To the Ratepayers of the Town of Porcupine Plain:

The Town'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 fair presentation of the financial statements, management designs and maintains the necessary accounting, budget and other related internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial records are properly maintained to provide reliable information for the preparation of the financial statements.

The Council is composed of elected officials who are not employees of the Town. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the Town's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the 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 the Council and management to discuss their audit findings.

March 12, 2026

Nicholas Wood

Mayor

J Salmond

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, 2025, 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, 2025, 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.

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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 those charged with governance 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 12, 2026

MNP LLP

Chartered Professional Accountants

Town of Porcupine Plain
Statement 1: Statement of Financial Position
As at December 31, 2025

Statement 1

	2025	2024
FINANCIAL ASSETS		
Cash and Cash Equivalents *(Note 2)*	610,717	659,880
Taxes Receivable - Municipal *(Note 3)*	72,587	64,046
Other Accounts Receivable *(Note 4)*	126,324	145,938
Assets Held for Sale *(Note 5)*	65,397	65,397
Long-Term Investments *(Note 6)*	450,880	430,814
Total Financial Assets	1,325,905	1,366,075
LIABILITIES		
Accounts Payable	87,771	143,550
Deposits	26,051	23,961
Deferred Revenue *(Note 7)*	80,154	56,977
Asset Retirement Obligation *(Note 8)*	67,880	63,289
Long-Term Debt *(Note 9)*	41,933	75,738
Total Liabilities	303,789	363,515
NET FINANCIAL ASSETS	1,022,116	1,002,560
NON-FINANCIAL ASSETS		
Tangible Capital Assets *(Schedule 6, 7)*	5,010,463	4,800,731
Prepayments and Deferred Charges	5	110
Stock and Supplies	25,472	25,995
Total Non-Financial Assets	5,035,940	4,826,836
Accumulated Surplus *(Schedule 8)*	**6,058,056**	**5,829,396**

Contractual Obligations and Commitments *(Note 11)*

Contractual Rights *(Note 14)*

Nicholas Wood
Mayor

Councillor

Town of Porcupine Plain
Statement 2: Statement of Operations
For the year ended December 31, 2025

	2025 Budget	2025	2024
Revenues	*(Note 10)*		
Tax Revenue *(Schedule 1)*	732,448	727,309	719,741
Other Unconditional Revenue *(Schedule 1)*	324,185	323,487	307,636
Fees and Charges *(Schedule 4, 5)*	486,050	499,415	481,066
Conditional Grants *(Schedule 4, 5)*	82,896	95,972	169,606
Tangible Capital Asset Sales - Gain (Loss) *(Schedule 4, 5)*	-	6,635	(18,080)
Land Sales - Gain *(Schedule 4, 5)*	15,000	-	-
Investment Income *(Schedule 4, 5)*	31,500	24,263	34,173
Other Revenues *(Schedule 4, 5)*	110,900	152,262	148,007
Provincial/Federal Capital Grants and Contributions *(Schedule 4, 5)*	159,836	115,891	23,877
Total Revenues	**1,942,815**	**1,945,234**	**1,866,026**
Expenses			
General Government Services *(Schedule 3)*	279,619	255,524	310,264
Protective Services *(Schedule 3)*	176,576	163,602	157,738
Transportation Services *(Schedule 3)*	453,269	425,223	503,573
Environmental and Public Health Services *(Schedule 3)*	130,213	141,677	144,662
Planning and Development Services *(Schedule 3)*	73,050	67,592	67,962
Recreation and Cultural Services *(Schedule 3)*	332,433	337,811	342,937
Utility Services *(Schedule 3)*	331,241	325,145	282,036
Total Expenses	**1,776,401**	**1,716,574**	**1,809,172**
Annual Surplus of Revenues over Expenses	**166,414**	**228,660**	**56,854**
Accumulated Surplus, Beginning of Year	5,829,396	5,829,396	5,772,542
Accumulated Surplus, End of Year	**5,995,810**	**6,058,056**	**5,829,396**

The accompanying notes and schedules are an integral part of the financial statements

Town of Porcupine Plain
Statement 3: Statement of Change in Net Financial Assets
For the year ended December 31, 2025

Statement 3

	2025 Budget (Note 10)	2025	2024
Annual Surplus of Revenues over Expenses	166,414	228,660	56,854
(Acquisition) of tangible capital assets	(442,303)	(433,476)	(288,642)
Amortization of tangible capital assets	185,000	220,966	185,693
Proceeds on disposal of tangible capital assets	-	9,413	19,798
Loss (gain) on the disposal of tangible capital assets	-	(6,635)	18,080
Deficit of capital expenses over expenditures	**(257,303)**	**(209,732)**	**(65,071)**
Consumption of supplies inventory	-	523	-
(Acquisition) of supplies inventory	-	-	(5,627)
Use of prepayments and deferred charges	-	105	120
Surplus (Deficit) of expenses of other non-financial over expenditures	**-**	**628**	**(5,507)**
Increase (Decrease) in Net Financial Assets	**(90,889)**	**19,556**	**(13,724)**
Net Financial Assets - Beginning of Year	1,002,560	1,002,560	1,016,284
Net Financial Assets - End of Year	**911,671**	**1,022,116**	**1,002,560**