

SOUTH YELLOWHEAD WATER CORPORATION
FINANCIAL INFORMATION
DECEMBER 31, 2025

Draft for discussion purposes only

COMPILATION ENGAGEMENT REPORT

To the Shareholders of South Yellowhead Water Corporation

On the basis of information provided by management, we have compiled the statement of financial position of South Yellowhead Water Corporation as at December 31, 2025, and the statements of revenues and expenditures and changes in net assets for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Saskatoon, Saskatchewan

Chartered Professional Accountants

SOUTH YELLOWHEAD WATER CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	2025	2024
ASSETS		
Current		
Cash	\$ 102,899	\$ 102,563
Term deposits	143,621	120,078
Accounts receivable	18,795	17,088
Goods and services tax recoverable	906	973
Loan receivable	1,350	1,819
	<u>267,571</u>	<u>242,521</u>
Capital assets <i>(Note 4)</i>	<u>338,164</u>	<u>338,164</u>
	<u>\$ 605,735</u>	<u>\$ 580,685</u>
NET ASSETS		
Members' capital	\$ 396,426	\$ 396,426
General fund	117,457	98,847
Maintenance reserve fund	91,852	85,412
	<u>\$ 605,735</u>	<u>\$ 580,685</u>

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SOUTH YELLOWHEAD WATER CORPORATION
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
Revenue		
Interest received on members' capital loans	\$ 118	\$ 150
Membership fees	1,150	1,150
Other	7,350	7,366
Water distribution charges	61,095	57,221
	<u>69,713</u>	<u>65,887</u>
Expenses		
Insurance	1,403	1,363
Interest and bank charges	13	14
Memberships	-	60
Office	1,226	2,590
Professional fees	5,631	6,137
Repairs and maintenance	5,505	6,700
Water charges and supplies	37,325	32,772
	<u>51,103</u>	<u>49,636</u>
Excess of revenue over expenses from operations	18,610	16,251
Other income (expenses)		
Maintenance fund charges	6,440	6,440
	<u>6,440</u>	<u>6,440</u>
Excess of revenue over expenses for the year	<u>\$ 25,050</u>	<u>\$ 22,691</u>

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SOUTH YELLOWHEAD WATER CORPORATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund	Restricted Fund	2025	2024
Net assets - beginning of year	\$ 98,847	\$ 85,412	\$ 184,259	\$ 161,568
Excess of revenue over expenses	18,610	6,440	25,050	22,691
Net assets - end of year	\$ 117,457	\$ 91,852	\$ 209,309	\$ 184,259

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SOUTH YELLOWHEAD WATER CORPORATION
NOTES TO FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2025

1. Basis of accounting

The basis of accounting applied in the preparation of the statement of financial position of South Yellowhead Water Corporation as at December 31, 2025, and the statements of revenues and expenditures and changes in net assets for the year then ended is the historical cost basis and reflects cash transactions with the addition of:

- accounts receivable
- property, plant and equipment
- accounts payable and accrued liabilities

2. Purpose of the corporation

South Yellowhead Water Corporation (the "corporation") is incorporated under the Non-Profit Corporations Act of Saskatchewan as a not-for-profit organization. Management has determined that they are exempt from payment of income tax under Section 149(1) of the Income Tax Act.

The corporation was formed to construct and maintain a water pipeline near Saskatoon, Saskatchewan. Members' capital is used to finance the capital costs, and members are charged for water usage and system maintenance.

3. Summary of significant accounting policies

Capital assets

Capital asset purchases are fully funded by members' capital and accordingly are not amortized against operations.

4. Capital Assets

	2025	2024
Pipeline - Main Line	\$ 237,770	\$ 237,770
Equipment	592	592
Pipeline-capitalized startup costs	9,052	9,052
Prairie Haven Extention	90,750	90,750
	\$ 338,164	\$ 338,164