



**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, 2017, 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, 2017, 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  
June 12, 2018

**Rural Municipality of Mervin No. 499  
Schedule of Council Remuneration  
For the year ended December 31, 2017**

Position	Name	Remuneration	Reimbursed Costs	Total
Reeve	Tom Brown	6,928	3,464	10,392
Councillor Division 1	Georgina Pilling	5,960	2,980	8,940
Councillor Division 2	Lyle McKee	4,657	2,328	6,985
Councillor Division 3	Gordon Spencer	4,240	2,120	6,360
Councillor Division 4	Charles Bodnar	4,635	2,317	6,952
Councillor Division 5	Evelyn Bloom	5,540	2,770	8,310
Councillor Division 6	Victor Hamm	4,497	2,248	6,745
<b>Total</b>		<b>36,457</b>	<b>18,227</b>	<b>54,684</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, 2017**

Statement 1

	2017	2016
<b>FINANCIAL ASSETS</b>		
Cash and Temporary Investments (Note 2)	9,824,542	8,919,009
Taxes Receivable - Municipal (Note 3)	442,978	369,692
Other Accounts Receivable (Note 4)	188,017	229,303
Land for Resale (Note 5)	18,345	18,345
Long-Term Investments (Note 6)	123,159	120,609
Debt Charges Recoverable		
Other		
<b>Total Financial Assets</b>	<b>10,597,041</b>	<b>9,656,958</b>
<b>LIABILITIES</b>		
Bank Indebtedness		
Accounts Payable	492,771	652,799
Accrued Liabilities Payable		
Deposits		
Deferred Revenue		
Accrued Landfill Costs		
Liability for Contaminated Sites		
Other Liabilities		
Long-Term Debt		
Lease Obligations		
<b>Total Liabilities</b>	<b>492,771</b>	<b>652,799</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>10,104,270</b>	<b>9,004,159</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Schedule 6, 7)	21,446,087	20,393,856
Prepayments and Deferred Charges		
Stock and Supplies	376,982	510,402
Other		
<b>Total Non-Financial Assets</b>	<b>21,823,069</b>	<b>20,904,258</b>
<b>ACCUMULATED SURPLUS (DEFICIT) (Schedule 8)</b>	<b>31,927,339</b>	<b>29,908,417</b>

Rural Municipality of Mervin No. 499  
Consolidated Statement of Operations  
For the year ended December 31, 2017

Statement 2

	2017 Budget	2017	2016
<b>REVENUES</b>			
Taxes and Other Unconditional Revenue (Schedule 1)	5,450,500	5,287,141	5,390,478
Fees and Charges (Schedule 4, 5)	1,461,000	1,624,660	559,862
Conditional Grants (Schedule 4, 5)	5,000	20,633	6,943
Tangible Capital Asset Sales - Gain (Schedule 4, 5)		(108,528)	(132,009)
Land Sales - Gain (Schedule 4, 5)			
Investment Income and Commissions (Schedule 4, 5)	48,500	64,664	64,575
Other Revenues (Schedule 4, 5)	626,600	606,330	661,662
<b>Total Revenues</b>	<b>7,591,600</b>	<b>7,494,900</b>	<b>6,551,511</b>

<b>EXPENSES</b>			
General Government Services (Schedule 3)	907,159	852,909	808,162
Protective Services (Schedule 3)	192,350	150,212	140,910
Transportation Services (Schedule 3)	4,040,648	3,369,329	3,474,685
Environmental and Public Health Services (Schedule 3)	882,360	724,994	720,868
Planning and Development Services (Schedule 3)	239,550	220,277	222,229
Recreation and Cultural Services (Schedule 3)	125,500	121,212	56,796
Utility Services (Schedule 3)	108,000	111,464	106,074
<b>Total Expenses</b>	<b>6,495,567</b>	<b>5,550,397</b>	<b>5,529,724</b>

<b>Surplus (Deficit) of Revenues over Expenses before Other Capital Contributions</b>	<b>1,096,033</b>	<b>1,944,503</b>	<b>1,021,787</b>
Provincial/Federal Capital Grants and Contributions (Schedule 4, 5)	77,000	74,419	72,950
<b>Surplus (Deficit) of Revenues over Expenses</b>	<b>1,173,033</b>	<b>2,018,922</b>	<b>1,094,737</b>
<b>Accumulated Surplus (Deficit), Beginning of Year</b>	<b>29,908,417</b>	<b>29,908,417</b>	<b>28,813,680</b>
<b>Accumulated Surplus (Deficit), End of Year</b>	<b>31,081,450</b>	<b>31,927,339</b>	<b>29,908,417</b>

Rural Municipality of Mervin No. 499  
Consolidated Statement of Change in Net Financial Assets  
For the year ended December 31, 2017

Statement 3

	2017 Budget	2017	2016
<b>Surplus (Deficit)</b>	<b>1,173,033</b>	<b>2,018,922</b>	<b>1,094,737</b>
(Acquisition) of tangible capital assets		(2,480,041)	(2,111,487)
Amortization of tangible capital assets		1,190,582	1,158,876
Proceeds on disposal of tangible capital assets		128,700	307,360
Loss (gain) on the disposal of tangible capital assets		108,528	132,009
<b>Surplus (Deficit) of capital expenses over expenditures</b>		<b>(1,052,231)</b>	<b>(513,242)</b>
(Acquisition) of supplies inventories		133,420	(111,094)
(Acquisition) of prepaid expense			
Consumption of supplies inventory			
Use of prepaid expense			
<b>Surplus (Deficit) of expenses of other non-financial over expenditures</b>		<b>133,420</b>	<b>(111,094)</b>
<b>Increase/Decrease in Net Financial Assets</b>	<b>1,173,033</b>	<b>1,100,111</b>	<b>470,401</b>
<b>Net Financial Assets (Debt) - Beginning of Year</b>	<b>9,004,159</b>	<b>9,004,159</b>	<b>8,533,758</b>
<b>Net Financial Assets (Debt) - End of Year</b>	<b>10,177,192</b>	<b>10,104,270</b>	<b>9,004,159</b>

Rural Municipality of Mervin No. 499  
Consolidated Statement of Cash Flow  
For the year ended December 31, 2017

Statement 4

	2017	2016
<b>Cash provided by (used for) the following activities</b>		
<b>Operating:</b>		
Surplus (Deficit)	2,018,922	1,094,737
Amortization	1,190,582	1,158,876
Loss (gain) on disposal of tangible capital assets	108,528	132,009
	<b>3,318,032</b>	<b>2,385,622</b>

Change in assets/liabilities

Taxes receivable - municipal	(73,286)	(83,131)
Other receivables	41,286	(51,641)
Land for resale		8,546
Other financial assets		
Accounts and accrued liabilities payable	(160,028)	425,330
Deposits		
Deferred revenue		
Accrued landfill costs		
Liability for contaminated sites		
Other liabilities		
Stock and supplies	133,420	(111,094)
Prepayments and deferred charges		
Other (Specify)		
	<b>3,259,424</b>	<b>2,573,632</b>

**Cash provided by operating transactions**

**Capital:**

Acquisition of tangible capital assets	(2,480,041)	(2,111,487)
Proceeds from the disposal of tangible capital assets	128,700	307,360
Other capital		
<b>Cash applied to capital transactions</b>	<b>(2,351,341)</b>	<b>(1,804,127)</b>

**Investing:**

Long-term investments	(2,550)	(2,649)
Other investments		
<b>Cash provided by (applied to) investing transactions</b>	<b>(2,550)</b>	<b>(2,649)</b>

**Financing:**

Debt charges recovered		
Long-term debt issued		
Long-term debt repaid		
Other financing		
<b>Cash provided by (applied to) financing transactions</b>		

**Change in Cash and Temporary Investments during the year**

	<b>905,533</b>	<b>766,856</b>
<b>Cash and Temporary Investments - Beginning of Year</b>	<b>8,919,009</b>	<b>8,152,153</b>
<b>Cash and Temporary Investments - End of Year</b>	<b>9,824,542</b>	<b>8,919,009</b>