

Management's Responsibility

To the Ratepayers of the Town of Porcupine Plain:

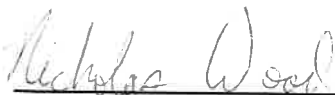
The municipality's management is responsible for the preparation and presentation of the accompanying financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles and methods, 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.

March 10, 2022



Mayor



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, 2021, and the statements of operations, changes in net financial assets, cash flows and the 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, 2021, and the results of its operations, changes in its net financial assets 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, 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.

Humboldt, Saskatchewan

March 10, 2022


MNP LLP

Chartered Professional Accountants

Town of Porcupine Plain
Statement of Financial Position
As at December 31, 2021

Statement 1

	2021	2020
ASSETS		
Financial assets		
Cash and temporary investments (Note 2)	929,616	1,032,513
Taxes receivable - municipal (Note 3)	50,373	43,925
Other accounts receivable (Note 4)	178,571	78,910
Land for resale (Note 5)	100,895	90,750
Long-term investments (Note 6)	627,424	100,010
Total Financial Assets	1,886,879	1,346,108
LIABILITIES		
Accounts payable	49,634	79,341
Deposits	24,141	24,436
Deferred revenue (Note 7)	1,404	56,112
Contaminated site liability (Note 8)	-	84,006
Long-term debt (Note 9)	100,934	150,000
Lease obligation (Note 10)	-	29,105
Total Liabilities	176,113	423,000
NET FINANCIAL ASSETS	1,710,766	923,108
Non-Financial Assets		
Tangible capital assets (Schedule 6, 7)	3,185,824	3,120,300
Prepayments and deferred charges	6,333	156
Stock and supplies	24,223	12,647
Total Non-Financial Assets	3,216,380	3,133,103
Accumulated Surplus (Schedule 8)	4,927,146	4,056,211



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, 2021

Statement 2

Revenues	2021 Budget	2021	2020
Taxes and other unconditional revenue (Schedule 1)	915,919	909,368	946,534
Fees and charges (Schedule 4, 5)	471,300	461,107	453,118
Conditional grants (Schedule 4, 5)	241,249	226,075	144,273
Tangible capital asset sales - gain (loss) (Schedule 4, 5)	-	-	(5,119)
Investment income and commissions (Schedule 4, 5)	5,400	6,589	11,674
Other revenues (Schedule 4, 5)	555,914	581,799	65,979
Total Revenues	2,189,782	2,184,938	1,616,459
Expenses			
General government services (Schedule 3)	277,403	225,365	209,182
Protective services (Schedule 3)	139,100	139,712	133,407
Transportation services (Schedule 3)	376,895	392,400	301,550
Environmental and public health services (Schedule 3)	247,650	130,555	144,134
Planning and development services (Schedule 3)	61,400	72,556	50,959
Recreation and cultural services (Schedule 3)	253,414	199,631	350,632
Utility services (Schedule 3)	318,800	284,608	278,785
Total Expenses	1,674,662	1,444,827	1,468,649
Surplus of Revenues over Expenses before Capital Contributions	515,120	740,111	147,810
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	53,500	130,824	96,892
Surplus of Revenues over Expenses	568,620	870,935	244,702
Accumulated Surplus, Beginning of Year	4,056,211	4,056,211	3,811,509
Accumulated Surplus, End of Year	4,624,831	4,927,146	4,056,211

The accompanying notes are an integral part of these financial statements

Town of Porcupine Plain
Statement of Change in Net Financial Assets
For the year ended December 31, 2021

Statement 3

	2021 Budget	2021	2020
Surplus	568,620	870,935	244,702
Acquisition of tangible capital assets	(225,000)	(225,354)	(482,482)
Amortization of tangible capital assets	140,000	159,830	146,430
Impairment loss on tangible capital assets (Note 14)	-	-	116,200
Proceeds on disposal of tangible capital assets	-	-	8,163
Loss (gain) on the disposal of tangible capital assets	-	-	5,119
Deficit of capital expenses over expenditures	(85,000)	(65,524)	(206,570)
(Acquisition) consumption of stock and supplies	-	(11,576)	2,748
Use (acquisition) of prepayments and deferred charges	-	(6,177)	4,923
Surplus (Deficit) of expenses of other non-financial over expenditures	-	(17,753)	7,671
Increase in Net Financial Assets	483,620	787,658	45,803
Net Financial Assets - Beginning of Year	923,108	923,108	877,305
Net Financial Assets - End of Year	1,406,728	1,710,766	923,108

The accompanying notes are an integral part of these financial statements

Town of Porcupine Plain
Statement of Cash Flows
For the year ended December 31, 2021

Statement 4

	<u>2021</u>	<u>2020</u>
Cash provided by (used for) the following activities		
Operating:		
Surplus	870,935	244,702
Amortization	159,830	146,430
Impairment loss on tangible capital assets (Note 14)	-	116,200
(Gain) Loss on disposal of tangible capital assets	-	5,119
	<u>1,030,765</u>	<u>512,451</u>
Change in assets/liabilities		
Taxes receivable - municipal	(6,448)	1,492
Other receivables	(99,661)	8,840
Long-term investments	(527,414)	(17,400)
Accounts payable and accrued liabilities	(29,707)	38,309
Contaminated site liability	(84,006)	39,529
Deposits	(295)	(190)
Stock and supplies	(11,576)	2,748
Prepayments and deferred charges	(6,177)	4,923
Deferred revenue	(54,708)	37,894
Net cash from operations	200,628	628,596
Capital:		
Acquisition of capital assets	(225,354)	(482,482)
Proceeds from the disposal of capital assets	-	8,163
Net cash used for capital	(225,354)	(474,319)
Financing:		
Capital lease repayment	(29,105)	(12,279)
Long-term debt repayment	(49,066)	-
Long-term debt issued	-	150,000
Net cash from (used for) financing	(78,171)	137,721
Increase (decrease) in cash resources	(102,897)	291,998
Cash and Investments - Beginning of Year	1,032,513	740,515
Cash and Investments - End of Year	929,616	1,032,513

The accompanying notes are an integral part of these financial statements