

INDEPENDENT AUDITORS' REPORT

To the Council of
Rural Municipality of Battle River No. 438
Battleford, Saskatchewan

Opinion

We have audited the accompanying consolidated financial statements of the Rural Municipality of Battle River No. 438, which comprise the consolidated statement of financial position as at December 31, 2022, the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Rural Municipality of Battle River No. 438 as at December 31, 2022, and its financial performance 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Rural Municipality of Battle River No. 438 in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Rural Municipality of Battle River No. 438'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.

Those charged with governance are responsible for overseeing the municipality's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

The logo for Vantage Chartered Professional Accountants, featuring the word "Vantage" in a stylized, cursive script font.

Chartered Professional Accountants

North Battleford, Saskatchewan
May 4, 2023

Rural Municipality of Battle River No. 438
Consolidated Statement of Financial Position
For the year ended December 31, 2022
As at December 31, 2022

Statement 1

	2022	2021
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	1,579,672	1,618,481
Taxes Receivable - Municipal (Note 3)	205,343	200,244
Other Accounts Receivable (Note 4)	215,860	301,235
Assets Held for Sale		
Long-Term Investments (Note 5)	91,141	113,744
Debt Charges Recoverable		
Other (<i>Specify</i>)		
Total Financial Assets	2,092,016	2,233,704
LIABILITIES		
Bank Indebtedness		
Accounts Payable	153,170	188,915
Accrued Liabilities Payable		
Deposits		
Deferred Revenue		1,201
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Long-Term Debt		
Lease Obligations		
Total Liabilities	153,170	190,116
NET FINANCIAL ASSETS (DEBT)	1,938,846	2,043,588
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	3,667,658	3,673,056
Prepayments and Deferred Charges		
Stock and Supplies	241,283	296,837
Other		
Total Non-Financial Assets	3,908,941	3,969,893
ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)	5,847,787	6,013,481

Rural Municipality of Battle River No. 438
Consolidated Statement of Operations
For the year ended December 31, 2022

Statement 2

	2022 Budget	2022	2021
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	1,789,851	1,755,239	1,785,960
Fees and Charges (Schedule 4, 5)	187,260	163,083	220,087
Conditional Grants (Schedule 4, 5)	44,800	58,257	98,229
Tangible Capital Asset Sales - Gain (Loss) (Schedule 4, 5)		(119,985)	61
Land Sales - Loss (Schedule 4, 5)			
Investment Income and Commissions (Schedule 4, 5)	9,420	(343)	9,220
Restructurings (Schedule 4,5)			
Other Revenues (Schedule 4, 5)			
Total Revenues	2,031,331	1,856,251	2,113,557
EXPENSES			
General Government Services (Schedule 3)	249,403	254,023	196,373
Protective Services (Schedule 3)	169,221	150,268	169,331
Transportation Services (Schedule 3)	1,604,652	1,517,029	1,453,045
Environmental and Public Health Services (Schedule 3)	69,000	78,210	53,817
Planning and Development Services (Schedule 3)			
Recreation and Cultural Services (Schedule 3)	42,852	24,434	45,228
Utility Services (Schedule 3)	36,818	33,640	33,513
Restructurings (Schedule 3)			
Total Expenses	2,171,946	2,057,604	1,951,307
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	(140,615)	(201,353)	162,250
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	140,615	35,659	140,615
Surplus (Deficit) of Revenues over Expenses	Nil	(165,694)	302,865
Accumulated Surplus (Deficit), Beginning of Year	6,013,481	6,013,481	5,710,616
Accumulated Surplus (Deficit), End of Year	6,013,481	5,847,787	6,013,481

Rural Municipality of Battle River No. 438
 Consolidated Statement of Change in Net Financial Assets
 For the year ended December 31, 2022

Statement 3

	2022 Budget	2022	2021
Surplus (Deficit)		(165,694)	302,865
(Acquisition) of tangible capital assets		(548,749)	(192,746)
Amortization of tangible capital assets		284,162	275,331
Proceeds on disposal of tangible capital assets		150,000	4,002
Loss (gain) on disposal of tangible capital assets		119,985	(61)
Transfer of assets/liabilities in restructuring transactions			
Surplus (Deficit) of capital expenses over expenditures		5,398	86,526
(Acquisition) of supplies inventories			(296,837)
(Acquisition) of prepaid expense			
Consumption of supplies inventory		55,554	
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures		55,554	(296,837)
Increase/Decrease in Net Financial Assets		(104,742)	92,554
Net Financial Assets (Debt) - Beginning of Year	2,043,588	2,043,588	1,951,034
Net Financial Assets (Debt) - End of Year	2,043,588	1,938,846	2,043,588

Rural Municipality of Battle River No. 438
Consolidated Statement of Cash Flow
For the year ended December 31, 2022

Statement 4

	2022	2021
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	(165,694)	302,865
Amortization	284,162	275,331
Loss (gain) on disposal of tangible capital assets	119,985	(61)
	238,453	578,135
Change in assets/liabilities		
Taxes Receivable - Municipal	(5,099)	85,853
Other Receivables	85,375	27,724
Assets Held for Sale		
Other Financial Assets		
Accounts and Accrued Liabilities Payable	(35,745)	(54,938)
Deposits		
Deferred Revenue	(1,201)	629
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Stock and Supplies	55,554	(296,837)
Prepayments and Deferred Charges		
Other (<i>Specify</i>)		
Cash provided by operating transactions	337,337	340,566
Capital:		
Cash used to acquire tangible capital assets	(548,749)	(192,746)
Proceeds on disposal of tangible capital assets	150,000	4,002
Other capital		
Cash applied to capital transactions	(398,749)	(188,744)
Investing:		
Proceeds on disposal of investments	22,603	(8,069)
Acquisition in investment		
Cash provided by (applied to) investing transactions	22,603	(8,069)
Financing:		
Debt charges recovered		
Proceeds from debt issues		
Debt repayment		
Other financing (please specify)		
Cash provided by (applied to) financing transactions		
Change in Cash and Temporary Investments during the year	(38,809)	143,753
Cash and Temporary Investments - Beginning of Year	1,618,481	1,474,728
Cash and Temporary Investments - End of Year	1,579,672	1,618,481

Rural Municipality of Battle River No. 438
Schedule of Council Remuneration
For the year ended December 31, 2022

Schedule 10

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Stewart Mitchell	4,260		4,260
Councillor	Roland Radchenko	4,336		4,336
Councillor	Pat Scherman	3,335		3,335
Councillor	Jason Russell	3,090		3,090
Councillor	Allan Rumpf	2,670		2,670
Councillor	Robert Turpin	2,610		2,610
Councillor	Bob Frolek	2,850		2,850
Councillor	David Blais	4,060		4,060
Councillor	Jaden Jamieson	282		282
Total		27,493		27,493