10,575	15,575
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions - operating	1,000	1,000	-
- capital	-	-	-
Amortization of tangible capital assets	900	-	-
Amortization of intangible capital assets	-	-	-
Interest	-	-	-
Accretion of asset retirement obligation	-	-	-
Other -	-	-	-

Total Protective Services	\$ 28,690	\$ 28,172	\$ 31,784
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TRANSPORTATION SERVICES

Wages and benefits	\$ 7,680	\$ 10,573	\$ 22,172
Council remuneration and travel	-	-	-
Professional/Contractual services	65,270	45,270	41,596
Utilities	6,500	6,226	6,504
Maintenance, materials, and supplies	28,200	24,924	40,316
Gravel	9,000	8,733	4,346
Grants and contributions - operating	-	-	-
- capital	-	-	1,080
Amortization of tangible capital assets	7,000	12,968	15,012
Amortization of intangible capital assets	-	-	-
Interest	15,850	1,758	2,408
Accretion of asset retirement obligation	-	-	-
Other -	-	-	-

Total Transportation Services	\$ 139,500	\$ 110,452	\$ 133,434
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VILLAGE OF MORTLACH
Schedule of Consolidated Total Expenses by Function
For the year ended December 31, 2025

Schedule 3-2

	2025 Budget	2025	2024
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Wages and benefits	\$ -	\$ -	\$ -
Professional/Contractual services	56,500	52,322	51,747
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions - operating	-	-	-
- Waste disposal	-	-	-
- Public health	-	-	-
- capital	-	-	-
- Waste disposal	-	-	-
- Public health	-	-	-
Amortization of tangible capital assets	-	741	-
Amortization of intangible capital assets	-	-	-
Interest	-	-	-
Accretion of asset retirement obligation	-	-	-
Other -	-	-	-
Total Environmental and Public Health Services	\$ 56,500	\$ 53,063	\$ 51,747
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	\$ -	\$ -	\$ -
Professional/Contractual services	2,000	8,748	26,421
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization of tangible capital assets	-	-	-
Amortization of intangible capital assets	-	-	-
Interest	-	-	-
Accretion of asset retirement obligation	-	-	-
Other -	-	-	-
Total Planning and Development Services	\$ 2,000	\$ 8,748	\$ 26,421
RECREATION AND CULTURAL SERVICES			
Wages and benefits	\$ 1,070	\$ 1,839	\$ 920
Professional/Contractual services	9,710	18,298	17,709
Utilities	9,600	8,445	8,835
Maintenance, materials, and supplies	5,700	13,956	3,340
Grants and contributions - operating	-	-	-
- capital	3,500	79,497	35,355
Amortization of tangible capital assets	6,000	4,060	4,060
Amortization of intangible capital assets	-	-	-
Interest	-	-	-
Accretion of asset retirement obligation	-	-	-
Allowance for uncollectables	-	-	-
Other -	-	-	-
Total Recreation and Cultural Services	\$ 35,580	\$ 126,095	\$ 70,219

VILLAGE OF MORTLACH
Schedule of Consolidated Total Expenses by Function
For the year ended December 31, 2025

Schedule 3-3

	2025 Budget	2025	2024
UTILITY SERVICES			
Wages and benefits	\$ 13,200	\$ 10,782	\$ 13,131
Professional/Contractual services	64,240	53,987	76,515
Utilities	167,240	133,123	170,997
Maintenance, materials, and supplies	17,900	12,306	15,645
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization of tangible capital assets	-	692	692
Amortization of intangible capital assets	-	-	-
Interest	9,660	8,605	11,052
Accretion of asset retirement obligation	-	-	-
Allowance for uncollectables	-	-	-
Other -	-	-	-
Total Utility Services	\$ 272,240	\$ 219,495	\$ 288,032
 TOTAL EXPENSES BY FUNCTION	 \$ 715,060	 \$ 725,578	 \$ 771,194

VILLAGE OF MORTLACH
Schedule of Consolidated Segment Disclosure by Function
For the year ended December 31, 2025

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 24,262	\$ -	\$ 7,493	\$ -	\$ 7,018	\$ 10,023	\$ 220,252	\$ 269,048
Tangible Capital Asset Sales - Gain(Loss)	-	-	3,815	-	-	-	-	3,815
Land Sales - Gain	41,479	-	-	-	-	-	-	41,479
Investment Income and Commissions	9,702	-	-	-	-	-	-	9,702
Other Revenues	19,121	-	-	-	-	1,650	-	20,771
Grants - Conditional	4,000	-	-	10,200	-	7,186	-	21,386
- Capital	-	-	60,796	-	-	80,028	17,070	157,894
Total Revenues	98,564	-	72,104	10,200	7,018	98,887	237,322	524,095
Expenses (Schedule 3)								
Wages and Benefits	97,339	-	10,573	-	-	1,839	10,782	120,533
Professional / Contractual Services	65,100	27,172	45,270	52,322	8,748	18,298	53,987	270,897
Utilities	5,812	-	6,226	-	-	8,445	133,123	153,606
Maintenance, Materials, and Supplies	5,077	-	33,657	-	-	13,956	12,306	64,996
Grants and Contributions	-	1,000	-	-	-	79,497	-	80,497
Amortization of Tangible Capital Assets	5,240	-	12,968	741	-	4,060	692	23,701
Interest	19	-	1,758	-	-	-	8,605	10,382
Allowance for Uncollectables	966	-	-	-	-	-	-	966
Total Expenses	179,553	28,172	110,452	53,063	8,748	126,095	219,495	725,578
Surplus (Deficit) by Function	\$ (80,989)	\$ (28,172)	\$ (38,348)	\$ (42,863)	\$ (1,730)	\$ (27,208)	\$ 17,827	\$ (201,483)

Taxation and Other Unconditional Revenue (Schedule 1)

\$ 356,080

Net Surplus (Deficit)

\$ 154,597

VILLAGE OF MORTLACH
Schedule of Consolidated Segment Disclosure by Function
For the year ended December 31, 2024

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and Charges	\$ 20,167	\$ -	\$ 7,812	\$ 200	\$ 803	\$ 8,644	\$ 240,171	\$ 277,797
Land Sales - Gain	71,217	-	-	-	-	-	-	71,217
Investment Income and Commissions	17,299	-	-	-	-	-	-	17,299
Other Revenues	20,556	-	-	-	-	1,800	-	22,356
Grants - Conditional	-	-	-	7,308	-	4,686	-	11,994
- Capital	-	-	14,241	-	-	28,801	16,735	59,777
Total Revenues	129,239	-	22,053	7,508	803	43,931	256,906	460,440
Expenses (Schedule 3)								
Wages and Benefits	87,464	-	22,172	-	-	920	13,131	123,687
Professional / Contractual Services	59,137	31,784	41,596	51,747	26,421	17,709	76,515	304,909
Utilities	6,537	-	6,504	-	-	8,835	170,997	192,873
Maintenance, Materials, and Supplies	5,452	-	44,662	-	-	3,340	15,645	69,099
Grants and Contributions	-	-	1,080	-	-	35,355	-	36,435
Amortization of Tangible Capital Assets	5,240	-	15,012	-	-	4,060	692	25,004
Interest	-	-	2,408	-	-	-	11,052	13,460
Allowance for Uncollectables	5,727	-	-	-	-	-	-	5,727
Total Expenses	169,557	31,784	133,434	51,747	26,421	70,219	288,032	771,194
Surplus (Deficit) by Function	\$ (40,318)	\$ (31,784)	\$ (111,381)	\$ (44,239)	\$ (25,618)	\$ (26,288)	\$ (31,126)	\$ (310,754)

Taxation and Other Unconditional Revenue (Schedule 1)

\$ 339,854

Net Surplus (Deficit)

\$ 29,100

VILLAGE OF MORTLACH
Schedule of Consolidated Tangible Capital Assets by Object
For the year ended December 31, 2025

Schedule 6

	2025	2024
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	General Assets					Infrastructure Assets		General / Infrastructure Assets Under Construction	Total	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Public Private Partnerships			
Asset Cost										
Opening Asset Costs	\$ 9	\$ 40,950	\$ 680,532	\$ -	\$ 220,645	\$ 536,869	\$ -	\$ -	\$ 1,479,005	\$ 1,454,420
Additions during the year	-	-	-	-	58,589	54,356	-	17,286	130,231	24,585
Disposals and write downs during the year	-	-	-	-	(30,210)	-	-	-	(30,210)	-
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-	-
Closing Asset Costs	\$ 9	\$ 40,950	\$ 680,532	\$ -	\$ 249,024	\$ 591,225	\$ -	\$ 17,286	\$ 1,579,026	\$ 1,479,005
Accumulated Amortization										
Opening Accum. Amort. Cost	\$ -	\$ 37,948	\$ 601,855	\$ -	\$ 77,150	\$ 366,616	\$ -	\$ -	\$ 1,083,569	\$ 1,058,565
Add: Amortization taken	-	278	3,287	-	11,619	8,517	-	-	23,701	25,004
Less: Accum. Amort. on Disposals	-	-	-	-	(18,126)	-	-	-	(18,126)	-
Closing Accumulated Amort.	\$ -	\$ 38,226	\$ 605,142	\$ -	\$ 70,643	\$ 375,133	\$ -	\$ -	\$ 1,089,144	\$ 1,083,569
Net Book Value	\$ 9	\$ 2,724	\$ 75,390	\$ -	\$ 178,381	\$ 216,092	\$ -	\$ 17,286	\$ 489,882	\$ 395,436

1. Total contributed/donated assets received in 2025: \$ -

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

- Infrastructure assets

- Vehicles

- Machinery and Equipment

3. Amount of interest capitalized in 2025: \$ -

VILLAGE OF MORTLACH
Schedule of Consolidated Tangible Capital Assets by Function
For the year ended December 31, 2025

Schedule 7

	2025						2024	
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total
Asset Cost								
Opening Asset Costs	\$ 163,698	\$ 8,148	\$ 198,790	\$ 14,814	\$ -	\$ 583,117	\$ 510,438	\$ 1,479,005
Additions during the year	3,895	-	85,191	-	-	3,786	37,359	130,231
Disposals and write-downs during the year	-	-	(30,210)	-	-	-	-	(30,210)
Closing Asset Costs	\$ 167,593	\$ 8,148	\$ 253,771	\$ 14,814	\$ -	\$ 586,903	\$ 547,797	\$ 1,579,026
Accumulated Amortization								
Opening Accum. Amort. Costs	\$ 79,532	\$ 8,147	\$ 58,582	\$ -	\$ -	\$ 431,349	\$ 505,959	\$ 1,083,569
Add: Amortization taken	5,240	-	12,968	741	-	4,060	692	23,701
Less: Accum. Amort. on Disposals	-	-	(18,126)	-	-	-	-	(18,126)
Closing Accumulated Amortization	\$ 84,772	\$ 8,147	\$ 53,424	\$ 741	\$ -	\$ 435,409	\$ 506,651	\$ 1,089,144
Net Book Value	\$ 82,821	\$ 1	\$ 200,347	\$ 14,073	\$ -	\$ 151,494	\$ 41,146	\$ 489,882
								\$ 395,436

VILLAGE OF MORTLACH

Schedule of Consolidated Intangible Capital Assets by Object For the year ended December 31, 2025

Schedule 8

2024

2025

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

VILLAGE OF MORTLACH
Schedule of Consolidated Intangible Capital Assets by Function
For the year ended December 31, 2025

Schedule 9

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

VILLAGE OF MORTLACH
Schedule of Consolidated Accumulated Surplus
For the year ended December 31, 2025

Schedule 10

	2024	Changes	2025
UNAPPROPRIATED SURPLUS	\$ 474,125	\$ 46,344	\$ 520,469
APPROPRIATED RESERVES			
Building Reserve	285	-	285
Cemetery Reserve	240	-	240
Capital Reserve	3,780	-	3,780
Total Appropriated	4,305	-	4,305
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible Capital Assets (Schedule 6, 7)	395,436	94,446	489,882
Intangible Capital Assets (Schedule 8, 9)	-	-	-
Less: Related debt	(50,994)	13,807	(37,187)
Net Investment in Tangible Capital Assets	344,442	108,253	452,695
OTHER	-	-	-
Total Accumulated Surplus	\$ 822,872	\$ 154,597	\$ 977,469

VILLAGE OF MORTLACH

Schedule of Consolidated Mill Rates and Assessments

For the year ended December 31, 2025

Schedule 11

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	\$ 257,685	\$ 12,470,480	\$ -	\$ -	\$ 1,639,310	\$ -	\$ 14,367,475
Regional Park Assessment							-
Total Assessment							14,367,475
Mill Rate Factor(s)	1.600	1.000	-	-	1.000		
Total Base Tax	2,450	134,475	-	-	16,500		153,425
Total Municipal Tax Levy	\$ 5,336	\$ 221,769	\$ -	\$ -	\$ 27,975		\$ 255,080

MILL RATES:		MILLS
Average Municipal*		17.754
Average School*		4.452
Potash Mill Rate		-
Uniform Municipal Mill Rate		7.000

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

VILLAGE OF MORTLACH
Schedule of Consolidated Council Remuneration
For the year ended December 31, 2025

Schedule 12

Name	Remuneration	Reimbursed Costs	Total
Margaret Apperley	\$ 2,670	\$ -	\$ 2,670
Laurel Johnson	2,430	-	2,430
Ryan Bravold	2,225	-	2,225
Earl Dreger	2,371	-	2,371
Joshua Hourie	2,610	-	2,610
Total	\$ 12,306	\$ -	\$ 12,306