

# Independent Auditor's Report

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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, 2022, 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, 2022, 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

April 13, 2023

*MNP LLP*

Chartered Professional Accountants

Town of Porcupine Plain  
Statement of Financial Position  
As at December 31, 2022

Statement 1


	2022	2021
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and temporary investments (Note 2)	798,441	929,616
Taxes receivable - municipal (Note 3)	60,284	50,373
Other accounts receivable (Note 4)	413,838	178,571
Assets held for sale (Note 5)	80,895	100,895
Long-term investments (Note 6)	633,335	627,424
<b>Total Financial Assets</b>	<b>1,986,793</b>	<b>1,886,879</b>
<b>LIABILITIES</b>		
Accounts payable	59,237	49,634
Deposits	24,096	24,141
Deferred revenue (Note 7)	39,782	1,404
Contaminated site liability (Note 8)	-	-
Long-term debt (Note 9)	50,467	100,934
<b>Total Liabilities</b>	<b>173,582</b>	<b>176,113</b>
<b>NET FINANCIAL ASSETS</b>	<b>1,813,211</b>	<b>1,710,766</b>
<b>Non-Financial Assets</b>		
Tangible capital assets (Schedule 6, 7)	3,564,439	3,185,824
Prepayments and deferred charges	6,471	6,333
Stock and supplies	26,254	24,223
<b>Total Non-Financial Assets</b>	<b>3,597,164</b>	<b>3,216,380</b>
<b>Accumulated Surplus (Schedule 8)</b>	<b>5,410,375</b>	<b>4,927,146</b>

Commitments (Note 11)

Contractual rights (Note 13)



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, 2022**

Statement 2

	2022 Budget	2022	2021
<b>Revenues</b>			
Taxes and other unconditional revenue (Schedule 1)	933,654	940,878	909,368
Fees and charges (Schedule 4, 5)	495,300	447,352	461,107
Conditional grants (Schedule 4, 5)	534,594	420,138	226,075
Tangible capital asset sales - gain (loss) (Schedule 4, 5)	-	(31,504)	-
Land sales - loss (Schedule 4, 5)	-	(3,000)	-
Investment income and commissions (Schedule 4, 5)	5,400	19,257	6,589
Other revenues (Schedule 4, 5)	35,000	261,899	581,799
<b>Total Revenues</b>	<b>2,003,948</b>	<b>2,055,020</b>	<b>2,184,938</b>
<b>Expenses</b>			
General government services (Schedule 3)	252,425	259,516	225,365
Protective services (Schedule 3)	145,805	128,321	139,712
Transportation services (Schedule 3)	411,145	414,098	392,400
Environmental and public health services (Schedule 3)	138,450	147,410	130,555
Planning and development services (Schedule 3)	62,400	68,789	72,556
Recreation and cultural services (Schedule 3)	235,746	220,373	199,631
Utility services (Schedule 3)	372,950	359,920	284,608
<b>Total Expenses</b>	<b>1,618,921</b>	<b>1,598,427</b>	<b>1,444,827</b>
<b>Surplus of Revenues over Expenses before Capital Contributions</b>	<b>385,027</b>	<b>456,593</b>	<b>740,111</b>
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	53,500	26,636	130,824
<b>Surplus of Revenues over Expenses</b>	<b>438,527</b>	<b>483,229</b>	<b>870,935</b>
<b>Accumulated Surplus, Beginning of Year</b>	<b>4,927,146</b>	<b>4,927,146</b>	<b>4,056,211</b>
<b>Accumulated Surplus, End of Year</b>	<b>5,365,673</b>	<b>5,410,375</b>	<b>4,927,146</b>

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, 2022**

Statement 3

	<b>2022 Budget</b>	<b>2022</b>	<b>2021</b>
<b>Surplus</b>	438,527	483,229	870,935
Acquisition of tangible capital assets	(1,095,000)	(584,788)	(225,354)
Amortization of tangible capital assets	165,000	158,568	159,830
Proceeds on disposal of tangible capital assets	-	16,101	-
Loss (gain) on the disposal of tangible capital assets	-	31,504	-
<b>Deficit of capital expenses over expenditures</b>	<b>(930,000)</b>	<b>(378,615)</b>	<b>(65,524)</b>
Consumption (Acquisition) of supplies inventory	-	(2,031)	(11,576)
Use (acquisition) of prepayments and deferred charges	-	(138)	(6,177)
<b>Deficit of expenses of other non-financial over expenditures</b>	<b>-</b>	<b>(2,169)</b>	<b>(17,753)</b>
<b>Increase (Decrease) in Net Financial Assets</b>	<b>(491,473)</b>	<b>102,445</b>	<b>787,658</b>
<b>Net Financial Assets - Beginning of Year</b>	<b>1,710,766</b>	<b>1,710,766</b>	<b>923,108</b>
<b>Net Financial Assets - End of Year</b>	<b>1,219,293</b>	<b>1,813,211</b>	<b>1,710,766</b>

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, 2022**

Statement 4

	2022	2021
<b>Cash provided by (used for) the following activities</b>		
<b>Operating:</b>		
Surplus	483,229	870,935
Amortization	158,568	159,830
(Gain) Loss on disposal of tangible capital assets	31,504	-
	<u>673,301</u>	<u>1,030,765</u>
<b>Change in assets/liabilities</b>		
Taxes receivable - municipal	(9,911)	(6,448)
Other accounts receivable	(235,267)	(99,661)
Assets held for sale	20,000	(10,145)
Accounts payable and accrued liabilities	9,603	(29,707)
Contaminated site liability	-	(84,006)
Deposits	(45)	(295)
Stock and supplies for use	(2,031)	(11,576)
Prepayments and deferred charges	(138)	(6,177)
Deferred revenue	38,378	(54,708)
<b>Net cash from operations</b>	<b>493,890</b>	<b>728,042</b>
<b>Capital:</b>		
Cash used to acquire tangible capital assets	(584,788)	(225,354)
Proceeds on sale of tangible capital assets	16,101	-
<b>Net cash used for capital</b>	<b>(568,687)</b>	<b>(225,354)</b>
<b>Investing:</b>		
Acquisition in investment	(5,911)	(527,414)
<b>Net cash used for investing</b>	<b>(5,911)</b>	<b>(527,414)</b>
<b>Financing:</b>		
Capital lease repayment	-	(29,105)
Debt repayment	(50,467)	(49,066)
Proceeds from debt issues	-	-
<b>Net cash used for financing</b>	<b>(50,467)</b>	<b>(78,171)</b>
<b>Decrease in cash resources</b>	<b>(131,175)</b>	<b>(102,897)</b>
<b>Cash and Investments - Beginning of Year</b>	<b>929,616</b>	<b>1,032,513</b>
<b>Cash and Investments - End of Year</b>	<b>798,441</b>	<b>929,616</b>