

## Management's Responsibility

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To the ratepayers of the Town of Porcupine Plain:

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 principles 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.

Council is composed entirely of individuals who are neither management nor employees of the Town. Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the annual financial statements. Council fulfils these responsibilities by reviewing the financial information and discussing relevant matters with management. Council is also responsible for the appointment of the Town's external auditors.

MNP LLP is appointed by Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with both management and Council to discuss their audit findings.

  
Administrator

To the Mayor and Council of the Town of Porcupine Plain:

### **Opinion**

We have audited the financial statements of the Town of Porcupine Plain (the "Town"), which comprise the statement of financial position as at December 31, 2019, and the statements of operations, change in net financial assets, cash flows and related schedules 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 Town as at December 31, 2019, and the results of its operations 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Town 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 the Mayor and Council 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 Town'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 either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

The Mayor and Council are responsible for overseeing the Town's financial reporting process.

## **Auditor's 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 auditor's 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 a 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 Town'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 Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Town 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 the Mayor and Council 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.

Melfort, Saskatchewan

March 12, 2020

*MNP LLP*


Chartered Professional Accountants

**MNP**

Town of Porcupine Plain  
Statement of Financial Position  
As at December 31, 2019

Statement 1

	2019	2018
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and temporary investments (Note 2)	740,515	825,819
Taxes receivable - municipal (Note 3)	45,417	36,548
Other accounts receivable (Note 4)	87,750	107,345
Land for resale (Note 5)	90,750	90,750
Long-term investments (Note 6)	82,610	80,991
<b>Total financial assets</b>	<b>1,047,042</b>	<b>1,141,453</b>
<b>LIABILITIES</b>		
Accounts payable	28,575	11,818
Due to school divisions	5,342	-
Accrued liabilities payable	7,115	5,770
Deposits	24,626	25,046
Deferred revenue (Note 7)	18,218	21,240
Contaminated site liability (Note 8)	44,477	27,885
Lease obligation (Note 10)	41,384	52,685
<b>Total liabilities</b>	<b>169,737</b>	<b>144,444</b>
<b>NET FINANCIAL ASSETS</b>	<b>877,305</b>	<b>997,009</b>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 6, 7)	2,913,730	2,584,707
Prepayments and deferred charges	5,079	297
Stock and supplies	15,395	12,626
<b>Total Non-Financial Assets</b>	<b>2,934,204</b>	<b>2,597,630</b>
<b>Accumulated Surplus (Schedule 8)</b>	<b>3,811,509</b>	<b>3,594,639</b>

  
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Mayor

  
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Councillor

The accompanying notes are an integral part of these financial statements

Town of Porcupine Plain  
Statement of Operations  
For the year ended December 31, 2019

Statement 2

	2019 Budget	2019	2018
<b>Revenues</b>			
Taxes and other unconditional revenue (Schedule 1)	911,750	911,038	884,721
Fees and charges (Schedule 4, 5)	412,700	450,100	425,888
Conditional grants (Schedule 4, 5)	79,094	86,868	95,480
Tangible capital asset sales - loss (Schedule 4, 5)	-	(15,144)	-
Investment income and commissions (Schedule 4, 5)	9,500	16,630	9,932
Other revenues (Schedule 4, 5)	23,930	40,168	24,937
<b>Total revenues</b>	<b>1,436,974</b>	<b>1,489,660</b>	<b>1,440,958</b>
<b>Expenses</b>			
General government services (Schedule 3)	194,375	192,552	188,898
Protective services (Schedule 3)	117,950	129,163	153,207
Transportation services (Schedule 3)	406,295	375,287	514,768
Environmental and public health services (Schedule 3)	139,750	115,622	127,127
Planning and development services (Schedule 3)	28,400	46,618	25,578
Recreation and cultural services (Schedule 3)	206,344	226,707	233,805
Utility services (Schedule 3)	255,450	295,022	274,613
<b>Total expenses</b>	<b>1,348,564</b>	<b>1,380,971</b>	<b>1,517,996</b>
<b>Surplus (deficiency) of revenues over expenses before capital contributions</b>	<b>88,410</b>	<b>108,689</b>	<b>(77,038)</b>
Provincial/Federal capital grants and contributions (Schedule 4, 5)	53,500	108,181	53,740
<b>Surplus (deficit) of revenues over expenses</b>	<b>141,910</b>	<b>216,870</b>	<b>(23,298)</b>
Accumulated surplus, beginning of year	3,594,639	3,594,639	3,617,937
<b>Accumulated surplus, end of year</b>	<b>3,736,549</b>	<b>3,811,509</b>	<b>3,594,639</b>

The accompanying notes are an integral part of these financial statements