

RURAL MUNICIPALITY OF BIG ARM NO. 251
Financial Statements
December 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the Reeve and Councillors
Rural Municipality of Big Arm No. 251

Opinion

We have audited the financial statements of the **RURAL MUNICIPALITY OF BIG ARM NO. 251**, which comprise the statement of financial position as at December 31, 2025 and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes 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 municipality as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 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 municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to dissolve the municipality or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the 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 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 financial statements.

Independent Auditors' Report (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 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 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 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.

Regina, Saskatchewan

Dudley & Company LLP
Chartered Professional Accountants

RURAL MUNICIPALITY OF BIG ARM NO. 251

Statement of Financial Position

As at December 31, 2025

Statement 1

	2025	2024
FINANCIAL ASSETS		
Cash & Cash Equivalents (Note 2)	\$ 1,423,432	\$ 1,523,256
Investments (Note 3)	2,620,000	2,220,000
Taxes Receivable - Municipal (Note 4)	10,675	29,229
Other Accounts Receivable (Note 5)	138,838	103,444
Assets Held for Sale	-	-
Long-Term Receivable (Note 7)	63,353	54,475
Other Long-Term Investments (Note 6)	14,142	14,142
Debt Charges Recoverable	-	-
Derivative Assets	-	-
Total Financial Assets	4,270,440	3,944,546
LIABILITIES		
Bank Indebtedness	-	-
Accounts Payable (Note 8)	100,768	30,837
Accrued Liabilities Payable	-	-
Derivative Liabilities	-	-
Deposits	-	-
Deferred Revenue (Note 9)	700	700
Asset Retirement Obligation (Note 10)	664,185	744,160
Liability for Contaminated Sites	-	-
Infrastructure Liability	-	-
Long-Term Debt (Note 11)	-	-
Lease Obligations	-	-
Total Liabilities	765,653	775,697
NET FINANCIAL ASSETS	3,504,787	3,168,849
Non-Financial Assets		
Tangible Capital Assets (Schedules 6, 7)	3,441,046	3,541,894
Intangible Capital Assets (Schedules 8, 9)	-	-
Prepayment and Deferred Charges	1,214	1,301
Stock and Supplies	318,283	54,468
Other (Note 12)	-	-
Total Non-Financial Assets	3,760,543	3,597,663
Accumulated Surplus (Deficit) (Schedule 10)	\$ 7,265,330	\$ 6,766,512

Accumulated surplus (deficit) is comprised of:

Accumulated surplus (deficit) excluding remeasurement gains (losses)	\$ 7,265,330	\$ 6,766,512
Accumulated remeasurement gains (losses) (Statement 5)	\$ -	\$ -

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

RURAL MUNICIPALITY OF BIG ARM NO. 251

Statement of Operations

For the year ended December 31, 2025

Statement 2

		2025 Budget	2025	2024
Revenues				
Tax Revenue	(Schedule 1)	\$ 1,112,056	\$ 1,111,975	\$ 1,106,710
Other Unconditional Revenue	(Schedule 1)	320,999	340,026	320,984
Fees and Charges	(Schedule 4, 5)	25,350	55,770	28,491
Conditional Grants	(Schedule 4, 5)	17,350	26,556	17,813
Tangible Capital Assets - Gain (Loss)	(Schedule 4, 5)	-	(1,192)	(20,414)
Intangible Capital Assets - Gain (Loss)	(Schedule 4, 5)	-	-	-
Land Sales - Gain	(Schedule 4, 5)	-	-	-
Investment Income and Commissions	(Schedule 4, 5)	126,300	92,129	127,500
Other Revenues	(Schedule 4, 5)	1,050	1,158	1,887
Restructurings	(Schedule 4, 5)	-	-	-
Provincial/Federal Capital Grants	(Schedule 4, 5)	12,000	11,463	13,849
Total Revenues		1,615,105	1,637,885	1,596,820
Expenses				
General Government Services	(Schedule 3)	261,181	252,991	251,837
Protective Services	(Schedule 3)	18,500	15,408	14,881
Transportation Services	(Schedule 3)	976,860	803,022	946,336
Environmental and Public Health Services	(Schedule 3)	70,600	60,937	59,958
Planning and Development Services	(Schedule 3)	200	-	-
Recreation and Cultural Services	(Schedule 3)	9,300	2,955	2,869
Utility Services	(Schedule 3)	13,900	3,754	7,085
Total Expenses		1,350,541	1,139,067	1,282,966
Surplus (Deficit) of Revenues over Expenses		264,564	498,818	313,854
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), Beginning of Year		6,766,512	6,766,512	6,452,658
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), End of Year		\$ 7,031,076	\$ 7,265,330	\$ 6,766,512

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

RURAL MUNICIPALITY OF BIG ARM NO. 251
Statement of Changes in Net Financial Assets
For the year ended December 31, 2025

Statement 3

	2025 Budget	2025	2024
Annual Surplus (Deficit)	\$ 264,564	\$ 498,818	\$ 313,854
(Acquisition) of tangible capital assets	(96,650)	(110,360)	(615,142)
(Acquisition) of intangible capital assets	-	-	-
Amortization of tangible capital assets	217,716	209,432	211,808
Amortization of intangible capital assets	-	-	-
Proceeds of disposal of tangible capital assets	-	583	259,700
Proceeds of disposal of intangible capital assets	-	-	-
Loss (gain) on disposal of tangible capital assets	-	1,192	20,414
Loss (gain) on disposal of intangible capital assets	-	-	-
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (Deficit) of capital expenses over expenditures	121,066	100,847	(123,220)
(Acquisition) of supplies inventories	(275,000)	(263,815)	-
(Acquisition) of prepaid expense	-	-	(265)
(Increase) to other non-financial assets	-	-	-
Consumption of supplies inventory	-	-	85,185
Use of prepaid expense	-	88	-
Decrease to other non-financial assets	-	-	-
Surplus (Deficit) of other non-financial expenses over expenditures	(275,000)	(263,727)	84,920
Unrealized remeasurement gains (losses)	-	-	-
Increase/Decrease in Net Financial Assets	110,630	335,938	275,554
Net Financial Assets - Beginning of Year	3,168,849	3,168,849	2,893,295
Net Financial Assets - End of Year	\$ 3,279,479	\$ 3,504,787	\$ 3,168,849

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

RURAL MUNICIPALITY OF BIG ARM NO. 251

Statement of Cash Flows

For the year ended December 31, 2025

Statement 4

	2025	2024
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	\$ 498,818	\$ 313,854
Amortization	209,432	211,808
Loss (gain) on disposal of tangible capital assets	1,192	20,414
Loss (gain) on disposal of intangible capital assets	-	-
	<u>709,442</u>	<u>546,076</u>
Changes in assets / liabilities		
Taxes Receivable - Municipal	18,554	(17,154)
Other Receivables	(35,394)	(15,071)
Assets Held for Sale	-	-
Accounts and Accrued Liabilities Payable	69,931	22,845
Derivative Liabilities	-	-
Deposits	-	-
Deferred Revenue	-	-
Other Liabilities	-	-
Asset Retirement Obligation	(79,975)	(44,840)
Liability for Contaminated Sites	-	-
Long-Term Receivable	(8,878)	(4,586)
Stock and Supplies for Use	(263,815)	85,185
Prepayments and Deferred Charges	88	(265)
Other Non-Financial Assets	-	-
Net cash from (used for) operations	409,953	572,190
Capital:		
Cash Used to Acquire Tangible Capital Assets	(110,360)	(615,142)
Proceeds on Sale of Tangible Capital Assets	583	259,700
Net cash from (used for) capital	(109,777)	(355,442)
Investing:		
Proceeds on Disposal (Acquisition) of Investments	(400,000)	24,057
Other Investments	-	-
Net cash from (used for) investing	(400,000)	24,057
Financing:		
Debt Charges Recovered	-	-
Long-Term Debt Issued	-	-
Long-Term Debt Repaid	-	-
Other Financing	-	-
Net cash from (used for) financing	-	-
Increase (Decrease) in cash resources	(99,824)	240,805
Cash and Cash Equivalents - Beginning of Year	1,523,256	1,282,451
Cash and Cash Equivalents - End of Year	\$ 1,423,432	\$ 1,523,256

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

RURAL MUNICIPALITY OF BIG ARM NO. 251
Statement of 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.

RURAL MUNICIPALITY OF BIG ARM NO. 251

Notes to the Financial Statements
For the year ended December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

(b) Collection of Funds for Other Authorities:

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

(c) Government Transfers:

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

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

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

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

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

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Notes to the Financial Statements
For the year ended December 31, 2025

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

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

(e) Revenue:

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

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

(f) Deferred Revenue:

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

(g) Net Financial Assets:

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

(h) Non-Financial Assets:

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

(i) Appropriated Reserves:

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

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Notes to the Financial Statements
For the year ended December 31, 2025

(j) Property Tax Revenue:

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

(k) Investments:

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

(l) Financial Instruments:

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

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

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

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

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

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

Measurement of Financial Instruments:

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

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

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Notes to the Financial Statements
For the year ended December 31, 2025

(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.

(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.

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Notes to the 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 to 20 years
Machinery and Equipment	5 to 40 years
Infrastructure Assets	
Infrastructure Assets	15 to 40 years
Water and Sewer	
Road Network Assets	

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.

RURAL MUNICIPALITY OF BIG ARM NO. 251

Notes to the 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) 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.

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Notes to the Financial Statements
For the year ended December 31, 2025

(s) **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 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.

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Notes to the Financial Statements
For the year ended December 31, 2025

(t) 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.

(u) Budget Information:

Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on April 14, 2025.

RURAL MUNICIPALITY OF BIG ARM NO. 251

Notes to the Financial Statements
For the year ended December 31, 2025

2. Cash and Cash Equivalents	2025	2024
Cash	\$ 1,423,432	\$ 1,523,256
Total Cash and Cash Equivalents	\$ 1,423,432	\$ 1,523,256

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	\$ 2,620,000	\$ 2,220,000
Total Investments	\$ 2,620,000	\$ 2,220,000

Short term notes and deposits have effective interest rates of 2.70% - 3.20% (2024 - 4.45% - 5.20%) and mature in less than one year.

Investment Income	2025	2024
Interest	\$ 87,606	\$ 123,682
Dividends	3,079	2,403
Municipal hail commission	1,444	1,414
Total Investment Income	\$ 92,129	\$ 127,499

4. Taxes Receivable	2025	2024
Municipal - Current	\$ 6,644	\$ 26,458
- Arrears	4,031	2,771
	10,675	29,229
- Less Allowance for Uncollectables	-	-
Total Municipal Taxes Receivable	10,675	29,229

School - Current	1,449	5,295
- Arrears	1,717	1,181
Total School Taxes Receivable	3,166	6,476

Other	-	4,402
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Total Taxes Receivable	13,841	40,107
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Deduct taxes to be collected on behalf of other organizations	(3,166)	(10,878)
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Total Taxes Receivable - Municipal	\$ 10,675	\$ 29,229
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RURAL MUNICIPALITY OF BIG ARM NO. 251

Notes to the Financial Statements
For the year ended December 31, 2025

5. Other Accounts Receivable	2025	2024
Trade receivables	\$ 7,476	\$ 3,440
Federal government	-	600
Provincial government	44,412	16,350
GST receivable	38,524	19,589
Local government	596	520
Accrued interest	47,830	62,945
Total Other Accounts Receivable	138,838	103,444
Less Allowance for Uncollectables	-	-
Net Other Accounts Receivable	\$ 138,838	\$ 103,444

6. Other Long-Term Investments	2025	2024
Moose Jaw co-op equity	5	5
Imperial co-op equity	14,075	14,075
Davidson co-op equity	62	62
Total Other Long-Term Investments	\$ 14,142	\$ 14,142

7. Long-Term Receivables	2025	2024
SARM Liability Insurance	\$ 51,233	\$ 45,633
SARM Property Insurance	12,120	8,842
Total Long-Term Receivables	\$ 63,353	\$ 54,475

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

8. Accounts Payable	2025	2024
Trade payables	\$ 15,102	\$ 9,443
Provincial government	53	-
Local government	6,534	7,518
School tax collections	-	13,876
Gravel royalty payable	79,079	-
Total Accounts Payable	\$ 100,768	\$ 30,837

9. Deferred Revenue	2025	2024
Prepaid rent	\$ 700	\$ 700
Total Deferred Revenue	\$ 700	\$ 700

RURAL MUNICIPALITY OF BIG ARM NO. 251

Notes to the Financial Statements
For the year ended December 31, 2025

10. Asset Retirement Obligation

	2025	2024
Balance, beginning of the year	\$ 744,160	\$ 789,000
Liabilities incurred	(79,975)	(44,840)
Estimated Total Liability	\$ 664,185	\$ 744,160

Landfill

Landfill closure and post-closure care requirements have been defined in accordance with The Environmental Management and Protection Act and include final covering and landscaping of the landfill, pumping of ground water, 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 over a 25-year period 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, when applicable.

The liability for the landfill will be paid for with a combination of reserves, accumulated surplus, conditional grants, and debt issuance, as applicable and available at the time.

11. Long-Term Debt

The debt limit of the municipality is \$1,133,528. 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)).

12. Other Non-Financial Assets

	2025	2024
Municipal share of tax title property, net of full allowance of \$4,355	\$ -	\$ -
Total Other Non-Financial Assets	\$ -	\$ -

13. Contingent Liabilities

The municipality is contingently liable under terms of the Saskatchewan Association of Rural Municipalities Self-Insurance Plan for its proportionate share of claims and future claims in excess of the Plan's reserve fund.

RURAL MUNICIPALITY OF BIG ARM NO. 251

Notes to the Financial Statements
For the year ended December 31, 2025

14. 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 \$30,493 (2024 - \$28,921). The benefits accrued to the municipality's employees from MEPP are calculated using the following: pensionable years of service, highest average salary, and the plan accrual rate.

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

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

15. 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.

RURAL MUNICIPALITY OF BIG ARM NO. 251

Notes to the Financial Statements
For the year ended December 31, 2025

16. Risk Management

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

Credit Risk

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

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 not exposed to significant interest rate risk of its monetary current assets and current liabilities due to their short term maturity.

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.

RURAL MUNICIPALITY OF BIG ARM NO. 251
Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2025

Schedule 1

	2025 Budget	2025	2024
TAXES			
General municipal tax levy	\$ 1,183,556	\$ 1,178,937	\$ 1,178,519
Abatements and adjustments	-	-	(4)
Discount on current year taxes	(72,000)	(67,841)	(72,344)
Net Municipal Taxes	1,111,556	1,111,096	1,106,171
Potash tax share	-	-	-
Trailer license fees	-	-	-
Penalties on tax arrears	500	879	539
Special tax levy	-	-	-
Other -	-	-	-
Total Taxes	1,112,056	1,111,975	1,106,710
UNCONDITIONAL GRANTS			
Revenue Sharing	296,000	314,786	296,044
Organized Hamlet	-	-	-
Other -	-	-	-
Total Unconditional Grants	296,000	314,786	296,044
GRANTS IN LIEU OF TAXES			
Federal	23,607	23,607	23,540
Provincial			
S.P.C. Electrical	-	-	-
SaskEnergy Gas	-	-	-
TransGas	400	408	408
Central Services	-	-	-
SaskTel	992	1,225	992
Other -	-	-	-
Local/Other			
Housing Authority	-	-	-
C.P.R. Mainline	-	-	-
Treaty Land Entitlement	-	-	-
Other -	-	-	-
Other Government Transfers			
S.P.C. Surcharge	-	-	-
SaskEnergy Surcharge	-	-	-
Other -	-	-	-
Total Grants in Lieu of Taxes	24,999	25,240	24,940
TOTAL OTHER UNCONDITIONAL REVENUE	320,999	340,026	320,984
TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	\$ 1,433,055	\$ 1,452,001	\$ 1,427,694

RURAL MUNICIPALITY OF BIG ARM NO. 251

Schedule of 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	\$ -	\$ 6	\$ -
- Sales of supplies	400	780	807
- Other - Licences, permits, and rental	23,350	23,920	24,180
Total Fees and Charges	23,750	24,706	24,987
- Tangible capital asset sales - gain (loss)	-	(1,192)	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Land sales - gain	-	-	-
- Investment income and commissions	126,300	92,129	127,500
- Other - Rebates, disability claims	50	175	950
Total Other Segmented Revenue	150,100	115,818	153,437
Conditional Grants			
- Student Employment	-	-	-
- Other -	-	-	-
Total Conditional Grants	-	-	-
Total Operating	150,100	115,818	153,437
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- ICIP	-	-	-
- Provincial Disaster Assistance	-	-	-
- MEEP	-	-	-
- Other -	-	-	-
Total Capital	-	-	-
Restructuring Revenues/Expenses	-	-	-
Total General Government Services	\$ 150,100	\$ 115,818	\$ 153,437

PROTECTIVE SERVICES

Operating

Other Segmented Revenue			
Fees and Charges			
- Other -	\$ -	\$ -	\$ -
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Other -	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Student Employment	-	-	-
- 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	\$ -	\$ -	\$ -

RURAL MUNICIPALITY OF BIG ARM NO. 251
Schedule of 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	\$ 400	\$ 2,083	\$ -
- Sales of supplies	-	3,000	-
- Road maintenance, restoration agreements	1,000	1,459	2,821
- Frontage	-	-	-
- Other - Short term disability	-	24,522	-
Total Fees and Charges	1,400	31,064	2,821
- Tangible capital asset sales - gain (loss)	-	-	(20,414)
- Intangible capital asset sales - gain (loss)	-	-	-
- Other - Gravel extraction fees	1,000	983	937
Total Other Segmented Revenue	2,400	32,047	(16,656)
Conditional Grants			
- RIRG (CTP)	14,850	23,760	14,850
- Student Employment	-	-	-
- Other -	-	-	-
Total Conditional Grants	14,850	23,760	14,850
Total Operating	17,250	55,807	(1,806)
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	12,000	11,463	11,743
- ICIP	-	-	-
- RIRG (CTP, Bridge/ Large Culvert, Rd Const)	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other -	-	-	-
Total Capital	12,000	11,463	11,743
Restructuring Revenues/Expenses	-	-	-
Total Transportation Services	\$ 29,250	\$ 67,270	\$ 9,937

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Waste and disposal fees	\$ -	\$ -	\$ -
- Other -	-	-	-
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Other -	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Recycling	-	-	-
- Pest Control	2,500	2,796	2,963
- Local Government	-	-	-
- Other -	-	-	-
Total Conditional Grants	2,500	2,796	2,963
Total Operating	2,500	2,796	2,963
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- TAPD	-	-	-
- Provincial Disaster Assistance	-	-	-
- Other -	-	-	-
Total Capital	-	-	-
Restructuring Revenues/Expenses	-	-	-
Total Environmental and Public Health Services	\$ 2,500	\$ 2,796	\$ 2,963

RURAL MUNICIPALITY OF BIG ARM NO. 251
 Schedule of 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	\$ 200	\$ -	\$ 200
- Other -	-	-	-
Total Fees and Charges	200	-	200
- Tangible capital asset sales - gain (loss)	-	-	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Other -	-	-	-
Total Other Segmented Revenue	200	-	200
Conditional Grants			
- Student Employment	-	-	-
- MEEP	-	-	-
- Other -	-	-	-
Total Conditional Grants	-	-	-
Total Operating	200	-	200
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- ICIP	-	-	-
- Provincial Disaster Assistance	-	-	-
- MEEP	-	-	-
- Other -	-	-	-
Total Capital	-	-	-
Restructuring Revenues/Expenses	-	-	-
Total Planning and Development Services	\$ 200	\$ -	\$ 200
RECREATION AND CULTURAL SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Other - Recreation fees	\$ -	\$ -	\$ -
Total Fees and Charges	-	-	-
- Tangible capital asset sales - gain (loss)	-	-	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Other -	-	-	-
Total Other Segmented Revenue	-	-	-
Conditional Grants			
- Canada Day	-	-	-
- Local Government	-	-	-
- Donations	-	-	-
- MEEP	-	-	-
- Other -	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	-
Capital			
Conditional Grants			
- Canada Community Building Fund (CCBF)	-	-	-
- ICIP	-	-	-
- Local Government	-	-	-
- Provincial Disaster Assistance	-	-	-
- MEEP	-	-	-
- Other - Community Initiative Fund	-	-	-
Total Capital	-	-	-
Restructuring Revenues/Expenses	-	-	-
Total Recreation and Cultural Services	\$ -	\$ -	\$ -

RURAL MUNICIPALITY OF BIG ARM NO. 251
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2025

Schedule 2-4

	2025 Budget	2025	2024
UTILITY SERVICES			
Operating			
Other Segmented Revenue			
Fees and Charges			
- Water	\$ -	\$ -	\$ -
- Sewer	-	-	483
- Other -	-	-	-
Total Fees and Charges	-	-	483
- Tangible capital asset sales - gain (loss)	-	-	-
- Intangible capital asset sales - gain (loss)	-	-	-
- Other -	-	-	-
Total Other Segmented Revenue	-	-	483
Conditional Grants			
- Student Employment	-	-	-
- MEEP	-	-	-
- Other -	-	-	-
Total Conditional Grants	-	-	-
Total Operating	-	-	483
Capital			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	-	-	-
- ICIP	-	-	-
- New Building Canada Fund (SCF, NRP)	-	-	-
- Clean Water and Wastewater Fund	-	-	-
- Provincial Disaster Assistance	-	-	-
- MEEP	-	-	-
- Other - Farm and Ranch Water Infrastructure Program	-	-	2,106
Total Capital	-	-	2,106
Restructuring Revenues/Expenses	-	-	-
Total Utility Services	\$ -	\$ -	\$ 2,589

TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	\$ 182,050	\$ 185,884	\$ 169,126
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SUMMARY

Total Other Segmented Revenue	\$ 152,700	\$ 147,865	\$ 137,464
Total Conditional Grants	17,350	26,556	17,813
Total Capital Grants and Contributions	12,000	11,463	13,849
Restructuring Revenue	-	-	-

TOTAL REVENUE BY FUNCTION	\$ 182,050	\$ 185,884	\$ 169,126
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RURAL MUNICIPALITY OF BIG ARM NO. 251

Schedule of 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	\$ 23,800	\$ 22,730	\$ 22,807
Wages and benefits	134,050	130,753	140,334
Professional/Contractual services	54,500	47,155	44,854
Utilities	12,300	13,641	10,366
Maintenance, materials, and supplies	17,600	21,873	16,108
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization of tangible capital assets	18,931	16,839	17,368
Amortization of intangible capital assets	-	-	-
Interest	-	-	-
Accretion of asset retirement obligations	-	-	-
Allowance for uncollectables	-	-	-
Other -	-	-	-
Total General Government Services	\$ 261,181	\$ 252,991	\$ 251,837

PROTECTIVE SERVICES			
Police Protection			
Wages and benefits	\$ -	\$ -	\$ -
Professional/Contractual services	11,100	11,145	10,885
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions - operating	-	-	-
- capital	-	-	-
Other -	-	-	-
Fire Protection			
Wages and benefits	-	-	-
Professional/Contractual services	900	368	368
Utilities	-	-	-
Maintenance, materials, and supplies	-	-	-
Grants and contributions - operating	6,500	3,895	3,628
- capital	-	-	-
Amortization of tangible capital assets	-	-	-
Amortization of intangible capital assets	-	-	-
Interest	-	-	-
Accretion of asset retirement obligation	-	-	-
Other -	-	-	-
Total Protective Services	\$ 18,500	\$ 15,408	\$ 14,881

TRANSPORTATION SERVICES			
Wages and benefits	\$ 259,325	\$ 266,508	\$ 250,338
Council remuneration and travel	1,600	10	93
Professional/Contractual services	207,000	92,687	233,369
Utilities	7,350	6,390	4,838
Maintenance, materials, and supplies	226,300	168,570	196,639
Gravel	95,000	94,830	85,185
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization of tangible capital assets	180,285	174,027	175,874
Amortization of intangible capital assets	-	-	-
Interest	-	-	-
Accretion of asset retirement obligation	-	-	-
Other -	-	-	-
Total Transportation Services	\$ 976,860	\$ 803,022	\$ 946,336

RURAL MUNICIPALITY OF BIG ARM NO. 251

Schedule of 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	27,500	27,972	25,354
Utilities	-	-	-
Maintenance, materials, and supplies	5,500	65	4,704
Grants and contributions - operating	-	-	-
- Waste disposal	5,600	900	900
- Public health	15,000	15,000	12,000
- capital	-	-	-
- Waste disposal	-	-	-
- Public health	-	-	-
Amortization of tangible capital assets	17,000	17,000	17,000
Amortization of intangible capital assets	-	-	-
Interest	-	-	-
Accretion of asset retirement obligation	-	-	-
Other -	-	-	-
Total Environmental and Public Health Services	\$ 70,600	\$ 60,937	\$ 59,958

PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	\$ -	\$ -	\$ -
Professional/Contractual services	200	-	-
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	\$ 200	\$ -	\$ -

RECREATION AND CULTURAL SERVICES			
Wages and benefits	\$ -	\$ -	\$ -
Professional/Contractual services	3,800	2,955	2,869
Utilities	-	-	-
Maintenance, materials, and supplies	500	-	-
Grants and contributions - operating	5,000	-	-
- capital	-	-	-
Amortization of tangible capital assets	-	-	-
Amortization of intangible capital assets	-	-	-
Interest	-	-	-
Accretion of asset retirement obligation	-	-	-
Allowance for uncollectables	-	-	-
Other -	-	-	-
Total Recreation and Cultural Services	\$ 9,300	\$ 2,955	\$ 2,869

RURAL MUNICIPALITY OF BIG ARM NO. 251

Schedule of Total Expenses by Function
For the year ended December 31, 2025

Schedule 3-3

	2025 Budget	2025	2024
UTILITY SERVICES			
Wages and benefits	\$ -	\$ -	\$ -
Professional/Contractual services	11,400	2,188	5,519
Utilities	-	-	-
Maintenance, materials, and supplies	1,000	-	-
Grants and contributions - operating	-	-	-
- capital	-	-	-
Amortization of tangible capital assets	1,500	1,566	1,566
Amortization of intangible capital assets	-	-	-
Interest	-	-	-
Accretion of asset retirement obligation	-	-	-
Allowance for uncollectables	-	-	-
Other -	-	-	-
Total Utility Services	\$ 13,900	\$ 3,754	\$ 7,085
TOTAL EXPENSES BY FUNCTION	\$ 1,350,541	\$ 1,139,067	\$ 1,282,966

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RURAL MUNICIPALITY OF BIG ARM NO. 251
Schedule of 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	\$ 24,706	\$ -	\$ 31,064	\$ -	\$ -	\$ -	\$ -	\$ 55,770
Tangible Capital Asset Sales - Gain (Loss)	(1,192)	-	-	-	-	-	-	(1,192)
Investment Income and Commissions	92,129	-	-	-	-	-	-	92,129
Other Revenues	175	-	983	-	-	-	-	1,158
Grants - Conditional	-	-	23,760	2,796	-	-	-	26,556
- Capital	-	-	11,463	-	-	-	-	11,463
Total Revenues	115,818	-	67,270	2,796	-	-	-	185,884
Expenses (Schedule 3)								
Wages and Benefits	153,483	-	266,518	-	-	-	-	420,001
Professional / Contractual Services	47,155	11,513	92,687	27,972	-	2,955	2,188	184,470
Utilities	13,641	-	6,390	-	-	-	-	20,031
Maintenance, Materials, and Supplies	21,873	-	263,400	65	-	-	-	285,338
Grants and Contributions	-	3,895	-	15,900	-	-	-	19,795
Amortization of Tangible Capital Assets	16,839	-	174,027	17,000	-	-	1,566	209,432
Total Expenses	252,991	15,408	803,022	60,937	-	2,955	3,754	1,139,067
Surplus (Deficit) by Function	\$ (137,173)	\$ (15,408)	\$ (735,752)	\$ (58,141)	\$ -	\$ (2,955)	\$ (3,754)	\$ (953,183)

Taxation and Other Unconditional Revenue (Schedule 1) \$ 1,452,001

Net Surplus (Deficit) \$ 498,818

RURAL MUNICIPALITY OF BIG ARM NO. 251
Schedule of 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	\$ 24,987	\$ -	\$ 2,821	\$ -	\$ 200	\$ -	\$ 483	\$ 28,491
Tangible Capital Asset Sales - Gain (Loss)	-	-	(20,414)	-	-	-	-	(20,414)
Investment Income and Commissions	127,500	-	-	-	-	-	-	127,500
Other Revenues	950	-	937	-	-	-	-	1,887
Grants - Conditional	-	-	14,850	2,963	-	-	-	17,813
- Capital	-	-	11,743	-	-	-	2,106	13,849
Total Revenues	153,437	-	9,937	2,963	200	-	2,589	169,126
Expenses (Schedule 3)								
Wages and Benefits	163,141	-	250,431	-	-	-	-	413,572
Professional / Contractual Services	44,854	11,253	233,369	25,354	-	2,869	5,519	323,218
Utilities	10,366	-	4,838	-	-	-	-	15,204
Maintenance, Materials, and Supplies	16,108	-	281,824	4,704	-	-	-	302,636
Grants and Contributions	-	3,628	-	12,900	-	-	-	16,528
Amortization of Tangible Capital Assets	17,368	-	175,874	17,000	-	-	1,566	211,808
Total Expenses	251,837	14,881	946,336	59,958	-	2,869	7,085	1,282,966
Surplus (Deficit) by Function	\$ (98,400)	\$ (14,881)	\$ (936,399)	\$ (56,995)	\$ 200	\$ (2,869)	\$ (4,496)	\$ (1,113,840)

Taxation and Other Unconditional Revenue (Schedule 1) \$ 1,427,694

Net Surplus (Deficit) \$ 313,854

RURAL MUNICIPALITY OF BIG ARM NO. 251
 Schedule of Tangible Capital Assets by Object
 For the year ended December 31, 2025

Schedule 6

	2025							2024		
	General Assets					Infrastructure Assets		General / Infrastructure	Total	Total
	Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear Assets	Public Private Partnerships	Assets Under Construction		
Asset Cost										
Opening Asset Costs	\$ 31,370	\$ 268,250	\$ 506,108	\$ 51,885	\$ 1,930,620	\$ 3,930,333	\$ -	\$ -	\$ 6,718,566	\$ 6,453,566
Additions during the year	-	-	-	-	110,360	-	-	-	110,360	615,142
Disposals and write downs during the year	-	-	-	-	(14,282)	-	-	-	(14,282)	(350,142)
Transfers (from) assets under construction	-	-	-	-	-	-	-	-	-	-
Closing Asset Costs	\$ 31,370	\$ 268,250	\$ 506,108	\$ 51,885	\$ 2,026,698	\$ 3,930,333	\$ -	\$ -	\$ 6,814,644	\$ 6,718,566
Accumulated Amortization										
Opening Accum. Amort. Cost	\$ -	\$ 18,986	\$ 119,805	\$ 18,159	\$ 483,715	\$ 2,536,007	\$ -	\$ -	\$ 3,176,672	\$ 3,034,892
Add: Amortization taken	-	17,331	12,653	2,594	103,433	73,421	-	-	209,432	211,808
Less: Accum. Amort. on Disposals	-	-	-	-	(12,506)	-	-	-	(12,506)	(70,028)
Closing Accumulated Amort.	\$ -	\$ 36,317	\$ 132,458	\$ 20,753	\$ 574,642	\$ 2,609,428	\$ -	\$ -	\$ 3,373,598	\$ 3,176,672
Net Book Value	\$ 31,370	\$ 231,933	\$ 373,650	\$ 31,132	\$ 1,452,056	\$ 1,320,905	\$ -	\$ -	\$ 3,441,046	\$ 3,541,894

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: \$ -

RURAL MUNICIPALITY OF BIG ARM NO. 251
 Schedule of Tangible Capital Assets by Function
 For the year ended December 31, 2025

Schedule 7

	2025							Total	2024
	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer		
Asset Cost									
Opening Asset Costs	\$ 567,948	\$ -	\$ 5,830,553	\$ 255,165	\$ -	\$ -	\$ 64,900	\$ 6,718,566	\$ 6,453,566
Additions during the year	23,811	-	86,549	-	-	-	-	110,360	615,142
Disposals and write-downs during the year	(14,282)	-	-	-	-	-	-	(14,282)	(350,142)
Closing Asset Costs	\$ 577,477	\$ -	\$ 5,917,102	\$ 255,165	\$ -	\$ -	\$ 64,900	\$ 6,814,644	\$ 6,718,566
Accumulated Amortization									
Opening Accum. Amort. Costs	\$ 163,434	\$ -	\$ 2,977,793	\$ 17,000	\$ -	\$ -	\$ 18,445	\$ 3,176,672	\$ 3,034,892
Add: Amortization taken	16,839	-	174,027	17,000	-	-	1,566	209,432	211,808
Less: Accum. Amort. on Disposals	(12,506)	-	-	-	-	-	-	(12,506)	(70,028)
Closing Accumulated Amortization	\$ 167,767	\$ -	\$ 3,151,820	\$ 34,000	\$ -	\$ -	\$ 20,011	\$ 3,373,598	\$ 3,176,672
Net Book Value	\$ 409,710	\$ -	\$ 2,765,282	\$ 221,165	\$ -	\$ -	\$ 44,889	\$ 3,441,046	\$ 3,541,894

RURAL MUNICIPALITY OF BIG ARM NO. 251
 Schedule of Intangible Capital Assets by Object
 For the year ended December 31, 2025

Schedule 8

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

RURAL MUNICIPALITY OF BIG ARM NO. 251
 Schedule of Intangible Capital Assets by Function
 For the year ended December 31, 2025

Schedule 9

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

RURAL MUNICIPALITY OF BIG ARM NO. 251

Schedule of Accumulated Surplus
For the year ended December 31, 2025

Schedule 10

	2024	Changes	2025
UNAPPROPRIATED SURPLUS	\$ 404,618	\$ 199,666	\$ 604,284
APPROPRIATED RESERVES			
Machinery and Equipment	85,050	-	85,050
Public Reserve	1	-	1
Bridge Reserve	600,000	100,000	700,000
Roads Reserve	884,949	300,000	1,184,949
General Reserve	156,000	-	156,000
Landfill Decommissioning Reserve	534,000	-	534,000
Shop Reserve	500,000	-	500,000
Fire Reserve	60,000	-	60,000
Total Appropriated	2,820,000	400,000	3,220,000
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible Capital Assets (Schedule 6, 7)	3,541,894	(100,848)	3,441,046
Intangible Capital Assets (Schedule 8, 9)	-	-	-
Net Investment in Tangible Capital Assets	3,541,894	(100,848)	3,441,046
OTHER	-	-	-
Total Accumulated Surplus	\$ 6,766,512	\$ 498,818	\$ 7,265,330

RURAL MUNICIPALITY OF BIG ARM NO. 251
 Schedule of 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	\$ 147,856,700	\$ 6,045,218	\$ -	\$ -	\$ 3,289,670	\$ -	\$ 157,191,588
Regional Park Assessment							-
Total Assessment							157,191,588
Mill Rate Factor(s)	1.000	1.000	-	-	1.000		
Total Minimum Tax	-	-	-	-	-		-
Total Municipal Tax Levy	\$ 1,108,925	\$ 45,339	\$ -	\$ -	\$ 24,673		\$ 1,178,937

MILL RATES:	MILLS
Average Municipal*	7.500
Average School*	1.304
Potash Mill Rate	-
Uniform Municipal Mill Rate	7.500

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

RURAL MUNICIPALITY OF BIG ARM NO. 251

Schedule of Council Remuneration
For the year ended December 31, 2025

Schedule 12

Name	Remuneration	Reimbursed Costs	Total
Sheldon Vance	\$ 3,600	\$ -	\$ 3,600
Jeff Nelson	3,300	-	3,300
Tanner Hebron	2,700	-	2,700
Trevor Lewis	3,000	-	3,000
Kevin Rae	3,000	-	3,000
Chase Tannahill	2,400	-	2,400
Larry Waldow	3,600	123	3,723
Total	\$ 21,600	\$ 123	\$ 21,723

Draft

RURAL MUNICIPALITY OF BIG ARM NO. 251
Statement of Financial Position
As at December 31, 2025

Statement 1

	2025	2024
ASSETS		
Financial Assets		
Cash and Cash Equivalents	\$ 1,423,432	\$ 1,523,256
Investments	2,620,000	2,220,000
Taxes Receivable - Municipal	10,675	29,229
Other Accounts Receivable	138,838	103,444
Assets Held for Sale	-	-
Long-Term Receivable	63,353	54,475
Other Long-Term Investments	14,142	14,142
Debt Charges Recoverable	-	-
Derivative Assets	-	-
Total Financial Assets	4,270,440	3,944,546
LIABILITIES		
Bank Indebtedness	-	-
Accounts Payable	100,768	30,837
Accrued Liabilities Payable	-	-
Deposits	-	-
Deferred Revenue	700	700
Asset Retirement Obligations	664,185	744,160
Infrastructure Liability	-	-
Other Liabilities	-	-
Long-Term Debt	-	-
Lease Obligations	-	-
Total Liabilities	765,653	775,697
NET FINANCIAL ASSETS	3,504,787	3,168,849
Tangible Capital Assets	3,441,046	3,541,894
Intangible Capital Assets	-	-
Prepayment and Deferred Charges	1,214	1,301
Stock and Supplies	318,283	54,468
Other	-	-
Total Non-Financial Assets	3,760,543	3,597,663
Accumulated Surplus (Deficit)	\$ 7,265,330	\$ 6,766,512

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Residents of the
RURAL MUNICIPALITY OF BIG ARM NO. 251

Management of the **RURAL MUNICIPALITY OF BIG ARM NO. 251** has the responsibility for preparing the accompanying financial statements and ensuring that all information in the related reports is consistent with the statements. This responsibility includes selecting appropriate accounting policies and making objective judgments and estimates in accordance with Canadian public sector accounting standards.

In discharging its responsibilities for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary systems of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records maintained.

Ultimate responsibility for financial statements to the residents of the municipality lies with the Council who review the financial statements in detail with management prior to their approval for publication.

External auditors are appointed by the Council to audit the financial statements and are available to meet separately with both the Council and management to review their findings. The external auditors have full and free access to the Council to discuss their audit and their findings as to the integrity of the municipality's financial reporting and the adequacy of the system of internal controls.

Reeve

Administrator

RURAL MUNICIPALITY OF BIG ARM NO. 251
Statement of Operations
For the year ended December 31, 2025

Statement 2

	<u>2025 Budget</u>	<u>2025</u>	<u>2024</u>
Revenues			
Taxes Revenue	\$ 1,112,056	\$ 1,111,975	\$ 1,106,710
Other Unconditional Revenue	320,999	340,026	320,984
Fees and Charges	25,350	55,770	28,491
Conditional Grants	17,350	26,556	17,813
Tangible Capital Assets - Gain (Loss)	-	(1,192)	(20,414)
Intangible Capital Assets - Gain (Loss)	-	-	-
Land Sales - Gain	-	-	-
Investment Income and Commissions	126,300	92,129	127,500
Other Revenues	1,050	1,158	1,887
Restructurings	-	-	-
Provincial/Federal Capital Grants	12,000	11,463	13,849
Total Revenues	1,615,105	1,637,885	1,596,820
Expenses			
General Government Services	261,181	252,991	251,837
Protective Services	18,500	15,408	14,881
Transportation Services	976,860	803,022	946,336
Environmental and Public Health Services	70,600	60,937	59,958
Planning and Development Services	200	-	-
Recreation and Cultural Services	9,300	2,955	2,869
Utility Services	13,900	3,754	7,085
Total Expenses	1,350,541	1,139,067	1,282,966
Surplus (Deficit) of Revenues over Expenses	264,564	498,818	313,854
Accumulated Surplus (Deficit), Beginning of Year	6,766,512	6,766,512	6,452,658
Accumulated Surplus (Deficit), End of Year	\$ 7,031,076	\$ 7,265,330	\$ 6,766,512

REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS

To the Reeve and Councillors
RURAL MUNICIPALITY OF BIG ARM NO. 251

Opinion

The summary financial statements, which comprise the statement of financial position as at December 31, 2025 and the statement of operations for the year then ended, are derived from the audited financial statements of the RURAL MUNICIPALITY OF BIG ARM NO. 251 for the year ended December 31, 2025.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements in accordance with Canadian public sector accounting standards.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Canadian public sector accounting standards. Reading the summary financial statements and the auditors' report thereon, therefore, is not a substitute for reading the municipality's audited financial statements and the auditors' report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated .

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with Canadian public sector accounting standards.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements".

Dudley & Company LLP
Chartered Professional Accountants