



Report of the Independent Auditors' on the Summary Consolidated Financial Statements

To the Council
Town of Sturgis

Opinion

The consolidated summary financial statements, which comprise the summary consolidated Statement of Financial Position as at December 31, 2025, the summary consolidated Statements of Operations, Changes in Net Financial Assets and Cash Flow for the year then ended, and related notes, are derived from the audited consolidated financial statements of Town of Sturgis for the year ended December 31, 2025. We expressed a qualified audit opinion on those consolidated financial statements in our report dated July 20, 2026.

In our opinion, the accompanying consolidated summary financial statements are a fair summary of the audited consolidated financial statements, on the basis described in note 1. However, the summary consolidated financial statements are misstated to the equivalent extent as the audited consolidated financial statements of Town of Sturgis for the year ended December 31, 2025.

Summary Consolidated Financial Statements

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

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 July 20, 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 identified several buildings which likely contain asbestos and will 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 post-closure monitoring costs of its landfill. A liability has not been recognized for these costs. As insufficient information is available with regards to the expected costs of the extent of post-closure monitoring 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.

Management's Responsibility for the Summary Consolidated Financial Statements

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

Auditors' 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 Consolidated Financial Statements.

Baker Tilly SK LLP

Baker Tilly SK LLP

Yorkton, SK
July 20, 2026

Town of Sturgis Sturgis, Saskatchewan Consolidated Statement of Financial Position as at December 31, 2025

Statement 1

	2025	2024
Assets		
Financial Assets		
Cash and cash equivalents	1,286,479	810,184
Investments	253,725	187,900
Taxes receivable - municipal	82,416	67,500
Other accounts receivable	123,018	110,293
Total Financial Assets	<u>1,745,638</u>	<u>1,175,877</u>
Liabilities		
Accounts payable	96,717	43,506
Accrued liabilities payable	27,193	30,847
Deposits	10,940	10,740
Deferred revenue	64,991	31,171
Asset retirement obligation	530,237	530,237
Long-term debt	488,579	572,417
Total Liabilities	<u>1,218,657</u>	<u>1,218,718</u>
Net Financial Assets (Debt)	<u>526,981</u>	<u>(42,841)</u>
Non-Financial Assets		
Tangible capital assets	2,969,524	3,054,024
Prepayments and deferred charges	7,637	40,181
Stock and supplies	62,675	56,672
Assets held for sale	29,293	20,069
Total Non-Financial Assets	<u>3,069,129</u>	<u>3,170,946</u>
Accumulated Surplus	<u>\$ 3,596,110</u>	<u>\$ 3,128,105</u>

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

Statement 2

	2025 Budget	2025 Actual	2024 Actual
Revenues			
Tax revenue	653,995	655,758	639,970
Other unconditional revenue	190,000	192,454	180,790
Fees and charges	404,200	702,960	449,377
Conditional grants	-	43,548	101,211
Tangible capital asset sales - gain	-	7,750	4,018
Land sales - gain (loss)	6,000	7,262	(1,392)
Investment income	7,000	11,923	28,562
Provincial/Federal capital grants and contributions	39,000	21,556	447,904
Total Revenues	<u>1,300,195</u>	<u>1,643,211</u>	<u>1,850,440</u>
Expenses			
General government services	283,380	245,465	453,161
Protective services	58,450	52,328	51,543
Transportation services	264,610	229,352	221,656
Environmental and public health services	55,755	102,940	100,669
Planning and development services	56,500	2,751	5,905
Recreation and cultural services	236,300	363,630	277,236
Utilities services	409,400	178,740	184,690
Total Expenses	<u>1,364,395</u>	<u>1,175,206</u>	<u>1,294,860</u>
Annual Surplus (Deficit) of Revenue over Expenses	<u>(64,200)</u>	<u>468,005</u>	<u>555,580</u>
Accumulated Surplus, Beginning of Year	<u>3,128,105</u>	<u>3,128,105</u>	<u>2,572,525</u>
Accumulated Surplus, End of Year	<u>\$ 3,063,905</u>	<u>\$ 3,596,110</u>	<u>\$ 3,128,105</u>

Town of Sturgis
Consolidated Statement of Change in Net Financial Assets
For the year ended December 31, 2025

Statement 3

	2025 Budget	2025 Actual	2024 Actual
Surplus	(64,200)	468,005	555,580
(Acquisition) of tangible capital assets	-	(59,008)	(246,832)
Amortization of tangible capital assets	-	143,508	121,353
Proceeds on disposal of tangible capital assets	-	7,750	-
Loss (gain) on the disposal of tangible capital assets	-	(7,750)	(4,018)
Surplus (Deficit) of Capital Expenses over Expenditures	-	84,500	(129,497)
(Acquisition) of supplies inventories	-	(6,003)	-
Use of prepaid expense	-	32,544	-
(Acquisition) of other non-financial assets	-	-	(1,000)
Use (disposal) of other non-financial assets	-	(9,224)	-
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	-	17,317	(1,000)
Increase (Decrease) in Net Financial Assets	(64,200)	569,822	425,083
Net Financial Assets (Debt), beginning of year	(42,841)	(42,841)	(467,924)
Net Financial Assets (Debt), End of Year	<u>\$ (107,041)</u>	<u>\$ 526,981</u>	<u>\$ (42,841)</u>

Town of Sturgis
Consolidated 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	468,005	555,580
Amortization	143,508	121,353
Loss (gain) on disposal of tangible capital assets	(7,750)	(4,018)
	603,763	672,915
Change in Assets/Liabilities		
Taxes receivable - municipal	(14,917)	14,278
Other receivables	(12,725)	(29,685)
Land for resale	(9,224)	(1,000)
Accounts payable	53,211	26,586
Accrued liabilities payable	(3,453)	(16,068)
Utility deposits	200	400
Deferred revenue	33,820	(407,665)
Stock and supplies for use	(6,003)	-
Prepayments and deferred charges	32,544	-
Cash Provided by Operating Transactions	677,216	259,761
Capital:		
Acquisition of capital assets	(59,008)	(246,832)
Proceeds from the disposal of capital assets	7,750	40,000
Cash Applied to Capital Transactions	(51,258)	(206,832)
Investing:		
Proceeds on disposal of investments	180,396	400,000
Acquisition of investment	(246,221)	(22,554)
Cash Provided by (Applied to) Investing Transactions	(65,825)	377,446
Financing:		
Long-term debt repaid	(83,838)	(79,732)
Change in Cash and Cash Equivalents During the Year	476,295	350,643
Cash and cash equivalents, beginning of year	810,184	459,541
Cash and Cash Equivalents, End of Year	<u>\$ 1,286,479</u>	<u>\$ 810,184</u>

Town of Sturgis
Notes to Summary Consolidated Financial Statements
For the year ended December 31, 2025

1. Basis of the Summary Consolidated Financial Statements

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

- (a) The information in the summary consolidated financial statements is in agreement with the related information in the municipality's December 31, 2025 audited consolidated financial statements; and
- (b) The summary consolidated financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the audited consolidated financial statements, including the notes thereto.
- (c) The audited consolidated financial statements can be obtained by request at the town office.
- (d) The detailed notes included in the audited consolidated financial statements are not included in the summary consolidated financial statements as these notes are available in the audited consolidated financial statements which can be obtained as described above.