

Town of Porcupine Plain

Financial Statements

December 31, 2021

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Management's Responsibility

To the Ratepayers of the Town of Porcupine Plain:

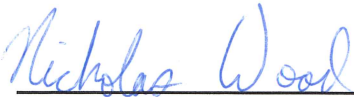
The municipality's management is responsible for the preparation and presentation of the accompanying financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the statements necessarily includes selecting appropriate accounting principles and methods,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

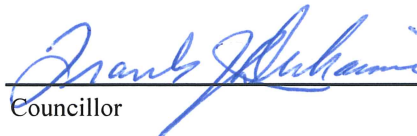
Town of Porcupine Plain
Statement of Financial Position
As at December 31, 2021

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

	2021 Budget	2021	2020
Revenues			
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

	2021	2020
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

Town of Porcupine Plain
Notes to the Financial Statements
For the year ended December 31, 2021

1. Significant accounting policies

The financial statements of the Town have been prepared by management in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the Town are as follows:

- a) **Basis of Accounting:** The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting requires revenues to be recognized as they become available and measurable and expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.
- b) **Reporting entity:** The financial statements consolidate the assets, liabilities and flow of resources of the Town. The entity is comprised of all of the organizations that are owned or controlled by the Town and are, therefore, accountable to the Council for the administration of their financial affairs and resources. For the purpose of the financial statements of the Town, there are no organizations that require consolidation.
- c) **Collection of funds for other authorities:** Funds for the school board are collected and remitted by the Town in accordance with relevant legislation. The amounts collected are disclosed in Note 3.
- d) **Government transfers:** Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized as revenue in the period that the events giving rise to the transfer occur, providing:
 - a) the transfers are authorized;
 - b) any eligibility criteria have been met; and,
 - c) reasonable estimates of the amounts can be made.

Unearned government transfer amounts received but not earned will be recorded as deferred revenue. Earned government transfer amounts not received will be recorded as an amount receivable.

- e) **Revenue recognition:** Revenues related to fees and charges are accounted for in the period in which the transactions or events giving rise to the revenues occurred. Water and sewer utility revenues are recorded when the consumers are billed. Consumers are billed on a cyclical basis and amounts may include estimates. No accrual is made for revenues not billed at the year-end. Property tax levies are recognized as revenue in the year in which they are levied.
- f) **Deferred revenue:** Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.
- g) **Net-financial assets:** Net-financial assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.
- h) **Non-financial assets:** Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

Town of Porcupine Plain
Notes to the Financial Statements
For the year ended December 31, 2021

1. Significant accounting policies - continued

- i) **Appropriated reserves:** Reserves are established at the discretion of Council to designate surplus for future operating and capital transactions. Amounts so designated are described on Schedule 8.
- j) **Property tax revenue:** Property tax revenue is based on assessments determined in accordance with Saskatchewan Legislation and the formulas, principles, and rules in the Saskatchewan Assessment Manual. Tax mill rates are established annually by Council following the guidance of the Government of Saskatchewan. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.
- k) **Investments:** Portfolio investments are valued at the lower of cost, less any provisions other than temporary impairment. Investments with terms longer than one-year have been classified as other long-term investments concurrent with the nature of the investment.
- l) **Inventories:** Inventories of materials and supplies expected to be used by the Town are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.
- m) **Tangible capital assets:** All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The tangible capital assets that are recognized at a nominal value are disclosed on Schedule 6. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization beginning in the year subsequent to acquisition. The Town's tangible capital assets useful lives are estimated as follows:

<u>Asset</u>	<u>Useful life</u>
General assets	
Land	Indefinite
Land improvements	15 years
Buildings	40 years
Vehicles and equipment	
Vehicles	10 years
Machinery and equipment	
- heavy	20 years
- operating	10 years
- office	5 years
Infrastructure assets	
Infrastructure assets	
- water and sewer	75 years
- road network assets	20 - 40 years

Government contributions: Government contributions for the acquisition of capital assets are reported as capital revenue and do not reduce the cost of the related asset.

Leases: All leases are recorded on the financial statements as either a capital or operating lease. Any lease that transfers substantially all of the benefits and risk associated with the leased asset is classified as capital leases and recorded as tangible capital assets. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. Assets under capital leases are amortized over their estimated useful lives. Any other lease not meeting the before mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

- n) **Employee Benefit Plans:** Contributions to the Town's defined benefit plans are expensed when contributions are made. Under the defined benefit plan, the Town's obligations are limited to their contributions.
- o) **Liability landfill closure:** The Town recognizes a liability related to future decommissioning and conversion of the landfill to a transfer station. This liability is based on an estimate of the expected future costs required to decommission and convert the landfill.

Town of Porcupine Plain
Notes to the Financial Statements
For the year ended December 31, 2021

1. Significant accounting policies - continued

- p) **Measurement uncertainty:** The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period.

Accounts and taxes receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the period(s) in which they become known.

- q) **Basis of segmentation:** The Town follows the Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Town services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the purpose of specific borrowings.

The segments (functions) are as follows:

General government: The general government segment provides for the administration of the Town.

Protective services: Protective services is comprised of expenses for police and fire protection.

Transportation services: The transportation services segment is responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

Environmental and public health: The environmental segment provides waste disposal and other environmental services. The public health segment provides for expenses related to public health services in the Town.

Planning and development: The planning and development segment provides for neighbourhood development and sustainability.

Recreation and culture: The recreation and culture segment provides for community services through the provision of recreation and leisure services.

Utility services: The utility services segment provides for delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

Town of Porcupine Plain
Notes to the Financial Statements
For the year ended December 31, 2021

1. Significant accounting policies - continued

r) New Standards and Amendments to Standards:

Effective for Fiscal Years Beginning On or After April 1, 2022:

PS 1201 Financial Statement Presentation, replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure in government financial statements. Requires a new statement of re-measurement gains and losses separate from the statement of operations arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. Effective in the period PS 3450 and PS 2601 are adopted.

PS 2601 Foreign Currency Translation, replaces PS 2600 with revised guidance on the recognition, presentation and disclosure of transactions that are denominated in a foreign currency. Requires that monetary assets and liabilities denominated in a foreign currency and non-monetary items included in the fair value category, denominated in a foreign currency, be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses are to be presented in the statement of re-measurement gains and losses.

PS 3041 Portfolio Investments, replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of portfolio investments. Removes the distinction between temporary and portfolio investments. Upon adoption of PS 3450 and PS 3041, PS 3030, Temporary Investments, will no longer apply. Effective in the period PS 3450, PS 2601 and PS 1201 are adopted.

PS 3450 Financial Instruments, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives. The standard requires fair value measurement of derivatives and equity instrument that are quoted in an active market; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the Town. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities.

PS 3280 Asset Retirement Obligations, a new standard establishing guidance on the accounting and reporting of legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. As this standard includes solid waste landfill sites active and post-closing obligations, upon adoption of this new standard, existing Solid Waste Landfill Closure and Post-Closure Liability section PS 3270 will be withdrawn.

Effective for Fiscal Years Beginning On or After April 1, 2023:

PS 3400 Revenue, a new standard establishing guidance on how to account for and report on revenue. The standard provides a framework for recognizing, measuring and reporting revenues that arise from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payer.

The extent of the impact on adoption of these future standards is not known as this time.

Town of Porcupine Plain
Notes to the Financial Statements
For the year ended December 31, 2021

	2021	2020
2. Cash and temporary investments		
Cash	650,987	847,011
Temporary investments	278,629	185,502
Total Cash and temporary investments	929,616	1,032,513

Cash and temporary investments include balances with banks and term deposits and short-term investments with maturities of three months or less.

3. Taxes and grants in lieu receivable

Municipal - Current	43,970	36,427
- Arrears	11,403	12,498
	55,373	48,925
- Less allowance for uncollectibles	(5,000)	(5,000)
Total municipal taxes receivable	50,373	43,925

School - Current	9,266	4,649
- Arrears	1,439	1,409
Total school taxes receivable	10,705	6,058

Total taxes and grants in lieu receivable **61,078** 49,983

Less taxes and other receivable to be collected on behalf of other organizations **(10,705)** (6,058)

Municipal and grants in lieu taxes receivable **50,373** 43,925

4. Other accounts receivable

Federal government	10,939	8,280
Provincial government	107,095	-
Utility	45,547	51,074
Trade	15,990	20,556
Total other accounts receivable	179,571	79,910

Less allowance for uncollectibles **(1,000)** (1,000)

Net other accounts receivable **178,571** 78,910

Town of Porcupine Plain
Notes to the Financial Statements
For the year ended December 31, 2021

	2021	2020
5. Land for resale		
Tax title property	26,611	15,316
Deduct portion due to other Tax Authority (School)	(5,716)	(4,566)
Net tax title property	20,895	10,750
Other land	80,000	80,000
Net other land	80,000	80,000
Total land for resale	100,895	90,750

6. Long-term investments		
Affinity Credit Union Term Deposit	101,500	100,000
Affinity Credit Union Flex Term Deposit	525,914	-
Parkland Co-op equity	10	10
Total long-term investments	627,424	100,010

Affinity Credit Union term deposit matures in July 2022 bearing interest at 1.00% annually.

Affinity Credit Union flex term deposit matures in May 2022 bearing interest at 0.35% annually.

7. Deferred revenue		
Prepaid property tax	1,404	2,634
Deferred grant revenue	-	53,478
Total deferred revenue	1,404	56,112

Deferred revenue includes prepayments of property taxes. Many ratepayers pay the Town on a period basis for their upcoming years property taxes. As such, the amounts collected on account for future tax levies have been recorded as deferred.

8. Contaminated sites		
Liability for contaminated site	-	84,006
Environmental liabilities	-	84,006

Environmental liability in prior year represents the proportionate total estimated cost to finalize the decommissioning and conversion of the landfill to a transfer station. The Town, a member of the Porcupine Regional Waste Management Authority, has accepted a 55.77% responsibility for the landfill and resulting decommissioning and conversion expenses. In 2021 \$123,640 (2020 - \$8,159) was remitted to the Porcupine Regional Waste Management Authority for transition outlays incurred in the year.

Upon completion of the landfill transition in 2021, the Town will be responsible for their proportionate percentage of ongoing monitoring costs for the foreseeable future. As a reliable estimate for ongoing monitoring costs is not attainable, no amount has been accrued on December 31, 2021. Related outlays for ongoing monitoring shall be expensed as incurred. As the transition has been finalized in 2021 fiscal year, no significant environmental liability in relation to the landfill is expected for the next fiscal year.

Town of Porcupine Plain
Notes to the Financial Statements
For the year ended December 31, 2021

9. Long-term debt

The debt limit of the Town is \$1,091,110. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (the *Municipalities Act* section 161(1)).

Affinity Credit Union mortgage payable in annual instalments of \$54,000 including interest at 3.50%, due 2023.

Future Principal Repayments are estimated as follows:

Year	Principal	Interest	Current Total	Prior Year Principal
2021	-	-	-	49,066
2022	50,467	3,533	54,000	50,467
2023	50,467	3,533	54,000	50,467
	100,934	7,066	108,000	150,000

10. Lease obligation

Wells Fargo equipment lease repaid during the year.

11. Budget figures

On May 13, 2021, Council approved its operating budget based on planned expenses relating to the current year funding and other current year sources of revenue.

12. Commitment

The Town committed to a five-year operating lease agreement on their office photocopier in 2018 to mature in 2023. Lease payments of \$1,960 is expected to be paid annually.

The Town committed to an eight-year agreement with Greenland Waste for residential waste collection in 2018. There are five years remaining in the agreement as at December 31, 2021.

13. Pension plan

The Town is an employer member of the Municipal Employee Pension Plan ("MEPP"), which is a multiemployer defined benefit pension plan. The Commission of MEPP, representing plan member employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The Town's pension expense in 2021 was \$26,051. The benefits accrued to the Town's employees from MEPP are calculated using the following: pensionable years of service, highest average salary, and the plan accrual rate.

14. Tangible capital asset impairment

In 2019, the pool incurred extensive damage and has been non-operational since. In 2020, upon assessing the scope of the repairs required, it was determined that the value of the future economic benefits associated with the tangible capital asset are less than its book value. As a result, a write-down of \$116,200 has been recorded in the prior year as an expense in the statement of operations.

In 2021, the Town received insurance claim proceeds of \$525,914 relating to the loss due to watermain break damage of the swimming pool. The insurance proceeds were recognized as revenue during the year as appropriate.

15. Comparative figures

Certain prior year comparative figures have been restated to conform to the current year's presentation.

Town of Porcupine Plain
Notes to the Financial Statements
For the year ended December 31, 2021

16. Significant event

Since March of 2020, the global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Town as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Town of Porcupine Plain
Schedule of Taxes and Other Unconditional Revenue
For the year ended December 31, 2021

Schedule 1

	2021 Budget	2021	2020
TAXES			
General municipal tax levy	665,653	661,658	646,884
Abatements and adjustments	(7,500)	(10,120)	(11,848)
Discount on current year taxes	(15,000)	(13,515)	(13,760)
Net municipal taxes	643,153	638,023	621,276
Penalties on tax arrears	4,893	4,893	5,042
Total Taxes	648,046	642,916	626,318

UNCONDITIONAL GRANTS

Equalization (revenue sharing)	195,415	195,415	197,177
Safe Restart Grant	-	-	51,422
Total Unconditional Grants	195,415	195,415	248,599

GRANTS IN LIEU OF TAXES

Federal	3,029	3,029	2,438
Provincial			
SaskTel	1,381	1,381	1,200
SaskPower	1,048	1,048	944
Other government transfers			
S.E.C. surcharge	22,000	19,396	21,395
S.P.C. surcharge	45,000	46,183	45,640
Total Grants in Lieu of Taxes	72,458	71,037	71,617

TOTAL TAXES AND OTHER UNCONDITIONAL REVENUE	915,919	909,368	946,534
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Town of Porcupine Plain
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2021

Schedule 2 - 1

	2021 Budget	2021	2020
GENERAL GOVERNMENT SERVICES			
Operating			
Other segmented revenue			
Fees and charges			
- Sales of supplies	1,500	322	2,187
- Business licenses, permits, tax enforcement, other	8,300	5,573	11,013
Total fees and charges	9,800	5,895	13,200
- Investment income and commissions	5,400	6,589	11,674
- Donations, refunds	30,000	19,685	19,979
Total other segmented revenue	45,200	32,169	44,853
Conditional grants			
- Federation of Canadian Municipalities - Asset Management	50,000	-	-
Total conditional grants	50,000	-	-
Total operating	95,200	32,169	44,853
Total general government services	95,200	32,169	44,853

PROTECTIVE SERVICES

Operating			
Other segmented revenue			
Fees and charges			
- Pet licenses, pound fees	200	140	250
- Fines	3,000	2,027	2,838
- Custom work	200	60	6,220
- Fire brigade charges	15,000	38,842	24,564
Total fees and charges	18,400	41,069	33,872
Total other segmented revenue	18,400	41,069	33,872
Conditional grants			
- Local government (fire dept. partners)	25,000	24,155	26,636
Total conditional grants	25,000	24,155	26,636
Total operating	43,400	65,224	60,508
Total protective services	43,400	65,224	60,508

Town of Porcupine Plain
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2021

Schedule 2 - 2

	2021 Budget	2021	2020
TRANSPORTATION SERVICES			
Operating			
Other segmented revenue			
Fees and charges			
- Custom work	30,000	9,572	18,077
- Sales of supplies	3,500	7,025	2,400
Total fees and charges	33,500	16,597	20,477
- Tangible capital asset sales - gain (loss)	-	-	(5,119)
Total other segmented revenue	33,500	16,597	15,358
Conditional grants			
- Municipal Economic Enhancement Program	-	18,963	58,537
- CIF Summer Grant Program	5,000	5,000	-
Total conditional grants	5,000	23,963	58,537
Total operating	38,500	40,560	73,895
Total transportation services	38,500	40,560	73,895

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Operating			
Other segmented revenue			
Fees and charges			
- Plumbing permits	100	-	100
- Building/facility rentals	22,000	12,000	9,000
Total fees and charges	22,100	12,000	9,100
- Donations, refunds	-	10,000	10,400
Total other segmented revenue	22,100	22,000	19,500
Conditional grants			
- Investing in Canada Infrastructure Program	110,455	107,095	-
Total conditional grants	110,455	107,095	-
Total operating	132,555	129,095	19,500
Total environmental and public health services	132,555	129,095	19,500

Town of Porcupine Plain
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2021

Schedule 2 - 3

	2021 Budget	2021	2020
PLANNING AND DEVELOPMENT SERVICES			
Operating			
Other segmented revenue			
Fees and charges			
- Other	-	-	-
Total fees and charges	-	-	-
Total other segmented revenue	-	-	-
Conditional grants			
- Clear the path	1,500	-	3,000
- New Horizons Grant	15,000	-	10,000
Total conditional grants	16,500	-	13,000
Total operating	16,500	-	13,000
Total planning and development services	16,500	-	13,000

RECREATION AND CULTURAL SERVICES

Operating

Other segmented revenue			
Fees and charges			
- Building/facility rentals	57,000	62,246	47,929
Total fees and charges	57,000	62,246	47,929
- Insurance proceeds - swimming pool	525,914	525,914	-
- Donations	7,500	26,200	35,600
Total other segmented revenue	590,414	614,360	83,529
Conditional grants			
- Local government (arena, library)	16,200	15,000	30,126
- Veterans Affairs Canada	-	6,100	-
- Canadian Heritage	-	2,000	-
- Saskatchewan Lotteries	8,094	8,094	8,094
- Saskatchewan Tourism Grants	10,000	25,346	7,880
- Community Rink Affordability Grant	-	5,000	-
- SPRA	-	2,000	-
- SGI Grant	-	7,322	-
Total conditional grants	34,294	70,862	46,100
Total operating	624,708	685,222	129,629
Capital			
Conditional grants			
- Municipal Economic Enhancement Program	-	25,789	20,605
Total capital	-	25,789	20,605
Total recreation and cultural services	624,708	711,011	150,234

Town of Porcupine Plain
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2021

Schedule 2 - 4

	2021 Budget	2021	2020
UTILITY SERVICES			
Operating			
Other segmented revenue			
Fees and charges			
- Water	145,000	144,812	150,097
- Waste Collection fees	71,500	71,515	71,273
- Sewer	68,000	67,779	67,445
- Infrastructure	38,000	38,744	38,645
- Connection fees, other	500	450	1,080
Total fees and charges	323,000	323,300	328,540
Total other segmented revenue	323,000	323,300	328,540
Total operating	323,000	323,300	328,540
Capital			
Conditional grants			
- Canada Community-Building Fund	53,500	105,035	76,287
Total capital	53,500	105,035	76,287
Total utility services	376,500	428,335	404,827

TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	1,327,363	1,406,394	766,817
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SUMMARY

Total other segmented revenue	1,032,614	1,049,495	525,652
Total conditional grants	241,249	226,075	144,273
Total capital grants and contributions	53,500	130,824	96,892
TOTAL OPERATING AND CAPITAL REVENUE BY FUNCTION	1,327,363	1,406,394	766,817

Town of Porcupine Plain
Schedule of Expenses by Function
For the year ended December 31, 2021

Schedule 3 - 1

	2021 Budget	2021	2020
GENERAL GOVERNMENT SERVICES			
Council remuneration and travel	18,000	20,190	24,376
Wages and benefits	74,500	62,855	71,411
Professional/Contractual services	166,403	126,932	98,842
Utilities	8,500	6,556	7,296
Maintenance, materials and supplies	8,000	5,456	5,259
Amortization	2,000	3,376	1,998
Allowance for uncollectibles	-	-	-
Total government services	277,403	225,365	209,182

PROTECTIVE SERVICES

Police protection

Professional/Contractual services	68,000	68,915	67,114
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Fire protection

Wages and benefits	24,000	25,350	20,335
Professional/Contractual services	14,750	19,254	14,982
Utilities	5,000	4,341	4,164
Maintenance, material and supplies	13,350	6,307	12,182
Amortization	14,000	15,545	14,630

Total protective services	139,100	139,712	133,407
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TRANSPORTATION SERVICES

Wages and benefits	139,000	144,476	127,589
Professional/Contractual services	45,545	46,250	30,839
Utilities	34,000	27,660	28,890
Maintenance, materials and supplies	112,850	112,277	60,506
Gravel	5,000	5,178	9,209
Interest	500	1,162	2,992
Amortization	40,000	55,397	41,525

Total transportation services	376,895	392,400	301,550
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Town of Porcupine Plain
Schedule of Expenses by Function
For the year ended December 31, 2021

Schedule 3 - 2

	2021 Budget	2021	2020
ENVIRONMENTAL AND PUBLIC HEALTH SERVICES			
Professional/Contractual services	90,650	93,420	87,249
Maintenance, materials and supplies	4,000	3,859	1,892
Landfill closure costs	150,000	21,866	47,688
Grants and contributions - public health	3,000	2,529	2,586
Interest	-	3,603	4,719
Amortization	-	5,278	-
Total environmental and public health services	247,650	130,555	144,134
PLANNING AND DEVELOPMENT SERVICES			
Wages and benefits	29,000	28,339	22,986
Professional/Contractual services	32,350	44,217	27,883
Maintenance, materials and supplies	-	-	90
Grants and contributions - operating	50	-	-
Total planning and development services	61,400	72,556	50,959
RECREATION AND CULTURAL SERVICES			
Professional/Contractual services	78,080	54,683	56,048
Utilities	42,000	29,948	34,387
Maintenance, materials and supplies	18,250	8,977	10,159
Grants and contributions - operating	85,084	79,285	102,075
Amortization	30,000	26,738	31,763
Impairment on capital assets (<i>Note 14</i>)	-	-	116,200
Total recreation and cultural services	253,414	199,631	350,632
UTILITY SERVICES			
Wages and benefits	172,000	132,387	142,135
Professional/Contractual services	36,800	50,427	27,203
Utilities	32,000	28,949	31,069
Maintenance, materials and supplies	24,000	19,349	21,864
Amortization	54,000	53,496	56,514
Total utility services	318,800	284,608	278,785
TOTAL EXPENSES BY FUNCTION	1,674,662	1,444,827	1,468,649

Town of Porcupine Plain

Schedule of Current Year Segment Disclosure by Function

For the year ended December 31, 2021

Schedule 4

	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and charges	5,895	41,069	16,597	12,000	-	62,246	323,300	461,107
Tangible capital asset sales - gain (loss)	-	-	-	-	-	-	-	-
Loss on sale of tax title property	-	-	-	-	-	-	-	-
Investment income and commissions	6,589	-	-	-	-	-	-	6,589
Other revenues	19,685	-	-	10,000	-	552,114	-	581,799
Grants - conditional	-	24,155	23,963	107,095	-	70,862	-	226,075
- capital	-	-	-	-	-	25,789	105,035	130,824
Total revenues	32,169	65,224	40,560	129,095	-	711,011	428,335	1,406,394
Expenses (Schedule 3)								
Wages & benefits	83,045	25,350	144,476	-	28,339	-	132,387	413,597
Professional/Contractual services	126,932	88,169	46,250	93,420	44,217	54,683	50,427	504,098
Utilities	6,556	4,341	27,660	-	-	29,948	28,949	97,454
Maintenance, materials and supplies	5,456	6,307	117,455	3,859	-	8,977	19,349	161,403
Landfill closure costs	-	-	-	21,866	-	-	-	21,866
Grants and contributions	-	-	-	2,529	-	79,285	-	81,814
Amortization	3,376	15,545	55,397	5,278	-	26,738	53,496	159,830
Interest	-	-	1,162	3,603	-	-	-	4,765
Impairment on tangible assets	-	-	-	-	-	-	-	-
Total expenses	225,365	139,712	392,400	130,555	72,556	199,631	284,608	1,444,827
Surplus (deficit) by function	(193,196)	(74,488)	(351,840)	(1,460)	(72,556)	511,380	143,727	(38,433)

Taxation and other unconditional revenue (Schedule 1)

909,368

Net surplus

870,935

Town of Porcupine Plain
Schedule of Prior Year Segment Disclosure by Function
For the year ended December 31, 2020

Schedule 5

	General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Revenues (Schedule 2)								
Fees and charges	13,200	33,872	20,477	9,100	-	47,929	328,540	453,118
Tangible capital asset sales - gain (loss)	-	-	(5,119)	-	-	-	-	(5,119)
Loss on sale of tax title property	-	-	-	-	-	-	-	-
Investment income and commissions	11,674	-	-	-	-	-	-	11,674
Other revenues	19,979	-	-	10,400	-	35,600	-	65,979
Grants - conditional	-	26,636	58,537	-	13,000	46,100	-	144,273
- capital	-	-	-	-	-	20,605	76,287	96,892
Total revenues	44,853	60,508	73,895	19,500	13,000	150,234	404,827	766,817
Expenses (Schedule 3)								
Wages & benefits	95,787	20,335	127,589	-	22,986	-	142,135	408,832
Professional/Contractual services	98,842	82,096	30,839	87,249	27,883	56,048	27,203	410,160
Utilities	7,296	4,164	28,890	-	-	34,387	31,069	105,806
Maintenance, materials and supplies	5,259	12,182	69,715	1,892	90	10,159	21,864	121,161
Landfill closure costs	-	-	-	47,688	-	-	-	47,688
Grants and contributions	-	-	-	2,586	-	102,075	-	104,661
Amortization	1,998	14,630	41,525	-	-	31,763	56,514	146,430
Interest	-	-	2,992	4,719	-	-	-	7,711
Impairment on tangible capital assets	-	-	-	-	-	116,200	-	116,200
Total expenses	209,182	133,407	301,550	144,134	50,959	350,632	278,785	1,468,649
Surplus (deficit) by function	(164,329)	(72,899)	(227,655)	(124,634)	(37,959)	(200,398)	126,042	(701,832)

Taxation and other unconditional revenue (Schedule 1) 946,534

Net surplus **244,702**

Schedule 6

1. Total contributed/donated assets received in 2021	\$	-
2. List of assets recognized at nominal value in 2021 are:		
- Land	\$	-
- Infrastructure Assets	\$	-
- Vehicles	\$	-
- Machinery and Equipment	\$	-
3. Amount of interest capitalized in 2021	\$	-

Town of Porcupine Plain
Schedule of Tangible Capital Assets by Function
For the year ended December 31, 2021

Schedule 7

		2021							2020
		General Government	Protective Services	Transportation Services	Environmental and Public Health	Planning and Development	Recreation and Culture	Utility Services	Total
Assets	Asset cost								Total
	Opening asset costs	60,488	612,478	1,896,482	276,495	400	1,443,054	2,850,355	7,139,752
	Additions during the year	-	4,791	57,648	-	-	38,168	124,747	225,354
	Disposals during the year	-	-	-	-	-	-	-	-
	Write-downs during the year (Note 14)	-	-	-	-	-	-	-	-
Closing asset costs		60,488	617,269	1,954,130	276,495	400	1,481,222	2,975,102	7,365,106
Amortization	Accumulated amortization cost								
	Opening accumulated amortization costs	30,396	491,246	1,211,057	62,963	-	908,238	1,315,552	4,019,452
	Add: Amortization taken	3,376	15,545	55,397	5,278	-	26,738	53,496	159,830
	Less: Accumulated amortization on disposals	-	-	-	-	-	-	-	-
	Closing accumulated amortization costs	33,772	506,791	1,266,454	68,241	-	934,976	1,369,048	4,179,282
Net book value		26,716	110,478	687,676	208,254	400	546,246	1,606,054	3,185,824
									3,120,300

Town of Porcupine Plain
Schedule of Accumulated Surplus
For the year ended December 31, 2021

Schedule 8

	2020	Changes	2021
UNAPPROPRIATED SURPLUS	900,627	688,120	1,588,747
APPROPRIATED RESERVES			
Machinery and equipment	71,539	-	71,539
Utility	142,551	39,120	181,671
Dedicated lands	299	-	299
Total appropriated	214,389	39,120	253,509
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS			
Tangible capital assets (Schedule 6)	3,120,300	65,524	3,185,824
Less: Related debt	(179,105)	78,171	(100,934)
Net investment in tangible capital assets	2,941,195	143,695	3,084,890
Total accumulated surplus	4,056,211	870,935	4,927,146

Town of Porcupine Plain
Schedule of Mill Rates and Assessments
For the year ended December 31, 2021

Schedule 9

	PROPERTY CLASS						Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial and Industrial	Potash Mine	
Taxable assessment	524,095	37,321,120	-	-	3,523,590	-	41,368,805
Regional Park assessment							
Total assessment							41,368,805
Mill rate factor(s)	1.0000	1.0000	-	-	2.0000		
Total base/minimum tax (generated for each property class)	4,800	379,200	-	-	30,750		414,750
Total municipal tax levy (include base and/or minimum tax and special levies)	7,683	584,466	-	-	69,509		661,658

MILL RATES:

MILLS

Average municipal*	15.9941
Average school*	4.6158
Potash mill rate	-
Uniform municipal mill rate	5.5000

* Average mill rates (multiply the total tax levy for each taxing authority by 1000 and divide by the total assessment for the taxing authority).

Town of Porcupine Plain
Schedule of Council Remuneration
For the year ended December 31, 2021

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Wood, Nick	6,325	-	6,325
Duhaime, Frank	2,450	-	2,450
Wick, Karen	2,375	-	2,375
Nicholson, Bobby	2,325	-	2,325
Kruger, Craig	2,075	-	2,075
Genaille, Nicole	1,950	-	1,950
Ross, Don	1,825	-	1,825
Total	19,325	-	19,325