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**Annual Financial Statement**  
And Supporting Schedules

**For The**

VILLAGE OF MARENGO

**For the Year Ended December 31, 2025**



CHARTERED PROFESSIONAL ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the Village of Marengo

### Qualified Opinion

We have audited the accompanying financial statements of the Village of Marengo, which comprise the statement of financial position as at December 31, 2025, and the statements of operations, statement of change in net financial assets (debt) and cash flows for the year then ended, and notes to the 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 auditor's report, the accompanying financial statements present fairly, in all material respects, the financial position of Village of Marengo as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Qualified Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Village of Marengo 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 audit opinion.

### Insufficient Support for Asset Retirement Obligations

Under PSAS, for the year ended December 31, 2025, the Village of Marengo was required to follow the accounting standard, PS 3290 – Asset Retirement Obligations. Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. Under this standard, the municipality is to identify all legal obligations associated with the retirement of its assets to ensure completeness and existence of asset retirement obligations, and to estimate the future costs of remediation of these obligations to determine their valuation. The Village of Marengo has not provided sufficient appropriate audit evidence regarding the completeness, existence, and valuation any asset retirement obligations and the disclosures required in respect of this liability.

Consequently, we were unable to determine whether an amount for an asset retirement obligation should have been recorded with respect to the accumulated surplus (deficit) as at December 31, 2025; tangible capital assets and the asset retirement obligations as at December 31, 2025 and the related expenses for the year then ended.

### 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 Village of Marengo's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Village of Marengo or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Village of Marengo financial reporting process.

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

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

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 controls.
- 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 Village of Marengo'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 Village of Marengo's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Village of Marengo 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.

A handwritten signature in black ink, consisting of the letters 'CHBB' in a stylized, cursive font, enclosed within a large, sweeping underline.

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Ministry of Government Relations, Government of Saskatchewan

2025-Financial-Statement-Template

December 2025

**Notice:**

While the Ministry of Government Relations attempts to ensure the accuracy of the information contained within this document, a municipality may wish to obtain advice from a lawyer or auditor in order to ensure the correct steps are taken throughout the financial reporting process. The Ministry of Government Relations and the Government of Saskatchewan do not warrant or make any other representations regarding the use, accuracy, applicability, or reliability of this template.

It is important to recognize that this template has been developed as a starting point for preparation of financial statements as required by *The Municipalities Act*. This template cannot be used in place of consulting with a lawyer or auditor. This template cannot anticipate every aspect, circumstance or situation that municipalities may encounter while working through their specific financial reporting process.

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## Management's Responsibility

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

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

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

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

  
Mayor

27-May-26

  
Administrator

Municipality of Village of Marengo  
Statement 1: Consolidated Statement of Financial Position  
As at December 31, 2025

Statement 1

	2025	2024
<b>FINANCIAL ASSETS</b>		
Cash and Cash Equivalents (Note 2)	826,381	813,398
Investments (Note 3)	-	-
Taxes Receivable - Municipal (Note 4)	108,382	1,276
Other Accounts Receivable (Note 5)	4,453	4,706
Assets Held for Sale (Note 6)	24,375	21,375
Long-Term Receivable (Note 7)	1,049	1,080
Debt Charges Recoverable (Note 8)	-	-
Derivative Assets [if applicable] (Note 9)	-	-
Other (Specify)	-	-
<b>Total Financial Assets</b>	<b>964,640</b>	<b>841,835</b>
<b>LIABILITIES</b>		
Bank Indebtedness (Note 10)	-	-
Accounts Payable	15,639	17,041
Accrued Liabilities Payable	-	-
Derivative Liabilities [if applicable] (Note 9)	-	-
Deposits	-	-
Deferred Revenue (Note 11)	-	634
Asset Retirement Obligation (Note 12)	-	-
Liability for Contaminated Sites (Note 13)	-	-
Infrastructure Liability [if applicable] (Note 27)	-	-
Other Liabilities	-	-
Long-Term Debt (Note 14)	-	-
Lease Obligations (Note 15)	-	-
<b>Total Liabilities</b>	<b>15,639</b>	<b>17,675</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>949,001</b>	<b>824,160</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Schedule 6, 7)	461,309	459,690
Intangible Capital Assets [if applicable] (Schedule 8, 9)	-	-
Prepayments and Deferred Charges	-	-
Stock and Supplies	4,591	6,280
Other (Note 16)	-	-
<b>Total Non-Financial Assets</b>	<b>465,900</b>	<b>465,970</b>
<b>ACCUMULATED SURPLUS (DEFICIT)</b>	<b>1,414,901</b>	<b>1,290,130</b>
Accumulated surplus is comprised of:		
Accumulated Surplus (Deficit) excluding remeasurement gains (losses) (Schedule 10)	1,414,901	1,290,130
Accumulated remeasurement gains (losses) (Statement 5)	-	-

Unrecognized Assets (Note 1 m)  
Contingent Assets (Note 22)  
Contractual Rights (Note 23)  
Contingent Liabilities (Note 17)  
Contractual Obligations and Commitments (Note 24)

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

Municipality of Village of Marengo  
**Statement 2: Consolidated Statement of Operations**  
**As at December 31, 2025**

Statement 2

	2025 Budget	2025	2024
<b>REVENUES</b>			
Tax Revenue (Schedule 1)	192,411	189,466	148,926
Other Unconditional Revenue (Schedule 1)	22,779	24,134	22,779
Fees and Charges (Note 28 (if applicable), Schedule 4, 5)	60,782	72,806	72,135
Conditional Grants (Note 28 (if applicable), Schedule 4, 5)	1,865	1,918	1,865
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	-	-	-
Intangible Capital Asset Sales - Gain (Schedule 4, 5)	-	-	-
Land Sales - Gain (Schedule 4, 5)	50	-	-
Investment Income (Note 3) (Schedule 4, 5)	33,614	24,218	33,625
Commissions (Schedule 4, 5)	276	34	276
Restructurings (Note 25 (if applicable), Schedule 4, 5)	-	-	-
Other Revenues (Schedule 4, 5)	-	300	-
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	4,438	4,673	4,438
<b>Total Revenues</b>	<b>316,215</b>	<b>317,549</b>	<b>284,044</b>
<b>EXPENSES</b>			
General Government Services (Schedule 3)	53,047	56,655	55,409
Protective Services (Schedule 3)	12,287	13,932	5,143
Transportation Services (Schedule 3)	38,463	28,237	25,586
Environmental and Public Health Services (Schedule 3)	20,029	22,612	19,499
Planning and Development Services (Schedule 3)	253	200	253
Recreation and Cultural Services (Schedule 3)	8,726	6,009	8,011
Utility Services (Schedule 3)	68,668	65,133	57,615
Restructurings (Note 25 (if applicable), Schedule 3)	-	-	-
<b>Total Expenses</b>	<b>201,473</b>	<b>192,778</b>	<b>171,517</b>
<b>Annual Surplus (Deficit) of Revenues over Expenses</b>	<b>114,742</b>	<b>124,771</b>	<b>112,528</b>
<b>Accumulated Surplus (Deficit) excluding remeasurement gains (losses), Beginning of Year</b>	<b>1,290,130</b>	<b>1,290,130</b>	<b>1,177,602</b>
<b>Accumulated Surplus (Deficit) excluding remeasurement gains (losses), End of Year</b>	<b>1,404,872</b>	<b>1,414,901</b>	<b>1,290,130</b>

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

Municipality of Village of Marengo

Statement 3: Consolidated Statement of Change in Net Financial Assets  
As at December 31, 2025

Statement 3

	2025 Budget	2025	2024
<b>Annual Surplus (Deficit) of Revenues over Expenses</b>	<b>114,742</b>	<b>124,771</b>	<b>112,528</b>
(Acquisition) of tangible capital assets	(48,735)	(28,090)	(20,857)
Amortization of tangible capital assets	26,566	26,471	24,093
Amortization of intangible capital assets			
Proceeds on disposal of tangible capital assets			
Loss (gain) on the disposal of tangible capital assets		-	-
Proceeds on disposal of intangible capital assets		-	-
Loss (gain) on the disposal of intangible capital assets		-	-
Transfer of assets/liabilities in restructuring transactions		-	-
<b>Surplus (Deficit) of capital expenses over expenditures</b>	<b>(22,169)</b>	<b>(1,619)</b>	<b>3,236</b>
(Acquisition) of supplies inventories		(4,591)	(6,280)
(Acquisition) of prepaid expense			
Consumption of supplies inventory		6,280	
Use of prepaid expense			450
<b>Surplus (Deficit) of expenses of other non-financial over expenditures</b>	<b>-</b>	<b>1,689</b>	<b>(5,830)</b>
<b>Unrealized remeasurement gains (losses)</b>		<b>-</b>	<b>-</b>
<b>Increase/Decrease in Net Financial Assets</b>	<b>92,573</b>	<b>124,841</b>	<b>109,934</b>
<b>Net Financial Assets (Debt) - Beginning of Year</b>	<b>824,160</b>	<b>824,160</b>	<b>714,226</b>
<b>Net Financial Assets (Debt) - End of Year</b>	<b>916,733</b>	<b>949,001</b>	<b>824,160</b>

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

Municipality of Village of Marengo  
Statement 4: Consolidated Statement of Cash Flow  
As at December 31, 2025

Statement 4

	2025	2024
Cash provided by (used for) the following activities		
Operating:		
Annual Surplus (Deficit) of Revenues over Expenses	124,771	112,528
Amortization of tangible capital assets	26,471	24,093
Amortization of intangible capital assets	-	-
Loss (gain) on disposal of tangible capital assets	-	-
Loss (gain) on disposal of intangible capital assets	-	-
	151,242	136,621
Change in assets/liabilities		
Taxes Receivable - Municipal	(107,106)	942
Other Receivables	284	448
Assets Held for Sale	(3,000)	-
Other Financial Assets	-	-
Accounts and Accrued Liabilities Payable	(1,402)	1,636
Derivative Liabilities [if applicable]	-	-
Deposits	-	-
Deferred Revenue	(634)	634
Asset Retirement Obligation	-	-
Liability for Contaminated Sites	-	-
Infrastructure Liability [if applicable]	-	-
Other Liabilities	-	-
Stock and Supplies	1,689	(6,280)
Prepayments and Deferred Charges	-	450
Other (Specify)	-	-
Cash provided by operating transactions	41,073	134,451
Capital:		
Acquisition of capital assets	(28,090)	(20,857)
Proceeds from the disposal of capital assets	-	-
Cash applied to capital transactions	(28,090)	(20,857)
Investing:		
Decrease (increase) in restricted cash or cash equivalents	(36,275)	(26,650)
Proceeds on disposal of investments	-	-
Decrease (increase) in investments	-	-
Cash provided by (applied to) investing transactions	(36,275)	(26,650)
Financing:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	-	-
Other financing	-	-
Cash provided by (applied to) financing transactions	-	-
Change in Cash and Cash Equivalents	(23,292)	86,944
Cash and Cash Equivalents	604,128	517,184
Cash and Cash Equivalents - End of Year	580,836	604,128
Cash and cash equivalents is made up of:		
Cash and cash equivalents (Note 2)	826,381	813,398
Less: restricted portion of cash and cash equivalents (Note 2)	(245,545)	(209,270)
Temporary bank indebtedness	580,836	604,128

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

Municipality of Village of Marengo  
**Statement 5: Consolidated Statement of Remeasurement Gains and Losses**  
**As at December 31, 2025**

Statement 5

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

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

## 1. Significant Accounting Policies

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

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

- a) **Reporting Entity:** The consolidated financial statements consolidate the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources. Entities included in these consolidated financial statements are as follows:

Entity

[Local arena board]

[Local swimming pool]

[For any internally restricted entities, provide a general description of the nature of the internal restriction.]

All inter-organizational transactions and balances have been eliminated.

**Partnerships:** A partnership represents a contractual arrangement between the municipality and a party or parties outside the reporting entity. The partners have significant, clearly defined common goals, make a financial investment in the partnership, share control of decision making, and share, on an equitable basis, the significant risks and benefits associated with the operations of the partnership. These consolidated financial statements contain the following partnerships:

Partnership # 1 (consolidated %) (2021 – consolidated %) -(proportionate consolidation or modified equity method).

Partnership # 1 (consolidated %) (2021 – consolidated %) -(proportionate consolidation or modified equity method).

All inter-organizational transactions and balances have been eliminated.

- b) **Collection of funds for other authorities:** Collection of funds by the municipality for school boards, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation.
- c) **Government Transfers:** Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occur, providing:
- a) the transfers are authorized
  - b) any eligibility criteria and stipulations have been met; and
  - c) reasonable estimates of the amounts can be made.

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

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

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

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

1. Significant Accounting Policies - continued

- e) Revenue - Fees and charges, capital asset sales, land sales and commissions from transactions with no performance obligations are recognized as revenue when there is persuasive evidence that an arrangement exists, the goods or services have been provided, the price is fixed and determinable and collection is reasonably assured.

Conditional and unconditional grants, for which the municipality must meet certain requirements, are recognized as revenue once the requirements have been met, and when collection is reasonably assured. Other grants, for which there are no requirements, are recognized as revenue when they are received, or receivable as long as collection is reasonably assured.

Investment income is recognized as revenue in the period in which it is earned.

For Revenue items with related performance obligations:

Tax revenue is recorded as revenue over the calendar year as its obligations to taxpayers for the upkeep, maintenance and development of municipal infrastructure is completed, provided that collection is reasonably assured. If payment is not received, accounts receivable are recorded for those accounts for which collection is reasonably assured.

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

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

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

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

**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.

- f) **Local Improvement Charges:** Local improvement projects financed by frontage taxes recognize any prepayment charges as revenue in the period assessed.
- g) **Net Financial Assets:** Net Financial Assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.
- h) **Non-financial Assets:** Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.
- i) **Appropriated Reserves:** Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 10.

1. Significant Accounting Policies - continued

- j) **Property Tax Revenue:** Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by council following the guidance of the Government of Saskatchewan. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.
- k) **Financial Instruments:** Derivative and equity instruments (or other portfolio investments) that are quoted in an active market are carried at fair value. All other financial instruments are measured at cost/amortized cost; financial assets measured at amortized cost are recognized initially net of transaction costs with interest income recognized using the effective interest rate method. Impairment losses are recognized in the statement of operations when there is an other than temporary decline in value.

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.

**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 receivable:**

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

**Measurement of Financial Instruments:**

The municipalities financial assets and liabilities are measured as follows:

<u>Financial Statement line item</u>	<u>Measurement</u>
Cash & Cash Equivalents	Cost/amortized cost
Investments	Amortized cost
Other Accounts Receivable	Cost/amortized cost
Long term receivable	Amortized cost
Debt Charges Recoverable	Amortized cost
Bank Indebtedness	Amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Long-Term Debt	Amortized cost
Derivative Assets and Liabilities	Fair Value

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

Municipality of Village of Marengo  
 Notes to the Consolidated Financial Statements  
 As at December 31, 2025

1. Significant Accounting Policies - continued

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

<u>Asset</u>	<u>Useful Life</u>
<b>General Assets</b>	
Land	Indefinite
Land Improvements	5 to 20 Yrs
Buildings	10 to 50 Yrs
<b>Vehicles &amp; Equipment</b>	
Vehicles	5 to 10 Yrs
Machinery and Equipment	5 to 10 Yrs
Leased capital assets	Lease term
<b>Infrastructure Assets</b>	
Infrastructure Assets	30 to 75 Yrs
Water & Sewer	40 Yrs
Road Network Assets	40 Yrs

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

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

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

**Leases:** All leases are recorded on the consolidated financial statements as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risk associated with the leased asset is classified as a capital leases and recorded as tangible capital assets. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. Assets under capital leases are amortized on a *[amortization method]* basis, over their estimated useful lives *[lease term]* . Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

1. Significant Accounting Policies - continued

- n) **Public Private Partnerships:** Public private partnerships where the municipality procures infrastructure using a private sector partner are accounted for and reported as infrastructure assets on the Statement of Financial Position and are initially recognized at cost. Cost includes the gross amount of consideration given up to acquire, construct, develop or better a tangible capital asset; and all costs directly attributable to the acquisition, construction, development or betterment of the infrastructure asset. Infrastructure assets are amortized over the assets useful life and recognized as an expense in the Statement of Operations. *[Where a performance obligation is recognized, disclose how revenue is being recognized.]*

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

Key estimation techniques used are as follows; *[insert key estimates made including the basis for such]*. (For reference key estimation techniques may include independent market appraisals, relevant past transactions or quotes generated by other bidders).

- o) **Trust Funds:** Funds held in trust for others, under a trust agreement or statute, are not included in the consolidated financial statements as they are not controlled by the municipality. Trust fund activities administered by the municipality are disclosed in Note 20.
- p) **Employee Benefit Plans:** Contributions to the municipality's multiemployer defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the municipality's obligations are limited to their contributions.
- q) **Liability for Contaminated Sites:** Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:
- a) an environmental 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.

1. Significant Accounting Policies - continued

- r) **Measurement Uncertainty:** The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period.

Measurement uncertainty impacts the following financial statement areas:

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

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

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

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

The liability associated with asset retirement obligations are measured with reference to the best estimate of the amount required. Measurement of financial instruments at fair value and recognition and measurement of impairment of financial instruments requires the use of significant management estimates.

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

These determinations will affect the amount of amortization expense on intangible capital assets recognized in future periods.

Management assesses impairment by comparing the recoverable amount of an intangible capital asset with its carrying value. The determination of the recoverable amount involves significant estimation by management.

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

1. Significant Accounting Policies - continued

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

The segments (functions) are as follows:

General Government: Provides for the administration of the municipality.

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

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

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

Planning and Development: Provides for neighbourhood development and sustainability.

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

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

- t) **Budget Information:** Budget information is presented on a basis consistent with that used for actual results. The budget was approved by Council on *April 23, 2025*.

- u) **Assets Held for Sale:** the municipality is committed to selling the asset, the asset is in a condition to be sold, the asset is publicly seen to be for sale, there is an active market for the asset, there is a plan in place for selling the asset and the sale is reasonably anticipated to be completed within one year of the financial statement date.

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

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

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

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

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

1. Significant Accounting Policies - continued

y) **New Accounting Policies Adopted During the Year:**

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

**Prospective application:** During the year, the municipality adopted a new accounting policy with respect to revenue recognition. The municipality now accounts for such transactions as per Note 1 e). Prior to this, the municipality accounted for these transactions in the same manner. The adoption of the revenue recognition accounting policy has not impacted the municipality's consolidated financial statements.

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

The municipality does not have any purchased intangibles. This accounting policy will be applied in a prospective manner. There has been no effect on the financial statements for the current year.

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

**Prospective application:** During the year, the municipality adopted a new accounting policy with respect to revenue recognition. The municipality now accounts for such transactions as per Note 1 n). Prior to this, the municipality accounted for these transactions in the same manner. The adoption of the revenue recognition accounting policy has not impacted the municipality's consolidated financial statements.

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2. Cash and Cash Equivalents

	2025	2024
Cash	580836	604128
Short-term investments - amortized cost		
Restricted Cash	245545	209270
<b>Total Cash and Cash Equivalents</b>	<b>826,381</b>	<b>813,398</b>

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

3. Investments

	2025	2024
<b>Investments carried at fair value:</b> <i>[List if any; e.g.: ]</i>		
Equity instruments quoted in an active market		
Other portfolio investments		
Derivatives		
<b>Investments carried at amortized cost:</b> <i>[List if any; e.g.: ]</i>		
Short-term notes and deposits		
Government/government guaranteed bonds		
<b>Total investments</b>	-	-

Short-term notes and deposits have effective interest rates of [% to % (Prior - % to %)] and mature in less than one year. Government and government guaranteed bonds have effective interest rates of [% to % (Prior - % to %)] with maturity dates from [date].

Investment Income

	2025	2024
Interest		
Dividends		
Realized gains (losses) previously recognized in the statement of remeasurement		
Realized gains (losses) on disposal		
Impairment charges		
Net settlement on derivative financial instruments		
<b>Total investment income</b>	-	-

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

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4. Taxes Receivable - Municipal

	2025	2024
Municipal - Current	107,739	1,276
- Arrears	643	-
	108,382	1,276
- Less Allowance for Uncollectible	-	-
<b>Total municipal taxes receivable</b>	<b>108,382</b>	<b>1,276</b>
School -Current	41,227	234
-Arrears	199	-
<b>Total taxes to be collected on behalf of School Divisions</b>	<b>41,426</b>	<b>234</b>
Other		
<b>Total taxes and grants in lieu receivable or to be collected on behalf of other organization</b>	<b>149,808</b>	<b>1,510</b>
Deduct taxes to be collected on behalf of other organizations	(41,426)	(234)
<b>Total Taxes Receivable - Municipal</b>	<b>108,382</b>	<b>1,276</b>

5. Other Accounts Receivable

Federal Government	1804	926
Provincial Government	1028	1161
Local Government	480	261
Utility	758	1435
Trade	383	923
Other (Specify)		0
<b>Total Other Accounts Receivable</b>	<b>4,453</b>	<b>4,706</b>
Less: Allowance for Uncollectible		
<b>Net Other Accounts Receivable</b>	<b>4,453</b>	<b>4,706</b>

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6. Assets Held for Sale

	2025	2024
Tax Title Property	4,387	4,387
Allowance for market value adjustment		
Net Tax Title Property	4,387	4,387
Other Land	19,988	16,988
Allowance for market value adjustment		
Net Other Land	19,988	16,988
Other (Describe)		
<b>Total Assets Held for Sale</b>	<b>24,375</b>	<b>21,375</b>

7. Long-Term Receivable

	2025	2024
Sask Assoc. of Rural Municipalities - Self Insurance Fund		
Other (Specify) Coop equity	1049	1080
<b>Total Long-Term Receivables</b>	<b>1,049</b>	<b>1,080</b>

8. Debt Charges Recoverable

	2025	2024
Current debt charges recoverable		
Non-current debt charges recoverable		
<b>Total Debt Charges Recoverable</b>	<b>-</b>	<b>-</b>

The municipality has undertaken a project with [describe nature of project and identify partners]. The municipality assumed the long-term financing of [\$ - amount]; however, [\$ - amount] plus interest at [#] % is recoverable from [name of municipality] with respect to this financing. Amounts are recoverable in annual principal instalments of [\$] plus interest, and mature [date].

Future debt charges recoverable are as follows:

Year	Principal	Interest	Total
2026			-
2027			-
2028			-
2029			-
2030			-
Thereafter			-
Balance	-	-	-

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9. Financial Instruments - Fair Value Disclosures

	Fair value hierarchy level	2025		2024	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets carried at fair value	Level 1 / 2 / 3				
<i>[List if any; e.g.: ]</i>					
Equity instruments quoted in an active market					
Other portfolio investments					
Derivative assets					
Total financial assets carried at fair value		-	-	-	-

	Fair value hierarchy level	2025		2024	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial liabilities carried at fair value	Level 1 / 2 / 3				
<i>[List if any; e.g.: ]</i>					
Derivative liability					
Total financial liabilities carried at fair value		-	-	-	-

For those instruments measured at cost / amortized cost the carrying value approximates the fair value.

Financial instruments are classified as level 1, 2 or 3 for the purposes of describing the basis of the inputs used to measure the fair values of financial instruments in the fair value measurement category, as described below:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets / liabilities;
- Level 2 - Inputs other than those in Level 1, that are either directly or indirectly observable for the assets or liabilities; and
- Level 3 - Inputs that are not based on observable market data (unobservable inputs).

Fair value is determined by *[For each group of financial instrument measured at fair value specify the methods and, when a valuation technique is used, the assumptions (e.g.: prepayment rates, rates of estimated credit losses, interest rates, discount rates) applied in determining fair values for each class of financial assets or financial liabilities. If there has been a change in valuation technique, a government discloses that change and the reasons for making it.]*

*[If there were no significant transfers during the period, use the following : There were no significant transfers between Fair Value Hierarchy Levels during the period.*

*If there were significant transfers between levels include the applicable following sections; any sections not used can be removed for final presentation :]*

*[Insert the following if there were transfers between Levels 1 and 2 during the period. Remove if not applicable. ]*

	2025
Information on Financial Instruments designated to fair value category levels 1 & 2:	
Significant transfers from level 1 to level 2	-
Significant transfers from level 2 to level 1	-

Transfers from level 1 to level 2 were made because *[describe reason]*.

Transfers from level 2 to level 1 were made because *[describe reason]*.

*[Insert the following if there were transfers from/to Level 3 during the period. Remove if not applicable. ]*

	2025	2024
Reconciliation of level 3 fair value financial instruments		
Opening balance	-	-
Remeasurement gains (losses) for the period	-	-
Purchases	-	-
Sales	-	-
Transfers to level 3 from <i>[level 1 or 2]</i>	-	-
Transfers from level 3 from <i>[level 1 or 2]</i>	-	-
Closing balance	-	-

Transfers to level 3 to level *[1 or 2]* were made because *[describe reason]*.

Transfers from level 3 to level *[1 or 2]* were made because *[describe reason]*.

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**10. Bank Indebtedness**

Bank indebtedness includes an operating loan amounting to [\$] ([*prior year*] - [\$]) and bearing interest at prime plus [# %]. Assets pledged as collateral are [*describe assets*].

**Credit Arrangements**

[*Disclosure appropriate where lines of credit have been authorized, but no amount is drawn at the financial statement date*]

At [*date*], the Municipality had lines of credit totaling [\$], none of which were drawn. The following has been collateralized in connection with this line of credit:

- General security agreement; and
- Hypothecation of certain preferred shares (market value at [*date*] of [\$]).

**11. Deferred Revenue**

	2024	Restricted Inflows	Revenue Earned	2025
Prepaid utilities	634	0	-634	0
<b>Total Deferred Revenue</b>	<b>634</b>	<b>-</b>	<b>(634)</b>	<b>-</b>

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12. Asset Retirement Obligation

	2025	2024
Balance, beginning of the year	\$ -	\$ -
Liabilities incurred		
Liabilities settled		
Accretion expense	-	-
Changes in estimated cash flows		
<b>Estimated total liability</b>	<b>-</b>	<b>-</b>

**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 [ # of years ] -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 estimated remaining capacity of the landfill is [ % ] - [ # ] cubic metres (prior year - % - [ # ] cubic metres) of its total estimated capacity of [ # ] cubic metres and its estimated remaining life is [ # ] years (prior year - [ # ] years). The period for post-closure care is estimated to be [ # ] years (prior year - [ # ]).

The unfunded liability for the landfill will be paid for [ explain how will be financed ] .

**Asbestos**

The municipality owns buildings which likely contain asbestos, and therefore, the municipality is legally required to perform abatement activities upon renovation or demolition of this asset. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. As of December 31, 2024, the municipality does not have an estimate of the potential costs of the required remediation. The municipality has not designated funds for settling the abatement activities.

As of December 31, 2025, the municipality is not able to reasonably estimate the ARO for the building, because it has not contracted the necessary experts to determine the estimated cost for remediation. The Village is not certain that there is asbestos in the building, but assume that it is likely given the age of the buildings. This obligation is disclosed in accordance with PS 3200, Liabilities.

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13. Liability for Contaminated Sites

The municipality recognizes and estimates a liability of [\$] ((prior year) - [\$]) for remediation of [name of the contaminated sites] using [name of the valuation method]. The nature of the liability is [description of the nature of the liability including the event of transaction creating the liability]. The assumptions used in estimating the liability include [descriptions of assumptions and measurement basis used]. The amount of estimated recoveries is [\$] ((prior year) - [\$]).

[Note: additional disclosure is required of the estimated total undiscounted expenditures and discount rate (when a net present value technique is used), as well as the reason for not recognizing a liability, if appropriate.]

14. Long-Term Debt

a) The debt limit of the municipality is \$200,118. 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)).

Debenture debt is repayable at [describe terms including interest rates, repayment dates and amounts, and whether any amount is due on demand].

Future principal and interest payments are as follows:

Year	Principal	Interest	Current Year Total	Prior Year Total
2026			-	
2027			-	
2028			-	
2029			-	
2030			-	
Thereafter			-	
Balance	-	-	-	-

Bank loans are repayable [describe terms including interest rates, repayment dates and amounts, and whether any amount is due on demand]. The bank loans are secured by a general assignment of property taxes receivable.

Future principal repayments are estimated as follows:

Year	Principal	Interest	Current Year Total	Prior Year Total
2026			-	
2027			-	
2028			-	
2029			-	
2030			-	
Thereafter			-	
Balance	-	-	-	-

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**15. Lease Obligations**

*[Description of capital leases including interest rates, expiry dates and significant conditions of the lease agreements]*

Future minimum lease payments under the capital leases together with the balance of the obligation due under the capital leases are as follows:

Year	Payment Amount
2026	-
2027	-
2028	-
2029	-
2030	-
Thereafter	-
Total future minimum lease payments	
	-
Amounts representing interest at a weighted average rate of _____%	
	-
Capital Lease Liability	
	-

The gross amount of leased tangible capital assets is  $[\$_____]$  and related accumulated amortization is  $[\$_____]$ .

Amount of amortization included in determination of operating results is  $[\$_____]$ .

The interest expense related to lease liabilities is  $[\$_____]$ .

**16. Other Non-financial Assets**

2025

2024

*[List if any]*

**17. 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.

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**18. Pension Plan**

The municipality is an employer member of the Municipal Employee Pension Plan (MEPP), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The municipality's pension expense in 2025 was [\$]. 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.

Total current service contributions by the municipality to the MEPP in 2025 were \$0 (2024 - \$0). Total current service contributions by the employees of the municipality to the MEPP in 2025 were \$0 (2024 - \$0).

At December 31, 2024, the MEPP disclosed an actuarial surplus of \$819,117,000. 2025 actuarial information was not available at the time these financial statements were completed

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

**19. Comparative Figures**

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

**20. Trusts Administered by the Municipality**

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

*[Description of Trust i.e. Cemetery]*

	<u>Current Year Total</u>	<u>Prior Year Total</u>
Balance - Beginning of Year		
Revenue (Specify )		
Interest revenue		
Expenditure (Specify )		
<b>Balance - End of Year</b>	<b>-</b>	<b>-</b>

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**21. Related Parties**

The consolidated financial statements include transactions with related parties. The municipality is related to no other entities under the common control of the Council.

Transactions with these related parties are in the normal course of operations and are settled on normal trade terms.

**22. Contingent Assets**

The municipality has the following contingent asset(s) for which the probability of [future event that would result in the asset(s)] occurring is likely, resulting in [describe the nature of the contingent asset] where the estimated or known assets are, or exceed [\$] at December 31 [current year] ([prior year: \$]). The future receipt of these assets is dependent on [describe nature of future event that will confirm existence of asset]. [When the disclosed amount is based on an estimate, explain basis of estimation].

Contingent assets are not recorded in the financial statements.

(or, in cases where the extent cannot be measured or when disclosure of the extent would have an adverse effect on the outcome, consider the following)

The municipality has the following contingent asset(s) for which the probability of [future event that would result in the asset(s)] occurring is likely, resulting in [describe the nature of the contingent asset]. The future receipt of these assets is dependent on [describe nature of future event that will confirm existence of asset]. [Describe the reason for non-disclosure of the extent of the contingent asset].

Contingent assets are not recorded in the financial statements.

**23. Contractual Rights**

Contractual rights are rights to economic resources arising from contracts or agreements that will result in an asset and revenue in the future. Significant contractual rights of the municipality are as follows:

Contractual Rights Type	Describe Nature Time and Extent	2025	2026	2027	2028	2029	Thereafter	No Fixed Maturity Date	Current Year Total	Prior Year Total
[i.e. future lease revenue]		[\$]	[\$]	[\$]	[\$]	[\$]	[\$]	[\$]	-	[\$]
Contractual Rights 1									-	
Contractual Rights 2									-	
Contractual Rights 3									-	
[Other Specify]									-	
<b>Total</b>		-	-	-	-	-	-	-	-	-

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**24. Contractual Obligations and Commitments**

The municipality has entered into multiple-year contracts for the delivery of services and the construction of tangible capital assets *[identify those that apply]*. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Significant contractual obligations and commitments of the municipality include:

Contractual Obligations and Commitments Type <sup>1</sup>	Describe Nature Time and Extent	2025	2026	2027	2028	2029	Thereafter	No Fixed Maturity Date	Current Year Total	Prior Year Total
<i>[i.e. future lease payments]</i>		[\$]	[\$]	[\$]	[\$]	[\$]	[\$]	[\$]	\$ -	[\$]
Contractual Rights 1									-	
Contractual Rights 2									-	
Contractual Rights 3									-	
<i>[Other Specify]</i>									-	
<b>Total</b>		-	-	-	-	-	-	-	-	-

<sup>1</sup> See Note 15 for Capital Lease obligations.

**25. Restructuring Transactions**

*[Select one of the following if applicable:]*

On *[insert restructuring date]*, the *[Town/City/Village of XXX]* received the transfer of *[insert brief description of assets (and liabilities)]* and the responsibility for the ongoing operation of the asset(s) from *[insert transferring organization's name]*. The transfer was due to *[brief description of why the restructuring transaction occurred]*.

The assets *[and liabilities]* have been recorded as *[e.g., tangible capital assets, A/R etc.]*, at the *[insert transferring organization's name]* carrying value at the time of the transfer, totaling \$XX. This amount has been recorded as revenue *[expense]* during the year. Under the transfer, the *[Town/City/Village of XXX]* also assumed responsibility for *[contingent liabilities (describe) and/or contractual obligations (describe) if applicable]*.

The *[Town/City/Village of XXX]* also received compensation of \$XX for *[outline the purpose -what it is for – if applicable]*.

The *[Town/City/Village of XXX]* incurred \$XX in restructuring costs related to *[brief description of the cause of the costs incurred if significant e.g., legal, accounting, professional services – if applicable]*.

From the date of transfer to December 31, 2025, revenues and expenses related to the operation of the assets were as follows: revenue of \$XX; salaries of \$XX; goods and services of \$XX; amortization of \$XX; and debt service \$XX.

or

On *[insert restructuring date here]*, the *[Town/City/Village of XXX]* transferred *[insert brief description of assets (and liabilities)]* and the responsibility for the ongoing operation of the asset(s) to *[insert receiving organization's name]*. *[Contingent liabilities (describe) and/or contractual obligations (describe) if applicable] are also transferred to [insert receiving organization's name]*.

The transfer was due to *[brief description of why the restructuring transaction occurred]*.

The carrying amount of the assets *[and liabilities]* transferred of \$XX is recorded as an expense *(revenue)* during the year.

The *[Town/City/Village of XXX]* also provided compensation of \$XX for *[outline the purpose -what it is for – if applicable]*.

The *[Town/City/Village of XXX]* incurred \$XX in restructuring costs related to *[brief description of the cause of the costs incurred if significant e.g., legal, accounting, professional services – if applicable]*.

**26. Risk Management**

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

It is management's opinion that the municipality is not exposed to significant currency, interest rate or other price risks arising from these financial instruments.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge their responsibilities with respect to the financial instrument, and in so doing, cause a loss for the other party. The financial instruments that potentially subject the municipality to credit risk consist of taxes receivable-municipal, other accounts receivable and long term receivables.

The municipalities maximum exposure to credit risk as at December 31 is as follows:

	<b>2025</b>
<i>Taxes receivable</i>	108,382.00
<i>Other accounts receivable</i>	4,453.00
<b>Maximum credit risk exposure</b>	<b>112,835</b>

The municipality has mitigated its exposure to credit risk on financial instruments through the Tax Enforcement Act and Regulations which allows the municipality to take over ownership of underlying property if amounts are not paid. The municipality has mitigated its exposure to credit risk on other accounts receivable through only extending credit to company's that have past history of payment.

At December 31 the following receivables were past due but not impaired:

	30 days	60 days	90 days	Over 120
<i>Taxes receivable</i>	107,739.00			643.00
<i>Other accounts receivable</i>	3,835.00			618.00
<b>Net total</b>	<b>111,574</b>	-	-	<b>1,261</b>

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 financial instruments that potentially subject the municipality to liquidity risk consist of accounts payable.

The following table outlines the maturity analysis of certain non-derivative and derivative financial liabilities as at December 31:

	Total	2025	2026	2027	Post 2027
<i>Accounts payable</i>	15639	0	15639		
	<b>15,639</b>	-	<b>15,639</b>	-	-

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 comprises three types of risk: interest rate risk, currency and other price risk.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The financial instruments that potentially subject the municipality to interest rate risk consist of cash.

Municipality of Village of Marengo  
Notes to the Consolidated Financial Statements

As at December 31, 2025

**27. Public Private Partnerships:**

*[Only applicable if the municipality has entered into a P3 Partnership]*

The [municipality] has entered into a public private partnership with [consider name of party]. Significant terms of the agreement are as follows; [insert details about the agreement to the extent that they detail the amount, timing and uncertainties associated with future cashflows]. Under this agreement key rights and obligations of the municipality are [detail the rights and obligations of the municipality under the agreement]. Key rights and obligations of [private organization name] are [detail the rights and obligations of the private sector party under the agreement].

An asset has been recognized on the face of the statements in order to account for the [describe the nature of the asset recognized]. An infrastructure liability has also been reflected in the statements to account for the [describe the nature of the liability recognized]. During the [current reporting period], [detail any changes in the terms of the agreement that occurred during the reporting period].

Required assumptions made pertain to (include as applicable) the basis of recognition, discount rate and [insert others as applicable]. [Insert basis for the underlying assumptions made].

[Disclose any other key components of the agreement such as renewal options, termination options, rights to receive assets, access obligations and rights granted to the partner].

**28. Revenue**

*If applicable, disclose collection uncertainties associated with revenues:*

The municipality has entered into a contract with [payor] to [details of contract]. The municipality does not expect to collect payments contractually owed in the amount of \$[amount].

*If applicable, disclose significant concessionary terms associated with revenues:*

The municipality has entered into a contract with [payor] to [details of contract]. The original amount of the transaction price associated with this contract was \$[amount]. Significant concessionary terms inclusive in this contract are [insert description of concessionary terms].

**29. Correction of Prior Period Error**

Subsequent to the year ended December 31, 2025, the municipality identified an error in (describe error). Due to this error, the municipality's (describe misstatements that resulted from the error). The prior period comparative amounts have been restated from those previously reported to correct for this error. The correction of this error has impacted the municipality's consolidated financial statements as follows: (describe impact on current and prior period amounts).

**30. Subsequent Events**

*[Describe the nature of the event, and an estimate of the financial effect, or a statement that an estimate cannot be made.]*

**31. Loan Guarantees**

The municipality currently guarantees (describe loan guarantee and policy). The municipality monitors the status of these lines of credit, loans, and the financial position of the organizations. As at December 31, 2025 all loans and lines of credit (are in good standing and no provision has been recorded (2024 – \$nil) or provision of (\$\_\_\_\_) has been recorded (2024 – \$). Organizations that have received a guarantee from the municipality also pledged (or not) various assets for security.

In 2025, the municipality provided capital loan guarantees to various organizations amounting to \$\_\_\_\_ (2024 – \$\_\_\_\_). The municipality's guarantees are set to expire between 2026 and 20XX (2024 – 2025 and 20XX).

In 2025, the municipality provided line of credit guarantees that have an aggregate value of \$\_\_\_\_ (2024 – \$\_\_\_\_).

Municipality of Village of Marengo  
 Schedule 1: Schedule of Taxes and Other Unconditional Revenue  
 As at December 31, 2025

Schedule 1

	2025 Budget	2025	2024
<b>TAXES</b>			
General municipal tax levy	174,132	172,352	131,705
Abatements and adjustments			
Discount on current year taxes			
<b>Net Municipal Taxes</b>	<b>174,132</b>	<b>172,352</b>	<b>131,705</b>
Potash tax share			
Trailer license fees			
Penalties on tax arrears	700	128	222
Special tax levy			
<b>Other (Specify)</b>			
<b>Total Taxes</b>	<b>174,832</b>	<b>172,480</b>	<b>131,927</b>
<b>UNCONDITIONAL GRANTS</b>			
Revenue Sharing (Organized Hamlet)	22,779	24,134	22,779
Safe Restart			
<b>Other (Specify)</b>			
<b>Total Unconditional Grants</b>	<b>22,779</b>	<b>24,134</b>	<b>22,779</b>
<b>GRANTS IN LIEU OF TAXES</b>			
Federal			
Provincial			
S.P.C. Electrical			
SaskEnergy Gas			
TransGas			
Central Services			
SaskTel	1,300	1,300	1,300
<b>Other (Specify)</b>			
Local/Other			
Housing Authority	3,779	3,779	3,514
C.P.R. Mainline			
Treaty Land Entitlement			
<b>Other (Specify)</b>			
Other Government Transfers			
S.P.C. Surcharge	12,500	11,907	12,186
Sask Energy Surcharge			
<b>Other (Specify)</b>			
<b>Total Grants in Lieu of Taxes</b>	<b>17,579</b>	<b>16,986</b>	<b>17,000</b>
<b>TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE</b>	<b>215,190</b>	<b>213,600</b>	<b>171,705</b>

	2025 Budget	2025	2024
<b>GENERAL GOVERNMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work	69	42	24
- Sales of supplies			
- Other (Specify)	509	12,155	12,917
Total Fees and Charges	578	12,197	12,941
- Tangible capital asset sales - gain (loss)			
- Intangible capital asset sales - gain (loss)			
- Land sales - gain	50		
- Investment income	33,614	24,218	33,625
- Commissions	276	34	276
- Other (Specify)		300	
Total Other Segmented Revenue	34,518	36,749	46,842
Conditional Grants			
- Student Employment			
- MEEP			
- Other (Specify)			
Total Conditional Grants	-	-	-
<b>Total Operating</b>	<b>34,518</b>	<b>36,749</b>	<b>46,842</b>
<b>Capital</b>			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- Provincial Disaster Assistance			
- MEEP			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue (Specify, if any)			
<b>Total General Government Services</b>	<b>34,518</b>	<b>36,749</b>	<b>46,842</b>

<b>PROTECTIVE SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Other (Specify) Dog License	110	70	110
Total Fees and Charges	110	70	110
- Tangible capital asset sales - gain (loss)			
- Intangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	110	70	110
Conditional Grants			
- Student Employment			
- Local government			
- MEEP			
- Other (Specify)			
Total Conditional Grants	-	-	-
<b>Total Operating</b>	<b>110</b>	<b>70</b>	<b>110</b>
<b>Capital</b>			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- Provincial Disaster Assistance			
- Local government			
- MEEP			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue (Specify, if any)			
<b>Total Protective Services</b>	<b>110</b>	<b>70</b>	<b>110</b>

Municipality of Village of Marengo  
 Schedule 2: Schedule of Operating and Capital Revenue by Function  
 As at December 31, 2025

Schedule 2 - 2

	2025 Budget	2025	2024
<b>TRANSPORTATION SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Custom work	30	60	30
- Sales of supplies			
- Road Maintenance and Restoration Agreements			
- Frontage			
- Other (Specify)			
Total Fees and Charges	30	60	30
- Tangible capital asset sales - gain (loss)			
- Intangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	30	60	30
Conditional Grants			
- RIRG (CTP)			
- Student Employment			
- MEEP			
- Other (Specify)			
Total Conditional Grants	-	-	-
<b>Total Operating</b>	<b>30</b>	<b>60</b>	<b>30</b>
<b>Capital</b>			
Conditional Grants			
- Canada Community-Building Fund (CCBF)	4,438		4,438
- ICIP			
- RIRG (CTP, Bridge and Large Culvert, Road Const.)			
- Provincial Disaster Assistance			
- MEEP			
- Other (Specify)			
Total Capital	4,438	-	4,438
Restructuring Revenue (Specify, if any)			
<b>Total Transportation Services</b>	<b>4,468</b>	<b>60</b>	<b>4,468</b>

**ENVIRONMENTAL AND PUBLIC HEALTH SERVICES**

<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Waste and Disposal Fees	12,390	12,636	11,890
- Other (Specify)	500	-	-
Total Fees and Charges	12,890	12,636	11,890
- Tangible capital asset sales - gain (loss)			
- Intangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	12,890	12,636	11,890
Conditional Grants			
- Student Employment			
- TAPD			
- Local government			
- MEEP			
- Other (Specify) MMSW	1,865	1,918	1,865
Total Conditional Grants	1,865	1,918	1,865
<b>Total Operating</b>	<b>14,755</b>	<b>14,554</b>	<b>13,755</b>
<b>Capital</b>			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- TAPD			
- Provincial Disaster Assistance			
- MEEP			
- Other (Specify)			
Total Capital	-	-	-
Restructuring Revenue (Specify, if any)			
<b>Total Environmental and Public Health Services</b>	<b>14,755</b>	<b>14,554</b>	<b>13,755</b>

Municipality of Village of Marengo  
 Schedule 2: Schedule of Operating and Capital Revenue by Function  
 As at December 31, 2025

Schedule 2 - 3

	2025 Budget	2025	2024
<b>PLANNING AND DEVELOPMENT SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Maintenance and Development Charges	175	25	175
- Other (Specify)			
Total Fees and Charges	175	25	175
- Tangible capital asset sales - gain (loss)			
- Intangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	175	25	175
Conditional Grants			
- Student Employment			
- MEEP			
- Other (Specify)			
Total Conditional Grants	-	-	-
<b>Total Operating</b>	<b>175</b>	<b>25</b>	<b>175</b>
<b>Capital</b>			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- Provincial Disaster Assistance			
- MEEP			
- Other (Specify)			
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
Restructuring Revenue (Specify, if any)			
<b>Total Planning and Development Services</b>	<b>175</b>	<b>25</b>	<b>175</b>

<b>RECREATION AND CULTURAL SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Other (Specify)		2,500	
Total Fees and Charges	-	2,500	-
- Tangible capital asset sales - gain (loss)			
- Intangible capital asset sales - gain (loss)			
- Other (Specify)			
Total Other Segmented Revenue	-	2,500	-
Conditional Grants			
- Student Employment			
- Local government			
- MEEP			
- Other (Specify)			
Total Conditional Grants	-	-	-
<b>Total Operating</b>	<b>-</b>	<b>2,500</b>	<b>-</b>
<b>Capital</b>			
Conditional Grants			
- Canada Community-Building Fund (CCBF)			
- ICIP			
- Local government			
- Provincial Disaster Assistance			
- MEEP			
- Other (Specify)			
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
Restructuring Revenue (Specify, if any)			
<b>Total Recreation and Cultural Services</b>	<b>-</b>	<b>2,500</b>	<b>-</b>

Municipality of Village of Marengo  
 Schedule 2: Schedule of Operating and Capital Revenue by Function  
 As at December 31, 2025

Schedule 2 - 4

	2025 Budget	2025	2024
<b>UTILITY SERVICES</b>			
<b>Operating</b>			
Other Segmented Revenue			
Fees and Charges			
- Water	28,972	29,160	28,972
- Sewer	15,251	15,435	15,251
- <b>Other (Specify)</b>	2,776	723	2,766
<b>Total Fees and Charges</b>	<b>46,999</b>	<b>45,318</b>	<b>46,989</b>
- Tangible capital asset sales - gain (loss)			
- Intangible capital asset sales - gain (loss)			
- <b>Other (Specify)</b>			
<b>Total Other Segmented Revenue</b>	<b>46,999</b>	<b>45,318</b>	<b>46,989</b>
Conditional Grants			
- Student Employment			
- MEEP			
- <b>Other (Specify)</b>			
<b>Total Conditional Grants</b>	-	-	-
<b>Total Operating</b>	<b>46,999</b>	<b>45,318</b>	<b>46,989</b>
<b>Capital</b>			
Conditional Grants			
- Canada Community-Building Fund (CCBF)		4,673	
- ICIP			
- New Building Canada Fund (SCF, NRP)			
- Clean Water and Wastewater Fund			
- Provincial Disaster Assistance			
- MEEP			
- <b>Other (Specify)</b>			
<b>Total Capital</b>	-	4,673	-
Restructuring Revenue ( <i>Specify, if any</i> )			
<b>Total Utility Services</b>	<b>46,999</b>	<b>49,991</b>	<b>46,989</b>
<b>TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION</b>	<b>101,025</b>	<b>103,949</b>	<b>112,339</b>

**SUMMARY**

Total Other Segmented Revenue	94,722	97,358	106,036
Total Conditional Grants	1,865	1,918	1,865
Total Capital Grants and Contributions	4,438	4,673	4,438
Restructuring Revenue	-	-	-
<b>TOTAL REVENUE BY FUNCTION</b>	<b>101,025</b>	<b>103,949</b>	<b>112,339</b>

	2025 Budget	2025	2024
<b>GENERAL GOVERNMENT SERVICES</b>			
Council remuneration and travel	5,032	4,312	5,215
Wages and benefits	22,928	22,341	20,487
Professional/Contractual services	19,830	25,650	25,497
Utilities	629	533	548
Maintenance, materials and supplies	2,346	2,171	2,291
Grants and contributions - operating	475	275	475
- capital			
Amortization of Tangible Capital Assets	853	648	827
Amortization of Intangible capital assets			
Accretion of asset retirement obligation			
Interest	750	123	68
Allowance for uncollectible			
<b>Other (Specify)</b>	204	602	
General Government Services	53,047	56,655	55,409
Restructuring (Specify, if any)			
<b>Total General Government Services</b>	<b>53,047</b>	<b>56,655</b>	<b>55,409</b>

**PROTECTIVE SERVICES**

<b>Police protection</b>			
Wages and benefits			
Professional/Contractual services	12,137	13,753	4,993
Utilities			
Maintenance, material and supplies		9	
Amortization of Tangible Capital Assets			
Amortization of Intangible capital assets			
Accretion of asset retirement obligation			
Grants and contributions - operating			
- capital			
<b>Other (Specify)</b>			
<b>Fire protection</b>			
Wages and benefits			
Professional/Contractual services	150	170	150
Utilities			
Maintenance, material and supplies			
Grants and contributions - operating			
- capital			
Amortization of Tangible Capital Assets			
Amortization of Intangible capital assets			
Interest			
Accretion of asset retirement obligation			
<b>Other (Specify)</b>			
Protective Services	12,287	13,932	5,143
Restructuring (Specify, if any)			
<b>Total Protective Services</b>	<b>12,287</b>	<b>13,932</b>	<b>5,143</b>

**TRANSPORTATION SERVICES**

Wages and benefits	6,023	4,194	4,799
Professional/Contractual Services	6,500	1,922	613
Utilities	6,400	6,273	6,351
Maintenance, materials, and supplies	6,901	3,100	2,666
Gravel			
Grants and contributions - operating			
- capital			
Amortization of Tangible Capital Assets	12,639	12,748	11,157
Amortization of Intangible capital assets			
Interest			
Accretion of asset retirement obligation			
<b>Other (Specify)</b>			
Transportation Services	38,463	28,237	25,586
Restructuring (Specify, if any)			
<b>Total Transportation Services</b>	<b>38,463</b>	<b>28,237</b>	<b>25,586</b>

	2025 Budget	2025	2024
<b>ENVIRONMENTAL AND PUBLIC HEALTH SERVICES</b>			
Wages and benefits			
Professional/Contractual services	12,800	13,557	12,490
Utilities			
Maintenance, materials and supplies	6,400	8,555	6,180
Grants and contributions - operating			
o Waste disposal			
o Public Health	829	500	829
- capital			
o Waste disposal			
o Public Health			
Amortization of Tangible Capital Assets			
Amortization of Intangible capital assets			
Interest			
Accretion of asset retirement obligation			
<i>Other (Specify)</i>			
<b>Environmental and Public Health Services</b>	<b>20,029</b>	<b>22,612</b>	<b>19,499</b>
Restructuring (Specify, if any)			
<b>Total Environmental and Public Health Services</b>	<b>20,029</b>	<b>22,612</b>	<b>19,499</b>

<b>PLANNING AND DEVELOPMENT SERVICES</b>			
Wages and benefits			
Professional/Contractual Services	250	200	250
Grants and contributions - operating			
- capital			
Amortization of Tangible Capital Assets			
Amortization of Intangible capital assets			
Interest	3	-	3
Accretion of asset retirement obligation			
<i>Other (Specify)</i>			
<b>Planning and Development Services</b>	<b>253</b>	<b>200</b>	<b>253</b>
Restructuring (Specify, if any)			
<b>Total Planning and Development Services</b>	<b>253</b>	<b>200</b>	<b>253</b>

<b>RECREATION AND CULTURAL SERVICES</b>			
Wages and benefits			
Professional/Contractual services	626	607	626
Utilities	2,500	2,102	1,595
Maintenance, materials and supplies	2,500	-	2,690
Grants and contributions - operating	3,100	3,300	3,100
- capital			
Amortization of Tangible Capital Assets			
Amortization of Intangible capital assets			
Interest			
Accretion of asset retirement obligation			
Allowance for uncollectible			
<i>Other (Specify)</i>			
<b>Recreation and Cultural Services</b>	<b>8,726</b>	<b>6,009</b>	<b>8,011</b>
Restructuring (Specify, if any)			
<b>Total Recreation and Cultural Services</b>	<b>8,726</b>	<b>6,009</b>	<b>8,011</b>



	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and Charges	12,197	70	60	12,636	25	2,500	45,318	72,806
Tangible Capital Asset Sales - Gain	-	-	-	-	-	-	-	-
Intangible Capital Asset Sales - Gain	-	-	-	-	-	-	-	-
Land Sales - Gain	-	-	-	-	-	-	-	-
Investment Income	24,218	-	-	-	-	-	-	24,218
Commissions	34	-	-	-	-	-	-	34
Other Revenues	300	-	-	-	-	-	-	300
Grants - Conditional	-	-	-	1,918	-	-	-	1,918
- Capital	-	-	-	-	-	-	4,673	4,673
Restructurings	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>36,749</b>	<b>70</b>	<b>60</b>	<b>14,554</b>	<b>25</b>	<b>2,500</b>	<b>49,991</b>	<b>103,949</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	26,653	-	4,194	-	-	-	-	30,847
Professional/ Contractual Services	25,650	13,923	1,922	13,557	200	607	26,136	81,995
Utilities	533	-	6,273	-	-	2,102	9,062	17,970
Maintenance Materials and Supplies	2,171	9	3,100	8,555	-	-	16,860	30,695
Grants and Contributions	275	-	-	500	-	3,300	-	4,075
Amortization of Tangible Capital Assets	648	-	12,748	-	-	-	13,075	26,471
Amortization of Intangible capital assets	-	-	-	-	-	-	-	-
Interest	123	-	-	-	-	-	-	123
Accretion of asset retirement obligation	-	-	-	-	-	-	-	-
Allowance for Uncollectible	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
Other	602	-	-	-	-	-	-	602
<b>Total Expenses</b>	<b>56,655</b>	<b>13,932</b>	<b>28,237</b>	<b>22,612</b>	<b>200</b>	<b>6,009</b>	<b>65,133</b>	<b>192,778</b>
<b>Surplus (Deficit) by Function</b>	<b>(19,906)</b>	<b>(13,862)</b>	<b>(28,177)</b>	<b>(8,058)</b>	<b>(175)</b>	<b>(3,509)</b>	<b>(15,142)</b>	<b>(88,829)</b>

Taxes and other unconditional revenue (Schedule 1) 213,600

Net Surplus (Deficit) 124,771

Municipality of Village of Marengo  
 Schedule 5: Consolidated Schedule of Segment Disclosure by Function  
 As at December 31, 2024

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
<b>Revenues (Schedule 2)</b>								
Fees and Charges	12,941	110	30	11,890	175	-	46,989	72,135
Tangible Capital Asset Sales - Gain	-	-	-	-	-	-	-	-
Intangible Capital Asset Sales - Gain	-	-	-	-	-	-	-	-
Land Sales - Gain	-	-	-	-	-	-	-	-
Investment Income	33,625	-	-	-	-	-	-	33,625
Commissions	276	-	-	-	-	-	-	276
Other Revenues	-	-	-	-	-	-	-	-
Grants - Conditional	-	-	-	1,865	-	-	-	1,865
- Capital	-	-	4,438	-	-	-	-	4,438
Restructurings	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>46,842</b>	<b>110</b>	<b>4,468</b>	<b>13,755</b>	<b>175</b>	<b>-</b>	<b>46,989</b>	<b>112,339</b>
<b>Expenses (Schedule 3)</b>								
Wages & Benefits	25,702	-	4,799	-	-	-	-	30,501
Professional/ Contractual Services	25,497	5,143	613	12,490	250	626	28,721	73,341
Utilities	548	-	6,351	-	-	1,595	9,163	17,657
Maintenance Materials and Supplies	2,291	-	2,666	6,180	-	2,690	7,622	21,449
Grants and Contributions	475	-	-	829	-	3,100	-	4,404
Amortization of Tangible Capital Assets	827	-	11,157	-	-	-	12,109	24,093
Amortization of Intangible capital assets	-	-	-	-	-	-	-	-
Interest	68	-	-	-	3	-	-	71
Accretion of asset retirement obligation	-	-	-	-	-	-	-	-
Allowance for Uncollectible	-	-	-	-	-	-	-	-
Restructurings	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>55,409</b>	<b>5,143</b>	<b>25,586</b>	<b>19,499</b>	<b>253</b>	<b>8,011</b>	<b>57,615</b>	<b>171,517</b>
<b>Surplus (Deficit) by Function</b>	<b>(8,567)</b>	<b>(5,033)</b>	<b>(21,118)</b>	<b>(5,744)</b>	<b>(78)</b>	<b>(8,011)</b>	<b>(10,626)</b>	<b>(59,178)</b>

Taxes and other unconditional revenue (Schedule 1)

171,705

Net Surplus (Deficit)

112,528

Municipality of Village of Marengo  
 Schedule 6: Consolidated Schedule of Tangible Capital Assets by Object  
 As at December 31, 2025

Schedule 6

		2025						2024		
		General Assets				Infrastructure Assets		General/ Infrastructure Assets Under Construction	Total	Total
		Land	Land Improvements	Buildings	Vehicles	Machinery & Equipment	Linear assets	Public Private Partnerships		
Assets	Asset cost									
	Opening Asset costs	3		110,994	15,900	120,066	503,687		750,650	729,793
	Additions during the year			5,830			22,260		28,090	20,857
	Disposals and write-downs during the year									
	Transfers (from) assets under construction									
Transfer of Capital Assets related to restructuring (Schedule 13)										
	<b>Closing Asset Costs</b>	<b>3</b>	<b>-</b>	<b>116,824</b>	<b>15,900</b>	<b>120,066</b>		<b>-</b>	<b>778,740</b>	<b>750,650</b>
Amortization	Accumulated Amortization Cost									
	Opening Accumulated Amortization Costs			71,141	-	60,708	159,111		290,960	266,867
	Add: Amortization taken			2,142	1,590	11,778	10,961		26,471	24,093
	Less: Accumulated amortization on disposals									
	Transfer of Capital Assets related to restructuring (Schedule 13)									
	<b>Closing Accumulated Amortization</b>	<b>-</b>	<b>-</b>	<b>73,283</b>	<b>1,590</b>	<b>72,486</b>		<b>-</b>	<b>317,431</b>	<b>290,960</b>
	<b>Net Book Value</b>	<b>3</b>	<b>-</b>	<b>43,541</b>	<b>14,310</b>	<b>47,580</b>		<b>-</b>	<b>461,309</b>	<b>459,690</b>

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 Schedule 6

\$ -

Municipality of Village of Marengo  
 Schedule 7: Consolidated Schedule of Tangible Capital Assets by Function  
 As at December 31, 2025

Schedule 7

		2025						2024		
		General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
Assets	Asset cost									
	Opening Asset costs	6,174		220,671	1		1	523,803	750,650	729,793
	Additions during the year			28,090					28,090	20,857
	Disposals and write-downs during the year								-	
	Transfer of Capital Assets related to restructuring (Schedule 13)								-	
	<b>Closing Asset Costs</b>	<b>6,174</b>	<b>-</b>	<b>248,761</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>523,803</b>	<b>778,740</b>	<b>750,650</b>
Amortization	Accumulated									
	Opening Accumulated Amortization Costs	2,518		99,331				189,111	290,960	266,867
	Add: Amortization taken	648		12,748				13,075	26,471	24,093
	Less: Accumulated amortization on disposals								-	
	Transfer of Capital Assets related to restructuring (Schedule 13)								-	
	<b>Closing Accumulated Amortization Costs</b>	<b>3,166</b>	<b>-</b>	<b>112,079</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>202,186</b>	<b>317,431</b>	<b>290,960</b>
	<b>Net Book Value</b>	<b>3,008</b>	<b>-</b>	<b>136,682</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>321,617</b>	<b>461,309</b>	<b>459,690</b>

		2025					2024			
		General Assets					Asset Category TBD	Asset Category TBD	Total	Total
		TBD	TBD	TBD	TBD	TBD	Assets Under Construction			
Assets	Asset cost									
	Opening Asset costs							-	-	
	Additions during the year							-	-	
	Disposals and write-downs during the year							-	-	
	Transfers (from) assets under construction							-	-	
	Transfer of Intangible Capital Assets related to restructuring (Schedule 13)							-	-	
	<b>Closing Asset Costs</b>	-	-	-	-	-	-	-	-	
Amortization	Accumulated Amortization Cost									
	Opening Accumulated Amortization Costs							-	-	
	Add: Amortization taken							-	-	
	Less: Accumulated amortization on disposals							-	-	
	Transfer of Intangible Capital Assets related to restructuring (Schedule 13)							-	-	
		<b>Closing Accumulated Amortization</b>	-	-	-	-	-	-	-	-
	<b>Net Book Value</b>	-	-	-	-	-	-	-	-	
	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 Schedule 8	\$	-							

Municipality of Village of Marengo  
 Schedule 9: Consolidated Schedule of Intangible Capital Assets by Function  
 As at December 31, 2025

Schedule 9

		2025						2024		
		General Government	Protective Services	Transportation Services	Environmental & Public Health	Planning & Development	Recreation & Culture	Water & Sewer	Total	Total
Assets	Asset cost									
	Opening Asset costs								-	
	Additions during the year								-	
	Disposals and write-downs during the year								-	
	Transfer of Intangible Capital Assets related to restructuring (Schedule 13)								-	
	<b>Closing Asset Costs</b>	-	-	-	-	-	-	-	-	-
Amortization	Accumulated Amortization Cost									
	Opening Accumulated Amortization Costs								-	
	Add: Amortization taken								-	
	Less: Accumulated amortization on disposals								-	
	Transfer of Intangible Capital Assets related to restructuring (Schedule 13)								-	
	<b>Closing Accumulated Amortization Costs</b>	-	-	-	-	-	-	-	-	-
<b>Net Book Value</b>	-	-	-	-	-	-	-	-	-	

Municipality of **Village of Marengo**  
 Schedule 10: Consolidated Schedule of Accumulated Surplus  
 As at December 31, 2025

Schedule 10

	2024	Changes	2025
<b>UNAPPROPRIATED SURPLUS</b>	<b>644,378</b>	<b>93,152</b>	<b>737,530</b>
<b>APPROPRIATED RESERVES</b>			
Machinery and Equipment	-		-
Public Reserve	150		150
Capital Trust	-		-
Utility	160,366	30,000	190,366
Other (Specify)	25,546		25,546
<b>Total Appropriated</b>	<b>186,062</b>	<b>30,000</b>	<b>216,062</b>
<b>ORGANIZED HAMLETS (add lines if required)</b>			
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
Organized Hamlet of (Name)			-
<b>Total Organized Hamlets</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INVESTMENT IN CAPITAL ASSETS</b>			
Tangible capital assets (Schedule 6, 7)	459,690	1,619	461,309
Intangible capital assets (Schedule 8, 9)	-	-	-
Less: Related debt			-
<b>Net Investment in Capital Assets</b>	<b>459,690</b>	<b>1,619</b>	<b>461,309</b>
<b>Accumulated Surplus (Deficit) excluding remeasurement gains (losses)</b>	<b>1,290,130</b>	<b>124,771</b>	<b>1,414,901</b>

Municipality of Village of Marengo  
 Schedule 11: Schedule of Mill Rates and Assessments  
 As at December 31, 2025

Schedule 11

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	Potash Mine(s)	
Taxable Assessment	25,960	2,605,440			8,032,670		10,664,070
Regional Park Assessment							
Total Assessment							10,664,070
Mill Rate Factor(s)	0.7500	1.0000			1.6500		
Total Base/Minimum Tax (generated for each property class)		5,950			13,000		18,950
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	195	29,424			142,733		172,352

MILL RATES:	MILLS
Average Municipal*	16.16
Average School*	5.84
Potash Mill Rate	
Uniform Municipal Mill Rate	10.00

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

Municipality of Village of Marengo  
 Schedule 12: Schedule of Council Remuneration  
 As at December 31, 2025

Schedule 12

Position	Name	Remuneration	Reimbursed Costs	Total
Mayor	Travis McKillop	1,520	68	1,588
Councillor	Travis Clow	1,560		1,560
Councillor	Fontana German	1,840		1,840
Councillor				-
Councillor				-
Councillor				-
Councillor				-
Councillor				-
Councillor				-
Councillor				-
Councillor				-
Councillor				-
<b>Total</b>		<b>4,920</b>	<b>68</b>	<b>4,988</b>

	2025
<b>Carrying Amount of Assets and Liabilities Transferred/Received at Restructuring Date:</b>	
Cash and Cash Equivalents	-
Investments	-
Taxes Receivable - Municipal	-
Other Accounts Receivable	-
Assets Held for Sale	-
Long-Term-Receivable	-
Debt Charges Recoverable	-
Derivative Assets	-
Bank Indebtedness	-
Accounts Payable	-
Accrued Liabilities Payable	-
Derivative Liabilities	-
Deposits	-
Deferred Revenue	-
Asset Retirement Obligation	-
Liability for Contaminated Sites	-
Infrastructure Liability	-
Other Liabilities	-
Long-Term Debt	-
Lease Obligations	-
Tangible Capital Assets	-
Intangible Capital Assets	-
Prepayments and Deferred Charges	-
Stock and Supplies	-
Other	-
<b>Total Net Carrying Amount Received (Transferred)</b>	<b>-</b>