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Report of the Independent Auditors' on the Summary Financial Statements

To the Council
R. M. of Clayton No. 333

Opinion

The summary financial statements, which comprise the summary Statement of Financial Position as at December 31, 2025, the summary Statements of Operations, Changes in Net Financial Assets and Cash Flow for the year then ended, and related notes, are derived from the audited financial statements of R. M. of Clayton No. 333 for the year ended December 31, 2025. We expressed a qualified audit opinion on those financial statements in our report dated June 17, 2026.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, on the basis described in note 1. However, the summary financial statements are misstated to the equivalent extent as the audited financial statements of R. M. of Clayton No. 333 for the year ended December 31, 2025.

Summary Financial Statements

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

The Audited Financial Statements and Our Report Thereon

We expressed a qualified audit opinion on the audited financial statements in our report dated June 17, 2026.

PS 3280 asset retirement obligations requires the municipality to recognize a liability at the reporting date for future costs that the municipality is legally obligated to incur for the retirement of a tangible capital asset. The municipality has not attempted to identify buildings which may contain asbestos and require remediation upon the retirement of the building. A liability has not been recognized for these costs. As insufficient information is available with regards to the extent and expected costs of the likely remediation activities, we are unable to determine the asset retirement obligation liability that would have been recognized on the current or prior year’s statement of financial position, or the impacts on expenses, surplus and accumulated surplus of the current or prior year.

PS 3280 asset retirement obligations also requires the municipality to recognize a liability at the reporting date for future costs that the municipality is legally obligated to incur for the de-commissioning and post-closure monitoring costs of its landfill. The municipality has estimated the remediation costs of $23,842. As insufficient information is available to support this estimate, we are unable to assess the appropriateness of the asset retirement obligation liability that should have been recognized on the current or prior year's statement of financial position, or the impacts on expenses, surplus and accumulated surplus of the current year. As such, we are unable to determine the impact on the current or prior year’s statement of financial position, or the impacts on expenses, surplus and accumulated surplus of the current or prior year.

Management's Responsibility for the Summary Financial Statements

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

Auditors' Responsibility

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

Baker Tilly SK LLP

Yorkton, SK
June 17, 2026

R. M. of Clayton No. 333

Hyas, Saskatchewan

Statement 1

Statement of Financial Position as at December 31, 2025

	2025	2024
Assets		
Financial Assets		
Cash and cash equivalents	3,448,099	2,418,815
Investments	1,889,408	2,162,332
Taxes receivable - municipal	204,110	217,440
Other accounts receivable	183,896	151,668
Total Financial Assets	5,725,513	4,950,255
Liabilities		
Accounts payable	437,760	237,820
Deferred revenue	-	19,386
Asset retirement obligation	23,842	23,842
Long-term debt	723,058	827,355
Total Liabilities	1,184,660	1,108,403
Net Financial Assets	4,540,853	3,841,852
Non-Financial Assets		
Tangible capital assets	5,659,319	5,365,998
Prepayments and deferred charges	18,209	5,348
Stock and supplies	722,336	261,776
Assets held for sale	3,045	3,045
Total Non-Financial Assets	6,402,909	5,636,167
Accumulated Surplus	$ 10,943,762	$ 9,478,019

R. M. of Clayton No. 333

Statement of Operations

For the year ended December 31, 2025

Statement 2

	2025 Budget	2025 Actual	2024 Actual
Revenues			
Tax revenue	2,043,880	2,051,111	2,007,227
Other unconditional revenue	616,510	616,514	578,144
Fees and charges	848,380	841,986	1,076,118
Conditional grants	171,600	148,053	145,317
Investment income	51,500	101,334	60,472
Provincial/Federal capital grants and contributions	38,490	58,557	19,003
Total Revenues	3,770,360	3,817,555	3,886,281
Expenses			
General government services	499,780	433,945	398,111
Protective services	49,010	45,724	62,831
Transportation services	2,210,350	1,768,613	1,943,925
Environmental and public health services	123,150	88,904	85,639
Planning and development services	3,520	3,520	3,520
Recreation and cultural services	11,110	11,106	9,875
Total Expenses	2,896,920	2,351,812	2,503,901
Annual Surplus of Revenue over Expenses	873,440	1,465,743	1,382,380
Accumulated Surplus, Beginning of Year	9,478,019	9,478,019	8,095,639
Accumulated Surplus, End of Year	$ 10,351,459	$ 10,943,762	$ 9,478,019

R. M. of Clayton No. 333

Statement of Change in Net Financial Assets

Statement 3

For the year ended December 31, 2025

	2025 Budget	2025 Actual	2024 Actual
Surplus	873,440	1,465,743	1,382,380
(Acquisition) of tangible capital assets	-	(580,265)	(102,286)
Amortization of tangible capital assets	-	286,944	287,983
Surplus (Deficit) of Capital Expenses over Expenditures	-	(293,321)	185,697
(Acquisition) of supplies inventories	-	(625,300)	(327,411)
(Acquisition) of prepaid expense	-	(12,861)	-
Consumption of supplies inventory	-	164,740	279,074
Use of prepaid expense	-	-	45
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	-	(473,421)	(48,292)
Increase in Net Financial Assets	873,440	699,001	1,519,785
Net Financial Assets, beginning of year	3,841,852	3,841,852	2,322,067
Net Financial Assets, End of Year	$ 4,715,292	$ 4,540,853	$ 3,841,852

R. M. of Clayton No. 333

Statement of Cash Flow

For the year ended December 31, 2025

Statement 4

	2025	2024
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus	1,465,743	1,382,380
Amortization	286,944	287,983
	1,752,687	1,670,363
Change in Assets/Liabilities		
Taxes receivable - municipal	13,329	(109,050)
Other receivables	(32,229)	30,067
Accounts payable	199,942	9,319
Deferred revenue	(19,386)	19,206
Stock and supplies for use	(460,559)	(48,339)
Prepayments and deferred charges	(12,861)	45
Cash Provided by Operating Transactions	1,440,923	1,571,611
Capital:		
Acquisition of capital assets	(580,265)	(102,286)
Investing:		
Proceeds on disposal of investments	283,683	-
Acquisition of investment	(10,760)	(1,525,636)
Cash Provided by (Applied to) Investing Transactions	272,923	(1,525,636)
Financing:		
Long-term debt repaid	(104,297)	(101,281)
Change in Cash and Cash Equivalents During the Year	1,029,284	(157,592)
Cash and cash equivalents, beginning of year	2,418,815	2,576,407
Cash and Cash Equivalents, End of Year	$ 3,448,099	$ 2,418,815

1. **Basis of the Summary Financial Statements**

The following criteria have been applied by management in the preparation of these summary financial statements:

(a) The information in the summary financial statements is in agreement with the related information in the municipality's December 31, 2025 audited financial statements; and

(b) The summary financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the audited financial statements, including the notes thereto.

(c) The audited financial statements can be obtained by request at the municipal office.

(d) The detailed notes included in the audited financial statements are not included in the summary financial statements as these notes are available in the audited financial statements which can be obtained as described above.