



## Independent Auditors' Report

To the Council  
R. M. of Orkney No. 244

### *Opinion*

We have audited the financial statements of R. M. of Orkney No. 244, (the municipality), which comprise the Statement of Financial Position as at December 31, 2022 and the Statements of Operations, Change in Net Financial Assets and Cash Flow 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 municipality as at December 31, 2022, and results of its operations and its cash flow 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 Auditors' Responsibilities for the Audit of the financial statements section of our report. We are independent of the municipality 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 and Those Charged with Governance 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 municipality'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 municipality or to cease operations, or has no realistic alternative but to do so.

Council is responsible for overseeing the municipality's financial reporting process.



*Auditors' 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 auditors' 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 municipality'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 municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the municipality 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.

Baker Tilly SK LLP

*Baker Tilly SK LLP*

Yorkton, SK  
April 17, 2023

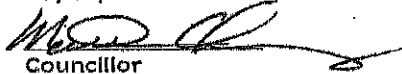
**R. M. of Orkney No. 244**  
Yorkton, Saskatchewan  
Statement of Financial Position as at December 31, 2022

Statement 1

|   | 2022                 | 2021<br>(Note 13)    |
|---|----------------------|----------------------|
| <b>Assets</b>                               |                      |                      |
| <b>Financial Assets</b>                     |                      |                      |
| Cash and temporary investments - note 2     | 6,225,867            | 7,974,288            |
| Taxes receivable - municipal - note 3       | 240,139              | 148,173              |
| Other accounts receivable - note 4          | 500,438              | 557,844              |
| Assets held for sale - note 5               | 3,200                | 3,200                |
| Long-term investments - note 6              | 253                  | 253                  |
| <b>Total Financial Assets</b>               | <b>6,969,897</b>     | <b>8,683,768</b>     |
| <b>Liabilities</b>                          |                      |                      |
| Accounts payable                            | 424,913              | 858,384              |
| Accrued liabilities                         |                      | 166,398              |
| Deferred revenue - note 8                   | 138,830              | 78,692               |
| Accrued landfill costs - note 9             | 817,500              | 35,000               |
| Other liabilities                           | 322                  | 4                    |
| <b>Total Liabilities</b>                    | <b>1,378,765</b>     | <b>1,138,478</b>     |
| <b>Net Financial Assets</b>                 | <b>5,591,132</b>     | <b>7,545,290</b>     |
| <b>Non-Financial Assets</b>                 |                      |                      |
| Tangible capital assets - schedules 6 and 7 | 7,798,292            | 8,307,943            |
| Prepayments and deferred charges            | 517,128              | 510                  |
| Stock and supplies                          | 684,947              | 635,570              |
| <b>Total Non-Financial Assets</b>           | <b>9,000,367</b>     | <b>8,944,023</b>     |
| <b>Accumulated Surplus - schedule 8</b>     | <b>\$ 14,591,499</b> | <b>\$ 14,489,313</b> |

Approved on behalf of the council:

  
Deputy Reeve

  
Councillor

**R. M. of Orkney No. 244**  
Statement of Operations  
For the year ended December 31, 2022

Statement 2

|   | 2022<br>Budget<br>[Note 1(s)] | 2022<br>Actual       | 2021<br>Actual<br>(Note 13) |
|---|-------------------------------|----------------------|-----------------------------|
| <b>Revenues</b>   |                               |                      |                             |
| Taxes and other unconditional revenue - schedule 1                                    | 3,471,910                     | 3,394,343            | 3,378,909                   |
| Fees and charges - schedules 4 and 5  | 181,990                       | 430,588              | 276,662                     |
| Conditional grants - schedules 4 and 5  | 6,500                         | 7,064                | 21,559                      |
| Tangible capital asset sales - gain - schedules 4 and 5                               | ( 55,000)                     | 52,858               | ( 23,655)                   |
| Investment income and commissions - schedules 4 and 5                                 | 38,840                        | 107,532              | 39,150                      |
| <b>Total Revenue</b>  | <b>3,644,240</b>              | <b>3,992,385</b>     | <b>3,692,625</b>            |
| <b>Expenses - schedule 3</b>  |                               |                      |                             |
| General government services   | 1,203,560                     | 466,716              | 434,996                     |
| Protective services   | 442,730                       | 450,171              | 426,642                     |
| Transportation services   | 3,799,000                     | 2,119,895            | 1,751,207                   |
| Environmental and public health services  | 102,800                       | 843,408              | 88,608                      |
| Planning and development services   | 150,000                       | 162,001              | 184,508                     |
| Recreation and cultural services  | 25,220                        | 25,219               | 25,219                      |
| Utilities services  | 25,330                        | 26,176               | 24,807                      |
| <b>Total Expenses</b>   | <b>5,749,640</b>              | <b>4,093,586</b>     | <b>2,935,987</b>            |
| <b>Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions</b> | <b>( 2,105,400)</b>           | <b>( 101,201)</b>    | <b>756,638</b>              |
| Provincial/Federal Capital Grants and Contributions - schedules 4 and 5               | 849,750                       | 203,387              | 801,011                     |
| <b>Surplus (Deficit) of Revenue over Expenses</b>                                     | <b>( 1,255,650)</b>           | <b>102,186</b>       | <b>1,567,649</b>            |
| <b>Accumulated Surplus, Beginning of Year</b>   | <b>14,489,313</b>             | <b>14,489,313</b>    | <b>12,931,664</b>           |
| <b>Accumulated Surplus, End of Year</b>   | <b>\$ 13,233,663</b>          | <b>\$ 14,591,499</b> | <b>\$ 14,489,313</b>        |

**R. M. of Orkney No. 244**  
Statement of Change in Net Financial Assets  
For the year ended December 31, 2022

Statement 3

|   | 2022<br>Budget<br>[Note 1(a)] | 2022<br>Actual      | 2021<br>Actual<br>(Note 13) |
|---|-------------------------------|---------------------|-----------------------------|
| <b>Surplus</b>  | ( 1,255,650)                  | 102,186             | 1,557,649                   |
| (Acquisition) of tangible capital assets                                      |                               | ( 2,169,617)        | ( 1,662,463)                |
| Amortization of tangible capital assets                                       |                               | 296,726             | 276,398                     |
| Proceeds on disposal of tangible capital assets                               |                               | 435,400             | 63,600                      |
| Loss (gain) on the disposal of tangible capital assets                        |                               | ( 52,858)           | 23,655                      |
| <b>Surplus (Deficit) of Capital Expenses over Expenditures</b>                | <u>0</u>                      | <u>( 1,490,349)</u> | <u>( 1,298,810)</u>         |
| (Acquisition) of supplies inventories   |                               | ( 282,899)          | ( 277,909)                  |
| (Acquisition) of prepaid expense  |                               | ( 517,128)          | ( 510)                      |
| Consumption of supplies inventory   |                               | 233,522             | 261,723                     |
| Use of prepaid expense  |                               | 510                 | 295                         |
| <b>Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures</b> | <u>0</u>                      | <u>( 565,995)</u>   | <u>( 16,401)</u>            |
| <b>Increase (Decrease) in Net Financial Assets</b>                            | ( 1,255,650)                  | ( 1,954,158)        | 242,438                     |
| Net Financial Assets, beginning of year                                       | <u>7,545,290</u>              | <u>7,545,290</u>    | <u>7,302,852</u>            |
| <b>Net Financial Assets, End of Year</b>                                      | <u>\$ 6,289,640</u>           | <u>\$ 5,591,132</u> | <u>\$ 7,545,290</u>         |

**R. M. of Orkney No. 244**  
Statement of Cash Flow  
For the year ended December 31, 2022

Statement 4

|   | 2022                | 2021<br>(Note 13)   |
|---|---------------------|---------------------|
| <b>Cash Provided by (used for) the Following Activities</b>     |                     |                     |
| <b>Operating:</b>   |                     |                     |
| <b>Surplus</b>  | 102,186             | 1,557,649           |
| Amortization  | 296,726             | 276,398             |
| Loss (gain) on disposal of tangible capital assets              | ( 52,858)           | 23,655              |
|   | <u>346,054</u>      | <u>1,857,702</u>    |
| <b>Change in Assets/Liabilities</b>                             |                     |                     |
| Taxes receivable - municipal                                    | ( 91,967)           | ( 1,268)            |
| Other receivables   | 57,406              | ( 409,758)          |
| Accounts payable  | ( 434,069)          | 470,233             |
| Deferred revenue  | 57,937              | ( 190,799)          |
| Other liabilities   | 616,420             | ( 834,853)          |
| Stock and supplies for use                                      | ( 49,377)           | ( 16,186)           |
| Prepayments and deferred charges                                | ( 516,618)          | ( 215)              |
| <b>Cash Provided by Operating Transactions</b>                  | <u>( 14,214)</u>    | <u>874,856</u>      |
| <b>Capital:</b>   |                     |                     |
| Cash used to acquire tangible capital assets                    | ( 2,169,617)        | ( 1,662,463)        |
| Proceeds on sale of tangible capital assets                     | 435,400             | 63,600              |
| <b>Cash Applied to Capital Transactions</b>                     | <u>( 1,734,217)</u> | <u>( 1,598,863)</u> |
| <b>Investing:</b>   |                     |                     |
| Proceeds on disposal of investments                             | <u>0</u>            | <u>11,399</u>       |
| <b>Change in Cash and Temporary Investments During the Year</b> | ( 1,748,431)        | ( 712,608)          |
| Cash and temporary investments, beginning of year               | <u>7,974,298</u>    | <u>8,686,906</u>    |
| <b>Cash and Temporary Investments, End of Year</b>              | <u>\$ 6,225,867</u> | <u>\$ 7,974,298</u> |