



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, 2016, 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' judgement, 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, 2016, and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

North Battleford, Saskatchewan
April 18, 2017

**Rural Municipality of Mervin No. 499
Schedule of Council Remuneration
For the year ended December 31, 2016**

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Tom Brown	11,778	1,129	12,907
Councillor Division 1	Georgina Pilling	10,496	1,921	12,417
Councillor Division 2	Lyle McKee	8,001	475	8,476
Councillor Division 3	Alex MacDonald	4,643		4,643
Councillor Division 3	Gordon Spencer	920	63	983
Councillor Division 4	Charles Bodnar	6,854	1,128	7,982
Councillor Division 5	Evelyn Bloom	6,982	1,363	8,345
Councillor Division 6	Victor Hamm	8,463	2,958	11,421
Total		58,137	9,037	67,174

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, 2016

Statement 1

	2016	2015
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	8,919,009	8,152,153
Taxes Receivable - Municipal (Note 3)	369,692	286,561
Other Accounts Receivable (Note 4)	229,303	177,662
Land for Resale (Note 5)	18,345	26,891
Long-Term Investments (Note 6)	120,609	117,960
Debt Charges Recoverable		
Other		
Total Financial Assets	9,656,958	8,761,227
LIABILITIES		
Bank Indebtedness		
Accounts Payable	652,799	227,469
Accrued Liabilities Payable		
Deposits		
Deferred Revenue		
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Long-Term Debt		
Lease Obligations		
Total Liabilities	652,799	227,469
NET FINANCIAL ASSETS (DEBT)	9,004,159	8,533,758
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 6, 7)	20,393,856	19,880,614
Prepayments and Deferred Charges		
Stock and Supplies	510,402	399,308
Other		
Total Non-Financial Assets	20,904,258	20,279,922
ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)	29,908,417	28,813,680

Rural Municipality of Mervin No. 499
Consolidated Statement of Operations
For the year ended December 31, 2016

Statement 2

	2016 Budget	2016	2015
REVENUES			
Taxes and Other Unconditional Revenue (Schedule 1)	5,205,000	5,390,478	5,556,186
Fees and Charges (Schedule 4, 5)	504,050	559,862	570,932
Conditional Grants (Schedule 4, 5)	4,000	6,943	9,290
Tangible Capital Asset Sales - Gain (Schedule 4, 5)		(132,009)	15,232
Land Sales - Gain (Schedule 4, 5)			1,500
Investment Income and Commissions (Schedule 4, 5)	64,000	64,575	83,169
Other Revenues (Schedule 4, 5)	541,900	661,662	614,510
Total Revenues	6,318,950	6,551,511	6,850,819
EXPENSES			
General Government Services (Schedule 3)	954,599	808,162	943,786
Protective Services (Schedule 3)	192,700	140,910	153,365
Transportation Services (Schedule 3)	3,947,360	3,474,685	3,245,217
Environmental and Public Health Services (Schedule 3)	816,840	720,868	707,246
Planning and Development Services (Schedule 3)	212,150	222,229	137,444
Recreation and Cultural Services (Schedule 3)	65,660	56,796	62,854
Utility Services (Schedule 3)	115,000	106,074	113,053
Total Expenses	6,304,309	5,529,724	5,362,965
Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions	14,641	1,021,787	1,487,854
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	73,000	72,950	69,523
Surplus (Deficit) of Revenues over Expenses	87,641	1,094,737	1,557,377
Accumulated Surplus (Deficit), Beginning of Year	28,813,680	28,813,680	27,256,303
Accumulated Surplus (Deficit), End of Year	28,901,321	29,908,417	28,813,680

Rural Municipality of Mervin No. 499
Consolidated Statement of Change in Net Financial Assets
For the year ended December 31, 2016

Statement 3

	2016 Budget	2016	2015
Surplus (Deficit)	87,641	1,094,737	1,557,377
(Acquisition) of tangible capital assets		(2,111,487)	(1,573,982)
Amortization of tangible capital assets		1,158,876	1,154,397
Proceeds on disposal of tangible capital assets		307,360	74,359
Loss (gain) on the disposal of tangible capital assets		132,009	(15,232)
Surplus (Deficit) of capital expenses over expenditures		(513,242)	(360,458)
(Acquisition) of supplies inventories		(111,094)	(76,728)
(Acquisition) of prepaid expense			
Consumption of supplies inventory			
Use of prepaid expense			
Surplus (Deficit) of expenses of other non-financial over expenditures		(111,094)	(76,728)
Increase/Decrease in Net Financial Assets	87,641	470,401	1,120,191
Net Financial Assets (Debt) - Beginning of Year	8,533,758	8,533,758	7,413,567
Net Financial Assets (Debt) - End of Year	8,621,399	9,004,159	8,533,758

Rural Municipality of Mervin No. 499
Consolidated Statement of Cash Flow
For the year ended December 31, 2016

Statement 4

	2016	2015
Cash provided by (used for) the following activities		
Operating:		
Surplus (Deficit)	1,094,737	1,557,377
Amortization	1,158,876	1,154,397
Loss (gain) on disposal of tangible capital assets	132,009	(15,232)
	2,385,622	2,696,542
Change in assets/liabilities		
Taxes receivable - municipal	(83,131)	(8,286)
Other receivables	(51,641)	127,142
Land for resale	8,546	15,122
Other financial assets		
Accounts and accrued liabilities payable	425,330	(29,309)
Deposits		
Deferred revenue		
Accrued landfill costs		
Liability for contaminated sites		
Other liabilities		
Stock and supplies	(111,094)	(76,728)
Prepayments and deferred charges		
Other (Specify)		
Cash provided by operating transactions	2,573,632	2,724,483
Capital:		
Acquisition of tangible capital assets	(2,111,487)	(1,573,982)
Proceeds from the disposal of tangible capital assets	307,360	74,359
Other capital		
Cash applied to capital transactions	(1,804,127)	(1,499,623)
Investing:		
Long-term investments	(2,649)	223
Other investments		
Cash provided by (applied to) investing transactions	(2,649)	223
Financing:		
Debt charges recovered		
Long-term debt issued		
Long-term debt repaid		
Other financing		
Cash provided by (applied to) financing transactions		
Change in Cash and Temporary Investments during the year	766,856	1,225,083
Cash and Temporary Investments - Beginning of Year	8,152,153	6,927,070
Cash and Temporary Investments - End of Year	8,919,009	8,152,153