

TOWN OF WAKAW

Auditor's Report

Summarized Consolidated Financial Statements

December 31, 2025

MANAGEMENT'S RESPONSIBILITY

To the Ratepayers of
Town of Wakaw :

Management is responsible for the preparation and presentation of the accompanying summarized consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. 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.

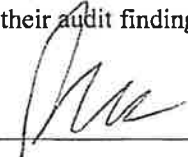
In discharging its responsibilities for the integrity and fair presentation of the consolidated financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and 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 Town. 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 management and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the Town's external auditors.

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



Mayor



Administrator

**REPORT OF THE INDEPENDENT AUDITOR ON
SUMMARY FINANCIAL STATEMENTS**

To the **Mayor** and Council of **Town of Wakaw**

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at **December 31, 2025**, the summary consolidated statement of operations, summary consolidated statement of changes in net financial assets, summary consolidated statement of cash flows, and summary consolidated statement of remeasurement gains and losses for the year then ended are derived from the audited consolidated financial statements of **Town of Wakaw** as at **December 31, 2025**.

In our opinion, the accompanying summary consolidated financial statements are a fair summary of the consolidated audited financial statements, on the basis described in Note 1.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by Canadian public sector accounting standards. Reading the summarized consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statement and auditor's report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated June 18, 2026.

Management's Responsibility for the Summarized Consolidated Statements

Management is responsible for the preparation of the summary consolidated financial statements on the basis described in Note 1.

Auditor's Responsibility

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

Saskatoon, Saskatchewan
June 18, 2026


Chartered Professional Accountants

TOWN OF WAKAW

Statement 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2025
with comparative figures for 2024

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Financial Assets:		
Cash and Cash Equivalents	\$ 2,106,411	1,864,761
Investments	18,000	18,000
Taxes Receivable - Municipal	133,366	92,217
Other Accounts Receivable	486,429	426,158
Assets Held for Sale	12,468	27,079
Long-Term Receivable	-	-
Debt Charges Recoverable	-	-
Loans and Notes Receivable	-	-
Total Financial Assets	<u>2,756,674</u>	<u>2,428,215</u>
<u>LIABILITIES</u>		
Bank Indebtedness	-	-
Accounts Payable	157,856	144,154
Accrued Liabilities Payable	66,817	112,933
Deposits	6,650	7,400
Deferred Revenue	-	-
Asset Retirement Obligation	61,941	57,916
Liability for Contaminated Sites	-	-
Other Liabilities	-	-
Long-Term Debt	3,716,229	1,664,814
Lease Obligations	-	-
Total Liabilities	<u>4,009,493</u>	<u>1,987,217</u>
NET FINANCIAL ASSETS (DEBT)	(1,252,819)	440,998
Non-Financial Assets:		
Tangible Capital Assets	9,701,644	7,779,681
Intangible Capital Assets	-	-
Prepaid and Deferred Charges	46,488	44,789
Stock and Supplies	<u>21,884</u>	<u>39,101</u>
Total Non-Financial Assets	<u>9,770,016</u>	<u>7,863,571</u>
Accumulated Surplus (Deficit)	<u>\$ 8,517,197</u>	<u>8,304,569</u>
Accumulated Surplus (Deficit) is comprised of:		
Accumulated Surplus (Deficit) excluding remeasurement gains (losses)	8,517,197	8,304,569
Accumulated remeasurement gains (losses)	-	-

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

TOWN OF WAKAW

Statement 2

CONSOLIDATED STATEMENT OF OPERATIONS

Year ended December 31, 2025
with comparative figures for 2024

	<u>2025</u> <u>Budget</u>	<u>2025</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
Revenues:			
Tax Revenue	\$ 1,004,380	1,021,912	998,661
Other Unconditional Revenue	290,300	290,322	272,663
Fees and Charges	1,141,960	1,217,350	1,262,336
Conditional Grants	9,930	127,989	12,690
Tangible Capital Asset Sales - Gain (Loss)	-	-	25,396
Land Sales - Gain (Loss)	-	(11,426)	(2,517)
Investment Income	90,250	51,856	90,254
Commissions	-	-	-
Restructurings	-	-	-
Other Revenues	3,250	382,360	2,444
Provincial/Federal Capital Grants and Contributions	<u>59,430</u>	<u>60,929</u>	<u>73,964</u>
Total Revenues	2,599,500	3,141,292	2,735,891
Expenses:			
General Government Services	630,190	941,341	561,917
Protective Services	184,010	168,237	179,526
Transportation Services	523,340	694,051	569,994
Environmental and Public Health Services	106,530	104,181	99,749
Planning and Development Services	19,000	56,409	62,393
Recreation and Cultural Services	360,300	496,253	468,527
Utility Services	430,290	468,192	472,830
Restructurings	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	2,253,660	2,928,664	2,414,936
Annual Surplus (Deficit) of Revenues over Expenses	345,840	212,628	320,955
Accumulated Surplus (Deficit) excluding remeasurement gains (losses) - Beginning of Year	<u>8,304,569</u>	<u>8,304,569</u>	<u>7,983,614</u>
Accumulated Surplus (Deficit) excluding remeasurement gains (losses) - End of Year	<u>\$ 8,650,409</u>	<u>8,517,197</u>	<u>8,304,569</u>

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

TOWN OF WAKAW

Statement 3

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2025
with comparative figures for 2024

	<u>2025</u> <u>Budget</u>	<u>2025</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
Annual Surplus (Deficit) of Revenues over Expenses	\$ 345,840	212,628	320,955
(Acquisition) of tangible capital assets	(2,200,000)	(2,431,655)	(2,316,859)
Amortization of tangible capital assets	-	509,692	352,101
Proceeds on disposal of tangible capital assets	-	-	43,400
Loss (gain) on disposal of tangible capital assets	-	-	(25,396)
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (Deficit) of capital expenses over expenditures	(2,200,000)	(1,921,963)	(1,946,754)
(Acquisition) of supplies inventories	-	(27,572)	(39,101)
(Acquisition) of prepaid expenses	-	(40,800)	(44,789)
Consumption of supplies inventories	-	44,789	45,781
Use of prepaid expenses	-	39,101	36,347
Surplus (Deficit) of expenses of other non-financial over expenditures	-	15,518	(1,762)
Unrealized remeasurement gains (losses)	-	-	-
Increase (decrease) in Net Financial Assets	(1,854,160)	(1,693,817)	(1,627,561)
Net Financial Assets (Debt) - Beginning of Year	440,998	440,998	2,068,559
Net Financial Assets (Debt) - End of Year	\$ (1,413,162)	(1,252,819)	440,998

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

TOWN OF WAKAW

Statement 4

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2025
with comparative figures for 2024

Cash provided by (used for) the following activities:	<u>2025</u>	<u>2024</u>
Operating:		
Annual Surplus (Deficit) of Revenues over Expenses	\$ 212,628	320,955
Amortization of tangible capital assets	509,692	352,101
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>(25,396)</u>
	722,320	647,660
Change in assets/liabilities		
Taxes Receivable - Municipal	(41,150)	22,676
Other Accounts Receivable	(60,271)	(164,267)
Assets Held For Sale	14,612	3,556
Other Financial Assets	-	-
Accounts and Accrued Liabilities Payable	(32,415)	22,565
Deposits	(750)	2,400
Deferred Revenue	-	-
Asset Retirement Obligation	61,940	57,915
Liability for Contaminated Sites	-	-
Other Liabilities	(57,915)	(54,152)
Stock and Supplies	17,217	6,680
Prepayments and Deferred Charges	(1,699)	(8,442)
Other	<u>-</u>	<u>-</u>
Cash provided by (applied to) operating transactions	<u>621,889</u>	<u>536,591</u>
Capital:		
Acquisition of tangible capital assets	(2,431,655)	(2,316,859)
Proceeds on disposal of tangible capital assets	<u>-</u>	<u>43,400</u>
Cash provided by (applied to) capital transactions	<u>(2,431,655)</u>	<u>(2,273,459)</u>
Investing:		
Decrease (increase) in restricted cash or cash equivalents	-	-
Proceeds on disposal of investments	-	-
Decrease (increase) in investments	<u>-</u>	<u>-</u>
Cash provided by (applied to) investing transactions	<u>-</u>	<u>-</u>
Financing:		
Debt charges recovered	-	-
Long-term debt issued	2,875,796	1,662,625
Long-term debt repaid	(824,380)	(101,494)
Other financing	<u>-</u>	<u>-</u>
Cash provided by (applied to) financing transactions	<u>2,051,416</u>	<u>1,561,131</u>
Change in Cash and Cash Equivalents	241,650	(175,737)
Cash and Cash Equivalents - Beginning of Year	<u>1,864,761</u>	<u>2,040,498</u>
Cash and cash equivalents - End of Year	<u>\$ 2,106,411</u>	<u>1,864,761</u>

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

TOWN OF WAKAW

Statement 5

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES

Year ended December 31, 2025
with comparative figures for 2024

	<u>2025</u>	<u>2024</u>
Accumulated remeasurement gains (losses) - Beginning of Year	<u>-</u>	<u>-</u>
Unrealized gains (losses) attributable to:		
Derivatives	-	-
Equity Investments measured at fair value	-	-
Foreign exchange	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Reclassified to the Statement of Operations:		
Derivatives	-	-
Equity Investments measured at fair value	-	-
Reversal of net remeasurements of portfolio investments	-	-
Foreign exchange	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Net remeasurement gains (losses) for the year	<u>-</u>	<u>-</u>
Accumulated remeasurement gains (losses) - End of Year	<u>-</u>	<u>-</u>

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

TOWN OF WAKAW

NOTES TO THE CONSOLIDATED SUMMARIZED FINANCIAL STATEMENTS

December 31, 2025

1. SUMMARY FINANCIAL STATEMENTS

The summary consolidated financial statements are derived from the audited consolidated financial statements, prepared in accordance with Canadian public sector accounting standards as at December 31, 2025 and December 31, 2024, and for the years then ended.

The preparation of these summary consolidated financial statements requires management to determine the information that needs to be reflected in them so that they are consistent in all material respects with, or represent a fair summary of, the audited consolidated financial statements.

Management prepared these summary consolidated financial statements using the following criteria:

- a) the summary consolidated financial statements include a statement for each statement included in the audited consolidated financial statements;
- b) information in the summary consolidated financial statements agrees with the related information in the related audited financial statements;
- c) major subtotals, totals and comparative information from the audited consolidated financial statements are included; and
- d) the summary consolidated financial statements contain the information from the audited consolidated financial statements dealing with matters that have a pervasive or otherwise significant effect on the summary consolidated financial statements.

The audited consolidated financial statements of Town of Wakaw are available upon request by contacting the Town.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated consolidated financial statements are prepared using the accrual basis of accounting using the accounting policies that are described in Note 1 to the Town's audited consolidated financial statements in accordance with the local government accounting standards established by the Public Sector Accounting Board. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenditures during the period. 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 capital assets have been estimated where actual costs were not available. Amortization is based on the estimated useful lives of capital assets. Asset retirement obligations are measured with reference to the best estimate of the amount required to ultimately remediate the liability, the discount rate, and inflation. These estimates and assumptions are reviewed periodically and as adjustments become necessary, they are reported in earnings in the period in which they become known.