

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, 2023, 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, 2023, 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 15, 2024

MNP **LLP**

Chartered Professional Accountants

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 15, 2024



Mayor



Administrator

Town of Porcupine Plain
Statement of Financial Position
As at December 31, 2023

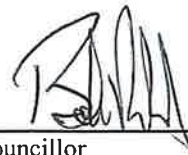
Statement 1

	2023	2022
FINANCIAL ASSETS		
Cash and Cash Equivalents <i>(Note 2)</i>	543,207	798,441
Taxes Receivable - Municipal <i>(Note 3)</i>	69,794	60,284
Other Accounts Receivable <i>(Note 4)</i>	145,138	413,838
Assets Held for Sale <i>(Note 5)</i>	65,397	80,895
Long-Term Investments <i>(Note 6)</i>	413,686	633,335
Total Financial Assets	1,237,222	1,986,793
LIABILITIES		
Accounts Payable	116,740	59,237
Deposits	24,421	24,096
Deferred Revenue <i>(Note 7)</i>	21,509	39,782
Asset Retirement Obligation <i>(Note 8)</i>	58,268	-
Long-Term Debt <i>(Note 9)</i>	-	50,467
Total Liabilities	220,938	173,582
NET FINANCIAL ASSETS	1,016,284	1,813,211
NON-FINANCIAL ASSETS		
Tangible Capital Assets <i>(Schedule 6, 7)</i>	4,735,660	3,564,439
Prepayments and Deferred Charges	230	6,471
Stock and Supplies	20,368	26,254
Total Non-Financial Assets	4,756,258	3,597,164
Accumulated Surplus <i>(Schedule 8)</i>	5,772,542	5,410,375

Commitments *(Note 11)*
Contractual Rights *(Note 14)*



Mayor



Councillor

Town of Porcupine Plain
Statement of Operations
For the year ended December 31, 2023

Statement 2

	2023 Budget	2023	2022
Revenues			
Tax Revenue <i>(Schedule 1)</i>	693,555	694,507	687,877
Other Unconditional Revenue <i>(Schedule 1)</i>	277,987	281,250	253,001
Fees and charges <i>(Schedule 4, 5)</i>	703,300	453,128	447,352
Conditional grants <i>(Schedule 4, 5)</i>	272,594	259,441	420,138
Tangible capital asset sales - gain (loss) <i>(Schedule 4, 5)</i>	-	-	(31,504)
Land sales - loss <i>(Schedule 4, 5)</i>	-	(11,065)	(3,000)
Investment income and commissions <i>(Schedule 4, 5)</i>	21,500	47,141	19,257
Other revenues <i>(Schedule 4, 5)</i>	45,000	354,840	261,899
Provincial/Federal Capital Grants and Contributions <i>(Schedule 4, 5)</i>	53,500	58,099	26,636
Total Revenues	2,067,436	2,137,341	2,081,656
Expenses			
General government services <i>(Schedule 3)</i>	240,461	253,499	259,516
Protective services <i>(Schedule 3)</i>	148,893	131,456	128,321
Transportation services <i>(Schedule 3)</i>	467,428	551,761	414,098
Environmental and public health services <i>(Schedule 3)</i>	153,710	152,606	147,410
Planning and development services <i>(Schedule 3)</i>	67,900	74,640	68,789
Recreation and cultural services <i>(Schedule 3)</i>	281,412	299,969	220,373
Utility services <i>(Schedule 3)</i>	305,572	311,243	359,920
Total Expenses	1,665,376	1,775,174	1,598,427
Annual Surplus of Revenues over Expenses	402,060	362,167	483,229
Accumulated Surplus, Beginning of Year	5,410,375	5,410,375	4,927,146
Accumulated Surplus, End of Year	5,812,435	5,772,542	5,410,375

Town of Porcupine Plain
Statement of Change in Net Financial Assets
For the year ended December 31, 2023

Statement 3

	2023 Budget	2023	2022
Annual Surplus of Revenues over Expenses	402,060	362,167	483,229
(Acquisition) of tangible capital assets	(1,110,000)	(1,334,900)	(584,788)
Amortization of tangible capital assets	159,000	163,679	158,568
Proceeds on disposal of tangible capital assets	-	-	16,101
Loss (gain) on the disposal of tangible capital assets	-	-	31,504
Deficit of capital expenses over expenditures	(951,000)	(1,171,221)	(378,615)
Consumption (Acquisition) of supplies inventory	-	5,886	(2,031)
Consumption (Acquisition) of prepayments and deferred charges	-	6,241	(138)
Surplus (Deficit) of other non-financial over expenditures	-	12,127	(2,169)
Increase (Decrease) in Net Financial Assets	(548,940)	(796,927)	102,445
Net Financial Assets - Beginning of Year	1,813,211	1,813,211	1,710,766
Net Financial Assets - End of Year	1,264,271	1,016,284	1,813,211