

Management's Responsibility

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting policies and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of 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 the administration and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the Municipality's external auditors.

Dudley & Company LLP, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the financial statements and report directly to them; their report is attached to the financial statements. The external auditors have full and free access to both the Council and administration to discuss their audit findings.



Council



Administration

INDEPENDENT AUDITORS' REPORT

To the Reeve and Councillors
Rural Municipality of Lumsden No. 189

Opinion

We have audited the consolidated financial statements of the **RURAL MUNICIPALITY OF LUMSDEN NO. 189**, which comprise the consolidated statement of financial position as at December 31, 2025 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the municipality as at December 31, 2025, and its financial performance 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 *Auditors' Responsibilities for the Audit of the Consolidated 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 opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 intends to dissolve 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.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 consolidated financial statements.

Independent Auditors' Report (continued)

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 consolidated 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 over-ride 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 auditors' report to the related disclosures in the consolidated 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 auditors' 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.



Dudley & Company LLP
Chartered Professional Accountants

Regina, Saskatchewan
June 18, 2026

RURAL MUNICIPALITY OF LUMSDEN NO. 189
Statement of Consolidated Financial Position
As at December 31, 2025

Statement 1

	2025	2024
FINANCIAL ASSETS		
Cash & Cash Equivalents (Note 2)	\$ 9,205,761	\$ 7,667,297
Investments	-	-
Taxes Receivable - Municipal (Note 3)	600,905	695,599
Other Accounts Receivable (Note 4)	318,795	216,733
Assets Held for Sale	-	-
Long-Term Receivable (Note 5)	50,882	42,602
Other Long-Term Investments	-	-
Debt Charges Recoverable	-	-
Derivative Assets	-	-
Total Financial Assets	10,176,343	8,622,231

LIABILITIES		
Bank Indebtedness	-	-
Accounts Payable (Note 6)	980,328	673,245
Accrued Liabilities Payable	-	-
Derivative Liabilities	-	-
Deposits	-	-
Deferred Revenue (Note 7)	10,616	10,003
Asset Retirement Obligation	-	-
Liability for Contaminated Sites	-	-
Infrastructure Liability	-	-
Long-Term Debt (Note 8)	341,922	450,810
Lease Obligations	-	-
Other Liabilities	4,699	4,699
Total Liabilities	1,337,565	1,138,757

NET FINANCIAL ASSETS	8,838,778	7,483,474
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Non-Financial Assets

Tangible Capital Assets (Schedules 6, 7)	9,484,148	9,614,063
Intangible Capital Assets (Schedules 8, 9)	-	-
Prepayment and Deferred Charges	8,374	5,521
Stock and Supplies	209,687	241,162
Other (Note 9)	233,631	233,631

Total Non-Financial Assets	9,935,840	10,094,377
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Accumulated Surplus (Deficit) (Schedule 10)	\$ 18,774,618	\$ 17,577,851
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Accumulated surplus (deficit) is comprised of:

Accumulated surplus (deficit) excluding remeasurement gains (losses)	\$ 18,774,618	\$ 17,577,851
Accumulated remeasurement gains (losses) (Statement 5)	\$ -	\$ -

The accompanying notes form an integral part of these financial statements.

RURAL MUNICIPALITY OF LUMSDEN NO. 189

Statement of Consolidated Operations For the year ended December 31, 2025

Statement 2

		2025 Budget	2025	2024
Revenues				
Tax Revenue	(Schedule 1)	\$ 4,292,414	\$ 4,295,618	\$ 4,137,514
Other Unconditional Revenue	(Schedule 1)	553,712	556,167	526,174
Fees and Charges	(Schedule 4, 5)	125,624	165,103	246,009
Conditional Grants	(Schedule 4, 5)	34,986	41,803	70,287
Tangible Capital Assets - Gain (Loss)	(Schedule 4, 5)	-	128,565	(9,216)
Intangible Capital Assets - Gain (Loss)	(Schedule 4, 5)	-	-	-
Land Sales - Gain	(Schedule 4, 5)	-	-	-
Investment Income and Commissions	(Schedule 4, 5)	238,911	257,405	342,339
Other Revenues	(Schedule 4, 5)	-	25,899	5,000
Restructurings	(Schedule 4, 5)	-	-	-
Provincial/Federal Capital Grants	(Schedule 4, 5)	1,351,881	486,751	164,789
Total Revenues		6,597,528	5,957,311	5,482,896
Expenses				
General Government Services	(Schedule 3)	671,492	649,041	678,494
Protective Services	(Schedule 3)	222,040	212,314	235,544
Transportation Services	(Schedule 3)	2,716,309	3,447,561	3,275,521
Environmental and Public Health Services	(Schedule 3)	123,453	127,935	116,468
Planning and Development Services	(Schedule 3)	196,185	203,963	190,856
Recreation and Cultural Services	(Schedule 3)	64,222	119,730	101,177
Utility Services	(Schedule 3)	-	-	-
Total Expenses		3,993,701	4,760,544	4,598,060
Surplus (Deficit) of Revenues over Expenses		2,603,827	1,196,767	884,836
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), Beginning of Year		17,577,851	17,577,851	16,693,015
Accumulated Surplus (Deficit) excluding remeasurement gains (losses), End of Year		\$ 20,181,678	\$ 18,774,618	\$ 17,577,851

The accompanying notes form an integral part of these financial statements.