To the Council of RM of Piapot No. 110:

Qualified Opinion

We have audited the financial statements of RM of Piapot No. 110 (the "Municipality"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations and accumulated surplus, changes in net financial assets, remeasurement gains and losses, cash flows and the related schedules for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, 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 its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

A physical count of gravel inventory held for resale was unable to be conducted or attended by auditors, and sufficient and appropriate audit evidence was unable to be obtained to corroborate the quantity at December 31, 2025. Accordingly, verification of the gravel held for resale inventory was limited to the amounts recorded in the records of the Municipality. We were unable to determine whether adjustments might be necessary to related expenses, accumulated surplus (deficit) of revenues over expenses and cash flows from operations for the year ended December 31, 2025, non-financial assets as at December 31, 2025, and accumulated surplus as at December 31, 2025.

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 qualified opinion.

Other Matter

The financial statements for the year ended December 31, 2024 were audited by another auditor who expressed a qualified opinion on those statements on April 16, 2025 based on gravel inventory existence.

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

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

In preparing the financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management 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:

- 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.

Swift Current, Saskatchewan

May 20, 2026

MNP LLP

Chartered Professional Accountants

The Municipality's management is responsible for the preparation and presentation of the accompanying financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting 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 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.

MNP LLP, 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.

Reeve

Administrator

May 20, 2026

RM of Piapot No. 110
Statement 1: Statement of Financial Position
As at December 31, 2025

Statement 1

	2025	2024
FINANCIAL ASSETS		
Cash and Cash Equivalents (Note 2)	1,303,526	1,035,399
Investments (Note 3)	336,603	324,845
Taxes Receivable - Municipal (Note 4)	38,859	22,701
Other Accounts Receivable (Note 5)	38,572	52,066
Assets Held for Sale (Note 6)	-	-
Long-Term Receivable (Note 7)	57,719	51,524
Debt Charges Recoverable (Note 8)	-	-
Other (Specify)	-	-
Total Financial Assets	1,775,279	1,486,535
LIABILITIES		
Bank Indebtedness (Note 10)	-	-
Accounts Payable	92,115	144,850
Accrued Liabilities Payable	-	-
Deposits	-	-
Deferred Revenue (Note 11)	-	-
Asset Retirement Obligation (Note 12)	-	-
Liability for Contaminated Sites (Note 13)	-	-
Infrastructure Liability	-	-
Other Liabilities	-	-
Long-Term Debt (Note 14)	346,134	-
Lease Obligations (Note 15)	-	-
Total Liabilities	438,249	144,850
NET FINANCIAL ASSETS (DEBT)	1,337,030	1,341,685
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	3,270,302	3,034,615
Intangible Capital Assets (Schedule 8, 9)	-	-
Prepayments and Deferred Charges	7,487	16,510
Stock and Supplies	478,816	542,749
Other (Note 16)	-	-
Total Non-Financial Assets	3,756,605	3,593,874
ACCUMULATED SURPLUS (DEFICIT)	**5,093,635**	**4,935,559**
Accumulated surplus is comprised of:		
Accumulated Surplus (Deficit) excluding remeasurement gains (losses) (Schedule 10)	5,093,635	4,935,559
Accumulated remeasurement gains (losses) (Statement 5)	-	-

Contingent Liabilities (Note 17)
Contingent Assets (Note 22)
Contractual Rights, Obligations and Commitments (Note 23)

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

MNP LLP

RM of Piapot No. 110
Statement 2: Statement of Operations and Accumulated Surplus
As at December 31, 2025

Statement 2

	2025 Budget	**2025**	2024
REVENUES			
Tax Revenue (Schedule 1)	1,185,280	1,186,088	1,131,808
Other Unconditional Revenue (Schedule 1)	575,760	575,824	531,108
Fees and Charges (Schedule 4, 5)	95,850	123,781	90,702
Conditional Grants (Schedule 4, 5)	24,710	26,325	29,121
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	-	165,140	(1,797)
Intangible Capital Asset Sales - Gain (Schedule 4, 5)	-	-	-
Land Sales - Gain (Schedule 4, 5)	-	2,500	43,600
Investment Income (Note 3) (Schedule 4, 5)	60,870	42,232	59,119
Commissions (Schedule 4, 5)	-	-	-
Other Revenues (Schedule 4, 5)	-	-	-
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	142,320	142,324	142,324
Total Revenues	**2,084,790**	**2,264,214**	**2,025,985**
EXPENSES			
General Government Services (Schedule 3)	312,440	321,689	313,289
Protective Services (Schedule 3)	49,060	55,794	25,171
Transportation Services (Schedule 3)	1,453,240	1,635,689	1,675,508
Environmental and Public Health Services (Schedule 3)	43,320	56,529	34,856
Planning and Development Services (Schedule 3)	1,930	-	1,875
Recreation and Cultural Services (Schedule 3)	12,210	17,525	9,245
Utility Services (Schedule 3)	26,490	18,912	35,176
Total Expenses	**1,898,690**	**2,106,138**	**2,095,120**
Annual Surplus (Deficit) of Revenues over Expenses	**186,100**	**158,076**	**(69,135)**
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), Beginning of Year	4,935,559	4,935,559	5,004,694
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), End of Year	**5,121,659**	**5,093,635**	**4,935,559**

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

MNP LLP

RM of Piapot No. 110
Statement 3: Statement of Change in Net Financial Assets
As at December 31, 2025

Statement 3

	2025 Budget	2025	2024
Annual Surplus (Deficit) of Revenues over Expenses	186,100	158,076	(69,135)
(Acquisition) of tangible capital assets	(228,210)	(685,289)	(334,039)
Amortization of tangible capital assets	1,850	334,742	392,164
Amortization of intangible capital assets	-	-	-
Proceeds on disposal of tangible capital assets	-	280,000	3,550
Loss (gain) on the disposal of tangible capital assets	-	(165,140)	1,797
Proceeds on disposal of intangible capital assets	-	-	-
Loss (gain) on the disposal of intangible capital assets	-	-	-
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (Deficit) of capital expenses over expenditures	**(226,360)**	**(235,687)**	**63,472**
(Acquisition) of supplies inventories	-	-	(353,997)
(Acquisition) of prepaid expense	-	-	(2,117)
Consumption of supplies inventory	-	63,934	-
Use of prepaid expense	-	9,022	-
Surplus (Deficit) of expenses of other non-financial over expenditures	**-**	**72,956**	**(356,114)**
Unrealized remeasurement gains (losses)	-	-	-
Increase/Decrease in Net Financial Assets	**(40,260)**	**(4,655)**	**(361,777)**
Net Financial Assets (Debt) - Beginning of Year	1,341,685	1,341,685	1,703,462
Net Financial Assets (Debt) - End of Year	**1,301,425**	**1,337,030**	**1,341,685**

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

MNP LLP

RM of Piapot No. 110
Statement 4: 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	158,076	(69,135)
Amortization of tangible capital assets	334,742	392,165
Amortization of intangible capital assets	-	-
Loss (gain) on disposal of tangible capital assets	(165,140)	1,797
Loss (gain) on disposal of intangible capital assets	-	-
	327,678	324,827
Change in assets/liabilities		
Taxes Receivable - Municipal	(16,158)	(10,103)
Other Receivables	7,299	(27,660)
Assets Held for Sale	-	-
Other Financial Assets	-	-
Accounts and Accrued Liabilities Payable	(52,735)	25,401
Deposits	-	-
Deferred Revenue	-	(2,508)
Asset Retirement Obligation	-	-
Liability for Contaminated Sites	-	-
Other Liabilities	-	-
Stock and Supplies	63,933	(353,998)
Prepayments and Deferred Charges	9,023	(2,117)
Other (Specify)	-	-
Cash provided by operating transactions	**339,040**	**(46,158)**
Capital:		
Acquisition of capital assets	(685,289)	(334,039)
Proceeds from the disposal of capital assets	280,000	3,550
Cash applied to capital transactions	**(405,289)**	**(330,489)**
Investing:		
Decrease (increase) in restricted cash or cash equivalents	-	(38)
Proceeds on disposal of investments	-	-
Amounts reinvested into investments	(11,758)	(9,805)
Cash provided by (applied to) investing transactions	**(11,758)**	**(9,843)**
Financing:		
Debt charges recovered	-	-
Long-term debt issued	387,739	-
Long-term debt repaid	(41,605)	-
Other financing	-	-
Cash provided by (applied to) financing transactions	**346,134**	**-**
Change in Cash and Cash Equivalents	**268,127**	**(386,490)**
Cash and Cash Equivalents	1,035,399	1,421,889
Cash and Cash Equivalents - End of Year	**1,303,526**	**1,035,399**
Cash and cash equivalents is made up of:		
Cash and cash equivalents (Note 2)	1,303,526	1,035,399
Less: restricted portion of cash and cash equivalents (Note 2)	(13,514)	(13,514)
Temporary bank indebtedness		
	1,290,012	**1,021,885**

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

MNP LLP

RM of Piapot No. 110
Schedule 10: Schedule of Accumulated Surplus
As at December 31, 2025

		2024	Changes	2025
UNAPPROPRIATED SURPLUS		**883,066**	**(77,611)**	**805,455**
APPROPRIATED RESERVES				
	Future expenditures	993,778	-	993,778
	Public Reserve	-	-	-
	Capital Trust	24,100	-	24,100
	Utility	-	-	-
	Other (Specify)	-	-	-
Total Appropriated		**1,017,878**	**-**	**1,017,878**
ORGANIZED HAMLETS (add lines if required)				
		-	-	-
		-	-	-
		-	-	-
Total Organized Hamlets		**-**	**-**	**-**
NET INVESTMENT IN CAPITAL ASSETS				
	Tangible capital assets **(Schedule 6, 7)**	3,034,615	235,687	3,270,302
	Intangible capital assets **(Schedule 8, 9)**	-	-	-
	Less: Related debt	-	(346,133)	(346,133)
Net Investment in Capital Assets		**3,034,615**	**(110,446)**	**2,924,169**
Accumulated Surplus (Deficit) excluding remeasurement gains (losses)		**4,935,559**	**(188,057)**	**4,747,502**

RM of Piapot No. 110
Schedule 12: Schedule of Council Remuneration
As at December 31, 2025

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	**John Wagner**	3,675	5,904	9,579
Councillor	Leslie Flag	900	2,063	2,963
Councillor	Lorne Kusler	3,625	2,574	6,199
Councillor	Clay Moorhead	3,375	2,345	5,720
Councillor	Anita Wasilow	3,675	821	4,496
Councillor	Torban Peterson	3,700	3,056	6,756
Councillor	Trevor Frey	3,000	2,112	5,112
Councillor	Tammy Cooke	3,675	2,386	6,061
Councillor	Keith Winzer	3,375	2,800	6,175
Councillor	Dryden Schulze	900	562	1,462
Total		**29,900**	**24,623**	**54,523**