

## **Management's Responsibility**

---

To the ratepayers of the Town of Porcupine Plain:

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 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 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 , an independent firm of the Canadian Professional Accountants, 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 and separately with, both management and Council to discuss their audit findings.

April 8, 2021

  
\_\_\_\_\_  
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, 2020, 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, 2020, 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

April 8, 2021

*MNP LLP*


Chartered Professional Accountants

**MNP**

Town of Porcupine Plain  
Statement of Financial Position  
As at December 31, 2020

Statement 1

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and temporary investments (Note 2)	1,032,513	740,515
Taxes receivable - municipal (Note 3)	43,925	45,417
Other accounts receivable (Note 4)	78,910	87,750
Land for resale (Note 5)	90,750	90,750
Long-term investments (Note 6)	100,010	82,610
<b>Total financial assets</b>	<b>1,346,108</b>	<b>1,047,042</b>
<b>LIABILITIES</b>		
Accounts payable	57,561	28,575
Due to school divisions	14,288	5,342
Accrued liabilities payable	7,492	7,115
Deposits	24,436	24,626
Deferred revenue (Note 7)	56,112	18,218
Contaminated site liability (Note 8)	84,006	44,477
Long-term debt (Note 9)	150,000	-
Lease obligation (Note 10)	29,105	41,384
<b>Total liabilities</b>	<b>423,000</b>	<b>169,737</b>
<b>NET FINANCIAL ASSETS</b>	<b>923,108</b>	<b>877,305</b>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 6, 7)	3,120,300	2,913,730
Prepayments and deferred charges	156	5,079
Stock and supplies	12,647	15,395
<b>Total Non-Financial Assets</b>	<b>3,133,103</b>	<b>2,934,204</b>
<b>Accumulated Surplus (Schedule 8)</b>	<b>4,056,211</b>	<b>3,811,509</b>

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
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, 2020

Statement 2

	2020 Budget	2020	2019
<b>Revenues</b>			
Taxes and other unconditional revenue <i>(Schedule 1)</i>	890,640	946,534	911,038
Fees and charges <i>(Schedule 4, 5)</i>	388,450	453,118	450,100
Conditional grants <i>(Schedule 4, 5)</i>	112,394	179,873	88,480
Tangible capital asset sales - loss <i>(Schedule 4, 5)</i>	-	(5,119)	(15,144)
Investment income and commissions <i>(Schedule 4, 5)</i>	12,750	11,674	16,630
Other revenues <i>(Schedule 4, 5)</i>	35,000	30,379	40,168
<b>Total revenues</b>	<b>1,439,234</b>	<b>1,616,459</b>	<b>1,491,272</b>
<b>Expenses</b>			
General government services <i>(Schedule 3)</i>	208,625	209,182	192,552
Protective services <i>(Schedule 3)</i>	116,250	133,407	129,163
Transportation services <i>(Schedule 3)</i>	328,895	301,550	375,287
Environmental and public health services <i>(Schedule 3)</i>	119,250	144,134	115,622
Planning and development services <i>(Schedule 3)</i>	46,900	50,959	46,618
Recreation and cultural services <i>(Schedule 3)</i>	216,906	350,632	226,707
Utility services <i>(Schedule 3)</i>	235,545	278,785	295,022
<b>Total expenses</b>	<b>1,272,371</b>	<b>1,468,649</b>	<b>1,380,971</b>
<b>Surplus of revenues over expenses before capital contributions</b>	<b>166,863</b>	<b>147,810</b>	<b>110,301</b>
Provincial/Federal capital grants and contributions <i>(Schedule 4, 5)</i>	53,500	96,892	106,569
<b>Surplus of revenues over expenses</b>	<b>220,363</b>	<b>244,702</b>	<b>216,870</b>
Accumulated surplus, beginning of year	3,811,509	3,811,509	3,594,639
<b>Accumulated surplus, end of year</b>	<b>4,031,872</b>	<b>4,056,211</b>	<b>3,811,509</b>

Town of Porcupine Plain  
Statement of Change in Net Financial Assets  
For the year ended December 31, 2020

Statement 3

	2020 Budget	2020	2019
<b>Surplus</b>	220,363	244,702	216,870
Acquisition of tangible capital assets	(352,000)	(482,482)	(489,343)
Amortization of tangible capital assets	-	146,430	140,320
Impairment loss on tangible capital assets <i>(Note 14)</i>	-	116,200	-
Proceeds on disposal of tangible capital assets	-	8,163	4,856
Loss on the disposal of tangible capital assets	-	5,119	15,144
<b>Surplus (deficit) of capital expenses over expenditures</b>	<b>(352,000)</b>	<b>(206,570)</b>	<b>(329,023)</b>
Consumption of stock and supplies	-	2,748	(2,769)
Use of prepayments and deferred charges	-	4,923	(4,782)
<b>Surplus (deficit) of expenses of other non-financial over expenditures</b>	<b>-</b>	<b>7,671</b>	<b>(7,551)</b>
<b>Increase (decrease) in net financial assets</b>	<b>(131,637)</b>	<b>45,803</b>	<b>(119,704)</b>
Net financial assets - beginning of year	877,305	877,305	997,009
<b>Net financial assets - end of year</b>	<b>745,668</b>	<b>923,108</b>	<b>877,305</b>

Town of Porcupine Plain  
Statement of Cash Flows  
For the year ended December 31, 2020

Statement 4

	<b>2020</b>	2019
<b>Cash provided by (used for) the following activities</b>		
<b>Operating:</b>		
Surplus	244,702	216,870
Amortization	146,430	140,320
Impairment loss on tangible capital assets (Note 14)	116,200	-
Loss on disposal of tangible capital assets	5,119	15,144
	<b>512,451</b>	<b>372,334</b>
<b>Change in assets/liabilities</b>		
Taxes receivable - municipal	1,492	(8,869)
Other receivables	8,840	19,595
Long-term investments	(17,400)	(1,619)
Accounts payable and accrued liabilities	38,309	23,444
Contaminated site liability	39,529	16,592
Deposits	(190)	(420)
Stock and supplies	2,748	(2,770)
Prepayments and deferred charges	4,923	(4,782)
Deferred revenue	37,894	(3,022)
<b>Net cash provided by operations</b>	<b>628,596</b>	<b>410,483</b>
<b>Capital:</b>		
Acquisition of capital assets	(482,482)	(489,343)
Proceeds from the disposal of capital assets	8,163	4,856
<b>Net cash used for capital</b>	<b>(474,319)</b>	<b>(484,487)</b>
<b>Financing:</b>		
Capital lease - long-term debt repaid	(12,279)	(11,300)
Long-term debt issued	150,000	-
<b>Net cash provided by (used for) financing</b>	<b>137,721</b>	<b>(11,300)</b>
<b>Increase (decrease) in cash resources</b>	<b>291,998</b>	<b>(85,304)</b>
<b>Cash and investments - beginning of year</b>	<b>740,515</b>	<b>825,819</b>
<b>Cash and investments - end of year</b>	<b>1,032,513</b>	<b>740,515</b>

The accompanying notes are an integral part of these financial statements