

9575 Port Franks Road RR#1
Thedford, ON N0M 2N0

July 14, 2026

MNP LLP
1315 Michigan Ave
Unit G
Sarnia, Ontario N7S 4M6

To Whom It May Concern:

In connection with your audit of the consolidated financial statements of The Corporation of the Municipality of Lambton Shores (the "Municipality") as at December 31, 2025 and for the year then ended, we hereby confirm to the best of our knowledge and belief, the following representations made to you during the course of your audit.

We understand that your audit was made in accordance with Canadian generally accepted auditing standards. Accordingly, the audit included an examination of the accounting system, controls and related data, and tests of the accounting records and such other auditing procedures as you considered necessary in the circumstances, for the purpose of expressing an opinion on the consolidated financial statements. We also understand that such an audit is not designed to identify, nor can it necessarily be expected to disclose, misstatements, non-compliance with laws and regulations, fraud or other irregularities, should there be any.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the consolidated financial statements would influence the decision of a reasonable person relying on the consolidated financial statements.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 26, 2026, for the preparation and fair presentation of the Municipality's consolidated financial statements in accordance with Canadian public sector accounting standards. We believe these consolidated financial statements are complete and present fairly, in all material respects, the financial position of the Municipality as at December 31, 2025, and the results of its operations and its cash flows, in accordance with Canadian public sector accounting standards.
2. All transactions have been recorded in the accounting records and are reflected in the consolidated financial statements, and are reported in the appropriate period.
3. We acknowledge that we are responsible for the accounting policies followed in the preparation of the Municipality's consolidated financial statements. Significant accounting policies, and any related changes to significant accounting policies, are disclosed in the consolidated financial statements. The selection of accounting policies is appropriate in accordance with the requirements of Canadian public sector accounting standards, and are applied consistently throughout the consolidated financial statements.

4. All significant judgments made in making the accounting estimates have taken into account all relevant information of which we are aware.
5. The selection and application of the methods, assumptions and data used in making the accounting estimates are consistent and appropriate.
6. The assumptions relevant to accounting estimates and disclosures appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity.
7. Disclosures related to accounting estimates, including disclosures describing estimation uncertainty, are complete and are reasonable in the context of Canadian public sector accounting standards.
8. Appropriate specialized skills or expertise have been applied in making the accounting estimates.
9. No subsequent event requires adjustment to the accounting estimates and related disclosures included in the consolidated financial statements.
10. We are aware of and concur with the contents and results of the attached journal entries prepared by you, and accept responsibility for the consolidated financial statement effects of the entries.
11. We believe the effects of those uncorrected consolidated financial statement differences aggregated by you during the audit are immaterial, both individually and in the aggregate, to the consolidated financial statements taken as a whole.
12. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian public sector accounting standards.
13. All events or transactions that have occurred subsequent to the statement of financial position and for which Canadian public sector accounting standards require adjustment or disclosure have been adjusted or disclosed appropriately in the consolidated financial statements.
14. All plans or intentions that may affect the carrying value or classification of assets and liabilities are appropriately reflected in the consolidated financial statements in accordance with Canadian public sector accounting standards.
15. All liabilities, both known and contingent, requiring recognition or disclosure in the consolidated financial statements in accordance with the requirements of Canadian public sector accounting standards have been adjusted or disclosed as appropriate.
16. All outstanding and possible claims, whether or not they have been discussed with legal counsel, have been disclosed to you and are appropriately reflected in the consolidated financial statements.
17. All assets, wherever located, to which the Municipality had satisfactory title at the year-end, have been fairly stated and recorded in the consolidated financial statements. The assets are free from hypothecation, liens and encumbrances, except as noted in the consolidated financial statements. We have disclosed the nature and carrying amounts of any assets pledged as collateral. All assets of uncertain value, and restrictions imposed on assets, are appropriately reported in the consolidated financial statements.

18. All aspects of laws, regulations or contractual agreements, including non-compliance, are appropriately reflected in the consolidated financial statements.
19. All cash accounts have been appropriately recorded in the consolidated financial statements and all terms and associated conditions have been disclosed to you in full. We have provided you with the most current banking agreements.
20. Investments in marketable securities are appropriately recorded in the consolidated financial statements in accordance with the requirements of Canadian public sector accounting standards. All events or circumstances giving rise to impairments are reflected in the consolidated financial statements.
21. Accounts and contributions receivable are correctly described in the records and represent valid claims as at December 31, 2025. An appropriate allowance has been made for losses from uncollectible accounts and for costs or expenses that may be incurred with respect to sales made or services rendered.
22. Inventory is correctly recorded in the consolidated financial statements in accordance with the requirements of Canadian public sector accounting standards. All required provisions for slow-moving, obsolete, and unsaleable stock have been recorded. Inventory does not include any goods on consignment to others or goods invoiced to customers.
23. All charges to tangible capital assets represent capital expenditures. No expenditures of a capital nature were charged to operations of the Municipality. Depreciation of tangible capital assets has been recorded according to our best estimates of their useful lives. All events or circumstances giving rise to impairments are appropriately reflected in the consolidated financial statements.
24. Government transfers have been recognized when the transfer is authorized, and all eligibility criteria have been met.
25. All long-term debt has been appropriately recorded in the consolidated financial statements. All payments and accrued interest have been accounted for. The current portion of long-term debt [and] is appropriately classified. All terms and conditions have been fully disclosed in the consolidated financial statements. We have provided you with the most current debt and financing agreements.
26. Employee future benefits have been appropriately recorded in the consolidated financial statements according to the requirements of Canadian public sector accounting standards. All actuarial assumptions and valuations have been disclosed to you in full and are appropriate.
27. Revenue has been recognized only where sales have been made and items delivered, or services rendered, and the amounts have been collected or are collectible. Revenues do not include any amounts arising from consignment sales or from any other transaction from which the Municipality is not entitled to the proceeds.
28. Revenue from exchange transactions has been recognized when, or as, the Municipality satisfies a performance obligation by providing the promised goods or services to a payor in accordance with the requirements of Public Sector Accounting Standards.
29. Revenue from non-exchange transactions has been recognized, at its net realizable value, when the Municipality has the authority to claim or retain an inflow of economic resources and identifies a past

transaction or event that gives rise to an asset in accordance with the requirements of Public Sector Accounting Standards.

30. We have identified all financial instruments, including derivatives, and hedging relationships. These have been appropriately recorded and disclosed in the consolidated financial statements in accordance with the requirements of Canadian public sector accounting standards.
31. We have identified all known or potential contaminated sites and the costs associated with the remediation of these sites have been appropriately accounted for and disclosed in the financial statements in accordance with Canadian public sector accounting standards.

Information Provided

1. We have responded fully to all inquiries made to us and have made available to you:
 - A complete record of all financial records that are relevant to the preparation and presentation of the consolidated financial statements, and related data and minutes of the meetings of the Council held throughout the year to the present date as well as summaries of recent meetings for which minutes have not yet been prepared;
 - Additional information that you have requested from us for the purpose of your audit;
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. We acknowledge management's responsibility for the design, implementation and operation of controls that have been designed to prevent and detect fraud.
3. We have assessed the risk that the consolidated financial statements may be materially misstated as a result of fraud, and have determined such risk to be low.
4. Where the impact of any frauds or suspected frauds, and non-compliance or possible non-compliance with laws and regulations, has a material effect on the consolidated financial statements, we have disclosed to you all known significant facts relating thereto, including circumstances involving management, employees having significant roles over controls, and others. We have made known to you any allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators and others. The effects of such events, if any, are properly presented in the consolidated financial statements.
5. We have disclosed to you all deficiencies in the design or operation of internal controls over financial reporting of which we are aware.
6. We have disclosed to you all aspects of laws, regulations or contractual agreements that may affect the consolidated financial statements, including non-compliance.
7. We have disclosed to you the identities of all related parties to the Municipality and all related party relationships and transactions of which we are aware.
8. We have no knowledge of side agreements (contractual or otherwise) with any parties that have not been disclosed to you.

9. The previous year's representation letter dated September 9, 2025 is still applicable to the prior year's consolidated financial statements, and no matters have arisen that require restatement of those consolidated financial statements.
10. There are no discussions with your firm's personnel regarding employment with the Municipality.

Professional Services

1. We acknowledge the engagement letter dated February 26, 2026, which states the terms of reference regarding your professional services.
2. We are not aware of any reason why MNP LLP would not be considered independent for purposes of the Municipality's audit.

Sincerely,

The Corporation of the Municipality of Lambton Shores



Signature



Title

MANAGEMENT'S REPORT

The management of the Corporation of the Municipality of Lambton Shores ("Municipality") is responsible for the integrity, objectivity and accuracy of the financial information in the accompanying consolidated financial statements.

The consolidated financial statements have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is disclosed in Note 1 to the consolidated financial statements.

To meet its responsibility, management maintains comprehensive financial and internal control systems designed to ensure the proper authorization of transactions, the safeguarding of assets and the integrity of the financial data. The Municipality employs highly qualified professional staff and deploys an organizational structure that effectively segregates responsibilities, and appropriately delegates authority and accountability.

The December 31, 2025 consolidated financial statements have been examined by the Municipality of Lambton Shores' external auditors, MNP LLP, and their report precedes the consolidated financial statements.

Lambton Shores, Canada



Rebecca Clothier

Treasurer

Steve McAuley

Chief Administrative Officer

THE CORPORATION OF THE MUNICIPALITY OF LAMBTON SHORES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

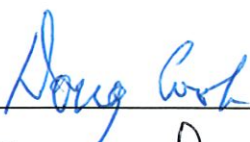
As at December 31, 2025

	2025	2024
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents (note 2)	\$ 51,137,906	\$ 47,381,668
Portfolio investments (note 3)	6,041,897	1,072,716
Taxes receivable (note 4)	2,134,563	2,473,631
Accounts receivable	8,241,894	6,499,224
Inventories for resale	90,648	77,224
Long-term receivables (note 5)	833,400	1,326,440
TOTAL FINANCIAL ASSETS	68,480,308	58,830,903
LIABILITIES		
Accounts payable and accrued liabilities	3,535,950	3,776,998
Deposits	2,336,187	1,968,933
Deferred revenue (note 6)	15,904,883	12,827,144
Post employment benefit liability (note 7)	121,122	-
Long-term debt (note 8)	8,638,589	9,205,450
Asset retirement obligation (note 9)	200,874	146,066
TOTAL LIABILITIES	30,737,605	27,924,591
NET FINANCIAL ASSETS	37,742,703	30,906,312
NON-FINANCIAL ASSETS		
Tangible capital assets (note 10) (schedule 1)	223,305,047	221,148,332
Prepaid expenses and inventories of supplies	354,336	406,252
TOTAL NON-FINANCIAL ASSETS	223,659,383	221,554,584
ACCUMULATED SURPLUS (note 11)	\$ 261,402,086	\$ 252,460,897

Commitments (note 18)

Contingencies (note 19)

Approved on behalf of Council:

 Mayor

 C.A.O./Clerk

 Treasurer