

INDEPENDENT AUDITORS' REPORT

The Council  
Rural Municipality of Mervin No. 499  
Turtleford, Saskatchewan

We have audited the accompanying consolidated financial statements of the Rural Municipality of Mervin No. 499, which comprise the consolidated statement of financial position as at December 31, 2014, the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Rural Municipality of Mervin No. 499 as at December 31, 2014, and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Cameron Odishaw La Cock*  
Chartered Professional Accountants

North Battleford, Saskatchewan  
May 5, 2015

**Rural Municipality of Mervin No. 499  
Schedule of Council Remuneration  
For the year ended December 31, 2014**

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Tom Brown	8,990	579	9,569
Councillor Div. #1	Georgina Pilling	8,540	1,374	9,914
Councillor Div. #2	Lyle McKee	6,555	788	7,343
Councillor Div. #3	Alex McDonald	6,532	505	7,037
Councillor Div. #4	Charles Bodnar	7,019	1,063	8,082
Councillor Div. #5	Evelyn Bloom	7,436	1,123	8,559
Councillor Div. #6	Colin Davidson	6,554	2,157	8,711
Councillor Div. #6	Victor Hamm	1,797	248	2,045
<b>Total</b>		<b>53,423</b>	<b>7,837</b>	<b>61,260</b>

# R.M. of Mervin No. 499

## SYNOPSIS OF ANNUAL FINANCIAL STATEMENT

**Rural Municipality of Mervin No. 499  
Consolidated Statement of Financial Position  
As at December 31, 2014**

Statement 1

	2014	2013
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and Temporary Investments (Note 2)	6,927,070	4,246,606
Taxes Receivable - Municipal (Note 3)	278,275	244,506
Other Accounts Receivable (Note 4)	304,804	994,719
Land for Resale (Note 5)	42,013	41,839
Long-Term Investments (Note 6)	118,163	111,880
Other (Specify)		
<b>Total Financial Assets</b>	<b>7,670,325</b>	<b>5,639,550</b>
<b>LIABILITIES</b>		
Bank Indebtedness (Note 7)		
Accounts Payable	256,778	222,545
Accrued Liabilities Payable		
Deposits		
Deferred Revenue (Note 8)		
Accrued Landfill Costs (Note 9)		
Other Liabilities		
Long-Term Debt (Note 10)		
Lease Obligations (Note 11)		
<b>Total Liabilities</b>	<b>256,778</b>	<b>222,545</b>
<b>NET FINANCIAL ASSETS</b>	<b>7,413,547</b>	<b>5,417,005</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Schedule 6, 7)	19,520,156	19,633,042
Prepayments and Deferred Charges		
Stock and Supplies	322,580	668,722
Other (Note 12)	20	20
<b>Total Non-Financial Assets</b>	<b>19,842,756</b>	<b>20,301,784</b>
<b>Accumulated Surplus (Deficit) (Schedule 8)</b>	<b>27,256,303</b>	<b>25,718,789</b>

Rural Municipality of Mervin No. 499  
Consolidated Statement of Operations  
For the year ended December 31, 2014

Statement 2

	2014 Budget	2014	2013
<b>Revenues</b>			
Taxes and Other Unconditional Revenue (Schedule 1)	4,892,000	5,007,091	4,673,247
Fees and Charges (Schedule 4, 5)	418,000	746,696	407,461
Conditional Grants (Schedule 4, 5)	1,500	10,221	7,947
Tangible Capital Asset Sales - Gain (Schedule 4, 5)	20,000	3,098	(83,929)
Land Sales - Gain (Schedule 4, 5)	1,500	1,743	1,500
Investment Income and Commissions (Schedule 4, 5)	41,000	74,245	44,323
Other Revenues (Schedule 4, 5)	717,000	729,885	549,314
<b>Total Revenues</b>	<b>6,091,000</b>	<b>6,572,979</b>	<b>5,599,863</b>
<b>Expenses</b>			
General Government Services (Schedule 3)	828,282	790,052	743,997
Protective Services (Schedule 3)	161,900	142,410	146,180
Transportation Services (Schedule 3)	3,306,600	3,215,413	2,780,616
Environmental and Public Health Services (Schedule 3)	597,700	643,028	557,734
Planning and Development Services (Schedule 3)	122,250	124,828	131,573
Recreation and Cultural Services (Schedule 3)	75,000	55,798	72,359
Utility Services (Schedule 3)	141,000	137,609	138,067
<b>Total Expenses</b>	<b>5,232,732</b>	<b>5,109,138</b>	<b>4,570,526</b>
<b>Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions</b>	<b>858,268</b>	<b>1,463,841</b>	<b>1,029,337</b>
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	74,000	73,673	820,428
<b>Surplus (Deficit) of Revenues over Expenses</b>	<b>932,268</b>	<b>1,537,514</b>	<b>1,849,765</b>
Accumulated Surplus (Deficit), Beginning of Year	25,718,789	25,718,789	23,869,024
<b>Accumulated Surplus (Deficit), End of Year</b>	<b>26,651,057</b>	<b>27,256,303</b>	<b>25,718,789</b>

Rural Municipality of Mervin No. 499  
Consolidated Statement of Change in Net Financial Assets  
For the year ended December 31, 2014

Statement 3

	2014 Budget	2014	2013
<b>Surplus (Deficit)</b>	<b>932,268</b>	<b>1,537,514</b>	<b>1,849,765</b>
(Acquisition) of tangible capital assets		(1,048,009)	(3,313,912)
Amortization of tangible capital assets		1,132,596	1,117,066
Proceeds on disposal of tangible capital assets		31,397	128,568
Loss (gain) on the disposal of tangible capital assets		(3,098)	83,929
<b>Surplus (Deficit) of capital expenses over expenditures</b>		<b>112,886</b>	<b>(1,984,349)</b>
(Acquisition) of supplies inventories			
(Acquisition) of prepaid expense			
Consumption of supplies inventory		346,142	8,657
Use of prepaid expense			
<b>Surplus (Deficit) of expenses of other non-financial over expenditures</b>		<b>346,142</b>	<b>8,657</b>
<b>Increase/Decrease in Net Financial Assets</b>	<b>932,268</b>	<b>1,996,542</b>	<b>(125,927)</b>
Net Financial Assets - Beginning of Year	5,417,005	5,417,005	5,542,932
<b>Net Financial Assets - End of Year</b>	<b>6,349,273</b>	<b>7,413,547</b>	<b>5,417,005</b>

Rural Municipality of Mervin No. 499  
Consolidated Statement of Cash Flow  
For the year ended December 31, 2014

Statement 4

	2014	2013
<b>Cash provided by (used for) the following activities</b>		
<b>Operating:</b>		
Surplus (Deficit)	1,537,514	1,849,765
Amortization	1,132,596	1,117,066
Loss (gain) on disposal of tangible capital assets	(3,098)	83,929
	2,667,012	3,050,760
<b>Change in assets/liabilities</b>		
Taxes receivable - municipal	(33,769)	(37,382)
Other receivables	689,915	(816,310)
Land for resale	(174)	(27,365)
Other financial assets		
Accounts and accrued liabilities payable	34,233	36,372
Deposits		
Deferred revenue		
Accrued landfill costs		
Other liabilities		
Stock and supplies for use	346,142	8,657
Prepayments and deferred charges		
Other (specify)		
<b>Net cash from (used for) operations</b>	<b>3,703,359</b>	<b>2,214,732</b>
<b>Capital:</b>		
Acquisition of tangible capital assets	(1,048,009)	(3,313,912)
Proceeds from the disposal of tangible capital assets	31,397	128,568
Other capital		
<b>Net cash from (used for) capital</b>	<b>(1,016,612)</b>	<b>(3,185,344)</b>
<b>Investing:</b>		
Long-term investments	(6,283)	18,405
Other investments		
<b>Net cash from (used for) investing</b>	<b>(6,283)</b>	<b>18,405</b>
<b>Financing:</b>		
Long-term debt issued		
Long-term debt repaid		
Other financing		
<b>Net cash from (used for) financing</b>		
<b>Increase (Decrease) in cash resources</b>	<b>2,680,464</b>	<b>(952,207)</b>
Cash and Temporary Investments - Beginning of Year	4,246,606	5,198,813
<b>Cash and Temporary Investments - End of Year</b>	<b>6,927,070</b>	<b>4,246,606</b>