



INDEPENDENT AUDITOR'S REPORT

To: The Reeve and Council
Rural Municipality of Buchanan No. 304

Opinion

We have audited the financial statements of Rural Municipality of Buchanan No. 304 (the Municipality) which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net financial assets, cash flows and remeasurement gains and losses for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Prairie Strong

PRAIRIE STRONG
Chartered Professional Accountants

Melville, Saskatchewan
March 13, 2026

Rural Municipality of Buchanan No. 304
Statement 1: Statement of Financial Position
As at December 31, 2025

	2025	Statement 1 2024
FINANCIAL ASSETS		
Cash and Cash Equivalents (Note 2)	2,621,446	2,453,035
Investments	-	-
Taxes Receivable - Municipal (Note 3)	64,248	93,707
Other Accounts Receivable (Note 4)	45,502	91,022
Assets Held for Sale (Note 5)	1	-
Long-Term Receivable (Note 6)	109,619	96,251
Debt Charges Recoverable	-	-
Derivative Assets	-	-
Other	-	-
Total Financial Assets	2,840,816	2,734,015
LIABILITIES		
Bank Indebtedness	-	-
Accounts Payable	81,419	257,969
Accrued Liabilities Payable	-	-
Derivative Liabilities	-	-
Deposits	-	-
Deferred Revenue	-	-
Asset Retirement Obligation	-	-
Liability for Contaminated Sites	-	-
Other Liabilities	300	300
Long-Term Debt (Note 7)	-	-
Lease Obligations	-	-
Total Liabilities	81,719	258,269
NET FINANCIAL ASSETS	2,759,097	2,475,746
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	1,585,590	1,644,437
Prepayments and Deferred Charges	12,613	3,964
Stock and Supplies	118,320	88,380
Other	-	-
Total Non-Financial Assets	1,716,523	1,736,781
ACCUMULATED SURPLUS (Schedule 8)	4,475,620	4,212,527
Accumulated Surplus (Deficit) is comprised of:		
Accumulated Surplus (Deficit) excluding remeasurement gains (losses) (Schedule 8)	4,475,620	4,212,527
Accumulated remeasurement gains (losses) (Statement 5)	-	-

Contingent Liabilities (Note 8)

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

See Accompanying Notes

Rural Municipality of Buchanan No. 304
Statement 2: Statement of Operations
As at December 31, 2025

	2025 Budget	2025	Statement 2 2024
REVENUES			
Tax Revenue (Schedule 1)	1,364,712	1,369,111	1,266,869
Other Unconditional Revenue (Schedule 1)	302,349	302,592	284,267
Fees and Charges (Schedule 4, 5)	34,174	36,320	144,617
Conditional Grants (Schedule 4, 5)	10,007	13,007	7,083
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	-	-	71,958
Land Sales - Gain (Schedule 4, 5)	-	-	-
Investment Income (Schedule 4, 5)	47,960	64,433	78,620
Commissions (Schedule 4, 5)	-	-	-
Restructurings (Schedule 4.5)	-	-	-
Other Revenues (Schedule 4, 5)	-	-	1,390
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	23,518	23,947	23,273
Total Revenues	1,782,720	1,809,410	1,878,077
EXPENSES			
General Government Services (Schedule 3)	438,850	295,243	372,569
Protective Services (Schedule 3)	36,400	29,049	28,643
Transportation Services (Schedule 3)	991,100	1,147,493	1,190,099
Environmental and Public Health Services (Schedule 3)	40,550	41,062	39,649
Planning and Development Services (Schedule 3)	40,000	12,326	8,577
Recreation and Cultural Services (Schedule 3)	7,308	7,308	6,664
Utility Services (Schedule 3)	29,125	13,836	12,111
Restructurings (Schedule 3)	-	-	-
Total Expenses	1,583,333	1,546,317	1,658,312
Annual Surplus of Revenues over Expenses	199,387	263,093	219,765
Accumulated Surplus excluding remeasurement gains (losses), Beginning of Year	4,212,527	4,212,527	3,992,762
Accumulated Surplus excluding remeasurement gains (losses), End of Year	4,411,914	4,475,620	4,212,527

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

See Accompanying Notes

Rural Municipality of Buchanan No. 304
Statement 3: Statement of Change in Net Financial Assets
As at December 31, 2025

	2025 Budget	2025	Statement 3 2024
Annual Surplus of Revenues over Expenses	199,387	263,093	219,765
(Acquisition) of tangible capital assets	(120,000)	(142,993)	-
Amortization of tangible capital assets	-	201,840	227,291
Proceeds on disposal of tangible capital assets	-	-	-
Loss (gain) on the disposal of tangible capital assets	-	-	(71,958)
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (Deficit) of capital expenses over expenditures	(120,000)	58,847	155,333
(Acquisition) of supplies inventories	-	(118,320)	(88,380)
(Acquisition) of prepaid expense	-	(12,613)	9,557
Consumption of supplies inventory	-	88,380	74,590
Use of prepaid expense	-	3,964	-
Surplus (Deficit) of expenses of other non-financial over expenditures	-	(38,589)	(4,233)
Unrealized remeasurement gains (losses)	-	-	-
Increase/Decrease in Net Financial Assets	79,387	283,351	370,865
Net Financial Assets - Beginning of Year	2,475,746	2,475,746	2,104,881
Net Financial Assets - End of Year	2,555,133	2,759,097	2,475,746

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

Rural Municipality of Buchanan No. 304
Statement 4: Statement of Cash Flow
As at December 31, 2025

	2025	Statement 4 2024
Cash provided by (used for) the following activities		
Operating:		
Annual Surplus of Revenues over Expenses	263,093	219,765
Amortization	201,840	227,291
Loss (gain) on disposal of tangible capital assets	-	(71,958)
	464,933	375,098
Change in assets/liabilities		
Taxes Receivable - Municipal	29,459	36,430
Other Receivables	45,520	27,636
Assets Held for Sale	(1)	-
Other Financial Assets	-	-
Accounts and Accrued Liabilities Payable	(176,550)	189,130
Deposits	-	-
Deferred Revenue	-	-
Asset Retirement Obligation	-	-
Liability for Contaminated Sites	-	-
Other Liabilities	-	-
Stock and Supplies	(29,940)	(13,790)
Prepayments and Deferred Charges	(8,649)	9,557
Other	-	-
Cash provided by operating transactions	324,772	624,061
Capital:		
Acquisition of capital assets	(142,993)	-
Proceeds from the disposal of capital assets	-	-
Cash applied to capital transactions	(142,993)	-
Investing:		
Decrease (increase) in restricted cash or cash equivalents	-	-
Proceeds from disposal of investments	(13,368)	(8,958)
Decrease (increase) in investments	-	-
Cash provided by (applied to) investing transactions	(13,368)	(8,958)
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 during the year	168,411	615,103
Cash and Cash Equivalents - Beginning of Year	2,453,035	1,837,932
Cash and Cash Equivalents - End of Year	2,621,446	2,453,035
Cash and cash equivalents is made up of:		
Cash and cash equivalents (Note 2)	2,621,446	2,453,035
Less: restricted portion of cash and cash equivalents (Note 2)	-	-
Temporary bank indebtedness	-	-
	2,621,446	2,453,035

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

See Accompanying Notes