Management's Responsibility

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 policies 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 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 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.

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 management to communicate their audit findings.

Council

Administration

INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors
Town of Lumsden

Opinion

We have audited the financial statements of the **TOWN OF LUMSDEN**, which comprise the statement of financial position as at December 31, 2022 and the statements of operations, changes in net financial assets and cash flows 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, 2022, 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 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 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 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 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 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 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 auditors' 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 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 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.

Dudley + Company

Dudley & Company LLP
Chartered Professional Accountants

Regina, Saskatchewan
June 27, 2023

TOWN OF LUMSDEN
Statement of Financial Position
As at December 31, 2022

Statement 1

	2022	2021
ASSETS		
Financial Assets		
Cash & Temporary Investments (Note 2)	$ 4,615,540	$ 4,036,230
Taxes Receivable - Municipal (Note 3)	213,835	171,270
Other Accounts Receivable (Note 4)	892,805	2,235,947
Assets Held for Sale	-	-
Other Long Term Investments	-	-
Total Financial Assets	5,722,180	6,443,447
LIABILITIES		
Bank Indebtedness	-	-
Accounts Payable (Note 5)	1,250,243	1,030,039
Accrued Liabilities Payable	-	-
Deposits	43,420	59,266
Deferred Revenue (Note 6)	222,221	144,351
Accrued Landfill Costs (Note 7)	1,732,980	1,732,980
Liability for Contaminated Sites	-	-
Long-Term Debt (Note 8)	7,113,616	6,504,212
Lease Obligations	-	-
Total Liabilities	10,362,480	9,470,848
NET FINANCIAL ASSETS (NET DEBT)	(4,640,300)	(3,027,401)
Tangible Capital Assets (Schedules 6, 7)	35,392,335	34,180,073
Prepayment and Deferred Charges	70,251	18,681
Stock and Supplies	27,354	73,243
Other (Note 9)	-	-
Total Non-Financial Assets	35,489,940	34,271,997
Accumulated Surplus (Deficit) (Schedule 8)	$ 30,849,640	$ 31,244,596

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

TOWN OF LUMSDEN

Statement of Operations

For the year ended December 31, 2022

Statement 2

Revenues		2022 Budget	2022	2021
Taxes and Other Unconditional Revenue	(Schedule 1)	$ 2,276,850	$ 2,285,440	$ 2,226,715
Fees and Charges	(Schedule 4, 5)	1,863,716	1,920,686	1,892,413
Conditional Grants	(Schedule 4, 5)	146,502	150,978	142,360
Tangible Capital Assets - Gain/(Loss)	(Schedule 4, 5)	-	(414)	429
Land Sales - Gain	(Schedule 4, 5)	-	-	-
Investment Income and Commissions	(Schedule 4, 5)	21,837	95,531	19,852
Other Revenues	(Schedule 4, 5)	12,200	123,231	12,122
Total Revenues		4,321,105	4,575,452	4,293,891
Expenses				
General Government Services	(Schedule 3)	439,938	457,322	407,020
Protective Services	(Schedule 3)	286,813	315,302	327,034
Transportation Services	(Schedule 3)	615,237	966,449	691,360
Environmental and Public Health Services	(Schedule 3)	369,620	429,947	136,544
Planning and Development Services	(Schedule 3)	294,364	281,930	173,130
Recreation and Cultural Services	(Schedule 3)	465,662	550,103	507,299
Utility Services	(Schedule 3)	1,412,729	2,400,455	1,222,095
Total Expenses		3,884,363	5,401,508	3,464,482
Surplus (Deficit) before Other Capital Contributions		436,742	(826,056)	829,409
Other Capital Contributions (Schedule 4, 5)		475,343	431,100	1,565,476
Surplus (Deficit) of Revenues over Expenses		912,085	(394,956)	2,394,885
Accumulated Surplus (Deficit), Beginning of Year		31,244,596	31,244,596	28,849,711
Accumulated Surplus (Deficit), End of Year		$ 32,156,681	$ 30,849,640	$ 31,244,596

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