

TOWN OF DUCK LAKE

Auditor's Report

Summarized Consolidated Financial Statements

December 31, 2025

MANAGEMENT'S RESPONSIBILITY

To the Ratepayers of
Town of Duck Lake

Management is responsible for the preparation and presentation of the accompanying summarized consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. 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 consolidated financial statements.

The Council is composed of elected officials who are not employees of the Town. 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 Town's external auditors.

Jensen Stromberg Chartered Professional Accountants, 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.



Mayor



Administrator

REPORT OF THE INDEPENDENT AUDITOR ON SUMMARY FINANCIAL STATEMENTS

To the **Mayor and Council of Town of Duck Lake**

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at **December 31, 2025**, the summary consolidated statement of operations, summary consolidated statement of changes in net financial assets, summary consolidated statement of cash flows, and summary consolidated statement of remeasurement gains and losses for the year then ended are derived from the audited consolidated financial statements of **Town of Duck Lake** as at **December 31, 2025**.

In our opinion, the accompanying summary consolidated financial statements are a fair summary of the audited consolidated financial statements, on the basis described in Note 1.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by Canadian public sector accounting standards. Reading the summarized consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statement and auditor's report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed a qualified audit opinion on the audited consolidated financial statements in our report dated May 11, 2026.

Management's Responsibility for the Summarized Statements

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

Auditor's Responsibility

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

Saskatoon, Saskatchewan
May 11, 2026


Chartered Professional Accountants

TOWN OF DUCK LAKE

Statement 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2025
with comparative figures for 2024

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Financial Assets:		
Cash and Cash Equivalents	\$ 366,435	937,969
Investments	829,055	516,730
Taxes Receivable - Municipal	98,947	98,834
Other Accounts Receivable	521,166	82,104
Assets Held for Sale	45,676	133,208
Long-Term Receivable	1,563	1,563
Debt Charges Recoverable	<u>-</u>	<u>-</u>
Total Financial Assets	1,862,842	1,770,408
<u>LIABILITIES</u>		
Bank Indebtedness	-	-
Accounts Payable	624,251	118,757
Accrued Liabilities Payable	1,690	2,196
Deposits	12,132	8,919
Deferred Revenue	-	-
Asset Retirement Obligation	208,343	660,627
Liability for Contaminated Sites	-	-
Other Liabilities	-	-
Long-Term Debt	243,822	316,773
Lease Obligations	<u>-</u>	<u>-</u>
Total Liabilities	<u>1,090,238</u>	<u>1,107,272</u>
NET FINANCIAL ASSETS (DEBT)	772,604	663,136
Non-Financial Assets:		
Tangible Capital Assets	4,694,120	4,828,557
Intangible Capital Assets	-	-
Prepaid and Deferred Charges	92,916	4,096
Stock and Supplies	<u>-</u>	<u>-</u>
Total Non-Financial Assets	<u>4,787,036</u>	<u>4,832,653</u>
Accumulated Surplus (Deficit)	<u>\$ 5,559,640</u>	<u>5,495,789</u>
Accumulated Surplus (Deficit) is comprised of:		
Accumulated Surplus (Deficit) excluding remeasurement gains (losses)	5,564,634	5,495,789
Accumulated remeasurement gains (losses) (Statement 5)	(4,994)	-

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

TOWN OF DUCK LAKE

Statement 2

CONSOLIDATED STATEMENT OF OPERATIONS

Year ended December 31, 2025
with comparative figures for 2024

	<u>2025</u> <u>Budget</u>	<u>2025</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
Revenues:			
Tax Revenue	\$ 603,560	572,670	544,678
Other Unconditional Revenue	171,980	172,704	162,249
Fees and Charges	509,360	497,571	486,670
Conditional Grants	-	-	24
Tangible Capital Asset Sales - Gain (Loss)	-	-	-
Land Sales - Gain (Loss)	-	-	-
Investment Income	26,460	70,827	39,577
Commissions	-	-	-
Restructurings	-	-	-
Other Revenues	-	-	-
Provincial/Federal Capital Grants and Contributions	<u>100,880</u>	<u>417,694</u>	<u>68,023</u>
Total Revenues	1,412,240	1,731,466	1,301,221
Expenses:			
General Government Services	260,690	363,837	270,227
Protective Services	129,110	119,034	145,016
Transportation Services	371,410	384,119	357,624
Environmental and Public Health Services	66,370	164,247	63,554
Planning and Development Services	30,810	29,994	746
Recreation and Cultural Services	110,250	236,915	163,729
Utility Services	335,239	364,475	462,115
Restructurings	-	-	-
Total Expenses	<u>1,303,879</u>	<u>1,662,621</u>	<u>1,463,011</u>
Annual Surplus (Deficit) of Revenues over Expenses	108,361	68,845	(161,790)
Accumulated Surplus (Deficit) excluding remeasurement gains (losses) - Beginning of Year	<u>5,495,789</u>	<u>5,495,789</u>	<u>5,657,579</u>
Accumulated Surplus (Deficit) excluding remeasurement gains (losses) - End of Year	<u>\$ 5,604,150</u>	<u>5,564,634</u>	<u>5,495,789</u>

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

TOWN OF DUCK LAKE

Statement 3

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2025
with comparative figures for 2024

	<u>2025</u> <u>Budget</u>	<u>2025</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
Annual Surplus (Deficit) of Revenues over Expenses	\$ 108,361	68,845	(161,790)
(Acquisition) of tangible capital assets	-	(75,106)	(47,625)
Amortization of tangible capital assets	-	209,543	209,090
Proceeds on disposal of tangible capital assets	-	-	-
Loss (gain) on disposal of tangible capital assets	-	-	-
Transfer of assets/liabilities in restructuring transactions	-	-	-
Surplus (Deficit) of capital expenses over expenditures	-	134,437	161,465
(Acquisition) of supplies inventories	-	-	-
(Acquisition) of prepaid expenses	-	(92,840)	5,999
Consumption of supplies inventories	-	-	-
Use of prepaid expenses	-	4,020	(5,010)
Surplus (Deficit) of expenses of other non-financial over expenditures	-	(88,820)	989
Unrealized remeasurement gains (losses)	-	(4,994)	-
Increase (decrease) in Net Financial Assets	108,361	109,468	664
Net Financial Assets (Debt) - Beginning of Year	663,136	663,136	662,472
Net Financial Assets (Debt) - End of Year	\$ 771,497	772,604	663,136

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

TOWN OF DUCK LAKE

Statement 4

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2025
with comparative figures for 2024

Cash provided by (used for) the following activities:	<u>2025</u>	<u>2024</u>
Operating:		
Annual Surplus (Deficit) of Revenues over Expenses	\$ 68,845	(161,790)
Amortization of tangible capital assets	209,543	209,090
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>-</u>
	278,388	47,300
Change in assets/liabilities		
Taxes Receivable - Municipal	(114)	31,643
Other Accounts Receivable	(439,062)	11,810
Assets Held for Sale	87,532	(3,871)
Other Financial Assets	-	-
Accounts and Accrued Liabilities Payable	499,625	38,056
Deposits	8,577	(6,313)
Deferred Revenue	-	-
Asset Retirement Obligation	(452,284)	(46,475)
Liability for Contaminated Sites	-	-
Other Liabilities	-	-
Stock and Supplies	-	-
Prepayments and Deferred Charges	(88,820)	989
Other	<u>-</u>	<u>-</u>
Cash provided by (applied to) operating transactions	<u>(106,158)</u>	<u>73,139</u>
Capital:		
Acquisition of tangible capital assets	(75,106)	(47,625)
Proceeds from the disposal of tangible capital assets	<u>-</u>	<u>-</u>
Cash provided by (applied to) capital transactions	<u>(75,106)</u>	<u>(47,625)</u>
Investing:		
Decrease (increase) in restricted cash or cash equivalents	-	-
Decrease (increase) in investments	(317,319)	(516,730)
Decrease (increase) in restricted cash	<u>-</u>	<u>-</u>
Cash provided by (applied to) investing transactions	<u>(317,319)</u>	<u>(516,730)</u>
Financing:		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt paid	(72,951)	(69,148)
Other financing	<u>-</u>	<u>-</u>
Cash provided by (applied to) financing transactions	<u>(72,951)</u>	<u>(69,148)</u>
Change in Cash and Cash Equivalents	(571,534)	(560,364)
Cash and Cash Equivalents - Beginning of Year	<u>937,969</u>	<u>1,498,333</u>
Cash and Cash Equivalents - End of Year	<u>\$ 366,435</u>	<u>937,969</u>

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

TOWN OF DUCK LAKE

Statement 5

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES

Year ended December 31, 2025
with comparative figures for 2024

	<u>2025</u>	<u>2024</u>
Accumulated remeasurement gains (losses) - Beginning of Year	\$ -	-
Unrealized gains (losses) attributable to:		
Derivatives	-	-
Equity Investments measured at fair value	39,054	-
Foreign exchange	-	-
	39,054	-
Reclassified to the Statement of Operations:		
Derivatives	-	-
Equity Investments measured at fair value	44,048	-
Reversal of net remeasurements of portfolio investments	-	-
Foreign exchange	-	-
	44,048	-
Net remeasurement gains (losses) for the year	(4,994)	-
Accumulated remeasurement gains (losses) - End of Year	\$ (4,994)	-

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

TOWN OF DUCK LAKE

NOTES TO THE CONSOLIDATED SUMMARIZED FINANCIAL STATEMENTS

December 31, 2025

1. SUMMARY FINANCIAL STATEMENTS

The summary consolidated financial statements are derived from the audited consolidated financial statements, prepared in accordance with Canadian public sector accounting standards as at December 31, 2025 and December 31, 2024, and for the years then ended.

The preparation of these summary consolidated financial statements requires management to determine the information that needs to be reflected in them so that they are consistent in all material respects with, or represent a fair summary of, the audited consolidated financial statements.

Management prepared these summary consolidated financial statements using the following criteria:

- a) the summary consolidated financial statements include a statement for each statement included in the audited consolidated financial statements;
- b) information in the summary consolidated financial statements agrees with the related information in the related audited consolidated financial statements;
- c) major subtotals, totals and comparative information from the audited consolidated financial statements are included; and
- d) the summary consolidated financial statements contain the information from the audited consolidated financial statements dealing with matters that have a pervasive or otherwise significant effect on the summary consolidated financial statements.

The audited consolidated financial statements of Town of Duck Lake are available upon request by contacting the Town.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements consolidate the assets, liabilities and flow of resources of the Town. The entity is comprised of all organizations owned or controlled by the Town and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

The consolidated financial statements are prepared using the accrual basis of accounting using the accounting policies that are described in Note 1 to the Town's audited consolidated financial statements in accordance with the local government accounting standards established by the Public Sector Accounting Board. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenditures during the period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. The measurement of materials and supplies are based on estimates of volume and quality. The 'Opening asset costs' of capital assets have been estimated where actual costs were not available. Amortization is based on the estimated useful lives of capital assets. Asset retirement obligations are measured with reference to the best estimate of the amount required to ultimately remediate the liability, the discount rate, and inflation. These estimates and assumptions are reviewed periodically and as adjustments become necessary, they are reported in earnings in the period in which they become known.