

Sample Auditor Report

Auditor's Report

To Ministry of Government Relations and

{Insert full name of municipality}

Opinion

We have audited the Municipal Annual Expenditure Report (the "MAER") of the **{insert full name of municipality}** (the "Municipality") for the year ended December 31, 2024, prepared in accordance with the provisions of the Municipal Funding Agreement (the "Agreement") between the Province of Saskatchewan (Saskatchewan) and the Municipality.

In our opinion, the financial information in the MAER of the Municipality, for the year ended December 31, 20__, is prepared, in all material respects, in accordance with the provisions of the Agreement.

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 MAER section of our report. We are independent of the Municipality under the ethical requirements relevant to our audit of the MAER in Canada, and we have fulfilled our other ethical responsibilities under these requirements. We believe that the audit

evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1 of the Financial Statement, which describes the basis of accounting. The MAER is prepared to assist the Municipality to meet the requirements of the Agreement. As a result, the MAER may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management and Those Charged with Governance for the MAER

Management is responsible for preparing the MAER in accordance with the provisions of the Agreement, its compliance with the material provisions of the Agreement, and such internal control as management determines is necessary to enable the preparation of the MAER that is free from material misstatement, whether due to fraud or error.

Those charged with governance oversee the Municipality's financial reporting process.

Auditor's Responsibilities for the Audit of the MAER

Our objectives are to obtain reasonable assurance about whether the MAER is 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 based on this MAER.

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 MAER, 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 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 to design audit procedures that are appropriate

in the circumstances but not to express an opinion on the effectiveness of the Municipality's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, 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 material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the MAER 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 Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the MAER, including the disclosures, and whether the MAER represents 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.

Signed

Chartered Professional Accountants

City, Province

Date